

# Jerónimo Martins

## CONSOLIDATED REPORT AND ACCOUNTS

FIRST NINE MONTHS

# 2022

Unaudited

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## Message from the Chairman and CEO

### Pedro Soares dos Santos

"Food inflation, which we detected as early as last year, increased substantially with the Ukraine war, which also contributed to an energy crisis.

With sharp rises in food and energy prices reducing households' purchasing power, we decided, across all Group's Companies, to contain, as much as possible, the rise in prices in our stores, accepting a reduction in margins as a percentage of sales.

The nine months' results reflect this decision and the agility and assertiveness of our banners that ended the period with stronger market positions and heavy store traffic. In Poland, where the impact of the Ukraine war is acutely felt, we recognized the effectiveness and productivity of our operational teams with an extraordinary award of 22 million euros.

With two months until year-end, the geopolitical instability and the supply-chain constraints resulting from the pandemic make the outlook on food, energy, and fuel prices very uncertain. These prices will have a large impact on consumption in a winter that is expected to be one of the hardest of the last decades.

In this context, supported by the Group's strong financial position, our banners' priorities remain clear and firm: to guarantee price leadership and to continue to deserve the trust of our consumers and business partners.'

I - CONSOLIDATED MANAGEMENT REPORT

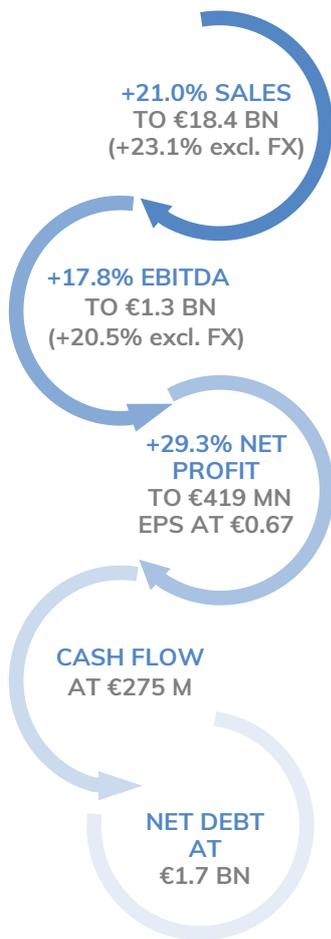
Price Investment Drives Sales and Limits Impact of Cost Inflation on Results

1. Performance Overview & Key Drivers

Generalised price increases associated with food and energy crisis continued to impact the international landscape and the three countries where we operate.

Aware of the negative impact of inflation on households' living standards, all our banners reinforced their commercial dynamics. They absorbed part of the increases in purchase prices paid to suppliers, investing in creating savings opportunities for consumers and strengthening competitiveness. This strategy resulted in solid sales growth that protected profitability.

9M | KEY FIGURES



In Poland, food consumption remained resilient throughout the period. **Biedronka** strengthened its price leadership and continued to earn the recognition of consumers, leading sales to grow, in local currency, 23.0% in the 9M (+26.4% in Q3).

**Hebe** recovered strongly from previous years when the pandemic impacted performance. Our Health and Beauty banner recorded, in the 9M, 33.6% sales growth in local currency (+31.6% in Q3). Online sales represented c.14% of the total.

In Portugal, operating in an increasingly challenging context for families, **Pingo Doce** kept its promotional assertiveness and grew sales by 10.3% (+13.4% in Q3). **Recheio** worked to make the most of the upturn in tourism and recorded sales growth of 28.8% (+28.6% in Q3).

In Colombia, consumption was heavily impacted by food inflation which remained above 20%. **Ara** consistently invested in price, responding to a clear need for families to have access to value opportunities, and grew local currency sales by 66.2% (+60.0% in Q3). Given the strong sales growth, Ara decided to accelerate its expansion and increase the number of stores it seeks to open in the current year from 180 to 230-250.

Our banners' focus on volume growth resulted in a Group EBITDA increase of 17.8%, with the respective margin at 7.3% vs. 7.5% in 9M 21. In Q3, the EBITDA margin was 7.6%, lower than the 8.1% in Q3 21 due to further price investments and higher cost inflation.

The strength of the Group's Balance Sheet is particularly relevant in times of high uncertainty like the ones we are living. At the end of the period, the net cash position (excluding capitalized operating lease liabilities) was 763 million euros.

## 2. Performance Analysis by Banner

### POLAND

In Poland, food inflation increased progressively over the nine months, reaching an average of 13.2% (+17.4% in Q3).

Despite Poland's increasingly cautious and price-sensitive consumer, food consumption expenditures recorded a solid evolution, growing above food inflation.

The effect of the number of Ukrainian refugees remaining in Poland together with the support package implemented by the Polish government contributed to this performance. This package sought to limit the impact on consumption, of increases in food and energy prices and rises in interest rates.

Biedronka LFL



Biedronka has focused on containing food inflation, ensuring the competitiveness of shelf prices, and implementing relevant campaigns for the consumers.

In the first nine months of the year, sales in local currency, grew by 23.0%, with LFL of 19.5%. In euros, sales reached 12.7 billion, 19.7% above 9M 21. The performance recorded in the period also reflects higher inflation in the basket.

In Q3 22, sales in local currency grew by 26.4%, with LFL of 23.3%. In euros, sales reached 4.4 billion, 21.6% higher than in Q3 21.

The solid sales delivery resulted in EBITDA growth of 15.1% (+18.3% in local currency), with the respective margin standing at 8.8% (9.1% in 9M 21). The reduction in the EBITDA margin that in Q3 was at c.50b.p., reflects price

investments in a context of progressive and significant cost increases, particularly in electricity and fuel.

In line with its investment programme, Biedronka opened 65 stores in the period (54 net additions), remodelled 252 locations, and inaugurated a new distribution centre.

Hebe LFL



Hebe recorded strong sales growth that benefitted from the previous year's low base, still affected by restrictions related to the pandemic.

In local currency, the banner grew sales by 33.6%, with LFL at 26.4%.

In euros, sales reached 252 million, 29.9% above 9M 21.

In Q3 22, sales grew by 31.6% (+26.7% in euros) with LFL at 25.7%.

The good sales performance improved operating leverage, boosting EBITDA to reach 20 million euros (11 million euros in 9M 21) and the respective margin to increase from 5.7% in 9M 21 to 8.0% in 9M 22.

Hebe opened 13 stores in the period (9 net additions).

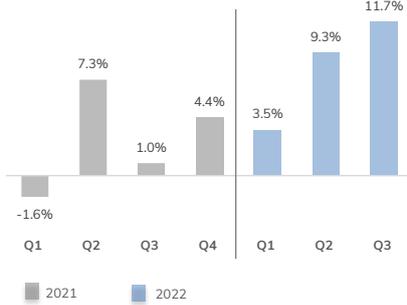
### PORTUGAL

In Portugal, food inflation increased significantly, reaching 10.8% in the 9M (15.2% in Q3).

The pressure of generalized price increases on households' disposable income led to negative volume performance in retail food sales and an increased trading down.

On the other hand, the strong recovery of tourism was consistent throughout the 9M, underpinning a solid performance of the HoReCa sector.

**Pingo Doce LFL (excl. fuel)**

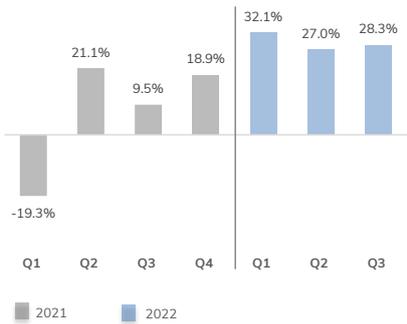


Pingo Doce maintained an intense promotional dynamic, working to create valuable opportunities to help families cope with a deterioration in purchasing power.

Sales grew by 10.3% (+13.4% in Q3) to reach 3.3 billion euros, with LFL, excluding fuel, at 8.3% (+11.7% in Q3). This performance includes both inflation in the basket and increasing pressure from trading down.

During the period, Pingo Doce opened 7 new stores (4 net additions) and remodelled 25 locations.

**Recheio LFL**



Over the nine months, Recheio's performance reflected the banner's determination and competitiveness which allowed it to benefit from the strong HoReCa evolution driven by the tourism recovery.

Sales reached 850 million euros, 28.8% above 9M 21 (+28.6% in Q3), with LFL at 28.9% (+28.3% in Q3), helped by a favourable comparable impacted by pandemic-related restrictions.

In September, Recheio opened a new store in Cascais, improving its service to the HoReCa sector in the area.

Distribution Portugal's EBITDA amounted to 241 million euros, 12.5% above 9M 21. The respective margin was 5.9%, in line with the 9M 21.

In Q3, the EBITDA margin was pressured by price investment and a substantial increase in electricity costs.

**COLOMBIA**

In Colombia, consumer behaviour reflected, through contracting volumes and trading down, the impact of high food inflation which reached 24.1% in the 9M (25.6% in Q3 22).

**Ara LFL**



Ara reinforced its low-price positioning and its promotional dynamics, guaranteeing consumer recognition in a challenging context for Colombian families.

Sales in local currency, grew by 66.2% in the 9M, including LFL at 40.2%. In euros, sales reached 1.3 billion, 70.4% above 9M 21.

In Q3 22, sales increased by 60.0% (+64.4% in euros), with LFL at 33.6%.

The banner's EBITDA amounted to 42 million euros (versus 15 million euros in 9M 21). The respective increase in margin, from 2.0% in 9M 21 to 3.3% in 9M 22, reflected the positive effect of the strong sales performance on operating leverage.

Ara opened 86 stores in the period (85 net additions). Driven by a good, consistent sales performance, the Company updated its expansion plan. It now expects to end 2022 with 230-250 new stores.

### 3. Consolidated Financial Information Analysis

#### Consolidated Results

(€ Million)	9M 22			9M 21			Q3 22			Q3 21		
			Δ			Δ					Δ	
<b>Net Sales and Services</b>	<b>18,392</b>		<b>21.0%</b>	<b>15,206</b>		<b>21.0%</b>	<b>6,509</b>		<b>5,304</b>		<b>22.7%</b>	
Gross Profit	3,887	21.1%	18.2%	3,289	21.6%	18.2%	1,380	21.2%	1,156	21.8%	19.4%	
Operating Costs	-2,540	-13.8%	18.4%	-2,145	-14.1%	18.4%	-884	-13.6%	-726	-13.7%	21.7%	
<b>EBITDA</b>	<b>1,348</b>	<b>7.3%</b>	<b>17.8%</b>	<b>1,144</b>	<b>7.5%</b>	<b>17.8%</b>	<b>496</b>	<b>7.6%</b>	<b>429</b>	<b>8.1%</b>	<b>15.6%</b>	
Depreciation	-581	-3.2%	4.5%	-556	-3.7%	4.5%	-196	-3.0%	-185	-3.5%	5.9%	
<b>EBIT</b>	<b>766</b>	<b>4.2%</b>	<b>30.4%</b>	<b>588</b>	<b>3.9%</b>	<b>30.4%</b>	<b>301</b>	<b>4.6%</b>	<b>244</b>	<b>4.6%</b>	<b>23.0%</b>	
Net Financial Costs	-135	-0.7%	13.0%	-119	-0.8%	13.0%	-50	-0.8%	-45	-0.9%	9.7%	
Gains in Joint Ventures and Associates	0	0.0%	n.a.	0	0.0%	n.a.	0	0.0%	0	0.0%	n.a.	
Other Profits/Losses	-56	-0.3%	n.a.	-7	0.0%	n.a.	-31	-0.5%	-2	0.0%	n.a.	
<b>EBT</b>	<b>576</b>	<b>3.1%</b>	<b>24.9%</b>	<b>461</b>	<b>3.0%</b>	<b>24.9%</b>	<b>220</b>	<b>3.4%</b>	<b>198</b>	<b>3.7%</b>	<b>11.5%</b>	
Income Tax	-139	-0.8%	15.6%	-120	-0.8%	15.6%	-53	-0.8%	-50	-0.9%	6.3%	
<b>Net Profit</b>	<b>437</b>	<b>2.4%</b>	<b>28.1%</b>	<b>341</b>	<b>2.2%</b>	<b>28.1%</b>	<b>167</b>	<b>2.6%</b>	<b>147</b>	<b>2.8%</b>	<b>13.3%</b>	
Non-Controlling Interests	-19	-0.1%	6.6%	-18	-0.1%	6.6%	-10	-0.2%	-10	-0.2%	-1.8%	
<b>Net Profit Attributable to JM</b>	<b>419</b>	<b>2.3%</b>	<b>29.3%</b>	<b>324</b>	<b>2.1%</b>	<b>29.3%</b>	<b>157</b>	<b>2.4%</b>	<b>137</b>	<b>2.6%</b>	<b>14.4%</b>	
EPS (€)	0.67		29.3%	0.52		29.3%	0.25		0.22		14.4%	
EPS without Other Profits/Losses (€)	0.74		41.0%	0.52		41.0%	0.29		0.22		31.2%	

Net Financial Expenses were -135 million euros versus -119 million euros in 9M 21. This year's amount includes currency translation losses of -17 million euros related to value adjustments on capitalised operating lease liabilities in Poland, denominated in euros (-4 million euros in 9M 21).

#### Balance Sheet

(€ Million)	9M 22	2021	9M 21
Net Goodwill	603	618	616
Net Fixed Assets	4,257	4,159	3,951
Net Rights of Use (RoU)	2,248	2,221	2,139
Total Working Capital	-3,233	-3,290	-2,867
Others	183	145	167
<b>Invested Capital</b>	<b>4,058</b>	<b>3,852</b>	<b>4,006</b>
Total Borrowings	470	460	492
Financial Leases	36	22	20
Capitalised Operating Leases	2,427	2,365	2,276
Accrued Interest	3	0	0
Cash and Cash Equivalents	-1,272	-1,527	-1,167
<b>Net Debt</b>	<b>1,664</b>	<b>1,320</b>	<b>1,621</b>
Non-Controlling Interests	255	254	250
Share Capital	629	629	629
Reserves and Retained Earnings	1,510	1,649	1,506
<b>Shareholders Funds</b>	<b>2,394</b>	<b>2,532</b>	<b>2,386</b>

The Group registered a net cash position (excluding capitalised operating lease liabilities) of 763 million euros by the end of September 2022.

#### Cash Flow

(€ Million)	9M 22	9M 21
EBITDA	1,348	1,144
Capitalised Operating Leases Payment	-221	-208
Interest Payment	-114	-110
Other Financial Items	0	0
Income Tax	-157	-149
<b>Funds From Operations</b>	<b>855</b>	<b>677</b>
Capex Payment	-626	-429
Change in Working Capital	100	96
Others	-54	-6
<b>Cash Flow</b>	<b>275</b>	<b>339</b>

**Capex**

(€ Million)	9M 22	Weight	9M 21	Weight
Biedronka	292	51%	239	66%
Distribution Portugal	151	26%	67	18%
Ara	89	15%	33	9%
Others	45	8%	26	7%
<b>Total CAPEX</b>	<b>577</b>	<b>100%</b>	<b>364</b>	<b>100%</b>

The Investment Programme reached 577 million euros in the period, of which 51% were channelled to Biedronka.

**4. Outlook 2022**

There is significant uncertainty about the evolution of the Ukraine war and the persistent impacts of the Covid-19 pandemic on global supply chains.

Inflationary pressures on food, energy, and transport increased since the beginning of the military conflict and were accentuated in Q3. In addition, the volatility of Eastern European and LatAm currencies has increased.

With rising inflation and interest rates pressuring disposable household incomes and consumer confidence, it is even more critical for all Group's banners to maintain price competitiveness and create additional saving opportunities through promotional activities.

The effort to contain prices will continue in a context where cost inflation will further pressure our banners' percent margins.

Reflecting Ara's more ambitious expansion plan (230-250 new stores instead of 180) and the higher cost of construction and equipment in the three countries, this year's investment programme should reach c.950 million euros.

Lisbon, 25 October 2022

**The Board of Directors**

## 5. Management Report Appendix

### 5.1. The impact of IFRS 16 on Financial Statements

#### Income Statement by Functions

(€ Million)	IFRS16		Excl. IFRS16	
	9M 22	9M 21	9M 22	9M 21
Net Sales and Services	18,392	15,206	18,392	15,206
Cost of Sales	-14,505	-11,917	-14,505	-11,917
<b>Gross Profit</b>	<b>3,887</b>	<b>3,289</b>	<b>3,887</b>	<b>3,289</b>
Distribution Costs	-2,824	-2,442	-2,901	-2,509
Administrative Costs	-297	-260	-298	-261
Other Operating Profits/Losses	-56	-8	-56	-8
<b>Operating Profit</b>	<b>711</b>	<b>580</b>	<b>632</b>	<b>512</b>
Net Financial Costs	-135	-119	-16	-19
Gains/Losses in Other Investments	0	0	0	0
Gains in Joint Ventures and Associates	0	0	0	0
<b>Profit Before Taxes</b>	<b>576</b>	<b>461</b>	<b>616</b>	<b>493</b>
Income Tax	-139	-120	-145	-125
<b>Profit Before Non Controlling Interests</b>	<b>437</b>	<b>341</b>	<b>471</b>	<b>369</b>
Non-Controlling Interests	-19	-18	-20	-19
<b>Net Profit Attributable to JM</b>	<b>419</b>	<b>324</b>	<b>451</b>	<b>349</b>

#### Income Statement (Management View)

(€ Million)	(Excl. IFRS16)					(Excl. IFRS16)				
	9M 22		9M 21		Δ	Q3 22		Q3 21		Δ
Net Sales and Services	18,392		15,206		21.0%	6,509		5,304		22.7%
Gross Profit	3,887	21.1%	3,289	21.6%	18.2%	1,380	21.2%	1,156	21.8%	19.4%
Operating Costs	-2,864	-15.6%	-2,450	-16.1%	16.9%	-993	-15.3%	-829	-15.6%	19.8%
<b>EBITDA</b>	<b>1,023</b>	<b>5.6%</b>	<b>840</b>	<b>5.5%</b>	<b>21.8%</b>	<b>388</b>	<b>6.0%</b>	<b>327</b>	<b>6.2%</b>	<b>18.6%</b>
Depreciation	-335	-1.8%	-320	-2.1%	4.7%	-114	-1.7%	-106	-2.0%	7.1%
<b>EBIT</b>	<b>688</b>	<b>3.7%</b>	<b>519</b>	<b>3.4%</b>	<b>32.4%</b>	<b>274</b>	<b>4.2%</b>	<b>221</b>	<b>4.2%</b>	<b>24.1%</b>
Net Financial Costs	-16	-0.1%	-19	-0.1%	-14.9%	-4	-0.1%	-6	-0.1%	-29.1%
Gains in Joint Ventures and Associates	0	0.0%	0	0.0%	n.a.	0	0.0%	0	0.0%	n.a.
Other Profits/Losses	-56	-0.3%	-7	0.0%	n.a.	-31	-0.5%	-2	0.0%	n.a.
<b>EBT</b>	<b>616</b>	<b>3.4%</b>	<b>493</b>	<b>3.2%</b>	<b>24.9%</b>	<b>239</b>	<b>3.7%</b>	<b>213</b>	<b>4.0%</b>	<b>12.1%</b>
Income Tax	-145	-0.8%	-125	-0.8%	16.0%	-56	-0.9%	-53	-1.0%	6.9%
<b>Net Profit</b>	<b>471</b>	<b>2.6%</b>	<b>369</b>	<b>2.4%</b>	<b>27.9%</b>	<b>183</b>	<b>2.8%</b>	<b>161</b>	<b>3.0%</b>	<b>13.8%</b>
Non-Controlling Interests	-20	-0.1%	-19	-0.1%	4.8%	-10	-0.2%	-11	-0.2%	-2.0%
<b>Net Profit Attributable to JM</b>	<b>451</b>	<b>2.5%</b>	<b>349</b>	<b>2.3%</b>	<b>29.2%</b>	<b>172</b>	<b>2.6%</b>	<b>150</b>	<b>2.8%</b>	<b>14.9%</b>
EPS (€)	0.72		0.56		29.2%	0.27		0.24		14.9%
EPS without Other Profits/Losses (€)	0.79		0.56		40.1%	0.31		0.24		30.3%

#### Balance Sheet

(€ Million)	(Excl. IFRS16)		
	9M 22	2021	9M 21
Net Goodwill	603	618	616
Net Fixed Assets	4,257	4,159	3,951
Total Working Capital	-3,229	-3,287	-2,863
Others	155	121	144
<b>Invested Capital</b>	<b>1,786</b>	<b>1,611</b>	<b>1,849</b>
Total Borrowings	470	460	492
Financial Leases	36	22	20
Accrued Interest	3	0	0
Cash and Cash Equivalents	-1,272	-1,527	-1,167
<b>Net Debt</b>	<b>-763</b>	<b>-1,046</b>	<b>-655</b>
Non-Controlling Interests	266	262	258
Share Capital	629	629	629
Reserves and Retained Earnings	1,654	1,765	1,617
<b>Shareholders Funds</b>	<b>2,548</b>	<b>2,657</b>	<b>2,505</b>

**Cash Flow**

(€ Million)	(Excl. IFRS16)	
	9M 22	9M 21
EBITDA	1,023	840
Interest Payment	-12	-13
Other Financial Items	0	0
Income Tax	-157	-149
<b>Funds From Operations</b>	<b>854</b>	<b>677</b>
Capex Payment	-626	-429
Change in Working Capital	99	96
Others	-52	-5
<b>Cash Flow</b>	<b>275</b>	<b>339</b>

**EBITDA Breakdown**

(€ Million)	IFRS16				Excl. IFRS16			
	9M 22	Mg	9M 21	Mg	9M 22	Mg	9M 21	Mg
Biedronka	1,119	8.8%	972	9.1%	899	7.1%	764	7.2%
Hebe	20	8.0%	11	5.7%	2	0.7%	-6	n.a.
Distribution Portugal	241	5.9%	214	5.9%	187	4.6%	162	4.5%
Ara	42	3.3%	15	2.0%	11	0.9%	-10	n.a.
Others & Cons. Adjustments	-74	n.a.	-68	n.a.	-76	n.a.	-70	n.a.
<b>JM Consolidated</b>	<b>1,348</b>	<b>7.3%</b>	<b>1,144</b>	<b>7.5%</b>	<b>1,023</b>	<b>5.6%</b>	<b>840</b>	<b>5.5%</b>

**Financial Results**

(€ Million)	IFRS16		Excl. IFRS16	
	9M 22	9M 21	9M 22	9M 21
Net Interest	-11	-13	-11	-13
Interests on Capitalised Operating Leases	-102	-96	-	-
Exchange Differences	-17	-7	-1	-3
Others	-5	-3	-5	-3
<b>Net Financial Costs</b>	<b>-135</b>	<b>-119</b>	<b>-16</b>	<b>-19</b>

**5.2. Sales Detail**

(€ Million)	9M 22		9M 21		Δ %		Q3 22		Q3 21		Δ %	
	% total	% total	% total	% total	excl. FX	Euro	% total	% total	% total	% total	excl. FX	Euro
Biedronka	12,726	69.2%	10,630	69.9%	23.0%	19.7%	4,437	68.2%	3,649	68.8%	26.4%	21.6%
Hebe	252	1.4%	194	1.3%	33.6%	29.9%	89	1.4%	71	1.3%	31.6%	26.7%
Pingo Doce	3,259	17.7%	2,956	19.4%	10.3%	10.3%	1,173	18.0%	1,034	19.5%	13.4%	13.4%
Recheio	850	4.6%	660	4.3%	28.8%	28.8%	337	5.2%	262	4.9%	28.6%	28.6%
Ara	1,291	7.0%	758	5.0%	66.2%	70.4%	467	7.2%	284	5.4%	60.0%	64.4%
Others & Cons. Adjustments	14	0.1%	9	0.1%	64.8%	64.8%	6	0.1%	4	0.1%	30.6%	30.6%
<b>Total JM</b>	<b>18,392</b>	<b>100%</b>	<b>15,206</b>	<b>100%</b>	<b>23.1%</b>	<b>21.0%</b>	<b>6,509</b>	<b>100%</b>	<b>5,304</b>	<b>100%</b>	<b>25.8%</b>	<b>22.7%</b>

## Sales Growth

	Total Sales Growth					LFL Growth				
	Q1 22	Q2 22	H1 22	Q3 22	9M 22	Q1 22	Q2 22	H1 22	Q3 22	9M 22
Biedronka										
Euro	13.4%	23.7%	18.7%	21.6%	19.7%					
PLN	15.4%	26.9%	21.3%	26.4%	23.0%	12.2%	22.5%	17.5%	23.3%	19.5%
Hebe										
Euro	25.9%	36.9%	31.8%	26.7%	29.9%					
PLN	28.0%	40.4%	34.7%	31.6%	33.6%	20.8%	32.2%	26.9%	25.7%	26.4%
Pingo Doce	6.0%	10.9%	8.5%	13.4%	10.3%	4.7%	9.9%	7.4%	11.7%	8.9%
Excl. Fuel	4.8%	10.3%	7.7%	13.5%	9.7%	3.5%	9.3%	6.5%	11.7%	8.3%
Recheio	31.6%	26.8%	28.9%	28.6%	28.8%	32.1%	27.0%	29.3%	28.3%	28.9%
Ara										
Euro	61.3%	86.8%	74.1%	64.4%	70.4%					
COP	65.0%	74.9%	70.1%	60.0%	66.2%	39.5%	48.9%	44.3%	33.6%	40.2%
<b>Total JM</b>										
Euro	15.2%	24.5%	20.0%	22.7%	21.0%					
Excl. FX	16.8%	26.2%	21.7%	25.8%	23.1%	13.0%	21.6%	17.5%	21.9%	19.0%

## 5.3. Stores Network

Number of Stores	2021	Openings			Closings		9M 22	9M 21
		Q1 22	Q2 22	Q3 22	9M 22	9M 21		
Biedronka *	3,250	16	24	25	11	3,304	3,174	
Hebe	291	3	5	5	4	300	284	
Pingo Doce	465	2	1	4	3	469	458	
Recheio	42	0	0	1	0	43	42	
Ara	819	14	43	29	1	904	727	

Sales Area (sqm)	2021	Openings			Closings / Remodellings		9M 22	9M 21
		Q1 22	Q2 22	Q3 22	9M 22	9M 21		
Biedronka *	2,241,562	11,030	17,120	16,729	-10,644	2,297,085	2,180,520	
Hebe	75,164	760	1,193	1,197	1,048	77,266	73,565	
Pingo Doce	535,847	2,093	1,000	6,376	-2,878	548,194	527,300	
Recheio	134,321	0	0	5,060	0	139,381	134,321	
Ara	278,547	4,622	15,535	11,471	522	309,653	246,119	

\* Excluding the stores and selling area related to 15 Micro Fulfillment Centres (MFC) to supply Biek's operation (ultra-fast delivery)

## 5.4. Definitions

Like For Like (LFL) sales: sales made by stores that operated under the same conditions in the two periods. Excludes stores opened or closed in one of the two periods. Sales of stores that underwent profound remodelling are excluded for the remodelling period (store closure).

## 6. Reconciliation Note

(Following ESMA guidelines on Alternative Performance Measures from October 2015)

### Income Statement

Income Statement (page 7)	Consolidated Income Statement by Functions (in Consolidated Financial Statements) First Nine Months 2022
Net Sales and Services	Net sales and services
Gross Profit	Gross profit
Operating Costs	Includes headings of Distribution costs; Administrative costs and Other operating profits/losses, excluding the amount of €-581 million related with Depreciations and amortisations (note 3 - Segments Reporting)
EBITDA	
Depreciation	Value reflected in the note 3 - Segments Reporting
EBIT	
Net Financial Costs	Net financial costs
Gains in Joint Ventures and Associates	Gains (losses) in joint ventures and associates
Other Profits/Losses	Includes headings of Other operating profits/losses; Gains/Losses in disposal of business (when applicable) and Gains/Losses in other investments (when applicable)
EBT	Profit before taxes
Income Tax	Income tax
Net Profit	Profit before non-controlling interests
Non-Controlling Interests	Non-Controlling interests
<b>Net Profit Attributable to JM</b>	Net profit attributable to Jerónimo Martins Shareholders

## Balance Sheet

Balance Sheet (page 7)	Consolidated Balance Sheet at 30 September 2022 (in Consolidated Financial Statements)
Net Goodwill	Amount reflected in the heading of Intangible assets
Net Fixed Assets	Includes the headings Tangible and Intangible assets (excluding the Net goodwill €603 million) and adding the Financial leases amount (€42 million)
Net Rights of Use (RoU)	Includes the heading of Net rights of use excluding the Financial leases (€42 million)
Total Working Capital	Includes the headings Current trade debtors, accrued income and deferred costs; Inventories; Biological assets; Trade creditors, accrued costs and deferred income; Employee benefits; and also, the value of €-26 million related to 'Others' due to its operational nature. Excludes the amount of €40 million of Short-term investments that don't qualify as cash equivalents (note 10 - Debtors, accruals and deferrals), the amount of €-3 million related with Interest accruals and deferrals heading (note 16 - Net financial debt)
Others	Includes the headings Investment property; Investments in joint ventures and associates; Other financial investments; Non-Current trade debtors, accrued income and deferred costs; Deferred tax assets and liabilities; Income tax receivable and payable; Provisions for risks and contingencies. Excludes the value of €-26 million related to 'Others' due to its operational nature
<b>Invested Capital</b>	
Total Borrowings	Includes the heading Borrowings current and non-current
Financial Leases	Includes the heading of Financial leases (2022: €36 million; 2021: €22 million) according with IAS 17 in place before IFRS16 adoption
Capitalised Operating Leases	Amount in the heading of Lease liabilities current and non-current, excluding Financial leases (heading above)
Accrued Interest	Includes the headings Derivative financial instruments and the amount of €-3 million related with Interest accruals and deferrals (note 16 - Financial net debt)
Cash and Cash Equivalents	Includes the heading Cash and cash equivalents and the amount of €40 million of Short-term investments that don't qualify as cash equivalents (note 10 - Debtors, accruals and deferrals)
<b>Net Debt</b>	
Non-Controlling Interests	Non-Controlling interests
Share Capital	Share capital
Reserves and Retained Earnings	Includes the heading Share premium, Own shares, Other reserves and Retained earnings
<b>Shareholders' Funds</b>	

## Cash Flow

Cash Flow (page 7)	Consolidated Cash Flow Statement (in Consolidated Financial Statements) First Nine Months 2022
EBITDA	Includes the headings Cash generated from operations before changes in working capital, including headings which did not generate cash flow, and excluding profit and losses that do not have operational nature (54 million)
Capitalised Operating Leases Payment	Included in the heading Leases paid, excluding the amount of €4 million related with the payment of financial leases according with previous accounting standards
Interest Payment	Includes the headings of Loans interest paid, Leases interest paid and Interest received
Income Tax	Income tax paid
<b>Funds from Operations</b>	
Capex Payment	Includes the headings Disposal of tangible and intangible assets; Disposal of financial and investment property; Acquisition of tangible and intangible assets; Acquisition of financial investments and investment property. It also includes acquisitions of tangible assets classified as finance leases under previous accounting standards (€-20 million), and excludes net change in Short-term investments that don't qualify as cash equivalents (€9 million)
Change in Working Capital	Includes Changes in working capital added from headings which did not generate cash flow
Others	Includes the headings Disposal of business (when applicable), and profit and losses which generated cash flow, although not having operational nature, in the amount of €-54 million
<b>Cash Flow</b>	Corresponds to the Net change in cash and cash equivalents, deducted from Dividends paid and received, Net change in loans, and net change in Short-term investments that don't qualify as cash (€9 million). It also includes acquisitions of tangible assets classified as finance leases (€-20 million) and deducted from the payment of financial leases (€4 million), both according with previous accounting standards

## 7. Information Regarding Individual Financial Statements

In accordance with number 5 of article 10 of the Regulation number 5/2008 of the Portuguese Securities Market Commission (CMVM), the first Nine Months Individual Financial Statements of Jerónimo Martins SGPS, S.A. are not disclosed as they do not include additional relevant information, compared to the one presented in this report.

## II - Consolidated Financial Statements

### 1. Consolidated Financial Statements

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**CONSOLIDATED INCOME STATEMENT BY FUNCTIONS**

For the periods ended 30 September 2022 and 2021

		€ Million			
	Notes	September 2022	September 2021	3rd Quarter 2022	3rd Quarter 2021
Sales and services rendered	3	18,392	15,206	6,509	5,304
Cost of sales	4	(14,505)	(11,917)	(5,129)	(4,148)
<b>Gross profit</b>		<b>3,887</b>	<b>3,289</b>	<b>1,380</b>	<b>1,156</b>
Distribution costs	4	(2,824)	(2,442)	(981)	(825)
Administrative costs	4	(297)	(260)	(98)	(87)
Other operating profits/losses	4.1	(56)	(8)	(31)	(2)
<b>Operating profit</b>		<b>711</b>	<b>580</b>	<b>270</b>	<b>242</b>
Net financial costs	5	(135)	(119)	(50)	(45)
<b>Profit before taxes</b>		<b>576</b>	<b>461</b>	<b>220</b>	<b>198</b>
Income tax	6	(139)	(120)	(53)	(50)
<b>Profit before non-controlling interests</b>		<b>437</b>	<b>341</b>	<b>167</b>	<b>147</b>
Attributable to:					
Non-controlling interests		19	18	10	10
<b>Jerónimo Martins Shareholders</b>		<b>419</b>	<b>324</b>	<b>157</b>	<b>137</b>
Basic and diluted earnings per share - euros	13	0.6661	0.5153	0.2502	0.2188

To be read with the attached notes to the consolidated financial statements.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the periods ended 30 September 2022 and 2021

		€ Million			
		September 2022	September 2021	3rd Quarter 2022	3rd Quarter 2021
<b>Net profit</b>		<b>437</b>	<b>341</b>	<b>167</b>	<b>147</b>
<b>Other comprehensive income:</b>					
Change in fair value of equity instruments		1	-	0	-
<b>Items that will not be reclassified to profit or loss</b>		<b>1</b>	<b>-</b>	<b>0</b>	<b>-</b>
Currency translation differences		(49)	(14)	(31)	(19)
Change in fair value of hedging instruments on foreign operations		(14)	(1)	2	2
Related tax		(3)	(1)	(2)	(1)
<b>Items that may be reclassified to profit or loss</b>		<b>(66)</b>	<b>(15)</b>	<b>(31)</b>	<b>(19)</b>
<b>Other comprehensive income, net of income tax</b>		<b>(65)</b>	<b>(15)</b>	<b>(30)</b>	<b>(19)</b>
<b>Total comprehensive income</b>		<b>373</b>	<b>326</b>	<b>137</b>	<b>128</b>
Attributable to:					
Non-controlling interests		19	18	10	10
Jerónimo Martins Shareholders		354	309	127	118
<b>Total comprehensive income</b>		<b>373</b>	<b>326</b>	<b>137</b>	<b>128</b>

To be read with the attached notes to the consolidated financial statements.

**CONSOLIDATED BALANCE SHEET**

As at 30 September 2022 and 31 December 2021

		€ Million	
	Notes	September 2022	December 2021
<b>Assets</b>			
Tangible assets	7	4,078	3,993
Intangible assets	7	739	757
Investment property	7	9	8
Right-of-use assets	7	2,290	2,248
Biological assets		7	5
Investments in joint ventures and associates		15	13
Other financial investments	8	19	2
Trade debtors, accrued income and deferred costs	10	58	57
Deferred tax assets		175	175
<b>Total non-current assets</b>		<b>7,391</b>	<b>7,256</b>
Inventories		1,339	1,108
Biological assets		9	7
Income tax receivable		30	23
Trade debtors, accrued income and deferred costs	10	572	479
Derivative financial instruments	9	2	1
Cash and cash equivalents	11	1,232	1,494
<b>Total current assets</b>		<b>3,185</b>	<b>3,112</b>
<b>Total assets</b>		<b>10,576</b>	<b>10,368</b>
<b>Shareholders' equity and liabilities</b>			
Share capital		629	629
Share premium		22	22
Own shares		(6)	(6)
Other reserves		(205)	(140)
Retained earnings		1,698	1,773
		<b>2,139</b>	<b>2,278</b>
<b>Non-controlling interests</b>		<b>255</b>	<b>254</b>
<b>Total shareholders' equity</b>		<b>2,394</b>	<b>2,532</b>
Borrowings	14	255	347
Lease liabilities	15	2,059	1,993
Trade creditors, accrued costs and deferred income	18	1	1
Employee benefits	17	72	70
Provisions for risks and contingencies	17	45	34
Deferred tax liabilities		71	66
<b>Total non-current liabilities</b>		<b>2,503</b>	<b>2,511</b>
Borrowings	14	215	113
Lease liabilities	15	404	394
Trade creditors, accrued costs and deferred income	18	5,026	4,771
Derivative financial instruments	9	2	1
Income tax payable		33	47
<b>Total current liabilities</b>		<b>5,679</b>	<b>5,325</b>
<b>Total shareholders' equity and liabilities</b>		<b>10,576</b>	<b>10,368</b>

To be read with the attached notes to the consolidated financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

For the periods ended 30 September 2022 and 2021

€ Million

	Shareholders' equity attributable to Shareholders of Jerónimo Martins, SGPS, S.A.							Non-controlling interests	Shareholder s' equity	
	Share capital	Share premium	Own shares	Other reserves			Retained earnings			Total
				Cash flow hedge	Fair Value of financial assets	Currency translation reserves				
<b>Balance Sheet as at 1 January 2021</b>	629	22	(6)	0	-	(129)	1,491	2,008	249	2,257
<b>Equity changes in 2021</b>										
Currency translation differences						(14)		(14)		(14)
Change in fair value of hedging instruments on foreign operations						(1)		(1)		(1)
Other comprehensive income	-	-	-	(0)	-	(15)	-	(15)	-	(15)
Net profit							324	324	18	341
<b>Total comprehensive income</b>	-	-	-	(0)	-	(15)	324	309	18	326
Dividends							(181)	(181)	(17)	(198)
Acquisitions/Disposal of non-controlling interests							-	-	1	1
<b>Balance Sheet as at 30 September 2021</b>	629	22	(6)	0	-	(144)	1,634	2,136	250	2,386
<b>Balance Sheet as at 1 January 2022</b>	629	22	(6)	-	-	(140)	1,773	2,278	254	2,532
<b>Equity changes in 2022</b>										
Currency translation differences				(0)		(52)		(52)		(52)
Change in fair value of hedging instruments on foreign operations						(14)		(14)		(14)
Change in fair value of equity instruments					1			1		1
Other comprehensive income	-	-	-	0	1	(66)	-	(65)	-	(65)
Net profit							419	419	19	437
<b>Total comprehensive income</b>	-	-	-	0	1	(66)	419	354	19	373
Dividends (note 12)							(493)	(493)	(17)	(511)
<b>Balance Sheet as at 30 September 2022</b>	629	22	(6)	0	1	(206)	1,698	2,139	255	2,394

To be read with the attached notes to the consolidated financial statements

**CONSOLIDATED CASH FLOW STATEMENT**

For the periods ended 30 September 2022 and 2021

		€ Million	
	Notes	September 2022	September 2021
<b>Net results</b>		419	324
Adjustments for:			
Non-controlling interests		19	18
Income tax		139	120
Depreciations and amortisations		581	556
Net financial costs		135	119
Profit/ Losses in tangible, intangible and right-of-use assets		2	2
<b>Operating cash flow before changes in working capital</b>		<b>1,294</b>	<b>1,138</b>
Changes in working capital:			
Inventories		(278)	(1)
Trade debtors, accrued income and deferred costs		(7)	(7)
Trade creditors, accrued costs and deferred income		370	101
Provisions and employee benefits		15	4
<b>Cash generated from operations</b>		<b>1,394</b>	<b>1,235</b>
Income taxes paid		(157)	(149)
<b>Cash flow from operating activities</b>		<b>1,236</b>	<b>1,085</b>
<b>Investment activities</b>			
Disposals of tangible and intangible assets		6	3
Interest received		6	0
Acquisition of tangible and intangible assets		(593)	(410)
Acquisition of other financial investments and investment property		(26)	(0)
Acquisition of businesses, net of cash acquired		(3)	(5)
<b>Cash flow from investment activities</b>		<b>(608)</b>	<b>(412)</b>
<b>Financing activities</b>			
Loans interest paid		(17)	(14)
Leases interest paid	5	(103)	(97)
Net change in loans	14	14	(13)
Leases paid	15	(225)	(215)
Dividends paid	12	(511)	(198)
<b>Cash flow from financing activities</b>		<b>(843)</b>	<b>(537)</b>
<b>Net changes in cash and cash equivalents</b>		<b>(215)</b>	<b>136</b>
<b>Cash and cash equivalents changes</b>			
Cash and cash equivalents at the beginning of the year		1,494	1,041
Net changes in cash and cash equivalents		(215)	136
Effect of acquisition/sale of subsidiaries		-	1
Effect of currency translation differences		(47)	(11)
<b>Cash and cash equivalents at the end of September</b>	<b>11</b>	<b>1,232</b>	<b>1,167</b>

To be read with the attached notes to the consolidated financial statements

	€ Million			
	September 2022	September 2021	3rd Quarter 2022	3rd Quarter 2021
Cash Flow from operating activities	1.236	1.085	509	537
Cash Flow from investment activities	(608)	(412)	(216)	(174)
Cash Flow from financing activities	(843)	(537)	(99)	(118)
<b>Cash and cash equivalents changes</b>	<b>(215)</b>	<b>136</b>	<b>194</b>	<b>246</b>

## 1. Activity

Jerónimo Martins, SGPS, S.A. (JMH), is the parent Company of Jerónimo Martins (Group) and has its head office in Lisbon.

The Group operates in the food area, particularly in the distribution and retail sale, with operations in Portugal, Poland, and Colombia.

Head Office: Rua Actor António Silva, n.º 7, 1649-033 Lisboa, Portugal.

Share Capital: 629,293,220 euros.

Registered at the Commercial Registry Office and Tax Number: 500 100 144.

JMH has been listed on the Euronext Lisbon since 1989.

The Board of Directors approved these Consolidated Financial Statements on 25 October 2022.

### Covid-19 and war in Ukraine

The execution of vaccination plans combined with virus' variants with less serious health consequences, have reduced the pressure on national healthcare systems, leading to the Covid-19 pandemic, in the last months of 2022, had an impact less expressive in the lives of people and companies.

Eight months after the beginning of the military conflict triggered by the invasion of Ukraine by the Russian Federation, inflationary pressures continue to escalate on food, energy, and transport, with direct impact on the Group's operations.

Taking into account the events that have taken place so far, although the next few months are likely to continue surrounded by uncertainty regarding the evolution of the pandemic scenario and the military conflict, no effects are expected that could jeopardize the continuity of the different banners' operations.

The Group expects to continue to mitigate the impacts of this adverse context, strengthening its business models, preparing the return to a more normalized operating context and maintaining its strategic vision of profitable growth, as expected by Shareholders and remaining stakeholders.

## 2. Accounting policies

### 2.1. Basis for preparation

All amounts are shown in million euros (€ million) unless otherwise stated. Due to rounding's, numbers shown may not exactly match the totals shown.

JMH consolidated financial statements were prepared in accordance with the interim financial reporting standard (IAS 34), and all other International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB) and with the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union (EU).

The JMH consolidated financial statements were prepared in accordance with the same standards and accounting policies adopted by the Group in the preparation of the annual financial statements, except for the adoption of new standards, amendments and interpretations, effective as of 1 January 2022, and essentially including an explanation of the events and relevant changes for the understanding of variations in the financial position and Group performance since the last annual report. Thus, the accounting policies as well as some of the notes from the 2021 annual report are omitted because no changes occurred, or they are not materially relevant for the understanding of the interim financial statements.

As mentioned in the Consolidated Financial Statements chapter of the 2021 Annual Report, point 27 - Financial risks, the Group, as a result of its normal activity, is exposed to several risks which are monitored and mitigated throughout the year. During the first nine months of 2022, despite the abovementioned events, there was no material changes in addition to the notes detailed below, that could significantly change the assessment of the risks that the Group is exposed to.

Despite the impact of the Covid-19 pandemic and the war between Ukraine and the Russian Federation in its activity, the Group expects to satisfy all its treasury needs with the use of operating activity flows and liquidity reserves, and if eventually necessary, using the existing available credit lines.

## Change in accounting policies and basis for preparation:

### 2.1.1. New standards, amendments and interpretations adopted by the Group

In June 2021 the EU issued the following Regulation, which were adopted by the Group with effect from 1 January 2022:

EU Regulation	IASB Standard or IFRIC Interpretation endorsed by EU	Issued in	Mandatory for financial years beginning on or after
Regulation no. 1080/2021	IFRS 3 Business Combinations: References to the Conceptual Framework (amendments) IAS 16 Property, Plant and Equipment: Income prior to expected use (amendments) IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Costs of fulfilling onerous contracts (amendments) 2018-2020 cycle of improvements to the IFRS standards: IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases and IAS 41 Agriculture (amendments)	May 2020	1 January 2022

The Group adopted the above amendments, with no significant impact on its Consolidated Financial Statements.

### 2.1.2. New standards, amendments and interpretations endorsed by EU but not effective for the financial year beginning 1 January 2022 and not early adopted

The EU endorsed in 2022 several amendments, issued by the IASB, to be applied in subsequent periods:

EU Regulation	IASB Standard or IFRIC Interpretation endorsed by EU	Issued in	Mandatory for financial years beginning on or after
Regulation no. 357/2022	IAS 1 Presentation of Financial Statements: Disclosure of Accounting policies (amendments) IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (amendments)	February 2021	1 January 2023
Regulation no. 1392/2022	IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a single transaction (amendments)	May 2021	1 January 2023
Regulation no. 1491/2022	IFRS 17 Insurance Contracts: Initial Application of IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments – Comparative Information (amendments)	December 2021	1 January 2023

The above amendments are effective for annual periods beginning on or after 1 January 2023 and have not been applied in preparing these Consolidated Financial Statements. None of these changes are expected to have a significant impact on the Group's Consolidated Financial Statements.

### 2.1.3. New standards, amendments and interpretations issued by IASB and IFRIC, but not yet endorsed by EU

IASB issued in 2022 the following amendments that are still pending endorsement by the EU:

IASB Standard or IFRIC Interpretation	Issued in	Expected application for financial years beginning on or after
IFRS 16 Leases: Lease Liability in a sale and leaseback (amendments)	September 2022	1 January 2024

The Management is currently evaluating the impact of adopting these amendments to standards already in place, and so far does not expect a significant impact on the Group's Consolidated Financial Statements.

### 2.1.4. Change of accounting policies

Except as disclosed above, the Group has not changed its accounting policies during 2022, nor were identified errors regarding previous years, which compel the restatement of Financial Statements.

## 2.2. Transactions in foreign currencies

Transactions in foreign currencies are translated into the functional currency (euro) at the exchange rate prevailing on the transaction date.

At the balance sheet date, monetary assets and liabilities expressed in foreign currencies are translated at the exchange rate prevailing on that date, and exchange differences arising from this conversion are recognised in the income statement. When qualifying as cash flow hedges or hedges on investments in foreign subsidiaries or when classified as other financial investments, which are equity instruments, the exchange differences are deferred in equity.

The main exchange rates applied on the balance sheet date are those listed below:

Euro foreign exchange reference rates (x foreign exchange units per 1 euro)	 Polish Zloty (PLN)	 Colombian Peso (COP)
<b>Rate at 30 September 2022</b>	4.8483	4,417.8600
<b>Average rate for the period</b>	4.6742	4,321.4300
Rate at 30 September 2021	4.6197	4,440.1800
Average rate for the period	4.5477	4,432.0300

### 3. Segments reporting

Segment information is presented in accordance with internal reporting to Management. Based on this report, the Management evaluates the performance of each segment and allocates the available resources.

Management monitors the performance of the business based on a geographical and business perspective. Since the business units in the distribution area in Portugal share a set of competences, the Group analyses, on a quarterly basis, its segments in an aggregate performance perspective. In addition, the Group also separates the business units Poland Retail and Colombia Retail. Apart from these there are also other businesses which due to their low materiality, are not reported separately.

The identified operating segments are:

- Portugal Distribution: comprises the business unit of JMR (Pingo Doce supermarkets) and the business unit Recheio (Wholesale operation of cash & carry and foodservice);
- Poland Retail: the business unit which operates under Biedronka banner;
- Colombia Retail: the business unit which operates under Ara banner;
- Others, eliminations and adjustments: include i. business units with reduced materiality (Coffee Shops Chocolate Stores and Agribusiness in Portugal, and Health and Beauty Retail in Poland); ii. the Holding Companies; and iii. Group's consolidation adjustments.

#### Detailed information by operating segments as at September 2022 and 2021

	Portugal Distribution		Poland Retail		Colombia Retail		Others, eliminations and adjustments		Total JM Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Net sales and services</b>	<b>4,105</b>	3,613	<b>12,726</b>	10,630	<b>1,291</b>	758	<b>270</b>	205	<b>18,392</b>	15,206
Inter-segments	1	1	-	-	-	-	(1)	(1)	-	-
External customers	4,104	3,613	12,726	10,630	1,291	758	271	206	18,392	15,206
<b>Operational cash flow (EBITDA)</b>	<b>241</b>	214	<b>1,119</b>	972	<b>42</b>	15	<b>(54)</b>	(57)	<b>1,348</b>	1,144
Depreciations and amortisations	(134)	(128)	(367)	(357)	(46)	(38)	(34)	(33)	(581)	(556)
<b>Earnings before interest and taxes (EBIT)</b>	<b>107</b>	86	<b>751</b>	615	<b>(4)</b>	(23)	<b>(88)</b>	(90)	<b>766</b>	588
Other operating profits/losses									(56)	(8)
Financial results and gains in investments									(135)	(119)
Income tax									(139)	(120)
Minority interests									(19)	(18)
<b>Net result attributable to JM</b>									<b>419</b>	324
<b>Total assets <sup>(1)</sup></b>	<b>2,848</b>	2,700	<b>5,978</b>	6,137	<b>1,010</b>	856	<b>740</b>	676	<b>10,576</b>	10,368
<b>Total liabilities <sup>(1)</sup></b>	<b>2,314</b>	2,174	<b>4,960</b>	4,965	<b>988</b>	830	<b>(80)</b>	(132)	<b>8,182</b>	7,836
<b>Investments in tangible and intangible assets</b>	<b>152</b>	58	<b>272</b>	231	<b>89</b>	33	<b>25</b>	20	<b>538</b>	342

(1) The comparative report is 31 December of 2021

**Reconciliation between EBIT and operating profit**

	2022	2021
EBIT	766	588
Other operating profits/losses	(56)	(8)
<b>Operational result</b>	<b>711</b>	<b>580</b>

**4. Operating costs by nature**

	Sep 2022	Sep 2021
Cost of goods sold and materials consumed	(14,305)	(11,746)
Changes in inventories of finished goods and work in progress	11	8
Net cash discount and interest paid to suppliers	40	26
Electronic payment commissions	(45)	(34)
Other supplementary costs	(184)	(151)
Supplies and services	(734)	(560)
Advertising costs	(81)	(74)
Rents	(13)	(12)
Staff costs	(1,549)	(1,371)
Transportation costs	(227)	(169)
Depreciation and amortisation of tangibles and intangibles assets	(331)	(318)
Depreciation of right-of-use assets	(251)	(238)
Profit/loss with tangible and intangible assets	(4)	(3)
Profit/loss with right-of-use assets	2	1
Other natures of profit/loss	(11)	16
<b>Total</b>	<b>(17,682)</b>	<b>(14,626)</b>

**4.1. Other operating profits/losses**

Operating costs by nature include the following other operating losses and gains considered material, which are excluded from the Group's performance indicators, to assure a better comparability between financial periods:

	Sep 2022	Sep 2021
Donations and other solidarity measures with Ukraine	(9)	-
Donation to the World Youth Day Event	(3)	-
Increase of provisions for legal contingencies	(13)	(0)
Losses from organizational restructuring programmes	(9)	(6)
Assets write-offs and gains/losses in sale of tangible assets	(0)	(1)
Employees exceptional recognition	(22)	-
<b>Total</b>	<b>(56)</b>	<b>(8)</b>

**5. Net financial costs**

	Sep 2022	Sep 2021
Loans interest expense	(17)	(12)
Leases interest expense	(103)	(97)
Interest received	7	0
Net foreign exchange	1	(3)
Net foreign exchange on leases	(17)	(4)
Other financial gains and losses	(5)	(3)
Fair value of financial investments held for trade:		
Derivative instruments (note 9)	(1)	0
<b>Total</b>	<b>(135)</b>	<b>(119)</b>

Interest expense includes the interest on loans measured at amortised cost.

Exchange differences on Net foreign exchange on leases refer to the exchange rate update, reported on 30 September, on the euro-denominated lease contracts of the subsidiaries Jeronimo Martins Polska, SA (JMP or Biedronka) and Jeronimo Martins Drogerie i Farmacja Sp.zo.o. (JMDiF or Hebe), compared to the amount recognised at the end of the previous year (31 December).

Other financial gains and losses include costs with debt issued by the Group, recognised in results through effective interest method.

## 6. Income tax recognised in the income statement

	Sep 2022	Sep 2021
<b>Current income tax</b>		
Current tax of the year	(144)	(134)
Adjustment to prior year estimation	3	3
<b>Total</b>	<b>(141)</b>	<b>(131)</b>
<b>Deferred tax</b>		
Temporary differences created and reversed	0	16
Change to the recoverable amount of tax losses and temporary differences from previous years	(2)	(6)
<b>Total</b>	<b>(2)</b>	<b>10</b>
<b>Other gains/losses related to tax</b>		
Impact of changes in estimates for tax litigations	4	0
<b>Total</b>	<b>4</b>	<b>0</b>
<b>Total income tax</b>	<b>(139)</b>	<b>(120)</b>

In 2022 and 2021, the Corporate Income Tax rate (CIT) applied to companies operating in Portugal was 21%. For companies with a positive tax result, there is a surcharge of 1.5% regarding municipal tax, and an additional state tax that varies between 3%, 5% and 9%, for taxable profits higher than €1.5 million, €7.5 million and €35 million, respectively.

In Poland, for 2022 and 2021, the income tax rate applied to taxable income was 19%.

In Colombia, the income tax rate was changed to 35% in 2022 (31% in 2021). In 2022, if a taxable loss is determined, a tax rate of 0.5% is levied on the net asset value (0.5% in 2021).

## 7. Tangible assets, intangible assets, investment property and right-of-use assets

	Tangible assets	Intangible assets	Investment property	Right-of-use assets	Total
<b>Net value at 31 December 2021</b>	<b>3,993</b>	<b>757</b>	<b>8</b>	<b>2,248</b>	<b>7,006</b>
Foreign exchange differences	(109)	(21)	-	(72)	(202)
Increases	525	13	-	152	690
Contracts update	-	-	-	235	235
Disposals and write-offs	(8)	(0)	-	-	(8)
Contracts cancellation	-	-	-	(23)	(23)
Depreciation, amortisation and impairment losses	(321)	(9)	-	(251)	(581)
Transfers from/to investment property	(1)	-	1	-	(0)
<b>Net value at 30 September 2022</b>	<b>4,078</b>	<b>739</b>	<b>9</b>	<b>2,290</b>	<b>7,117</b>

The increase in tangible assets correspond to the Group's investments in new stores and distribution centres and remodelling of the existing stores.

Net value of intangible assets at 30 September 2022 include Goodwill in the amount of €603 million.

Due to currency translation adjustment of the assets in the Group's businesses reported in foreign currency, the net amount of tangible and intangible assets and right-of-use assets decreased €202 million, which includes a decrease of €15 million related to Goodwill from businesses in Poland.

## 8. Other financial investments

	Sep 2022	Dec 2021
<b>Listed equity investments</b>		
Andfjord Salmon AS	18	-
<b>Total</b>	<b>18</b>	<b>-</b>
<b>Non-listed equity investments</b>		
<b>Total</b>	<b>2</b>	<b>2</b>
<b>Total other financial investments</b>	<b>19</b>	<b>2</b>

On 22 June 2022, the Group took a 10.1% share, for an amount of NOK (Norwegian krone) 174 million (equivalent to €17 million), in the capital of the company Andfjord Salmon AS, located on the island of Andøya in Vesterålen, Norway. The company has developed a seawater flow-through technology that combines the benefits from traditional ocean net-pens and land-based salmon farming.

#### Listed equity investments

Andfjord Salmon AS is listed in Euronext Growth Oslo under the ticker ANDF.

The Group decided to classify irrevocably this listed equity investment as financial asset designated at fair value through other comprehensive income (OCI).

The fair value of this equity investment is determined by reference to the published price quotations in an active market (close price of 30 September 2022 – NOK 45.70; exchange rate of 30 September 2022 – EUR/NOK 10.5838).

#### Non-listed equity investments

The Group elected to classify irrevocably its non-listed equity investments under financial asset designated at fair value through OCI, as the Group considers these investments to be strategic in nature. When the equity instrument fair value cannot be reliably measured, it is recognized at cost.

### 9. Derivative financial instruments

	Sep 2022					Dec 2021				
	Notional	Assets		Liabilities		Notional	Assets		Liabilities	
		Current	Non-current	Current	Non-current		Current	Non-current	Current	Non-current
<b>Derivatives held for trading</b>										
Currency forwards - stock purchase (COP/EUR)	0.9 million EUR	0	-	0	-	4.5 million EUR	0	-	0	-
Currency forwards - stock purchase (COP/USD)	1.4 million USD	0	-	-	-	5.8 million USD	0	-	0	-
Currency forwards - stock purchase (EUR/USD)	0.2 million USD	0	-	0	-	0.2 million USD	0	-	-	-
Currency forwards - stock purchase (PLN/USD)	-	-	-	-	-	0.1 million USD	0	-	-	-
Currency forwards - treasury applications (PLN/EUR)	49.9 million EUR	-	-	1	-	-	-	-	-	-
<b>Cash flow hedging derivatives</b>										
Currency forwards - stock purchase (COP/EUR)	2.2 million EUR	0	-	0	-	-	-	-	-	-
Currency forwards - stock purchase (COP/USD)	1.9 million USD	0	-	-	-	-	-	-	-	-
<b>Foreign operation investments hedging derivatives</b>										
Currency forwards (PLN)	622 million PLN	2	-	0	-	844 million PLN	1	-	1	-
<b>Total derivatives held for trading</b>		<b>0</b>	<b>-</b>	<b>1</b>	<b>-</b>		<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>
<b>Total hedging derivatives</b>		<b>2</b>	<b>-</b>	<b>0</b>	<b>-</b>		<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>
<b>Total assets/liabilities derivatives</b>		<b>2</b>	<b>-</b>	<b>2</b>	<b>-</b>		<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>

### 10. Trade debtors, accrued income and deferred costs

	Sep 2022	Dec 2021
<b>Non-current</b>		
Other debtors	55	54
Deferred costs	3	3
<b>Total</b>	<b>58</b>	<b>57</b>
<b>Current</b>		
Commercial customers	60	52
Other debtors	190	160
Other taxes receivable	25	9
Accrued income and deferred costs	257	225
Short-term investments that don't qualify as cash equivalents	40	33
<b>Total</b>	<b>572</b>	<b>479</b>

### 11. Cash and cash equivalents

	Sep 2022	Dec 2021
Bank deposits	769	961
Short-term investments	459	529
Cash in hand	4	4
<b>Total</b>	<b>1,232</b>	<b>1,494</b>

## 12. Dividends

Dividends in the amount of €511 million were paid in 2022, to JMH shareholders in the amount of €493 million and to partners with non-controlling interests in the Group companies in the amount of €17 million.

## 13. Basic and diluted earnings per share

	Sep 2022	Sep 2021
Ordinary shares issued at the beginning of the year	629,293,220	629,293,220
Own shares at the beginning of the year	(859,000)	(859,000)
<b>Weighted average number of ordinary shares</b>	<b>628,434,220</b>	<b>628,434,220</b>
Diluted net results of the year attributable to ordinary shares	419	324
<b>Basic and diluted earnings per share – Euros</b>	<b>0.6661</b>	<b>0.5153</b>

## 14. Borrowings

The Group has negotiated commercial paper programs in the total amount of €235 million, of which €85 million are committed. The utilizations under these programs are remunerated at the Euribor rate for the respective issue period plus variable spreads and can also be issued on auctions. These programs had no utilizations as of 30 September 2022.

Jerónimo Martins Polska SA made the early repayment of a loan in the amount of PLN 264 million, which was due to mature in December 2023.

Jerónimo Martins Colombia, SAS increased the use of short-term credit lines by 277,000 million Colombian pesos, approximately €63 million.

### 14.1. Current and non-current loans

Sep 2022	Opening balance	Cash flows	Transfers	Foreign exchange difference	Closing balance
<b>Non-current loans</b>					
Bank loans	347	(72)	(16)	(3)	255
<b>Total</b>	<b>347</b>	<b>(72)</b>	<b>(16)</b>	<b>(3)</b>	<b>255</b>
<b>Current loans</b>					
Bank loans	113	86	16	0	215
<b>Total</b>	<b>113</b>	<b>86</b>	<b>16</b>	<b>0</b>	<b>215</b>

## 15. Lease liabilities

Sep 2021	Current	Non-current	Total
<b>Opening balance</b>	<b>394</b>	<b>1,993</b>	<b>2,387</b>
Increases (new contracts)	17	136	152
Payments	(226)	-	(226)
Transfers	202	(202)	-
Contracts change/ cancel	28	181	210
Foreign exchange difference	(12)	(49)	(61)
<b>Closing balance</b>	<b>404</b>	<b>2,059</b>	<b>2,463</b>

During the first nine months of 2022, the incremental borrowing rates used to measure lease liabilities were revised, considering changes in the financial markets. Nevertheless, the average incremental borrowing rate as at 30 September 2022 did not change significantly comparing to the one at 31 December 2021.

## 16. Financial net debt

As the Group contracted several foreign exchange rate risk and interest risk hedging operations, as well as short-term investments, the net consolidated financial debt as at the balance sheet date is:

	Sep 2022	Dec 2021
Non-current loans (note 14.1)	255	347
Current loans (note 14.1)	215	113
Financial lease liabilities - non-current (note 15)	2,059	1,993
Financial lease liabilities - current (note 15)	404	394
Derivative financial instruments (note 9)	(1)	(0)
Interest on accruals and deferrals	3	0
Cash and cash equivalents (note 11)	(1,232)	(1,494)
Short-term investments that don't qualify as cash equivalents (note 10)	(40)	(33)
<b>Total</b>	<b>1,664</b>	<b>1,320</b>

## 17. Provisions and employee benefits

	Risks and contingencies	Employee benefits
<b>Balance as at 1 January</b>	<b>34</b>	<b>70</b>
Set up, reinforced and transfers	15	6
Unused and reversed	(2)	-
Foreign exchange difference	(1)	(1)
Used	(2)	(3)
<b>Balance as at 30 September</b>	<b>45</b>	<b>72</b>

## 18. Trade creditors, accrued costs and deferred income

	Sep 2022	Dec 2021
<b>Non-current</b>		
Accrued costs and deferred income	1	1
<b>Total</b>	<b>1</b>	<b>1</b>
<b>Current</b>		
Other commercial creditors	3,909	3,655
Other non-commercial creditors	330	393
Other taxes payables	128	135
Contracts liabilities with customers	13	11
Refunds liabilities to customers	1	1
Accrued costs and deferred income	645	576
<b>Total</b>	<b>5,026</b>	<b>4,771</b>

## 19. Contingencies

### Contingent liabilities

During the first nine months of 2022, the following changes occurred to the contingencies mentioned in the 2021 Annual Report:

#### Competition Authorities proceedings:

- In Portugal, following search and seizure actions carried out in late 2016 and early 2017 in several entities operating in the food distribution sector, the Portuguese Competition Authority (AdC) determined the opening of several inquiries, in the scope of which it came to issue against suppliers and retailers, including the subsidiary Pingo Doce- Distribuição Alimentar S.A. (Pingo Doce) ten statements of objections for alleged anti-competitive practices, consisting of price alignment for certain products.

At the end of the first nine months of 2022, Pingo Doce had been notified of decisions issued by AdC regarding nine of the above-mentioned proceedings, imposing fines on several retailers and their suppliers. In the case of Pingo Doce these decisions resulted in the imposition of fines in the amount around of €187 million.

Pingo Doce totally disagrees with such decisions which it considers to be completely ungrounded. As such, the Company filed the respective appeals before the Competition, Regulation and Supervision Court ("Tribunal da Concorrência, Regulação e Supervisão") in the first processes. Under the terms of the applicable law, Pingo Doce requested also the awarding of suspensive effect to the appeals, subject to providing a guarantee, to prevent the immediate payment of the fines. Based on the opinion of its legal counsels and economic advisors, the Company is fully convinced of the strength and merits of its position.

As to the last proceeding, Pingo Doce has already filed the reply of the statement of defence - as it considers the statement of objection to be ungrounded - and will wait for the decision from AdC.

- In Poland, regarding the case relating to the missing of price labels on the shelves and discrepancies in prices, in August 2020, the Polish Office of Competition and Consumer Protection (UOKiK) had imposed a fine of 115 million zloty (c. €25 million) to the Company Jeronimo Martins Polska (JMP). JMP, disagreeing with the understanding and conclusion of this Authority, filed an appeal to the Court of Competition and Consumer Protection in Poland. On 29<sup>th</sup> September 2022 the court in the first instance sustained the UOKiK decision and dismissed the appeal. JMP is fully convinced of the merits of its defence and has factual and legal arguments to be used, and therefore, will file an appeal to the Second Instance Court.

Regarding the remaining proceedings, in Poland, reported in the 2021 Annual Report, there were no developments worth mentioning.

On 10<sup>th</sup> August 2022 the President of UOKiK initiated the proceedings regarding the promotional campaign 'Biedronka's Anti-inflation Shield'. JMP has already filed its statement of defence.

Based on the opinion of its lawyers, the company carries out a risk assessment regarding the probability of the outcome of each case, setting up provisions that it deems necessary at any time to cover potential future disbursements. In order to protect its legitimate interests and not to harm its position in these disputes, it does not disclose the amounts that may have been provisioned.

#### Other tax and legal proceedings:

- c) The Portuguese Tax Authorities (AT) carried out some corrections to the CIT from Companies included in the perimeter of the Tax Group headed by Recheio SGPS. With these corrections the total assessments concerning 2007 to 2014, amount to €17 million, of which an amount of €16 million is still in dispute. The Lisbon Tax Court has already ruled in favour of Recheio SGPS regarding the 2008, 2009, 2011 and 2013 assessments. However, the AT have appealed of the decisions regarding 2008 and 2009;
- g) The Food and Veterinary Department (Direção-Geral de Alimentação e Veterinária) claimed from Pingo Doce, Recheio and Hussel an amount of €26 million, €3 million and €0.06 million, respectively, in respect of the Food Safety Tax (Taxa de Segurança Alimentar Mais – TSAM) assessed for the years 2012 to 2022. The values at stake have been challenged in Court, since it is understood that this tax is not due, namely on the grounds of the unconstitutional nature of the Statute that approved the TSAM. Despite the court having decided that the Food Safety Tax is not unconstitutional, the Companies maintain their understanding and presented the respective appeal to the Constitutional Court, that has upheld the decision. The Group filed a complaint with the European Commission considering that we are in the presence of illegal State aid. The companies of the Group continue to challenge the decisions, carrying out regular analysis of the risk and the likelihood of a favourable outcome in any of the processes and / or the complaint to the European Commission. In order to protect its legitimate interests and not to harm its position in these disputes, it does not disclose the amounts that could be provisioned.

## 20. Related parties

56.136% of the Group is owned by the Sociedade Francisco Manuel dos Santos, B.V..

Balances and transactions of Group Companies with related parties are as follows:

	Joint ventures		Associates		Other related parties(*)	
	Sep 2022	Sep 2021	Sep 2022	Sep 2021	Sep 2022	Sep 2021
Sales and services rendered	-	-	18	15	0	0
Stocks purchased and services supplied	5	4	(0)	(0)	78	75

	Joint ventures		Associates		Other related parties(*)	
	Sep 2022	Dec 2021	Sep 2022	Dec 2021	Sep 2022	Dec 2021
Trade debtors, accrued income and deferred costs	0	0	5	5	0	0
Trade creditors, accrued costs and deferred income	1	1	-	-	25	22

(\*) Other related parties corresponds to Other financial investments ,entities participated and/or controlled by the major shareholder of Jerónimo Martins and entities owned or controlled by members of the Board of Directors.

All the transactions with related parties were made under normal market conditions, meaning, the transaction value corresponds to prices that would be applicable between non-related parties.

Outstanding balances between Group Companies and related parties, as a result of trade agreements, are settled in cash, and are subject to the same payment terms as those applicable to other agreements contracted between Group Companies and their suppliers.

There are no provisions for doubtful debts and no costs were recognised during the year related with bad debts or doubtful debts with these related parties.

## 21. Events after the balance sheet date

At the conclusion of this Report there were no relevant events to highlight that are not disclosed in the Financial Statements.

Lisbon, 25 October 2022

**The Certified Accountant**

**The Board of Directors**