# 2023

## FIRST HALF

# CONSOLIDATED REPORT AND ACCOUNTS

Jerónimo Martins

# INDEX

**Message from the Chairman and CEO**

**Pedro Soares dos Santos**

*'The good results for the first six months reflect the determination and ability of all our Companies in executing, with discipline, the defined strategy and reinforcing their price leadership and competitive positions in the respective markets.*

*We know that in uncertain times with intense pressure on real household disposal income, it is essential to continuously provide the best saving opportunities by strongly investing in price to guarantee that consumers choose our stores. We must also execute the expansion plans to reinforce proximity and convenience while investing in refurbishments to improve our stores' attractiveness and shopping experience. All this to capture the networks' growth potential.*

*In line with what I have always said, we will not hesitate to leverage our financial strength to maintain the flexibility and capacity to make a positive difference in the markets where we operate, as we did in Colombia in Q2.*

*Our priorities remain unchanged: to be the first choice of an increasingly fragile consumer, to grow sales, to reinforce efficiency, and to protect the profitability and sustainability of our businesses while continuing to invest in our teams.'*

# I - CONSOLIDATED MANAGEMENT REPORT

## 1. Performance Overview & Key Drivers

In a demanding period of economic slowdown with consumers more price sensitive than ever, the Group maintained sales growth as a strategic priority. Investments made by the different banners to strengthen their competitiveness were crucial to limit the effects of trading-down, protect volumes, and reduce food inflation in the countries where we operate.

In Poland, in a market with declining volumes, Biedronka intensified its commercial dynamics and delivered a remarkable performance, adding 2 billion euros to its sales in the six months period and, once again, gaining market share.

In Portugal, Pingo Doce delivered solid growth, primarily driven by its aggressive pricing policy and by the contribution of meal solutions. Recheio presented a very good performance, raising profitability back to pre-pandemic levels.

In Colombia, where the environment is extremely difficult for households, Ara surpassed its commitment of having the best prices in the market. To celebrate its 10th anniversary, the banner took a bold step by initiating a ground-breaking savings campaign in May. This campaign increased traffic and sales volume, reinforcing price perception and strengthening our market position.

As anticipated, following price investments and cost inflation in the three countries, the Group EBITDA margin fell 24b.p. versus H1 22 (a decline of 28b.p. in Q2). Nevertheless, our steady commitment to price competitiveness and sales growth drove a solid EBITDA throughout the period.

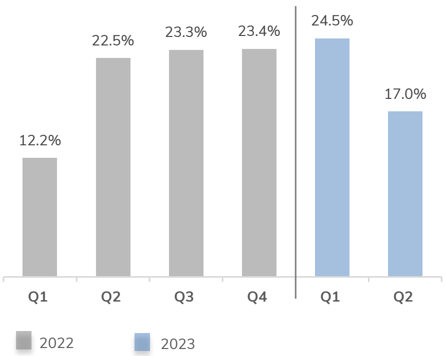
At the end of June, after the dividend payment of 345.6 million euros, the Group's net cash position (excluding IFRS 16) was 721 million euros.

## 2. Performance Analysis by Banner

### POLAND

In Poland, food inflation reached 20.8% in H1 23 (22.9% in Q1 and 18.8% in Q2). Consumer demand has weakened since the end of last year, with families becoming more price sensitive.

Biedronka LFL



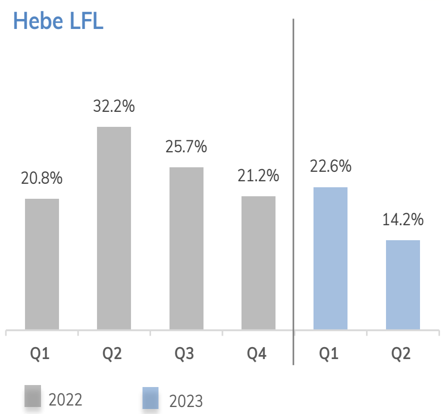

Biedronka kept reinforcing its price competitiveness, implementing an unstoppable commercial dynamic. In Q2, the Group's main banner increased the gap between its basket inflation and the country's food inflation.

This effort continued to be recognized by Polish consumers, and the banner added 2 billion euros to its sales, grew volumes, and continued to gain market share.

In H1, sales grew 24.0% in local currency, with LFL at 20.5%. In euros, sales reached 10.3 billion, 24.5% above H1 22. When considering Q2, sales in local currency grew 20.4%, with LFL standing at 17.0%. In euros, sales reached 5.5 billion, 23.1% above Q2 22.

The strong sales growth drove EBITDA to increase by 21.0% (+20.5% in local currency). The price investment and cost inflation, particularly high in labour, pressured the EBITDA margin to decline by 24b.p. to 8.5%.

Biedronka opened 50 stores in the first six months of the year (37 net additions) and remodelled 164 locations.




Hebe's sales in local currency grew 27.5% in H1, with LFL at 17.9%. In euros, sales reached 208 million, 27.9% above H1 22.

In Q2, sales grew 24.0% in local currency, with LFL at 14.2%. In euros, sales reached 115 million, 26.7% above Q2 22.

EBITDA grew 37.5% (+37.0% in local currency), with the respective margin reaching 6.8% (6.3% in H1 22). Operational leverage limited the impact on EBITDA of the investment required to launch the banner's online operations in new geographies.

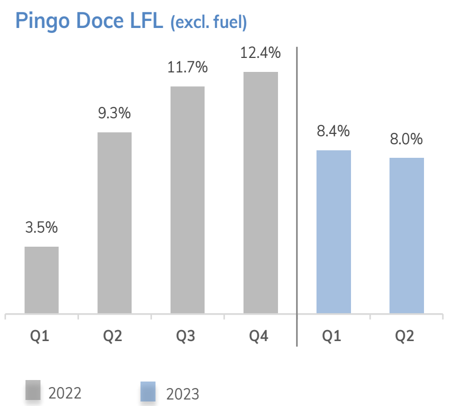
Hebe opened 12 stores over the period (eight net additions) and ended H1 with 323 stores.

## PORTUGAL

In Portugal, food inflation was 15.6% in H1. It fell from 20.5% in Q1 to 11.1% in Q2.

General price increases and higher interest rates reduced real household disposable income, weakening demand and leading to trading-down in food.

Tourism growth remained solid throughout the period driving HoReCa channel performance.

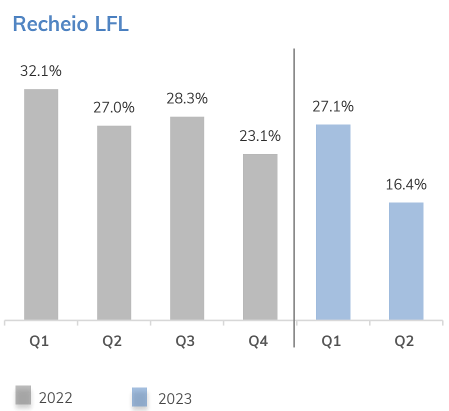



Pingo Doce maintained its strong promotional activity and delivered good sales growth despite the significant impact of trading-down in the food basket.

Sales in H1 grew 8.6%, with LFL at 8.2% (excluding fuel), reaching 2.3 billion euros. In Q2, sales increased 7.8%, with LFL at 8.0% (excluding fuel), reaching 1.2 billion euros.

EBITDA grew 7.6% to reach 129 million euros, with the respective margin at 5.7% (5.8% in H1 22). The good sales performance diluted the impact of higher costs.

Pingo Doce opened six new stores, closed one, and remodelled 20 locations during the period. At the end of the period, six stores undergoing remodelling works remained closed.




Recheio continued to reinforce its value propositions for the different customer segments and to take advantage of the HoReCa channel dynamics in Portugal.

Sales reached 632 million euros in H1, an increase of 23.2% vs. the same period of the prior year, with LFL at 21.2%.

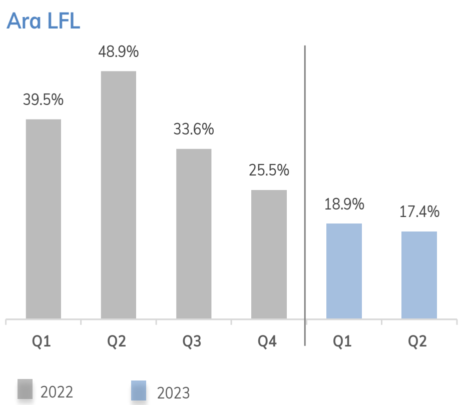
In Q2, sales grew 18.3% to 337 million euros, with LFL at 16.4%. The slowdown of LFL performance reflected the tough comparable base of Q2 22 when strict traveling restrictions on tourism were lifted and ceased to impact HoReCa.

EBITDA reached 32 million euros, 35.4% above H1 22, with the respective margin recovering to pre-pandemic levels and standing at 5.1%

## COLOMBIA

In Colombia, food inflation was 19.9% in H1 (24.0% in Q1 and 16.1% in Q2), below 20% for the first time in 14 months.

In food retail, a contraction in consumer demand is evident, with intense pressure over volumes and increasing trading-down trends.




Ara has consistently invested in its price leadership, gaining consumers' recognition and market share.

To consolidate its market position and price perception with Colombian families, Ara celebrated its 10th anniversary by launching a strong and bold promotional campaign with significant price reductions.

With the motto 'Nothing compares to Ara,' this campaign received widespread attention and drove a significant increase in the number of clients and volumes sold in Q2.

In H1, sales reached 1.1 billion euros, 31.6% above H1 22. In local currency, sales grew 52.4%, with LFL at 18.1%. In Q2, sales reached 590 million euros, 33.4% above Q2 22. In local currency, sales grew 53.9%, with LFL at 17.4%.

EBITDA margin stood at 1.7% (3.1% in H1 22). This margin was clearly affected by the massive price investment campaign executed in Q2. It was also impacted by the effect of trading-down on the margin mix and by the presence of more than a quarter of the store network with less than 12 months of operation. EBITDA declined from 26 million euros in H1 22 to 18 million euros in H1 23.

The banner remains focused on executing its expansion plan, and in the first six months, Ara opened 110 new stores and closed two, ending June with 1,201 stores under operation.

## 3. Consolidated Financial Information Analysis

### Consolidated Results

| (€ Million) | H1 23 | | H1 22 | | Δ | Q2 23 | | Q2 22 | | Δ |
|---|---|---|---|---|---|---|---|---|---|---|
| **Net Sales and Services** | **14,513** | | **11,883** | | **22.1%** | **7,709** | | **6,370** | | **21.0%** |
| Gross Profit | 2,970 | 20.5% | 2,507 | 21.1% | 18.5% | 1,556 | 20.2% | 1,323 | 20.8% | 17.7% |
| Operating Costs | -1,965 | -13.5% | -1,656 | -13.9% | 18.7% | -998 | -12.9% | -843 | -13.2% | 18.3% |
| **EBITDA** | **1,005** | **6.9%** | **851** | **7.2%** | **18.1%** | **559** | **7.2%** | **479** | **7.5%** | **16.5%** |
| Depreciation | -429 | -3.0% | -385 | -3.2% | 11.2% | -222 | -2.9% | -195 | -3.1% | 13.5% |
| **EBIT** | **576** | **4.0%** | **466** | **3.9%** | **23.7%** | **337** | **4.4%** | **284** | **4.5%** | **18.6%** |
| Net Financial Costs | -78 | -0.5% | -85 | -0.7% | -8.9% | -36 | -0.5% | -40 | -0.6% | -8.7% |
| Other Profits/Losses | -18 | -0.1% | -25 | -0.2% | n.a. | -12 | -0.2% | -12 | -0.2% | n.a. |
| **EBT** | **480** | **3.3%** | **356** | **3.0%** | **35.1%** | **288** | **3.7%** | **232** | **3.6%** | **24.3%** |
| Income Tax | -117 | -0.8% | -85 | -0.7% | 37.1% | -67 | -0.9% | -54 | -0.8% | 24.7% |
| **Net Profit** | **363** | **2.5%** | **270** | **2.3%** | **34.5%** | **221** | **2.9%** | **178** | **2.8%** | **24.2%** |
| Non-Controlling Interests | -7 | 0.0% | -9 | -0.1% | -21.2% | -5 | -0.1% | -5 | -0.1% | 0.8% |
| **Net Profit Attributable to JM** | **356** | **2.5%** | **261** | **2.2%** | **36.3%** | **217** | **2.8%** | **173** | **2.7%** | **24.8%** |
| | | | | | | | | | | |
| EPS (€) | 0.57 | | 0.42 | | 36.3% | 0.34 | | 0.28 | | 24.8% |
| EPS without Other Profits/Losses (€) | 0.59 | | 0.45 | | 32.2% | 0.36 | | 0.29 | | 24.6% |

### Balance Sheet

| (€ Million) | H1 23 | 2022 | H1 22 |
|---|---|---|---|
| Net Goodwill | 628 | 613 | 612 |
| Net Fixed Assets | 4,994 | 4,589 | 4,207 |
| Net Rights of Use (RoU) | 2,868 | 2,420 | 2,280 |
| Total Working Capital | -3,708 | -3,837 | -3,175 |
| Others | 173 | 161 | 185 |
| **Invested Capital** | **4,955** | **3,946** | **4,109** |
| Total Borrowings | 612 | 470 | 470 |
| Financial Leases | 92 | 82 | 38 |
| Capitalised Operating Leases | 3,051 | 2,597 | 2,444 |
| Accrued Interest | 8 | 14 | 1 |
| Cash and Cash Equivalents | -1,434 | -1,802 | -1,101 |
| **Net Debt** | **2,330** | **1,360** | **1,851** |
| Non-Controlling Interests | 244 | 254 | 245 |
| Share Capital | 629 | 629 | 629 |
| Reserves and Retained Earnings | 1,752 | 1,702 | 1,383 |
| **Shareholders Funds** | **2,625** | **2,585** | **2,258** |

At the end of June, the Group's net cash position (excluding liabilities from capitalized operating leases) was c. €721 MN.

### Cash Flow

| (€ Million) | H1 23 | H1 22 |
|---|---|---|
| EBITDA | 1,005 | 851 |
| Capitalised Operating Leases Payment | -165 | -148 |
| Interest Payment | -87 | -77 |
| Other Financial Items | 0 | 0 |
| Income Tax | -123 | -106 |
| **Funds From Operations** | **630** | **520** |
| Capex Payment | -495 | -405 |
| Change in Working Capital | -243 | 5 |
| Others | -19 | -24 |
| **Cash Flow** | **-127** | **97** |

The Cash Flow generated in H1 was minus 127 million euros, reflecting capex payments and effects over the working capital, including the Portuguese Government's measure to reduce VAT that impacted the amount in trade payables at the end of the period.

### Capex

| (€ Million) | H1 23 | Weight | H1 22 | Weight |
|---|---|---|---|---|
| Biedronka | 196 | 43% | 161 | 51% |
| Distribution Portugal | 114 | 25% | 95 | 30% |
| Ara | 127 | 28% | 34 | 11% |
| Others | 23 | 5% | 28 | 9% |
| **Total CAPEX** | **459** | **100%** | **318** | **100%** |

The Investment Programme reached 459 million euros in the period, of which c.43% was invested in Biedronka.

## 4. Outlook 2023

Food inflation remained high at the beginning of the year but gradually fell in Q2. It is still difficult to anticipate the inflation reduction for the second half of the year.

Electricity, gas, and fuel prices remain volatile, while interest rates, which increased rapidly in 2022, remain on an upward trend, namely in the Euro zone.

In the context of fragile consumer confidence, the rise in minimum wages and continuing low unemployment rates can partly compensate the pressure that the persistent inflation and high interest rates generate on disposable income. Consumer resilience will depend on the balance between all these variables in the three countries where we operate.

In Poland, consumer price sensitivity has increased in 2023. Biedronka is living up to its brand promise by prioritizing low prices, ensuring consumer preference, protecting sales growth, and limiting potential trading-down effects.

To get closer to its customers and improve the shopping experience, Biedronka plans to add 130-150 locations to its store network and remodel c.350 stores in the full year, seizing available opportunities.

In 2023, Hebe is focusing its growth effort on the e-commerce channel through which international sales in the Czechia and Slovakia are expected to progressively gain relevance. The banner continues to pursue an omnichannel approach, maintaining its pace of openings (c.30 stores).

In Portugal, the challenges posed by lower consumer demand and trading-down trends will likely continue in H2 23. Tourism is expected to remain the main growth engine for the HoReCa sector.

Pingo Doce is investing in intensifying its promotional dynamics and maintaining a low-price policy. In addition, the Company is accelerating its refurbishment programme to roll out its food store model for the future. Taking advantage of the banner's competitive advantages, this new store should enhance Pingo Doce's differentiation factors: perishables, private brand, and meal solutions. The Company plans to remodel up to 60 stores and open c.10 new locations.

Recheio will continue to invest in reinforcing its competitive positioning in the HoReCa channel and Traditional Retail by expanding the Amanhecer network, where it already works with more than 500 partners.

In Colombia, we are witnessing further deterioration of household purchasing power already weakened by a severe pandemic crisis followed by two years of very high food inflation.

In this context, Ara will remain firm in its commitment to low prices, focused on reinforcing its presence in the country, and committed to being the preferred neighbourhood store of Colombian families.

The expansion of the store network will continue to be a priority in 2023. The banner plans to add more than 200 new locations, maintaining its long-term vision regarding the market potential and the fit of its business model to the existing opportunities.

Despite recognizing that these are demanding times, we are confident in our Companies' ability and motivation to continue to grow in sales and number of stores while at the same time improving efficiency to protect profitability. Because of cost inflation, the focus on increasing sales volumes and EBITDA will continue to pressure the EBITDA margin as a percentage of sales.

In accordance with our long-term goals, investment continues to be a priority. Our capex programme is expected to be in line with 2022: c.1 billion euros (c.45% of which in Poland).

Lisbon, 25 July 2023

**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 | |
|---|---|---|---|---|
| | H1 23 | H1 22 | H1 23 | H1 22 |
| **Net Sales and Services** | **14,513** | **11,883** | **14,513** | **11,883** |
| Cost of Sales | -11,543 | -9,377 | -11,543 | -9,377 |
| **Gross Profit** | **2,970** | **2,507** | **2,970** | **2,507** |
| Distribution Costs | -2,146 | -1,843 | -2,211 | -1,894 |
| Administrative Costs | -248 | -198 | -249 | -199 |
| Other Operating Profits/Losses | -18 | -25 | -18 | -25 |
| **Operating Profit** | **558** | **441** | **492** | **389** |
| Net Financial Costs | -78 | -85 | -14 | -12 |
| Gains/Losses in Other Investments | 0 | 0 | 0 | 0 |
| **Profit Before Taxes** | **480** | **356** | **478** | **377** |
| Income Tax | -117 | -85 | -116 | -89 |
| **Profit Before Non Controlling Interests** | **363** | **270** | **362** | **288** |
| Non-Controlling Interests | -7 | -9 | -8 | -10 |
| **Net Profit Attributable to JM** | **356** | **261** | **354** | **278** |

**Income Statement (Management View)**

| (€ Million) | (Excl. IFRS16) | | | | | (Excl. IFRS16) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | H1 23 | | H1 22 | | Δ | Q2 23 | | Q2 22 | | Δ |
| **Net Sales and Services** | **14,513** | | **11,883** | | **22.1%** | **7,709** | | **6,370** | | **21.0%** |
| Gross Profit | 2,970 | 20.5% | 2,507 | 21.1% | 18.5% | 1,556 | 20.2% | 1,323 | 20.8% | 17.7% |
| Operating Costs | -2,212 | -15.2% | -1,871 | -15.7% | 18.2% | -1,126 | -14.6% | -953 | -15.0% | 18.1% |
| **EBITDA** | **758** | **5.2%** | **635** | **5.3%** | **19.3%** | **431** | **5.6%** | **370** | **5.8%** | **16.4%** |
| Depreciation | -248 | -1.7% | -222 | -1.9% | 11.9% | -128 | -1.7% | -112 | -1.8% | 14.4% |
| **EBIT** | **510** | **3.5%** | **414** | **3.5%** | **23.3%** | **303** | **3.9%** | **258** | **4.1%** | **17.2%** |
| Net Financial Costs | -14 | -0.1% | -12 | -0.1% | 17.1% | -10 | -0.1% | -3 | 0.0% | n.a. |
| Other Profits/Losses | -18 | -0.1% | -25 | -0.2% | n.a. | -12 | -0.2% | -12 | -0.2% | n.a. |
| **EBT** | **478** | **3.3%** | **377** | **3.2%** | **26.8%** | **280** | **3.6%** | **243** | **3.8%** | **15.5%** |
| Income Tax | -116 | -0.8% | -89 | -0.7% | 31.3% | -66 | -0.9% | -55 | -0.9% | 18.5% |
| **Net Profit** | **362** | **2.5%** | **288** | **2.4%** | **25.4%** | **215** | **2.8%** | **188** | **2.9%** | **14.6%** |
| Non-Controlling Interests | -8 | -0.1% | -10 | -0.1% | -18.5% | -5 | -0.1% | -5 | -0.1% | 0.2% |
| **Net Profit Attributable to JM** | **354** | **2.4%** | **278** | **2.3%** | **27.0%** | **209** | **2.7%** | **182** | **2.9%** | **15.0%** |
| EPS (€) | 0.56 | | 0.44 | | 27.0% | 0.33 | | 0.29 | | 15.0% |
| EPS without Other Profits/Losses (€) | 0.59 | | 0.47 | | 23.6% | 0.35 | | 0.30 | | 15.3% |

**Balance Sheet**

| (€ Million) | (Excl. IFRS16) | | |
|---|---|---|---|
| | H1 23 | 2022 | H1 22 |
| Net Goodwill | 628 | 613 | 612 |
| Net Fixed Assets | 4,994 | 4,589 | 4,207 |
| Total Working Capital | -3,703 | -3,832 | -3,170 |
| Others | 144 | 132 | 158 |
| **Invested Capital** | **2,062** | **1,501** | **1,807** |
| Total Borrowings | 612 | 470 | 470 |
| Financial Leases | 92 | 82 | 38 |
| Accrued Interest | 8 | 14 | 1 |
| Cash and Cash Equivalents | -1,434 | -1,802 | -1,101 |
| **Net Debt** | **-721** | **-1,236** | **-593** |
| Non-Controlling Interests | 256 | 265 | 255 |
| Share Capital | 629 | 629 | 629 |
| Reserves and Retained Earnings | 1,899 | 1,843 | 1,516 |
| **Shareholders Funds** | **2,784** | **2,737** | **2,400** |

### Cash Flow

| (€ Million) | (Excl. IFRS16) | |
|---|---|---|
| | H1 23 | H1 22 |
| EBITDA | 758 | 635 |
| Interest Payment | -5 | -10 |
| Other Financial Items | 0 | 0 |
| Income Tax | -123 | -106 |
| **Funds From Operations** | **630** | **520** |
| Capex Payment | -495 | -405 |
| Change in Working Capital | -244 | 5 |
| Others | -18 | -23 |
| **Cash Flow** | **-127** | **97** |

### EBITDA Breakdown

| (€ Million) | IFRS16 | | | | Excl. IFRS16 | | | |
|---|---|---|---|---|---|---|---|---|
| | H1 23 | Mg | H1 22 | Mg | H1 23 | Mg | H1 22 | Mg |
| Biedronka | 872 | 8.5% | 721 | 8.7% | 703 | 6.8% | 574 | 6.9% |
| Hebe | 14 | 6.8% | 10 | 6.3% | 0 | 0.1% | -2 | n.a. |
| Pingo Doce | 129 | 5.7% | 120 | 5.8% | 95 | 4.2% | 87 | 4.2% |
| Recheio | 32 | 5.1% | 24 | 4.6% | 29 | 4.6% | 21 | 4.1% |
| Ara | 18 | 1.7% | 26 | 3.1% | -7 | n.a. | 5 | 0.6% |
| Others & Cons. Adjustments | -61 | n.a. | -49 | n.a. | -62 | n.a. | -51 | n.a. |
| **JM Consolidated** | **1,005** | **6.9%** | **851** | **7.2%** | **758** | **5.2%** | **635** | **5.3%** |

### Financial Results

| (€ Million) | IFRS16 | | Excl. IFRS16 | |
|---|---|---|---|---|
| | H1 23 | H1 22 | H1 23 | H1 22 |
| Net Interest | -2 | -7 | -2 | -7 |
| Interests on Capitalised Operating Leases | -82 | -67 | - | - |
| Exchange Differences | 11 | -7 | -6 | -1 |
| Others | -5 | -3 | -5 | -3 |
| **Net Financial Costs** | **-78** | **-85** | **-14** | **-12** |

## 5.2. Sales Detail

| (€ Million) | H1 23 | | H1 22 | | Δ % | | Q2 23 | | Q2 22 | | Δ % | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | % total | | % total | excl. FX | Euro | | % total | | % total | excl. FX | Euro |
| Biedronka | 10,316 | 71.1% | 8,289 | 69.8% | 24.0% | 24.5% | 5,475 | 71.0% | 4,446 | 69.8% | 20.4% | 23.1% |
| Hebe | 208 | 1.4% | 163 | 1.4% | 27.5% | 27.9% | 115 | 1.5% | 91 | 1.4% | 24.0% | 26.7% |
| Pingo Doce | 2,265 | 15.6% | 2,086 | 17.6% | | 8.6% | 1,188 | 15.4% | 1,102 | 17.3% | | 7.8% |
| Recheio | 632 | 4.4% | 513 | 4.3% | | 23.2% | 337 | 4.4% | 285 | 4.5% | | 18.3% |
| Ara | 1,084 | 7.5% | 824 | 6.9% | 52.4% | 31.6% | 590 | 7.7% | 442 | 6.9% | 53.9% | 33.4% |
| Others & Cons. Adjustments | 8 | 0.1% | 9 | 0.1% | | n.a. | 4 | 0.1% | 5 | 0.1% | | n.a. |
| **Total JM** | **14,513** | **100%** | **11,883** | **100%** | **23.3%** | **22.1%** | **7,709** | **100%** | **6,370** | **100%** | **20.4%** | **21.0%** |

**Sales Growth**

| | Total Sales Growth | | | LFL Growth | | |
|---|---|---|---|---|---|---|
| | Q1 23 | Q2 23 | H1 23 | Q1 23 | Q2 23 | H1 23 |
| Biedronka | | | | | | |
| Euro | 26.0% | 23.1% | 24.5% | | | |
| PLN | 28.3% | 20.4% | 24.0% | 24.5% | 17.0% | 20.5% |
| Hebe | | | | | | |
| Euro | 29.5% | 26.7% | 27.9% | | | |
| PLN | 31.9% | 24.0% | 27.5% | 22.6% | 14.2% | 17.9% |
| Pingo Doce | 9.4% | 7.8% | 8.6% | 8.0% | 7.2% | 7.6% |
| *Excl. Fuel* | 9.9% | 8.6% | 9.2% | 8.4% | 8.0% | 8.2% |
| Recheio | 29.2% | 18.3% | 23.2% | 27.1% | 16.4% | 21.2% |
| Ara | | | | | | |
| Euro | 29.4% | 33.4% | 31.6% | | | |
| COP | 50.8% | 53.9% | 52.4% | 18.9% | 17.4% | 18.1% |
| **Total JM** | | | | | | |
| Euro | 23.4% | 21.0% | 22.1% | | | |
| Excl. FX | 26.5% | 20.4% | 23.3% | 21.2% | 15.2% | 18.0% |

## 5.3. Stores Network

| Number of Stores | 2022 | Openings | | Closings | H1 23 | H1 22 |
|---|---|---|---|---|---|---|
| | | Q1 23 | Q2 23 | H1 23 | | |
| Biedronka * | 3,395 | 17 | 33 | 13 | 3,432 | 3,283 |
| Hebe | 315 | 2 | 10 | 4 | 323 | 296 |
| Pingo Doce | 472 | 2 | 4 | 1 | 477 | 467 |
| Recheio | 43 | 0 | 0 | 0 | 43 | 42 |
| Ara | 1,093 | 64 | 46 | 2 | 1,201 | 875 |

| Sales Area (sqm) | 2022 | Openings | | Closings Remodellings | H1 23 | H1 22 |
|---|---|---|---|---|---|---|
| | | Q1 23 | Q2 23 | H1 23 | | |
| Biedronka * | 2,373,630 | 12,323 | 23,827 | -6,404 | 2,416,183 | 2,274,914 |
| Hebe | 81,068 | 485 | 2,351 | 1,035 | 82,869 | 76,356 |
| Pingo Doce | 551,250 | 1,413 | 4,164 | -2,233 | 559,060 | 540,400 |
| Recheio | 139,381 | 0 | 0 | 1,504 | 137,877 | 134,321 |
| Ara | 376,242 | 21,672 | 15,996 | 710 | 413,200 | 298,280 |

* Excluding the stores and selling area related to 14 Micro Fulfilment Centres (MFC) to supply Biek's operation (ultra-fast delivery)

## 5.4. Working Capital

| (€ Million) | IFRS16 | | Excl. IFRS16 | |
|---|---|---|---|---|
| | H1 23 | H1 22 | H1 23 | H1 22 |
| Inventories | 1,676 | 1,295 | 1,676 | 1,295 |
| *in days of sales* | 21 | 20 | 21 | 20 |
| Customers | 47 | 37 | 47 | 37 |
| *in days of sales* | 1 | 1 | 1 | 1 |
| Suppliers [1] | -4,212 | -3,569 | -4,212 | -3,569 |
| *in days of sales* [1] | -53 | -54 | -53 | -54 |
| Others [1] | -1,220 | -937 | -1,215 | -933 |
| **Total Working Capital** | **-3,708** | **-3,175** | **-3,703** | **-3,170** |
| ***in days of sales*** | **-46** | **-48** | **-46** | **-48** |

[1] Restated

### 5.5. Total Borrowings and Financial Leases

| (€ Million) | H1 23 | H1 22 |
|---|---|---|
| **Long Term Borrowings / Financial leases** | **309** | **309** |
| *as % of Total* | *43.9%* | *60.9%* |
| *Average Maturity (years)* | *3.5* | *3.7* |
| **Short Term Borrowings / Financial leases** | **395** | **198** |
| *as % of Total* | *56.1%* | *39.1%* |
| **Total Borrowings / Financial leases** | **705** | **507** |
| *Average Maturity (years)* | *1.7* | *2.4* |
| % Total Borrowings / Financial leases in Euros | 6.8% | 0.8% |
| % Total Borrowings / Financial leases in Zlotys | 27.0% | 37.5% |
| % Total Borrowings / Financial leases in Colombian Pesos | 66.3% | 61.7% |

### 5.6. 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 6) | **Consolidated Income Statement by Functions** (in Consolidated Financial Statements) **First Half 2023** |
|---|---|
| Net Sales and Services | Net sales and services |
| Gross Profit | Gross profit |
| Operating Costs | Includes headings of Distribution costs; and Administrative costs; excluding €-429 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 |
| 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 |
| **Net Profit Attributable to JM** | Net profit attributable to Jerónimo Martins Shareholders |

## Balance Sheet

| Balance Sheet<br>(Page 7) | Consolidated Balance Sheet at 30 June 2023<br>(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 of €628 million); and adding the Financial leases (€115 million) |
| Net Rights of Use (RoU) | Includes the heading of Net rights of use excluding the Financial leases (€115 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, €-68 million related to 'Others' due to its operational nature.<br>Excludes €77 million of short-term investments that do not qualify as cash equivalents (note 9 - Debtors, accruals and deferrals); €-5 million related with Interest accruals and deferrals heading (note 15 - 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.<br>Excludes €-68 million related to 'Others' due to its operational nature |
| Invested Capital | |
| Total Borrowings | Includes the heading Borrowings current and non-current |
| Financial Leases | Includes the heading of Financial leases (2023: €92 million; 2022: €82 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 €-5 million related with Interest accruals and deferrals (note 15 - Financial net debt) |
| Cash and Cash Equivalents | Includes the heading Cash and cash equivalents and €77 million of Short-term investments that do not qualify as cash equivalents, under accounting standards (IAS 7), (note 9 - Debtors, accruals and deferrals) |
| Net Debt | |
| 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 |
| **Shareholders' Funds** | |

### Cash Flow

| Cash Flow<br>(page 7) | **Consolidated Cash Flow Statement**<br>(in Consolidated Financial Statements)<br>**First Half 2023** |
|---|---|
| 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 (€19 million) |
| Capitalised Operating Leases Payment | Included in the heading Leases paid, excluding €5 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 |
| Funds from Operations | |
| 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.<br>It also includes acquisitions of tangible assets classified as finance leases under previous accounting standards (€-14 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 (€-19 million) |
| **Cash Flow** | 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 do not qualify as cash. It also includes acquisitions of tangible assets classified as finance leases (€-14 million) and deducted from the payment of financial leases (€5 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 half 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 – Condensed Consolidated Financial Statements

### 1. Consolidated Financial Statements



**Index to the Notes to the Consolidated Financial Statements** **Page**

## CONSOLIDATED INCOME STATEMENT BY FUNCTIONS

For the periods ended 30 June 2023 and 2022

€ Million

| | Notes | June 2023 | June 2022 | 2nd Quarter 2023 | 2nd Quarter 2022 |
|---|---|---|---|---|---|
| Sales and services rendered | 3 | 14,513 | 11,883 | 7,709 | 6,370 |
| Cost of sales | 4 | (11,543) | (9,377) | (6,153) | (5,047) |
| **Gross profit** | | **2,970** | 2,507 | **1,556** | 1,323 |
| Distribution costs | 4 | (2,146) | (1,843) | (1,101) | (941) |
| Administrative costs | 4 | (248) | (198) | (119) | (97) |
| Other operating profits/losses | 4.1 | (18) | (25) | (12) | (12) |
| **Operating profit** | | **558** | 441 | **325** | 272 |
| Net financial costs | 5 | (78) | (85) | (36) | (40) |
| **Profit before taxes** | | **480** | 356 | **288** | 232 |
| Income tax | 6 | (117) | (85) | (67) | (54) |
| **Profit before non-controlling interests** | | **363** | 270 | **221** | 178 |
| Attributable to: | | | | | |
| Non-controlling interests | | 7 | 9 | 5 | 5 |
| **Jerónimo Martins Shareholders** | | **356** | 261 | **217** | 173 |
| Basic and diluted earnings per share - euros | 12 | 0.5671 | 0.4159 | 0.3445 | 0.2760 |

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

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the periods ended 30 June 2023 and 2022

€ Million

| | June 2023 | June 2022 | 2nd Quarter 2023 | 2nd Quarter 2022 |
|---|---|---|---|---|
| **Net profit** | **363** | 270 | **221** | 178 |
| **Other comprehensive income:** | | | | |
| Change in fair value of equity instruments | (2) | 1 | (1) | 1 |
| **Items that will not be reclassified to profit or loss** | **(2)** | 1 | **(1)** | 1 |
| Currency translation differences | 59 | (18) | 54 | (6) |
| Change in fair value of cash flow hedges | (2) | - | (1) | - |
| Change in fair value of hedging instruments on foreign operations | (20) | (16) | (15) | (2) |
| Related tax | 4 | (1) | 4 | (-) |
| **Items that may be reclassified to profit or loss** | **41** | (35) | **42** | (8) |
| **Other comprehensive income, net of income tax** | **39** | (34) | **41** | (7) |
| **Total comprehensive income** | **403** | 236 | **263** | 172 |
| Attributable to: | | | | |
| Non-controlling interests | 7 | 9 | 5 | 5 |
| Jerónimo Martins Shareholders | 396 | 227 | 258 | 167 |
| **Total comprehensive income** | **403** | 236 | **263** | 172 |

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

## CONSOLIDATED BALANCE SHEET

As at 30 June 2023 and 31 December 2022

€ Million

| | Notes | June 2023 | December 2022 |
|---|---|---|---|
| **Assets** | | | |
| Tangible assets | 7 | 4,726 | 4,340 |
| Intangible assets | 7 | 781 | 755 |
| Investment property | 7 | 9 | 9 |
| Right-of-use assets | 7 | 2,983 | 2,526 |
| Biological assets | | 7 | 6 |
| Investments in joint ventures and associates | | 17 | 16 |
| Other financial investments | | 15 | 17 |
| Trade debtors, accrued income and deferred costs | 9 | 59 | 58 |
| Deferred tax assets | | 203 | 201 |
| **Total non-current assets** | | **8,801** | **7,928** |
| Inventories | | 1,654 | 1,493 |
| Biological assets | | 16 | 12 |
| Income tax receivable | | 48 | 35 |
| Trade debtors, accrued income and deferred costs | 9 | 699 | 593 |
| Derivative financial instruments | 8 | 3 | 2 |
| Cash and cash equivalents | 10 | 1,357 | 1,781 |
| **Total current assets** | | **3,776** | **3,917** |
| **Total assets** | | **12,577** | **11,845** |
| **Shareholders' equity and liabilities** | | | |
| Share capital | | 629 | 629 |
| Share premium | | 22 | 22 |
| Own shares | | (6) | (6) |
| Other reserves | | (144) | (183) |
| Retained earnings | | 1,880 | 1,869 |
| | | **2,381** | **2,331** |
| **Non-controlling interests** | | **244** | **254** |
| **Total shareholders' equity** | | **2,625** | **2,585** |
| Borrowings | 13 | 229 | 238 |
| Lease liabilities | 14 | 2,646 | 2,248 |
| Trade creditors, accrued costs and deferred income | 17 | 4 | 4 |
| Derivative financial instruments | 8 | - | 5 |
| Employee benefits | 16 | 74 | 69 |
| Provisions for risks and contingencies | 16 | 102 | 82 |
| Deferred tax liabilities | | 84 | 90 |
| **Total non-current liabilities** | | **3,138** | **2,735** |
| Borrowings | 13 | 384 | 232 |
| Lease liabilities | 14 | 497 | 430 |
| Trade creditors, accrued costs and deferred income | 17 | 5,866 | 5,799 |
| Derivative financial instruments | 8 | 6 | 9 |
| Income tax payable | | 61 | 55 |
| **Total current liabilities** | | **6,815** | **6,525** |
| **Total shareholders' equity and liabilities** | | **12,577** | **11,845** |

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

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY

For the periods ended 30 June 2023 and 2022

€ Million

| | Shareholders’ equity attributable to Shareholders of Jerónimo Martins, SGPS, S.A. | | | | | | | | Non-controlling interests | Shareholders’ equity |
|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Share premium | Own shares | Other reserves | | | Retained earnings | Total | | |
| | | | | Cash flow hedge | Fair Value of financial assets | Currency translation reserves | | | | |
| **Balance Sheet as at 1 January 2022** | 629 | 22 | (6) | - | - | (140) | 1,773 | 2,278 | 254 | 2,532 |
| **Equity changes in 2022** | | | | | | | | | | |
| Currency translation differences | - | - | - | - | - | (19) | - | (19) | - | (19) |
| Change in fair value of hedging instruments on foreign operations | - | - | - | - | - | (16) | - | (16) | - | (16) |
| Change in fair value of equity instruments | - | - | - | - | 1 | - | - | 1 | - | 1 |
| Other comprehensive income | - | - | - | - | 1 | (35) | - | (34) | - | (34) |
| Net profit | - | - | - | - | - | - | 261 | 261 | 9 | 270 |
| **Total comprehensive income** | - | - | - | - | 1 | (35) | 261 | 227 | 9 | 236 |
| Dividends | - | - | - | - | - | - | (493) | (493) | (17) | (511) |
| **Balance Sheet as at 30 June 2022** | 629 | 22 | (6) | - | 1 | (175) | 1,541 | 2,012 | 245 | 2,258 |
| | | | | , | | | | | | |
| **Balance Sheet as at 1 January 2023** | **629** | **22** | **(6)** | **-** | **(2)** | **(182)** | **1,869** | **2,331** | **254** | **2,585** |
| **Equity changes in 2023** | | | | | | | | | | |
| Currency translation differences | - | - | - | - | - | 63 | - | 63 | - | 63 |
| Change in fair value of cash flow hedging | | | | (2) | | | | (2) | | (2) |
| Change in fair value of hedging instruments on foreign operations | - | - | - | - | - | (20) | - | (20) | - | (20) |
| Change in fair value of equity instruments | - | - | - | - | (2) | - | - | (2) | - | (2) |
| Other comprehensive income | - | - | - | (2) | (2) | 43 | - | 39 | - | 39 |
| Net profit | - | - | - | - | - | - | 356 | 356 | 7 | 363 |
| **Total comprehensive income** | - | - | - | (2) | (2) | 43 | 356 | 396 | 7 | 403 |
| Dividends (note 11) | - | - | - | - | - | - | (346) | (346) | (17) | (363) |
| **Balance Sheet as at 30 June 2023** | **629** | **22** | **(6)** | **(2)** | **(4)** | **(139)** | **1,880** | **2,381** | **244** | **2,625** |

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

## CONSOLIDATED CASH FLOW STATEMENT

For the periods ended 30 June 2023 and 2022

€ Million

| | Notes | June 2023 | June 2022 |
|---|---|---|---|
| **Net results** | | 356 | 261 |
| Adjustments for: | | | |
| Non-controlling interests | | 7 | 9 |
| Income tax | | 117 | 85 |
| Depreciations and amortisations | | 429 | 385 |
| Net financial costs | | 78 | 85 |
| Gains/losses on derivatives instruments at fair value | | (5) | - |
| Gains/losses in tangible, intangible and right-of-use assets | | 5 | 1 |
| **Operating cash flow before changes in working capital** | | **986** | **827** |
| Changes in working capital: | | | |
| Inventories | | (92) | (187) |
| Trade debtors, accrued income and deferred costs | | 5 | 3 |
| Trade creditors, accrued costs and deferred income | | (174) | 181 |
| Provisions and employee benefits | | 19 | 8 |
| **Cash generated from operations** | | **743** | **833** |
| Income taxes paid | | (123) | (106) |
| **Cash flow from operating activities** | | **620** | **727** |
| **Investment activities** | | | |
| Disposals of tangible and intangible assets | | 2 | 6 |
| Interest received | | 20 | 3 |
| Acquisition of tangible and intangible assets | | (481) | (374) |
| Acquisition of other financial investments and investment property | | (-) | (17) |
| Acquisition of businesses, net of cash acquired | | (2) | (1) |
| Short-term investments that don't qualify as cash equivalents | 9 | (53) | (9) |
| **Cash flow from investment activities** | | **(515)** | **(392)** |
| **Financing activities** | | | |
| Loans interest paid | | (24) | (12) |
| Leases interest paid | 5 | (83) | (68) |
| Net change in loans | 13 | 89 | (2) |
| Leases paid | 14 | (170) | (151) |
| Dividends paid | 11 | (363) | (511) |
| **Cash flow from financing activities** | | **(551)** | **(744)** |
| **Net changes in cash and cash equivalents** | | **(445)** | **(409)** |
| **Cash and cash equivalents changes** | | | |
| Cash and cash equivalents at the beginning of the year | | 1,781 | 1,494 |
| Net changes in cash and cash equivalents | | (445) | (409) |
| Effect of currency translation differences | | 21 | (26) |
| **Cash and cash equivalents at the end of June** | 10 | **1,357** | **1,060** |

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

€ Million

| | June 2023 | June 2022 | 2nd Quarter 2023 | 2nd Quarter 2022 |
|---|---|---|---|---|
| Cash Flow from operating activities | 620 | 727 | 470 | 624 |
| Cash Flow from investment activities | (515) | (392) | (257) | (206) |
| Cash Flow from financing activities | (551) | (744) | (423) | (601) |
| **Cash and cash equivalents changes** | **(445)** | **(409)** | **(210)** | **(183)** |

The amounts presented for quarters are not audited.

## 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 July 2023.

## 2. Accounting policies

### 2.1. Basis for preparation

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

The amounts presented for quarters and the corresponding changes are not audited.

JMH condensed 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 2023, 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 2022 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 2022 Annual Report, point 28 - 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 semester of 2023, 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.

**Change in accounting policies and basis for preparation:**

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

Between November 2021 and September 2022, the EU issued the following Regulations, which were adopted by the Group with effect from 1 January 2023:

| EU Regulation | IASB Standard or IFRIC Interpretation endorsed by EU | Issued in | Mandatory for financial years beginning on or after |
|---|---|---|---|
| Regulation no. 2036/2021 | IFRS 17 Insurance Contracts (new) | May 2017 and June 2020 | 1 January 2023 |
| Regulation no. 357/2022 | IAS 1 Presentation of Financial Statements: Disclosure of Accounting policies (amendments)<br>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 Group adopted the above standard and 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 2023 and not early adopted

During the first semester of 2023, the EU did not issue any Regulation regarding the endorsement of new standards, amendments or interpretations that have not yet been implemented by the Group.

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

IASB issued in May 2023 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 |
|---|---|---|
| IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (amendments) | May 2023 | 1 January 2024 |
| IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (amendments) | May 2023 | 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 the first semester of 2023, nor were identified errors regarding previous years, which compel the restatement of the Consolidated 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**<br>(x foreign exchange units per 1 euro) | Polish Zloty (PLN) | Colombian Peso (COP) |
|---|---|---|
| **Rate at 30 June 2023** | 4.4388 | 4,554.2400 |
| **Average rate for the period** | 4.6202 | 4,945.7200 |
| Rate at 30 June 2022 | 4.6904 | 4,287.2000 |
| Average rate for the period | 4.6367 | 4,269.5000 |

# 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.

The identified operating segments are:

- Portugal Retail: comprises the business unit of JMR (Pingo Doce supermarkets);
- Portugal Cash & Carry: includes 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: includes 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 June 2023 and 2022**

| | Portugal Retail | | Portugal Cash & Carry | | Poland Retail | | Colombia Retail | | Others, eliminations and | | Total JM Consolidated | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 | **2023** | 2022 | **2023** | 2022 | **2023** | 2022 | **2023** | 2022 |
| **Net sales and services** | **2,565** | 2,328 | **632** | 513 | **10,316** | 8,289 | **1,084** | 824 | **(84)** | (71) | **14,513** | 11,883 |
| Inter-segments | 300 | 242 | 4 | 3 | - | - | - | - | (303) | (245) | - | - |
| External customers | 2,265 | 2,086 | 628 | 510 | 10,316 | 8,289 | 1,084 | 824 | 219 | 174 | 14,513 | 11,883 |
| **Operational cash flow (EBITDA)** | **129** | 120 | **32** | 24 | **872** | 721 | **18** | 26 | **(47)** | (39) | **1,005** | 851 |
| Depreciations and amortisations | (88) | (78) | (11) | (10) | (265) | (244) | (36) | (30) | (28) | (23) | (429) | (385) |
| **Earnings before interest and taxes (EBIT)** | **41** | 43 | **21** | 13 | **606** | 476 | **(17)** | (5) | **(75)** | (62) | **576** | 466 |
| Other operating profits/losses | | | | | | | | | | | (18) | (25) |
| **Financial results and gains in investments** | | | | | | | | | | | **(78)** | (85) |
| Income tax | | | | | | | | | | | (117) | (85) |
| Minority interests | | | | | | | | | | | (7) | (9) |
| **Net result attributable to JM** | | | | | | | | | | | **356** | 261 |
| **Total assets** (1) | **2,444** | 2,486 | **529** | 510 | **7,227** | 7,060 | **1,386** | 1,047 | **990** | 743 | **12,577** | 11,845 |
| **Total liabilities** (1) | **1,947** | 1,969 | **520** | 491 | **6,175** | 5,800 | **1,372** | 1,026 | **(62)** | (26) | **9,952** | 9,260 |
| **Investments in tangible and intangible assets** | **101** | 79 | **13** | 16 | **182** | 141 | **127** | 34 | **20** | 10 | **443** | 281 |

(1) The comparative report is 31 December of 2022

**Reconciliation between EBIT and operating profit**

| | **2023** | 2022 |
|---|---|---|
| EBIT | 576 | 466 |
| Other operating profits/losses | (18) | (25) |
| **Operational result** | **558** | **441** |

## 4. Operating costs by nature

| | **Jun 2023** | Jun 2022 |
|---|---|---|
| Cost of goods sold and materials consumed | (11,382) | (9,246) |
| Changes in inventories of finished goods and work in progress | 18 | 6 |
| Net cash discount and interest paid to suppliers | 28 | 26 |
| Electronic payment commissions | (36) | (29) |
| Other supplementary costs | (150) | (120) |
| Supplies and services | (547) | (460) |
| Advertising costs | (62) | (54) |
| Rents | (15) | (10) |
| Staff costs | (1,202) | (1,024) |
| Transportation costs | (154) | (146) |
| Depreciation and amortisation of tangibles and intangibles assets | (241) | (219) |
| Depreciation of right-of-use assets | (187) | (167) |
| Profit/loss with tangible and intangible assets | (6) | (2) |
| Profit/loss with right-of-use assets | 1 | 1 |
| Other natures of profit/loss | (18) | - |
| **Total** | **(13,955)** | **(11,443)** |

### 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:

| | Jun 2023 | Jun 2022 |
|---|---|---|
| Solidarity measures with Ukraine and other donations | (-) | (11) |
| Increase of provisions for legal contingencies | (13) | (7) |
| Costs with organizational restructuring programmes | (8) | (6) |
| Assets write-offs and gains/losses in sale of tangible assets | (2) | (-) |
| Fair value of energy price fixing derivative instruments | 5 | - |
| **Total** | **(18)** | **(25)** |

## 5. Net financial costs

| | Jun 2023 | Jun 2022 |
|---|---|---|
| Loans interest expense | (22) | (10) |
| Leases interest expense | (83) | (68) |
| Interest received | 21 | 3 |
| Net foreign exchange | (6) | (1) |
| Net foreign exchange on leases | 18 | (6) |
| Other financial gains and losses | (5) | (3) |
| **Total** | **(78)** | **(85)** |

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 June, 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

| | Jun 2023 | Jun 2022 |
|---|---|---|
| **Current income tax** | | |
| Current tax of the year | (127) | (85) |
| Adjustment to prior year estimation | 8 | 3 |
| **Total** | **(118)** | **(82)** |
| **Deferred tax** | | |
| Temporary differences created and reversed | 7 | (5) |
| Change to the recoverable amount of tax losses and temporary differences from previous years | (3) | (2) |
| **Total** | **3** | **(7)** |
| **Other gains/losses related to tax** | | |
| Impact of changes in estimates for tax litigations | (2) | 4 |
| **Total** | **(2)** | **4** |
| **Total income tax** | **(117)** | **(85)** |

In 2023 and 2022, 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.

Additionally, in 2022, a temporary solidarity contribution on the food distribution sector (CST Food Distribution) was approved, applicable to companies that carry out food retail activities in Portugal, with the indication that it is intended to tackle the inflationary phenomenon. The CST Food Distribution corresponds to an additional rate of 33% on the taxable income that exceeds 20% of the average taxable income for the reference period (2018–2021). In accordance with the legislation in force, its application will be limited to the years 2022 and 2023.

In Poland, for 2023 and 2022, the income tax rate applied to taxable income was 19%.

In Colombia, the income tax rate was 35% in 2023 and 2022.

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

| | Tangible assets | Intangible assets | Investment property | Right-of-use assets | Total |
|---|---|---|---|---|---|
| **Net value at 31 December 2022** | **4,340** | **755** | **9** | **2,526** | **7,630** |
| Foreign exchange differences | 196 | 22 | - | 144 | 362 |
| Increases | 433 | 11 | - | 114 | 557 |
| Contracts update | - | - | - | 396 | 396 |
| Disposals and write-offs | (7) | (-) | - | (-) | (7) |
| Contracts cancellation | - | - | - | (11) | (11) |
| Depreciation, amortisation and impairment losses | (235) | (6) | - | (187) | (429) |
| **Net value at 30 June 2023** | **4,726** | **781** | **9** | **2,983** | **8,499** |

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 June 2023 include Goodwill in the amount of €628 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 increased €362 million, which includes an increase of €15 million related to Goodwill from businesses in Poland.

## 8. Derivative financial instruments

| | Jun 2023 | | | | | Dec 2022 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Notional | Assets | | Liabilities | | Notional | Assets | | Liabilities | |
| | | Current | Non-current | Current | Non-current | | Current | Non-current | Current | Non-current |
| **Derivatives held for trading** | | | | | | | | | | |
| Currency forwards - stock purchase (COP/EUR) | 1.8 million EUR | - | - | 0 | - | 1.5 million EUR | 0 | - | 0 | - |
| Currency forwards - stock purchase (COP/USD) | 2,3 million USD | - | - | 0 | - | 1 million USD | 0 | - | 0 | - |
| Currency forwards - stock purchase (EUR/USD) | - | - | - | - | - | 0.05 million USD | - | - | - | - |
| Currency forwards - stock purchase (PLN/USD) | 5.2 million EUR | - | - | 0 | - | - | - | - | - | - |
| Currency forwards - treasury applications (PLN/EUR) | 49.9 million EUR | 3 | - | 0 | - | 99.7 million EUR | 2 | - | 0 | - |
| Commodities swap - energy purchase (PLN/EUR) | n.a. | - | - | - | 0 | n.a. | - | - | - | 5 |
| **Cash flow hedging derivatives** | | | | | | | | | | |
| Currency forwards - stock purchase (PLN/USD) | 36.1 million USD | - | - | 2 | - | 47.1 million USD | 0 | - | 0 | - |
| Currency forwards - stock purchase (COP/EUR) | 0.2 million EUR | - | - | 0 | - | 2.2 million EUR | 0 | - | 0 | - |
| Currency forwards - stock purchase (COP/USD) | 1.6 million USD | - | - | 0 | - | 1.7 million USD | 0 | - | 0 | - |
| **Foreign operation investments hedging derivatives** | | | | | | | | | | |
| Currency forwards (PLN) | 289 million PLN | - | - | 2 | - | 1,006 million PLN | - | - | 9 | - |
| **Total derivatives held for trading** | | **3** | **-** | **1** | **0** | | 2 | - | 0 | 5 |
| **Total hedging derivatives** | | **-** | **-** | **5** | **-** | | 0 | - | 9 | - |
| **Total assets/liabilities derivatives** | | **3** | **-** | **6** | **0** | | 2 | - | 9 | 5 |

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

| | Jun 2023 | Dec 2022 |
|---|---|---|
| **Non-current** | | |
| Other debtors | 56 | 56 |
| Deferred costs | 3 | 3 |
| **Total** | **59** | **58** |
| **Current** | | |
| Commercial customers | 67 | 66 |
| Other debtors | 185 | 152 |
| Other taxes receivable | 42 | 9 |
| Accrued income and deferred costs | 328 | 345 |
| Short-term investments that don't qualify as cash equivalents | 77 | 21 |
| **Total** | **699** | **593** |

## 10. Cash and cash equivalents

| | Jun 2023 | Dec 2022 |
|---|---|---|
| Bank deposits | 265 | 845 |
| Short-term investments | 1,087 | 932 |
| Cash in hand | 4 | 4 |
| **Total** | **1,357** | **1,781** |

## 11. Dividends

Dividends in the amount of €363 million were paid in 2023, to JMH shareholders in the amount of €346 million and to partners with non-controlling interests in the Group companies in the amount of €17 million.

## 12. Basic and diluted earnings per share

| | Jun 2023 | Jun 2022 |
|---|---|---|
| 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) |
| **Weighted average number of ordinary shares** | **628,434,220** | **628,434,220** |
| Diluted net results of the year attributable to ordinary shares | 356 | 261 |
| **Basic and diluted earnings per share – Euros** | **0.5671** | **0.4159** |

## 13. Borrowings

The Group has negotiated commercial paper programs in the total amount of €215 million, of which €115 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 June 2023.

Jeronimo Martins Polska SA made a scheduled repayment of a loan in the amount of PLN 50 million.

Jeronimo Martins Colombia SAS paid 80,000 million Colombian pesos, around €17 million, related to capital repayments of three medium and long-term loans. Also, during the first half of 2023, Jeronimo Martins Colombia, SAS increased the use of credit lines by 524,750 million Colombian pesos, around €115 million.

### 13.1. Current and non-current loans

| Jun 2023 | Opening balance | *Cash flows* | Transfers | Foreign exchange difference | Closing balance |
|---|---|---|---|---|---|
| **Non-current loans** | | | | | |
| Bank loans | 238 | (16) | (11) | 18 | 229 |
| **Total** | **238** | **(16)** | **(11)** | **18** | **229** |
| **Current loans** | | | | | |
| Bank loans | 232 | 106 | 11 | 35 | 384 |
| **Total** | **232** | **106** | **11** | **35** | **384** |

## 14. Lease liabilities

| Jun 2023 | Current | Non current | Total |
|---|---|---|---|
| **Opening balance** | **430** | **2,248** | **2,678** |
| Increases (new contracts) | 12 | 102 | 114.097 |
| Payments | (169) | (1) | (170) |
| Transfers | 140 | (140) | - |
| Contracts change/ cancel | 64 | 321 | 385 |
| Foreign exchange difference | 21 | 115 | 136 |
| **Closing balance** | **497** | **2,646** | **3,143** |

## 15. 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:

| | Jun 2023 | Dec 2022 |
|---|---|---|
| Non-current loans (note 13.1) | 229 | 238 |
| Current loans (note 13.1) | 384 | 232 |
| Financial lease liabilities - non-current (note 14) | 2,646 | 2,248 |
| Financial lease liabilities - current (note 14) | 497 | 430 |
| Derivative financial instruments (note 8) | 3 | 12 |
| Interest on accruals and deferrals | 5 | 2 |
| Cash and cash equivalents (note 10) | (1,357) | (1,781) |
| Short-term investments that don't qualify as cash equivalents (note 9) | (77) | (21) |
| **Total** | **2,330** | **1,360** |

## 16. Provisions and employee benefits

| 2023 | Risks and contingencies | Employee benefits |
|---|---|---|
| **Balance as at 1 January** | **82** | **69** |
| Set up, reinforced and transfers | 18 | 5 |
| Foreign exchange difference | 2 | 2 |
| Used | (-) | (2) |
| **Balance as at 30 June** | **102** | **74** |

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

| | Jun 2023 | Dec 2022 |
|---|---|---|
| **Non-current** | | |
| Other commercial creditors | 3 | 3 |
| Accrued costs and deferred income | 1 | 1 |
| **Total** | **4** | **4** |
| **Current** | | |
| Other commercial creditors | 4,577 | 4,579 |
| Other non-commercial creditors | 424 | 419 |
| Other taxes payables | 157 | 122 |
| Contracts liabilities with customers | 19 | 15 |
| Refunds liabilities to customers | 2 | 1 |
| Accrued costs and deferred income | 688 | 663 |
| **Total** | **5,866** | **5,799** |

## 18. Contingencies

### Contingent liabilities

During the first half of 2023, the following changes occurred to the contingencies mentioned in the 2022 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 half of 2023, Pingo Doce had been notified of decisions issued by AdC regarding all 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 €190 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"). Under the terms of the applicable law, Pingo Doce also requested 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.

- In Poland, the Company Jeronimo Martins Polska, S.A. (JMP) was notified, in 2019, by the Polish Office of Competition and Consumer Protection (UOKiK) on the opening of one investigation proceeding, regarding missing price labels on shelves and discrepancies between prices on the shelves and the ones indicated at the checkouts.

  In August 2020, UOKiK notified the JMP of the decision, concluding with the imposition of a fine of 115 million zloty (c. €25 million). JMP, disagreeing with the understanding and conclusion of this Authority, filed an appeal to the Court of Competition and Consumer Protection (CCCP). On 29 September 2022 the court in the first instance sustained the UOKiK decision and dismissed the appeal. Convinced of the merits of its defence and has factual and legal arguments to be used, JMP filed an appeal to the Second Instance Court. On 27 June 2023 the Court of Appeals dismissed JMP's appeal, making UOKiK decision final. Nevertheless, JMP sustaining its position, will file an extraordinary appeal to the Supreme Court.

  During the year 2020, JMP was notified by UOKiK on the opening of one proceeding related to the disclosure of country of origin of fruit and vegetable products at store level. On 22 April 2021 UOKiK notified JMP of the decision on the case, imposing a fine of 60 million zloty (c. €13 million). The mentioned decision is not final, so JMP, disagreeing with the understanding and conclusion of this Authority, filed an appeal before the CCCP. On 17 April 2023 the CCCP sustained UOKiK's decision. JMP filed the appeal to the Court of Appeals.

  On 10 August 2022 the President of UOKiK initiated the proceedings regarding the promotional campaign 'Biedronka's Anti-inflation Shield', having on 13 April 2023 issued a decision to impose a fine of 161 million zloty (c. €36 million). JMP filed an appeal to the CCCP.

Other tax and legal proceedings:

c) The Portuguese Tax Authorities (PTA) 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, 2010, 2011 and 2013 assessments. Up to this date, the PTA have appealed of the decisions regarding 2008, 2009, 2011 and 2013;

e) The PTA assessed, for the period from 2016 to 2019, JMR SGPS and JMH (as the head of the Tax Group in which Recheio SGPS is included), the amounts of €122 million and €30 million, respectively, related to the taxation in CIT of ¼ of the results generated in internal operations of the Tax Group, in each of these years. As explained in the 2018 Annual Report (and previous years), this assessment results from the application of the transitional rule included in the Portuguese State Budget of 2016 (and then in the next three Budgets). Based on the assessment of our lawyers and fiscal advisors, we firmly believe that there are sufficient grounds to oppose the said rules;

g) The Food and Veterinary Department (Direção-Geral de Alimentação e Veterinária) claimed from Pingo Doce, Recheio and Hussel an amount of €29 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 2023. 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.

Already in 2023, a consumer protection association filed popular actions against Pingo Doce in respect to damages arisen from an alleged discrepancy in prices between what is displayed on the shelf and what appears at the checkout counter in its supermarkets. Under any circumstances, safeguarding the legitimate interests of the Consumer is always a priority for Pingo Doce, and therefore, as the company is convinced that there is no ground for these actions, it will contest them in due time.

## 19. Capital commitments

On 29 May 2023, Jerónimo Martins – Agro-Alimentar, S.A. (JMA) signed a "Partnership Agreement" (Agreement) with the Luís Vicente Group. This Agreement consists of the creation of a company under common control for the development of production activities for some varieties of fruits, providing for an investment amount by JMA of €7 million. The Agreement was, meanwhile, concluded on July 5, 2023, with JMA's entering the capital of the company Supreme Fruits, Lda. for that amount.

On 26 June 2023, JMA entered into a Private Agreement for the Placement of Shares (Private Placement) with Andfjord Salmon AS in which the Group holds 10.5% of the share capital. Under this Private Placement, JMA acquired an additional amount of 10 million shares of this company on 11 July 2023, for the value of NOK (Norwegian crowns) 385 million (equivalent to €33 million), becoming the holder of a total 25.1% of the share capital.

## 20. Related parties

56.136% of the Group is owned by the Sociedade Francisco Manuel dos Santos, B.V., with Sociedade Francisco Manuel dos Santos, S.E. the entity that qualifies as the ultimate parent company of the Group.

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

| | Joint ventures | | Associates | | Other related parties(*) | |
|---|---|---|---|---|---|---|
| | **Jun 2023** | Jun 2022 | **Jun 2023** | Jun 2022 | **Jun 2023** | Jun 2022 |
| Sales and services rendered | - | - | 12 | 12 | - | - |
| Stocks purchased and services supplied | 2 | 4 | (-) | - | 47 | 53 |

| | Joint ventures | | Associates | | Other related parties(*) | |
|---|---|---|---|---|---|---|
| | **Jun 2023** | Dec 2022 | **Jun 2023** | Dec 2022 | **Jun 2023** | Dec 2022 |
| Trade debtors, accrued income and deferred costs | - | - | 5 | 5 | - | - |
| Trade creditors, accrued costs and deferred income | - | - | - | - | 26 | 25 |

(*) 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 July 2023

**The Certified Accountant** **The Board of Directors**

## 2. Statement of the Board of Directors

# Statement of the Board of Directors

Within the terms of paragraph c), number 1 of article 29-J of Portuguese Securities Code, we hereby inform you that to the best of our knowledge:

i) the information contained in the interim management report is a faithful statement of the evolution of the businesses, of the performance and of the position of Jerónimo Martins, SGPS, S.A. and the companies included within the consolidation perimeter, and contains a description of the main risks and uncertainties which they face; and

ii) the information contained in the consolidated financial statements, as well as their annexes, was produced in compliance with the applicable accounting standards and gives a true and fair view of the assets and liabilities, the financial situation and the results of Jerónimo Martins, SGPS, S.A. and the companies included in the consolidation perimeter.

Lisbon, 25 July 2023

Pedro Manuel de Castro Soares dos Santos
(Chairman of the Board of Directors and Chief Executive Officer)

Andrzej Szlezak
(Member of the Board of Directors)

António Pedro de Carvalho Viana-Baptista
(Member of the Board of Directors)

Artur Stefan Kirsten
(Member of the Board of Directors)

Clara Christina Streit
(Member of the Board of Directors and Chairwoman of the Audit Committee)

Elizabeth Ann Bastoni
(Member of the Board of Directors and Member of the Audit Committee)

Francisco Seixas da Costa
(Member of the Board of Directors)

José Manuel da Silveira e Castro Soares dos Santos
(Member of the Board of Directors)

María Ángela Holguín
(Member of the Board of Directors)

Natalia Anna Olynec
(Member of the Board of Directors)

Sérgio Tavares Rebelo
(Member of the Board of Directors and Member of the Audit Committee)

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*(Translation from the original Portuguese language. In case of doubt, the Portuguese version prevails.)*

# Limited review report on the condensed consolidated financial statements

## Introduction

We have performed a limited review on the condensed consolidated financial statements of Jerónimo Martins, S.G.P.S., S.A., which comprise the consolidated statement of financial position as at 30 June 2023 (showing a total of 12.577 million Euros and a shareholder's equity total of 2.625 million Euros, including a consolidated net profit attributable to equity holders of the parent of 356 million Euros), consolidated income statement by functions, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six month period then ended, and the notes to the condensed consolidated financial statements which includes a summary of significant accounting policies.

## Board of Directors responsibilities

The Board of Directors is responsible for the preparation of the condensed consolidated financial statements in accordance with the International Financial Reporting Standards as endorsed by the European Union for Interim Financial Reporting (IAS 34), and for the design and maintenance of an appropriate system of internal control to enable the preparation of condensed consolidated financial statements which are free from material misstatement due to fraud or error.

## Auditor's Responsibilities

Our responsibility is to express an opinion on these condensed consolidated financial statements based on our review. We conducted our review in accordance with the International Standard on Review Engagements 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and other rules and technical and ethical requirements issued by the Institute of Statutory Auditors. Those standards require that our work is performed in order to conclude that nothing has come to our attention that causes us to believe that the condensed consolidated financial statements have not been prepared in all material respects in accordance with the International Financial Reporting Standards as endorsed by the European Union for Interim Financial Reporting (IAS 34)

A review of financial statements is a limited assurance engagement. The procedures performed consisted primarily of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these condensed consolidated financial statements.

## Conclusion

Based on our review procedures, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of Jerónimo Martins, S.G.P.S., S.A., as at 30 June 2023, have not been prepared, in all material respects, in accordance with the International Financial Reporting Standards as endorsed by the European Union for Interim Financial Reporting (IAS 34).

Lisbon, 4 August 2023

Ernst & Young Audit & Associados – SROC, S.A.
Sociedade de Revisores Oficiais de Contas (n.º 178)
Represented by:

*(Signed)*

Pedro Miguel Borges Marques - ROC n.º1801
Registered with the Portuguese Securities Market Commission under license nr 20161640

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