

Jerónimo Martins

2020 | FY Results

March 4, 2021

Introductory note

The performance analysis in this presentation is presented under IFRS16.

The Financial Statements excluding the effect of the IFRS16 are presented in the Appendix of this presentation.

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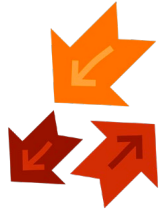
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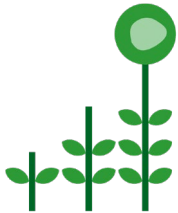
0. 2020 | OPENING REMARKS



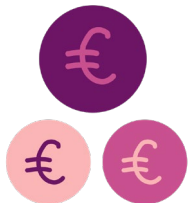
Against an unprecedentedly difficult landscape, we adjusted short term priorities without losing sight of the longer term



We were present for our consumers, our teams, our suppliers and our communities



We continued to improve our standards and practices and to further develop environmental and social actions to accomplish our corporate responsibility targets



We reinforced value propositions, delivered a solid set of numbers in all countries and strengthened our balance sheet

0. 2020 | OPENING REMARKS

Solid set of numbers, reinforced value propositions and stronger cash position by the year end

	2019		2020
Net Sales & Services (Excl. FX)	18,638	→ +3.5% +6.7%	19,293
EBITDA (Excl. FX)	1,437	→ -1.0% +1.9%	1,423
EBITDA Margin	7.7%		7.4%
Net Earnings (Excl. Other profits/losses)	390	→ -19.9% -12.6%	312
EPS (Excl. Other profits/losses)	0.62 0.63		0.50 0.55
Net Debt Excl. Capitalized operating leases	2,172 -196		1,752 -509

1. 2020 CONTEXT – Macroeconomic data

POLAND

Resilience in light of the pandemic crisis

GDP $\Delta\%$	-2.8%
Δ PLN/€ YE	-6.6%
Δ PLN/€ avg	-3.3%
Private Consumption	-3.0%
General Inflation	3.4%
Food Inflation	4.7%

PORTUGAL

Strongly impacted due to high dependence on tourism

GDP $\Delta\%$	-7.6%
Private Consumption	-6.0%
General Inflation	0%
Food Inflation	2.1%

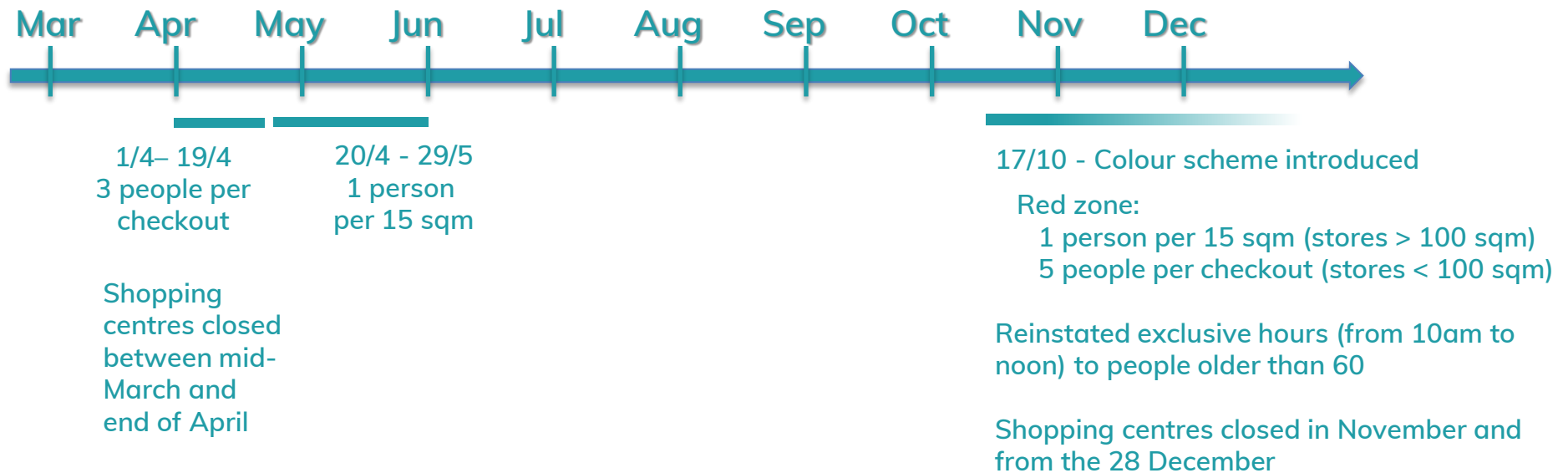
COLOMBIA

Long strict-lockdown period impacted employment and overall economic sectors

GDP $\Delta\%$	-6.8%
Δ COP/€ YE	-12.5%
Δ COP/€ avg	-12.4%
Private Consumption	-5.8%
General Inflation	2.5%
Food Inflation	5.6%

1. 2020 CONTEXT | Covid-19 update

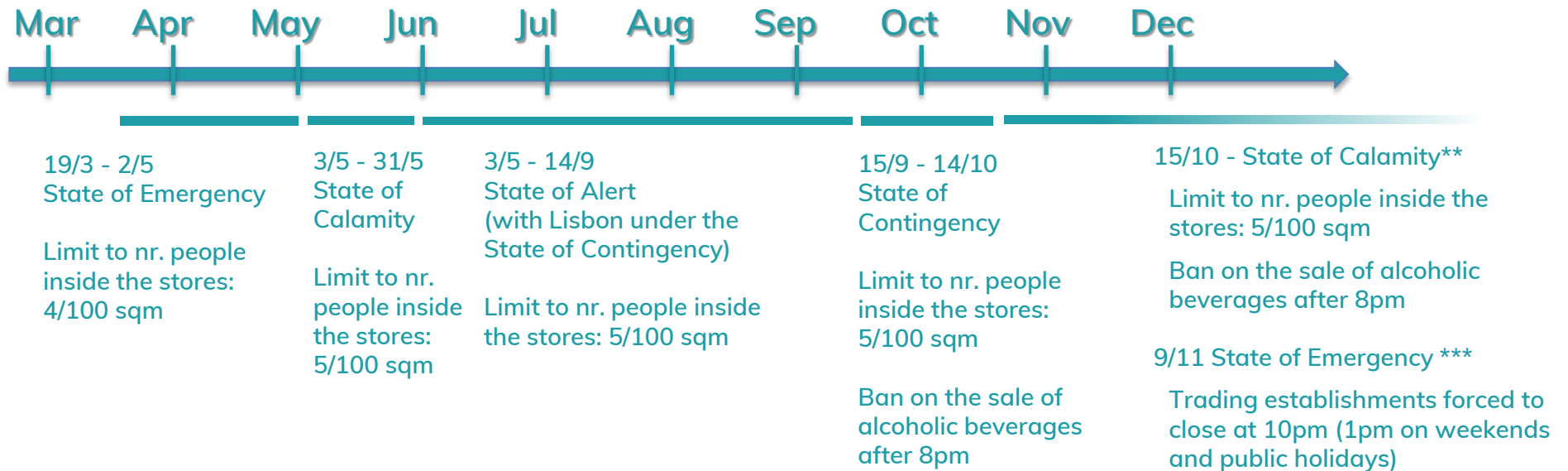
Poland: Return of limits to number of people inside stores



- ➔ Circulation of people gradually increased since May, staying below the pre-crisis environment
- ➔ In Q3 there was no specific measures addressing retail activity and circulation of people increased
- ➔ In mid-October a new lockdown started including the closures of shopping centres, schools and restaurants

1. 2020 CONTEXT | Covid-19 update

Portugal: Numerous changes impacting circulation of people



- ➔ Low circulation of people and heavily restricted tourism activity strongly impacting retail, restaurants and coffee shops
- ➔ State of Calamity** reinstated on 15 October with, amongst others, strict limitations to number of people in the same group with regards to the frequency of restaurants, cafes and gatherings on the street
- ➔ State of Emergency*** prohibited movement on the weekends outside the respective municipality and imposed mandatory 1pm curfews on weekends and public holidays

1. 2020 CONTEXT | Covid-19 update

Colombia: Restrictions with impact on retail activity



- ➔ Economy and unemployment reflect the long lasting confinement that has been in place
- ➔ Lockdown measures progressively eased from September with signs of increasing circulation of people but still too early to fully understand the impact of the reopening on the consumer behaviour

2. 2020 | OUR RESPONSE - Clear Priorities (1/2)

Against an unprecedentedly difficult landscape, we adjusted short term priorities without losing sight of the longer term

From the beginning
business protection and
cash preservation were set
as priorities

- ➔ Invested in the safety of our teams and our clients, adapted standards to operate under new circumstances. These standards were quickly consolidated allowing the operations to respond faster and with more agility to the restrictions in place
- ➔ Extra direct costs due to Covid-19 were €64 mn (€41 mn at EBITDA level and €22 mn in Other profits and losses)
- ➔ Cost containment initiatives were immediately initiated to mitigate the impact of the extra costs
- ➔ Capex programme was put on hold until we had better visibility over execution – Biedronka was the first banner to resume it
- ➔ Reduced payout ratio from 50% to 30% with the possibility to pay the remainder if conditions allowed, which happened in December

2. 2020 | OUR RESPONSE - Clear Priorities (2/2)

Against an unprecedented difficult landscape, we adjusted short term priorities without losing sight of the longer term

Managing the circumstances and **preparing for the future** under the strategic vision that **investing in competitiveness** in an adverse context will reinforce customers trust

- ➔ All the Companies delivered on the **promise of quality at the best price** regardless of the impacts of restriction measures, which depended on the business model and the country's specific reality
- ➔ Strong **promotional activity** even when restrictions where penalising traffic in the stores
- ➔ Enhanced **communication dynamics** in all markets
- ➔ **Innovation** in the assortment across banners

2. 2020 | OUR RESPONSE – Be Present for our Stakeholders (1/2)

We were closer to our teams, our consumers, our suppliers and our communities

For our teams...

- ➔ Preventive isolation of more vulnerable employees in case of infection due to their age or underlying health conditions
- ➔ Proactive Covid-19 testing and/or other preventive health tests: more than 35 thousand tests
- ➔ Initial investment of €16 mn in protective equipment
- ➔ Support to families pressured by the economic crisis
- ➔ Support to the acquisition of tablet/computer for home-schooling

For our consumers...

- ➔ Clear communication in the stores to guarantee safety of our customers
- ➔ Maintaining promotional campaigns, acknowledging the role price plays for the consumer and keeping it at the heart of our value propositions
- ➔ In the beginning of the pandemic, partial rationalisation of the assortment to reduce performance risks and increased stock of essential goods to ensure that there were no shortages in supply to consumers. The quick responsiveness of the operation enabled the reversal of these measures

2. 2020 | OUR RESPONSE - Be Present for our Stakeholders (2/2)

We were closer to our teams, our consumers, our suppliers and our communities

For our suppliers...

- ➔ Close collaboration with suppliers for early identification of potential risks that could arise in their operations so that, together, we found ways to mitigate them
- ➔ Increasing purchases made to small regional producers in order to provide a platform to sell their produce and without cutting down on the purchase price
- ➔ Making credit facilities available, with risk hedged by the Jerónimo Martins Group, to small and medium-sized suppliers so they can receive early payment and avoid liquidity problems

For our communities...

- ➔ Financial support for multiple initiatives: purchase of masks and hospital equipment, contribution to the advancement of scientific efforts to fight the pandemic and the development of innovative tests, food donations to hospitals, and other initiatives
- ➔ Increasing food donations to various institutions
- ➔ Initiatives to help our elder customers so that they can do their shopping without having to leave home

2. 2020 | OUR RESPONSE – Deliver on Corporate Responsibility agenda (1/2)

We continued to improve our standards and practices and to further develop environmental and social actions to accomplish our corporate responsibility targets

- The support offered by the Group to the communities totaled c.€47.6 mn, 10% more than in 2019. More than €2 mn were directed to support the fight against the pandemic
- Over 18.6 thousand tonnes of food products were donated, which represents an increase of 19% compared to 2019, in a continuation of the effort to combat food waste, hunger and malnutrition
- The partnership between Jerónimo Martins Colombia, Caritas Polska and Caritas Colombia has helped support more than 1,100 vulnerable families in Villa del Rosario and Cúcuta, two villages in the northern region of Santander that border Venezuela, through the delivery of more than 9,400 baskets made up of essential food products
- We created 2,782 jobs, which represents a net increase of 2.4% compared to 2019
- The Gender Pay Gap was reduced by 6p.p. to 3% and Jerónimo Martins joined the “Target Gender Equality” program of the United Nations Global Compact

2. 2020 | OUR RESPONSE - Deliver on Corporate Responsibility agenda (2/2)

We continued to improve our standards and practices and to further develop environmental and social actions to accomplish our corporate responsibility targets

- ➔ **Nutritional reformulations** of Private Brand and Perishable products prevented 2,468 tonnes of sugar, 184 of saturated fat, 28 of fat and 58 of salt from entering the market
- ➔ The **Group's carbon footprint**, per €1 thousand of sales, decreased 37.9%, compared to 2017, ensuring compliance with the reduction target for the 2018-2020 period
- ➔ 148 new **ecodesign packaging projects**, contributing to the annual savings of more than 3,700 tonnes of materials. Since its launch in 2010, this project has already avoided the use of about 27,500 tonnes of these materials
- ➔ About 90% of **purchases** of food products sold by the Group were acquired from **local suppliers**, maintaining this ratio above the 80% established as an objective
- ➔ The Group obtained a global score of “A-” in the **CDP Forests 2020**, for all evaluated commodities: palm oil, soy, beef and paper and wood, being the only food retailer in the world to obtain the leadership level for all commodities.

3.1. KEY FIGURES | INCOME STATEMENT Q4

(Million Euro)	Q4 20		Q4 19		Δ
Net Sales and Services	5,096		4,976		2.4%
Gross Profit	1,110	21.8%	1,085	21.8%	2.4%
Operating Costs	-717	-14.1%	-697	-14.0%	2.8%
EBITDA	394	7.7%	387	7.8%	1.6%
Depreciation	-189	-3.7%	-187	-3.8%	1.3%
EBIT	205	4.0%	201	4.0%	1.9%
Net Financial Costs	-40	-0.8%	-32	-0.6%	27.2%
Gains in Joint Ventures and Associates	0	0.0%	0	0.0%	n.a.
Other Profits/Losses	-29	-0.6%	-8	-0.2%	n.a.
EBT	135	2.7%	161	3.2%	-15.9%
Income Tax	-41	-0.8%	-29	-0.6%	39.1%
Net Profit	94	1.8%	131	2.6%	-28.2%
Non-Controlling Interests	-1	0.0%	-8	-0.2%	-84.2%
Net Profit Attributable to JM	93	1.8%	123	2.5%	-24.6%
EPS (€)	0.15		0.20		-24.6%
EPS without Other Profits/Losses (€)	0.18		0.21		-11.6%

3.1. KEY FIGURES | INCOME STATEMENT FY

(Million Euro)	2020		2019		Δ
Net Sales and Services	19,293		18,638		3.5%
Gross Profit	4,227	21.9%	4,076	21.9%	3.7%
Operating Costs	-2,804	-14.5%	-2,639	-14.2%	6.3%
EBITDA	1,423	7.4%	1,437	7.7%	-1.0%
Depreciation	-734	-3.8%	-715	-3.8%	2.6%
EBIT	689	3.6%	722	3.9%	-4.5%
Net Financial Costs	-180	-0.9%	-159	-0.9%	13.7%
Gains in Joint Ventures and Associates	0	0.0%	0	0.0%	n.a.
Other Profits/Losses	-50	-0.3%	-14	-0.1%	n.a.
EBT	459	2.4%	549	2.9%	-16.5%
Income Tax	-136	-0.7%	-128	-0.7%	5.8%
Net Profit	323	1.7%	421	2.3%	-23.3%
Non-Controlling Interests	-11	-0.1%	-31	-0.2%	-65.7%
Net Profit Attributable to JM	312	1.6%	390	2.1%	-19.9%
EPS (€)	0.50		0.62		-19.9%
EPS without Other Profits/Losses (€)	0.55		0.63		-12.6%

3.2. KEY FIGURES | CASH FLOW

(Million Euro)	2020	2019
EBITDA	1,423	1,437
Capitalised Operating Leases Payment	-270	-259
Interest Payment	-153	-163
Other Financial Items	0	0
Income Tax	-174	-155
Funds From Operations	826	861
Capex Payment	-510	-577
Change in Working Capital	246	220
Others	-46	-10
Cash Flow	516	494

3.3. KEY FIGURES | BALANCE SHEET

(Million Euro)	2020	2019
Net Goodwill	620	641
Net Fixed Assets	3,967	4,140
Net Rights of Use (RoU)	2,154	2,318
Total Working Capital ¹	-2,864	-2,793
Others	133	94
Invested Capital	4,010	4,400
Total Borrowings	524	732
Financial Leases	11	17
Capitalised Operating Leases	2,262	2,368
Accrued Interest	-3	3
Cash and Cash Equivalents ¹	-1,041	-949
Net Debt ¹	1,752	2,172
Non-Controlling Interests	249	254
Share Capital	629	629
Reserves and Retained Earnings	1,379	1,346
Shareholders Funds	2,257	2,229

¹ Net Debt amount was restated in 2019. Cash in hand previously considered in Total Working Capital was restated to Cash and Cash Equivalents heading.

The Group ended 2020 well prepared, with a solid financial position and with strengthened competitive positions that will allow it to deal with the challenges of an environment that, in 2021, will still be impacted by the Covid-19 pandemic.

Therefore, the Board of Directors will propose to the Annual General Shareholder's Meeting, the **DISTRIBUTION OF €181 MN IN DIVIDENDS**, in line with the defined policy corresponding to a gross dividend of €0.288 per share, excluding the 859 thousand own shares in the portfolio.

3.4. KEY FIGURES | CAPEX

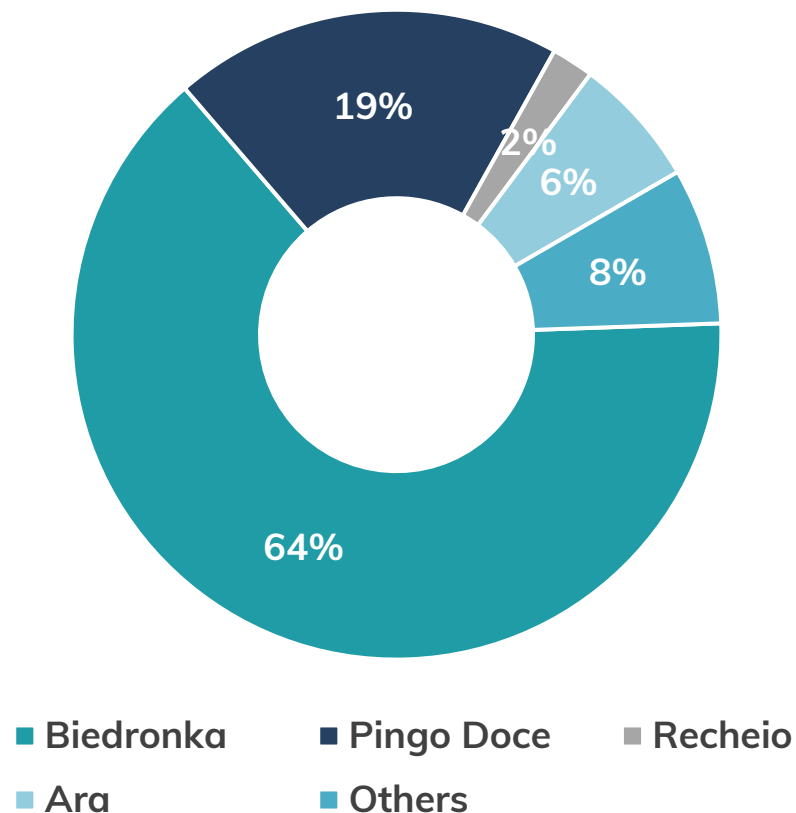
Expansion – new stores

- 129 Biedronka
- 22 Hebe
- 13 Pingo Doce
- 56 Ara

Stores Refurbishing included

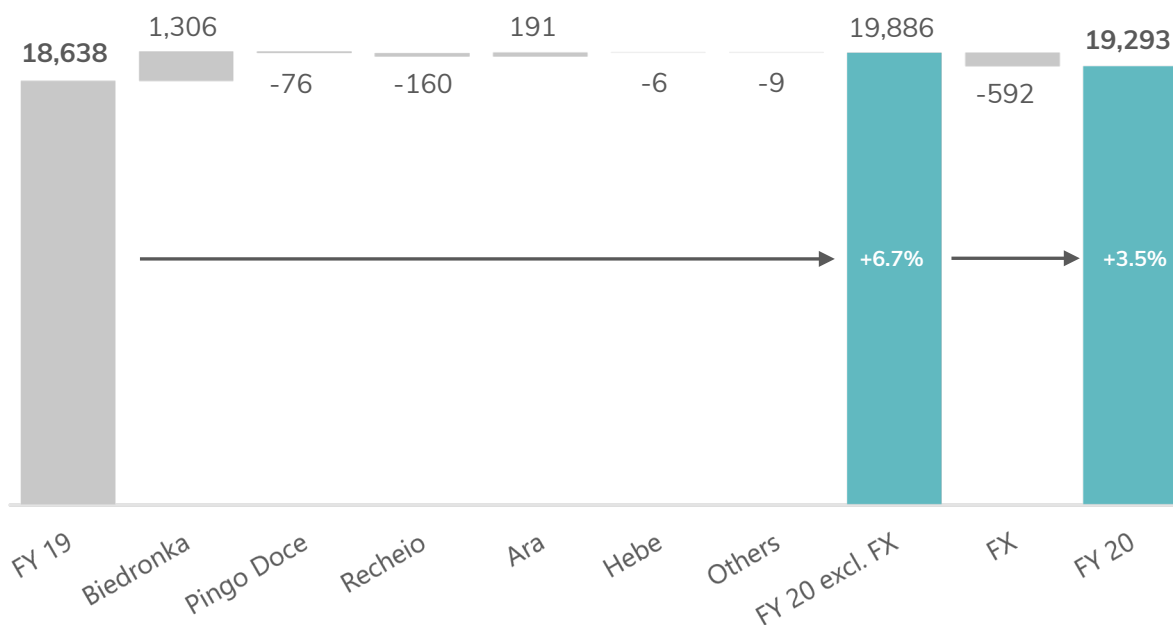
- 267 Biedronka
- 20 Pingo Doce (14 in-depth and 6 liftings)
- 1 Recheio

€470 mn invested in the year

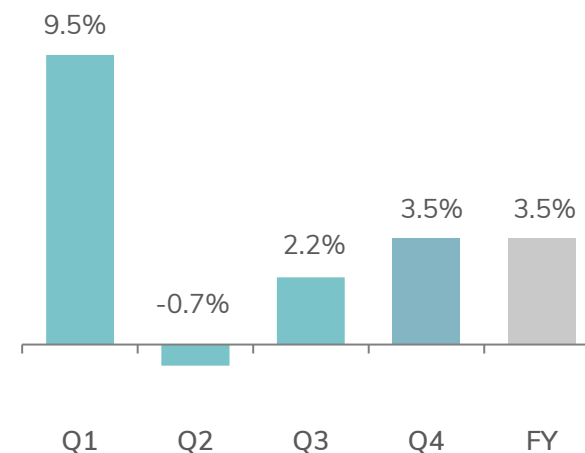


4.1. SALES PERFORMANCE | GROUP

Contribution to Group Sales Growth (Mn €)



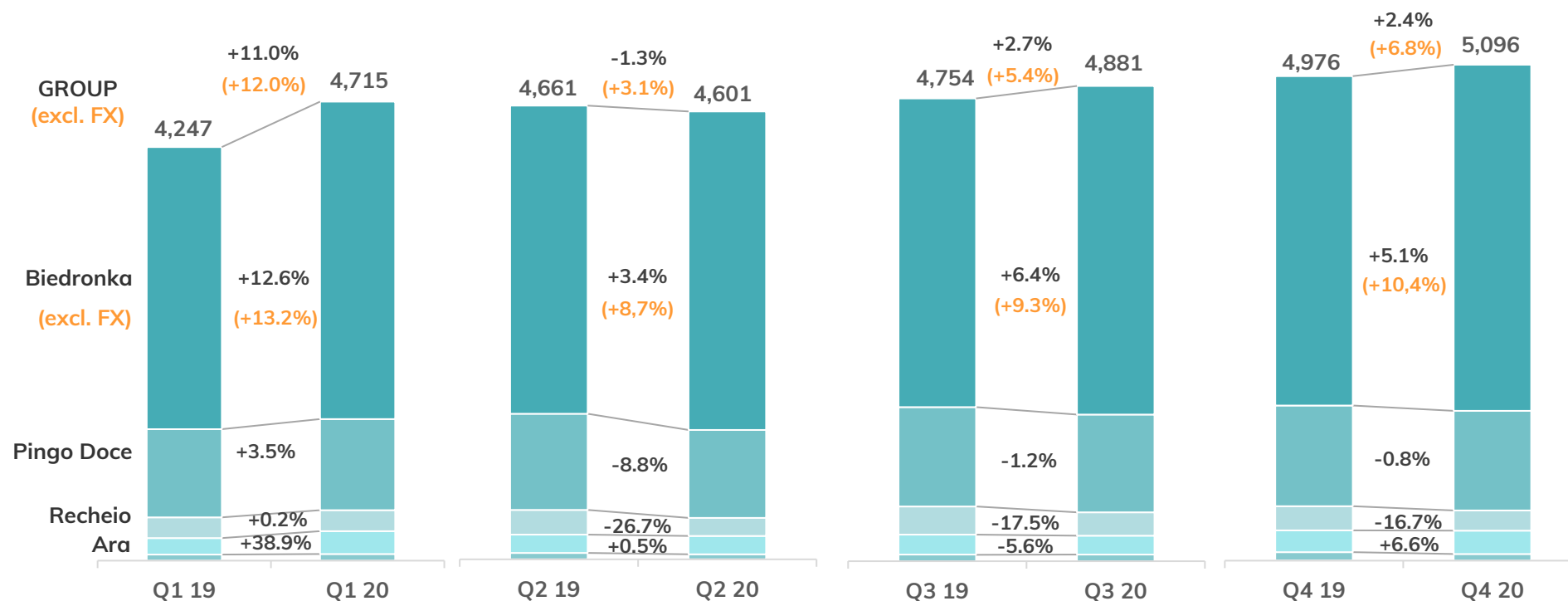
LFL Sales Growth



- Biedronka acted fast and with agility to mitigate the impact of the restrictions on store-traffic and offered good quality at the best prices in a safe environment throughout the year, delivering solid growth that compensated for the pressure in Portugal and the strong currencies devaluation
- Group LFL growth in Q4 reflects another strong quarter for Biedronka, sharp recovery in Colombia as the market restrictions were lifted and pressure in the operation in Portugal that faced the toughest restrictions to the food retail sector

4.1. SALES PERFORMANCE | GROUP

Contribution to Group Sales Growth (Mn €)

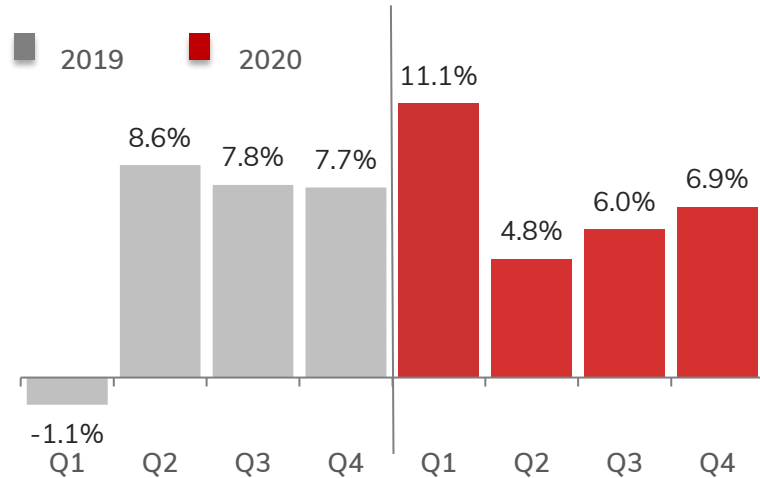


- Material impact from currencies devaluation
- Strong delivery from Biedronka across the year despite decelerating food inflation
- Resilience in Portugal in Q4 despite the restrictive measures imposed to retail and restaurant sectors in the quarter
- Ara back to LFL growth the moment the lockdown was lifted

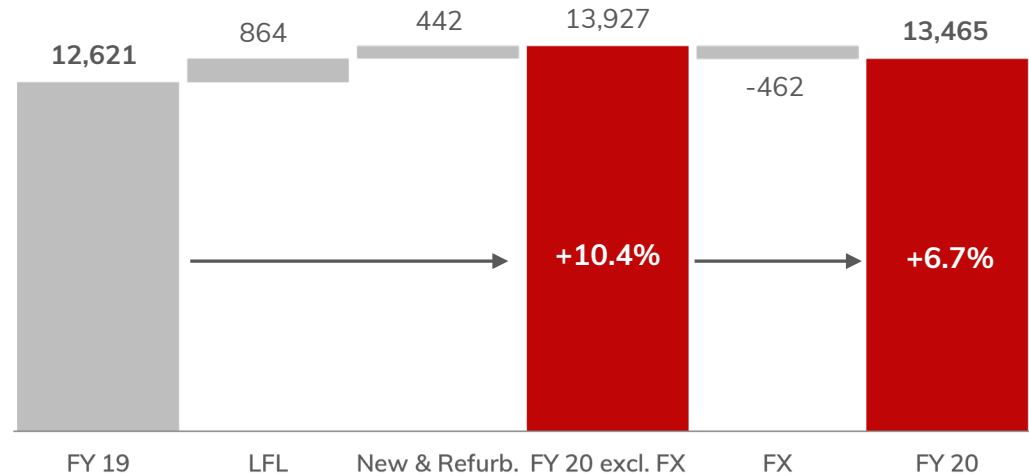
4.2. SALES PERFORMANCE | BIEDRONKA



LFL SALES GROWTH



SALES (Mn €)

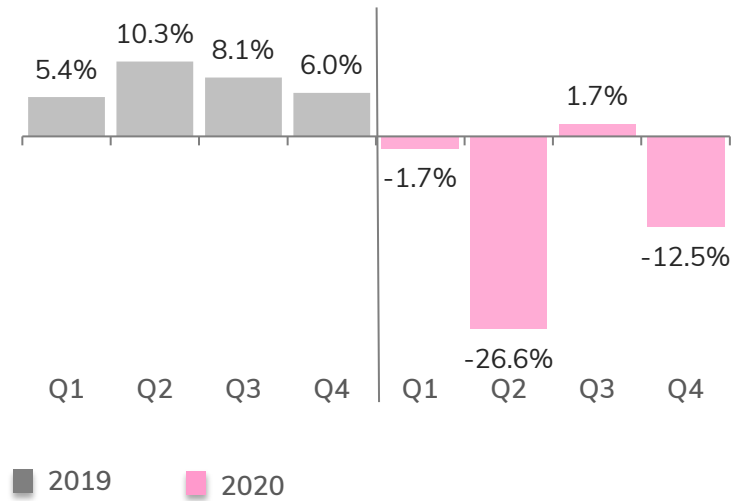


- Biedronka remained true to its value proposition, investing in it throughout the year and driving it to deliver consistent strong performance, despite basket inflation decelerating across the period
- Adapted the operation to be safely available for consumers, guaranteeing, in difficult times, the best prices & promotions and the quality and innovation in the offer (196 new products launched in Private Brand)
- Reinforced service levels with self-checkouts in 1,100 stores and a partnership for online sales serving 28 cities
- Continued to invest in the quality of the network with the opening of 129 locations (113 net additions) and the remodelling of 267 stores. Network of 3,115 stores, c.55% of which opened or remodelled in the last five years

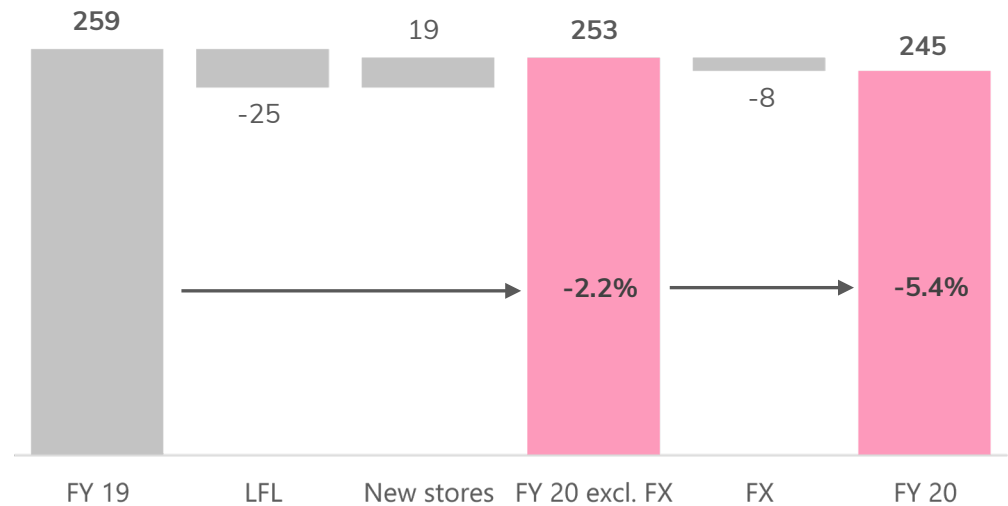
4.3. SALES PERFORMANCE | HEBE



LFL SALES GROWTH



SALES (Mn €)

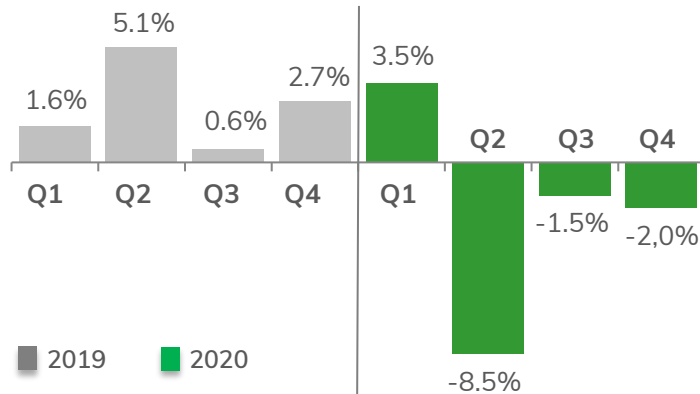


- Performance strongly impacted in the months when shopping centres were closed (mid-March to end of April and November)
- Improved performance every time confinement measures were relaxed despite the continued impact of fewer socialisation events and home working
- The banner accelerated its omnichannel transition with e-commerce gaining relevance
- Opening of 22 new stores. Closure of its 48 pharmacies in Q3 (28 of which with standalone locations)

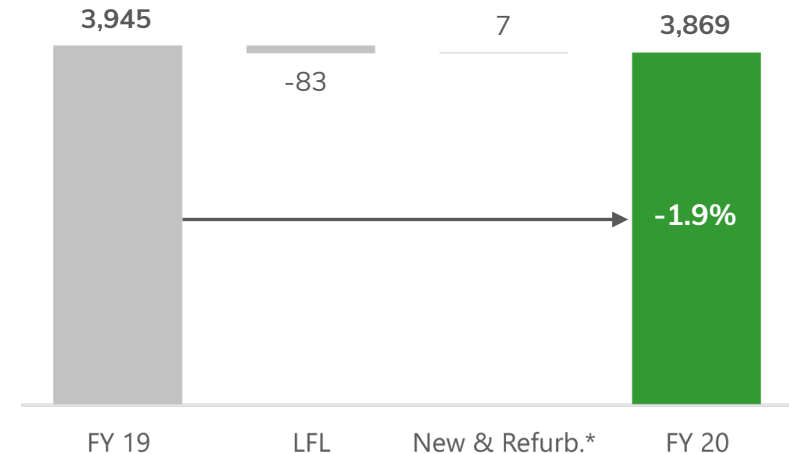
4.4. SALES PERFORMANCE | PINGO DOCE



LFL SALES GROWTH (EXCL. FUEL)



SALES (Mn €)



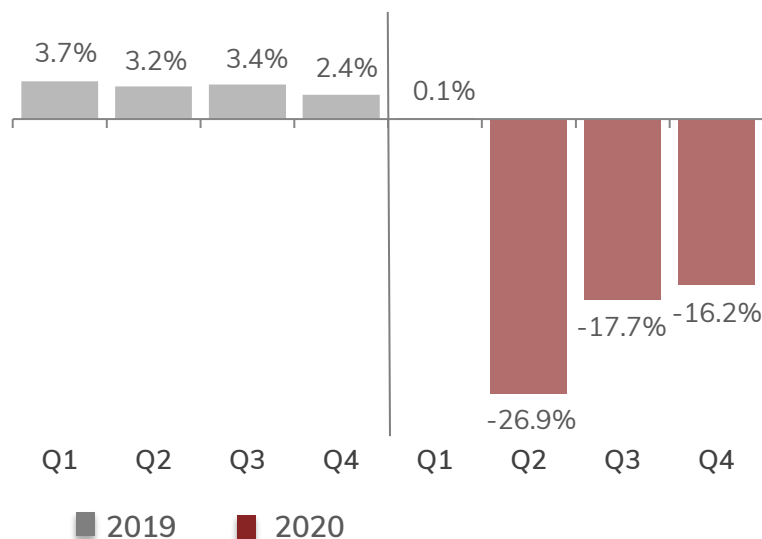
* Includes fuel sales

- Limits to people inside the stores, the mandatory closure or limitations to the operation of its restaurants, absence of traffic in the cities and stricter restrictions in Q4 were particularly challenging for the business model that is characterised by high traffic and daily attraction due to restaurants, cafes and fresh
- Pingo Doce remained true to its promise of quality and price. Maintained at all times strong promotional campaigns that were intensified in Q4 in light of the new restrictions and maintained the dynamic of innovation with the launch of 259 products in its Private Brand offer
- Reinforced its partnership in e-commerce which was extended to the whole country, introduced a click & collect service and extended the partnership for ready meals to more cities besides Lisbon
- Opening of 13 new stores and 20 renovations

4.5. SALES PERFORMANCE | RECHEIO



LFL SALES GROWTH



SALES (Mn €)



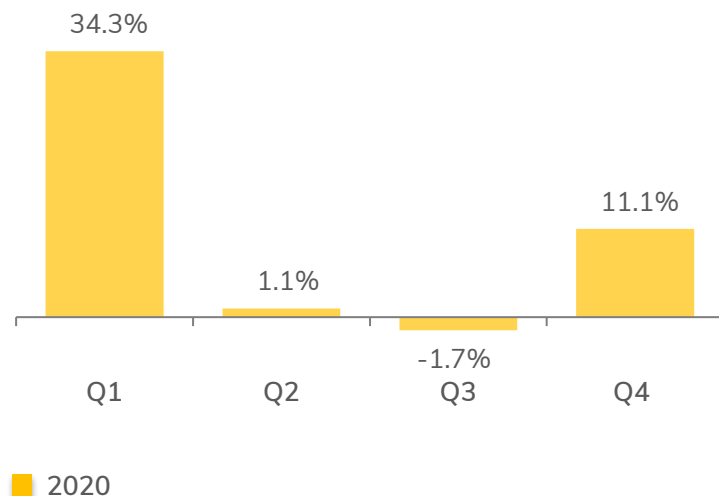
* Includes export activity

- Performance strongly impacted by the closure of HoReCa in April and May and Q4 restrictions over the weekends and a very poor performance of this sector in the other months reflecting weak tourism and lack of traffic in the streets
- The banner maintained a very strong commercial dynamic to defend competitiveness in all segments
- Traditional Retail, segment in which Recheio also has a competitive advantage, performed positively

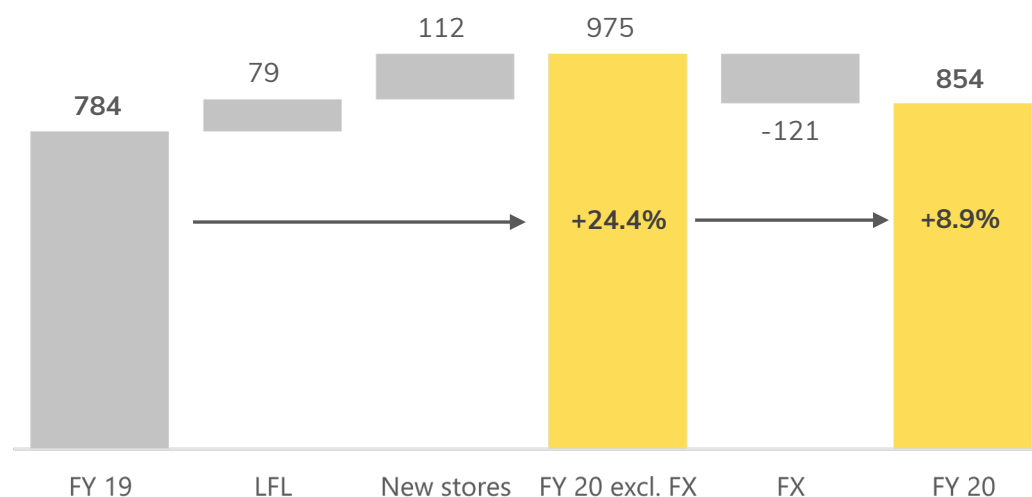
4.6. SALES PERFORMANCE | ARA



LFL SALES GROWTH



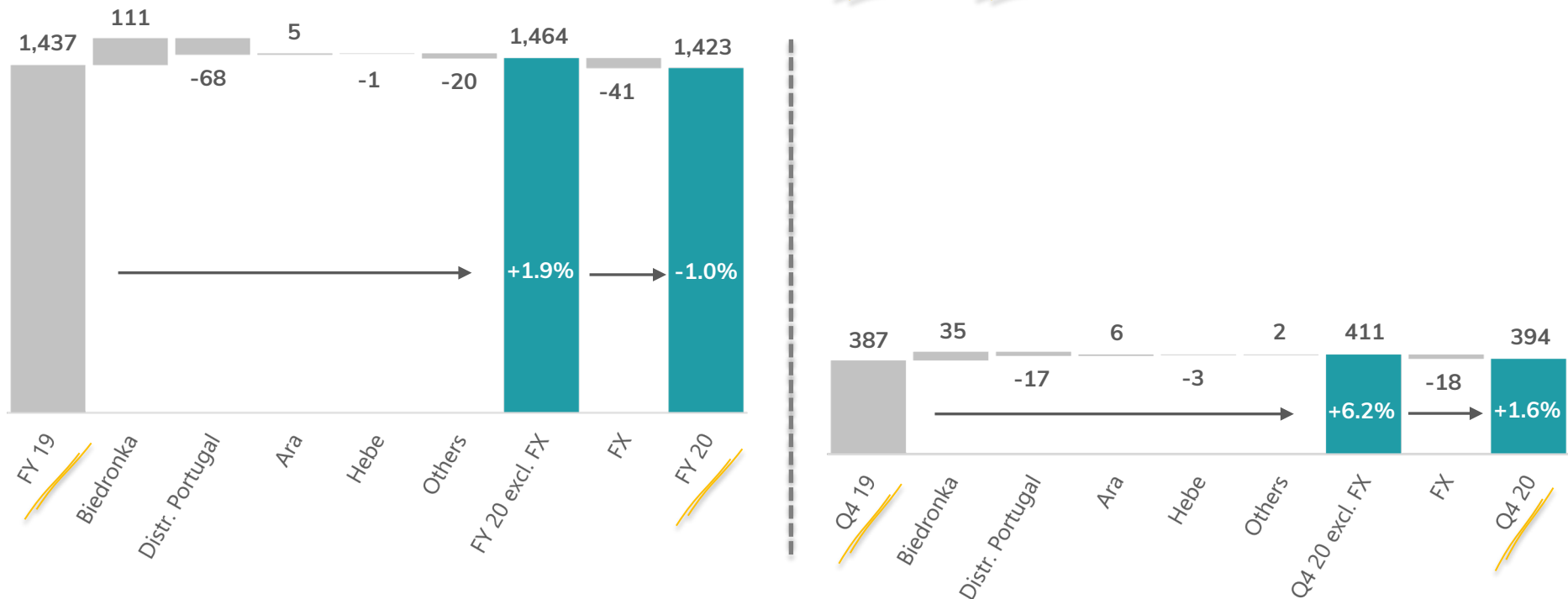
SALES (Mn €)



- Strict lockdown in place from April to the end of August pressured the economy and consumer demand
- Ara protected its value proposition in a difficult environment reinforcing price competitiveness, continuously improving its offer in Private Brand and permanently engaging with the communities
- The banner was immediately back to LFL growth as restrictions were lifted
- 56 stores opened over the period (47 net additions)

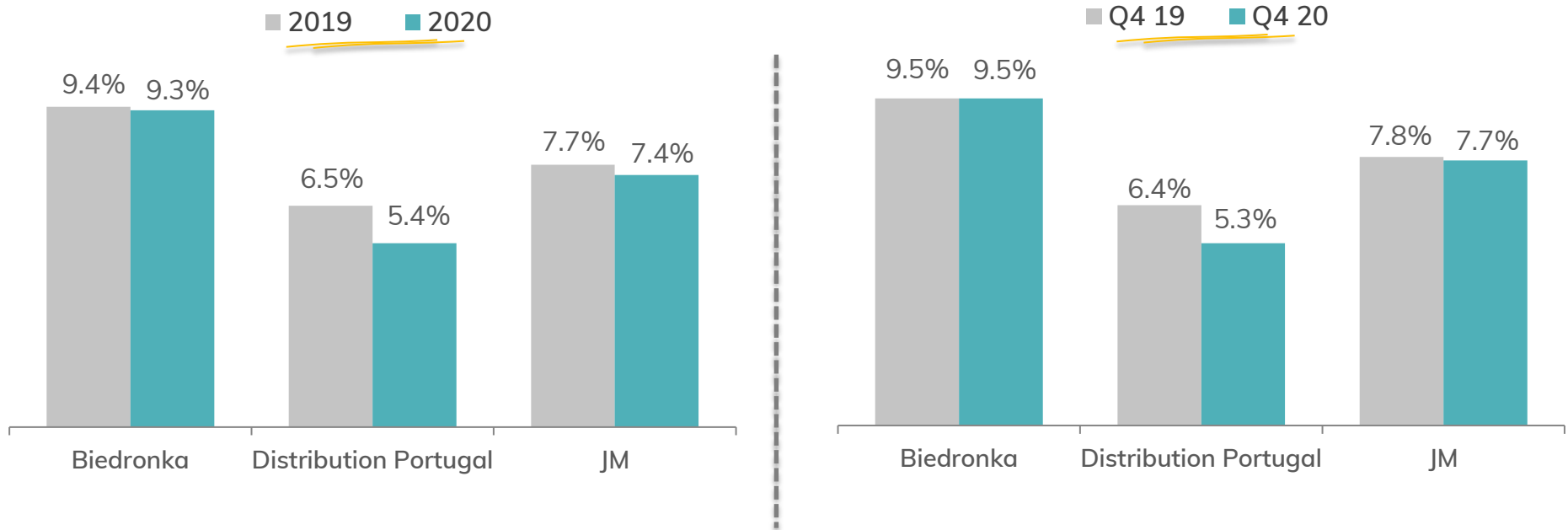
5.1. EBITDA PERFORMANCE

Contribution to the consolidated EBITDA growth (Mn €) – FY and Q4



- Strong operating performance in Q4
 - with Biedronka delivering double digit EBITDA growth in local currency and
 - Ara substantially improving EBITDA driven by good top line delivery and improved cost structure
- Additional costs related to Covid-19 impacted Group EBITDA by c.€41 mn in the year and €9 mn in Q4

5.2. EBITDA MARGIN



- EBITDA margin pressured in the year by Covid-19 related costs and operational deleveraging in Portugal
- Q4 EBITDA margin in Portugal impacted by stricter confinement measures and further margin investment to reinforce value proposition in a challenging quarter
- Good Group margin performance in Q4 supported by strong Biedronka, Ara's improved cost structure and cost control initiatives across businesses

6. 2020 SUMMARY

- ➔ In an unprecedentedly challenging landscape, we delivered well, making the necessary short term adjustments without losing sight of the longer term vision for the businesses and for our corporate responsibility ambitions
- ➔ We invested to protect the value propositions in difficult times and we believe this will bear fruits ahead
- ➔ Cost structures were streamlined to the circumstances and in the case of Ara with improvements that will be carried forward
- ➔ The strength of the balance sheet and the commitment of our teams gave us the confidence to do the right things for the longer run and we exited 2020 with strong models, resilient supply chain, solid logistic response and good cash generation

Good execution across the different areas of the Companies, well articulated and supported by the Group's Executive Management Team were pivotal for the performance

7. OUTLOOK 2021 – THE CONTEXT

- ➔ 2021 macroeconomic prospects will depend on the evolution of the pandemic scenario at global level and in each country, and with the evolution of large-scale vaccination
- ➔ Continued lack of visibility on further confinement measures and on its impacts on the economies and consumer behaviour, in the countries where we operate, at least in the first half of the year
- ➔ Poland, as in 2020, should be the economy with the strongest domestic private consumption. Increased tax burden in place from the beginning of the year namely with the implementation of the retail tax and the sugar tax
- ➔ Recovery in Portugal will be very dependent on the evolution in large scale vaccination and the recovery in tourism
- ➔ Colombia, should recover in 2021 despite the fragile consumer environment

7. OUTLOOK 2021 – OUR PRIORITIES (1/5)

Our banners started the year with clear strategic priorities



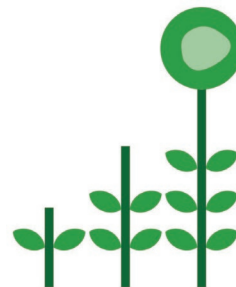
Grow sales through focusing on consumers and their needs



Protect profitability through cost discipline and improvements in operational processes



Invest in value propositions as a way to defend and create competitive advantages



Maintain a long-term perspective that ensures we continue to work sustainably with our teams, our consumers, our suppliers and the communities in which we operate

7. OUTLOOK 2021 – OUR PRIORITIES (2/5)

Grow sales through focusing on consumers and their needs



Biedronka will remain focused on guaranteeing the preference of consumers, combining price leadership with developments in the assortment that will fuel sales growth and consolidate its differentiation in Fresh category

Hebe will focus its growth strategy on the development of its online operation which is expected to continue to gain momentum, allowing it to enter new markets

Pingo Doce, while managing current circumstances will invest to strengthen the business focusing in Fresh, Take Away and Restaurants as its differentiation feature and growth engines

Recheio is actively looking for growth opportunities in Traditional Retail and working to be present in HoReCa recovery that should be slow

Ara will continue to work to strengthen its offer in Private Brand while being attentive to consumer needs in the context of the crisis

7. OUTLOOK 2021 - OUR PRIORITIES (3/5)

Invest in value propositions as a way to defend and create competitive advantages



Price competitiveness and good **promotional** dynamic will have a central role in the strategies of all banners as we will remain true to our promise of quality at good price

Capex programme will continue to be number one capital allocation priority and is expected to **reach c.€700 mn**

- 100 new stores (net) at **Biedronka** and 250-300 remodeling
- c.10 new stores at **Pingo Doce** and c.15 remodeling
- More than 100 new stores at **Ara**

7. OUTLOOK 2021 - OUR PRIORITIES (4/5)

Protect profitability through cost discipline and improvements in operational processes



Efficiency remains pivotal to the Group particularly in the light of low food inflation and increased tax burden in our main market

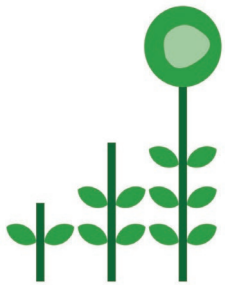
All Companies will have an enhanced **planning** capacity in the context of the pandemic crisis while maintaining a strict **cost discipline**

Biedronka will continue to implement efficiency projects in store operations and logistics with **technology and automation** playing an important role

Ara has a **renewed cost structure** that will be consolidated and will drive EBITDA to continue improving

7. OUTLOOK 2021 - OUR PRIORITIES (5/5)

Maintain a long-term perspective that ensures we continue to work sustainably with our teams, our consumers, our suppliers and the communities in which we operate



Until 2023...

Develop in all banners food solutions that are healthier and respond to specific nutritional needs (vegan, lactose-free and/or gluten-free solutions, children, ageing people, etc)

Reduce carbon footprint (scopes 1 and 2) by at least 40% by 2023 (per €1,000 of sales), vs 2017

Reduce energy consumption by 10% (per €1,000 of sales) by 2023, vs 2017; Reduce water withdrawal measured in megalitres in Distribution activities by 10% by 2023 (per million euros of sales), vs 2017

Reduce by 5% by 2023, the specific consumption of plastic (measured in tonnes of plastic packaging per €1 million of sales), compared to 2018

80% of the Jerónimo Martins Group's purchases of food products sourced from local suppliers

Strengthen the involvement in social projects in all geographies, targeted to children, youngsters and elderly people from vulnerable environments, focusing on aspects of health and healthy eating, aiming to directly impact one million people until 2023

Implementing initiatives to improve the wellbeing and quality of life of our employees, with solutions that enable a work-life-family balance and support employees and their families

Continuously invest in training our employees, stepping up the development of leaders across organizational structure and helping to build new skills aligned with the strategic needs of the Organisation

APPENDIX

1. CORPORATE RESPONSIBILITY IN VALUE CREATION

OUR APPROACH

As a food specialist, we believe that we can make a difference in the society and the environment by creating sustainable and socially responsible value, influencing practices and processes that have a relevant impact on people and the environment. That is why we promote the adoption of good practices and high-quality standards along the value chain, in food, in managing environmental risks, impacts and opportunities in our sourcing activities, in the jobs we create and in the way we support surrounding communities.

In order for our business, which has over 225 years of existence, to continue to thrive we have defined a Corporate Responsibility strategy, consisting of five pillars of action, which is transversal to the Group's Companies, seeking to address the challenges identified by stakeholders and the Sustainable Development Goals defined by the United Nations and the Global Compact Principles.

FIVE PILLARS OF ACTION (1/5)

Promoting Good Health through Food - Fostering the quality and diversity of the food products that the Companies sell and ensuring food safety in its broader sense, including the availability, accessibility and sustainability of the products sold.



2020 Highlights

- Nutritional reformulations of Private Brand and Perishables products made it possible to prevent 2,468 tonnes of sugar, 184 tonnes of saturated fat, 28 tonnes of fat and 58 tonnes of salt from entering the market
- Lactose-free references increased by 30% in Portugal and Poland altogether and the offer of products for vegetarians and/or vegans was expanded with another 78 products
- In Poland, all food products aimed at children are free of preservatives, sweeteners, glucose-fructose syrup, phosphates, monosodium glutamate, hydrogenated vegetable oils and the polyglycerol polyricinoleate emulsifier (E476)
- Development of the “Dieta Mediterrânica à Portuguesa” conference (“Portuguese Mediterranean Diet”) within the scope of Pingo Doce's 40th anniversary, which aimed to promote a healthier and more sustainable food pattern, and launched the “Juliana” brand that celebrates the Mediterranean traditions and flavours
- 13 thousand internal audits on the Group's infrastructures, complemented by around 148 thousand analysis of work surfaces and manipulators, among others, and around 60 thousand food product analysis
- More than 108 thousand training hours in hygiene and food safety reached around 35 thousand employees, in a total of more than 9 thousand sessions

FIVE PILLARS OF ACTION (2/5)

Respecting the Environment - Work every day to reduce the environmental impact of our processes and our supply chain, improving the efficiency and incorporating procedures and technologies with a lower ecological footprint. There are three priority areas of action: climate change, biodiversity and waste management.



2020 Highlights

- Group's carbon footprint, per €1,000 of sales, decreased, in 2020, by 37.9% compared to 2017, meeting the reduction target for the 2018-2020 triennium
- 148 new ecodesign packaging projects were implemented, contributing to the annual savings of more than 3,700 tonnes of packaging materials. Since its beginning, in 2010, this project prevented the use of about 27,500 tonnes of materials, such as plastic or cardboard
- Ara's two new Distribution Centres are the first in the Group to take advantage of waste water that, after treatment, is stored in reservoirs for later use in irrigating green spaces and in toilets. In 2020, 2,089 m³ of these waters were reused, helping to reduce water consumption through recycling
- As part of its commitment to promoting the circular economy, Biedronka placed guiding pictograms for waste separation on its Private Brand packaging and its components, to raise consumer awareness about correct recycling practices. Also in 2020, the Company eliminated PVC - a plastic that presents difficulties in the recycling process and can contaminate other plastics of greater value - in more than 40 Private Brand references
- Pingo Doce and Recheio eliminated microplastics from their entire Private Brand range in personal hygiene, cosmetics and detergents categories, in a total of 520 products with these characteristics
- The Group maintained the “A-” score at CDP Climate 2020, continuing at the “Leadership” level and responded for the second time to the CDP Water Security theme in 2020, having obtained an overall “B” score, corresponding to the “Management” level

FIVE PILLARS OF ACTION (3/5)

Sourcing Responsibly - Monitor the origins and production processes of the products we sell, incorporating ethical, social and environmental concerns in our decisions throughout the supply chain. We are committed to developing long-lasting commercial relationships, practising fair prices and supporting local production in the countries where we operate.



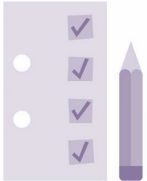
2020 Highlights

- Around 90% of all food products sold by the Group were sourced from local suppliers, keeping this ratio above our 80% target
- More than 200 Private Brand and Perishable products and/or packaging with sustainability certificates were launched, reaching a total of 659 references with these characteristics (95 more references compared to 2019)
- About 45% of the Group's Private Brand fresh eggs sold in 2020 were classified as “cage-free” (barn eggs, free-range eggs or organic eggs), an increase of 13p.p. compared to 2019, contributing to the goal of progressively increasing this proportion to 100% by 2025
- Support to the Forest Management Plan in the Açor mountain range (Portugal) which aims to preserve and enhance the landscape devastated by forest fires. The initiative will cover an area of 2,500 hectares in the interior of the country, where trees of fire-resistant species will be planted, creating new sources of income for local populations, contributing to the reforestation of this area and restoring the biodiversity of forests
- The Group updated its Sustainable Fish Strategy, in order to ban the purchase and sale of species classified as “Endangered” whenever they do not come from 100% aquaculture and/or from stocks sustainably produced and/or do not have a sustainability certificate
- For the second year in a row, Jerónimo Martins obtained a global score of “A-” in the CDP Forests 2020, for all evaluated commodities: palm oil, soy, beef and paper and wood, being the only food retailer in the world to obtain the leadership level for all commodities



FIVE PILLARS OF ACTION (4/5)

Supporting Surrounding Communities – Strongly committed to the communities in the countries where we operate, fostering social cohesion and endeavouring to contribute towards breaking cycles of poverty and malnutrition, by supporting projects and causes concerning the more vulnerable groups in society: children and young people, and elderly people.



2020 Highlights

- The support offered by the Group was approximately 47.6 million euros, 10% more than in 2019. More than 2 million were exclusively allocated to support the surrounding communities in the fight against the pandemic
- More than 18.6 thousand tonnes of food products donated, representing an increase of 19% versus 2019, in a continuous quest to fight food waste, hunger and malnutrition. In Poland, the food donations programme to social institutions was extended, having reached 1,941 stores, an increase of 18% regarding 2019
- With the latest editions of the Children's Literature Prize, Biedronka and Pingo Doce strengthened their commitment to promoting reading habits in children. Since its launch, the total amount invested in prizes for authors and illustrators has reached 650 thousand euros, with around 445 thousand books sold
- The “Czas na Pomaganie Seniorom 65+” (Time to Help Seniors 65+) programme brought together more than 5,600 senior citizens who cannot do their shopping alone during the pandemic period and more than 11,800 volunteer citizens
- The fifth edition of the Eco-Schools “Healthy and Sustainable Food” programme, which aims to raise awareness among students of all education levels on nutrition and the sustainability of agri-food production, had more than 760 projects submitted
- The partnership between Jerónimo Martins Colombia, Caritas Polska and Caritas Colombia has supported more than 1,100 vulnerable families in Villa del Rosario and Cúcuta, two villages in the northern region of Santander near the Venezuela border, through the delivery of more than 9,400 baskets with essential food products

FIVE PILLARS OF ACTION (5/5)

Being a Benchmark Employer - Creating employment, we aim to stimulate social and economic development in the markets where we do business. To do so, we promote balanced wage policies and a stimulating and positive work environment, in a firm commitment to our employees, who are beneficiaries of social responsibility policies that are extended to their families.

2020 Highlights

- We created 2,782 jobs to a total of 118,210 employees, representing a net increase of 2.4% compared to 2019
- Around 16 million euros were invested in personal protective equipment and protective barriers, among others, to ensure employees' safety in the Covid-19 pandemic context
- During social quarantine periods, the Group supported workers and their families, through the Social Emergency Funds, the Psychological Support Line and the Employee Support Services and supported the purchase of more than a thousand tablets and computers for employees' children
- 189 million euros was awarded in bonuses – a 38% increase compared to 2019. 13,520 employees were promoted
- The pay gap between men and women was reduced by 6p.p. to 3%. Also in this dimension, Jerónimo Martins joined the “Target Gender Equality” programme of the United Nations Global Compact
- The investment in support initiatives to employees under the areas of Health, Education and Family Wellbeing amounted to around 20 million euros

APPENDIX

2. FINANCIAL STATEMENTS

2. FINANCIAL STATEMENTS (1/11)

INCOME STATEMENT

(Million Euro)	(Excl. IFRS16)					(Excl. IFRS16)				
	2020		2019		Δ	Q4 20		Q4 19		Δ
Net Sales and Services	19,293		18,638		3.5%	5,096		4,976		2.4%
Gross Profit	4,227	21.9%	4,076	21.9%	3.7%	1,110	21.8%	1,085	21.8%	2.4%
Operating Costs	-3,203	-16.6%	-3,031	-16.3%	5.7%	-817	-16.0%	-796	-16.0%	2.6%
EBITDA	1,024	5.3%	1,045	5.6%	-2.0%	293	5.8%	288	5.8%	1.8%
Depreciation	-422	-2.2%	-397	-2.1%	6.1%	-111	-2.2%	-104	-2.1%	7.6%
EBIT	602	3.1%	648	3.5%	-7.0%	182	3.6%	185	3.7%	-1.5%
Net Financial Costs	-32	-0.2%	-29	-0.2%	10.2%	-7	-0.1%	-6	-0.1%	27.5%
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	-50	-0.3%	-15	-0.1%	n.a.	-29	-0.6%	-9	-0.2%	n.a.
EBT	520	2.7%	604	3.2%	-13.9%	145	2.8%	170	3.4%	-14.6%
Income Tax	-146	-0.8%	-137	-0.7%	6.6%	-42	-0.8%	-30	-0.6%	39.8%
Net Profit	374	1.9%	467	2.5%	-19.9%	103	2.0%	139	2.8%	-26.4%
Non-Controlling Interests	-13	-0.1%	-34	-0.2%	-61.0%	-2	0.0%	-9	-0.2%	-78.3%
Net Profit Attributable to JM	361	1.9%	433	2.3%	-16.6%	101	2.0%	130	2.6%	-22.8%
EPS (€)	0.57		0.69		-16.6%	0.16		0.21		-22.8%
EPS without Other Profits/Losses (€)	0.63		0.70		-10.2%	0.19		0.22		-10.6%

2. FINANCIAL STATEMENTS (2/11)

CASH FLOW

(Million Euro)	(Excl. IFRS16)	
	2020	2019
EBITDA	1,024	1,045
Interest Payment	-26	-30
Other Financial Items	0	0
Income Tax	-174	-155
Funds From Operations	824	861
Capex Payment	-510	-577
Change in Working Capital	246	220
Others	-44	-9
Cash Flow	516	494

2. FINANCIAL STATEMENTS (3/11)

BALANCE SHEET

(Million Euro)	(Excl. IFRS16)	
	2020	2019
Net Goodwill	620	641
Net Fixed Assets	3,967	4,140
Total Working Capital ¹	-2,861	-2,788
Others	115	86
Invested Capital	1,842	2,079
Total Borrowings	524	732
Financial Leases	11	17
Accrued Interest	-3	3
Cash and Cash Equivalents ¹	-1,041	-949
Net Debt ¹	-509	-196
Non-Controlling Interests	255	257
Share Capital	629	629
Reserves and Retained Earnings	1,467	1,389
Shareholders Funds	2,351	2,275

¹ Net Debt amount was restated in 2019. Cash in hand previously considered in Total Working Capital was restated to Cash and Cash Equivalents heading.

2. FINANCIAL STATEMENTS (4/11)

EBITDA BREAKDOWN

(Million Euro)	IFRS16				Excl. IFRS16			
	2020	Mg	2019	Mg	2020	Mg	2019	Mg
Biedronka	1,252	9.3%	1,185	9.4%	979	7.3%	918	7.3%
Pingo Doce	223	5.8%	264	6.7%	160	4.1%	200	5.1%
Recheio	33	3.9%	60	6.0%	28	3.3%	55	5.5%
Ara	-20	n.a.	-28	n.a.	-53	n.a.	-62	n.a.
Hebe	19	7.6%	20	7.7%	-4	n.a.	0	n.a.
Others & Cons. Adjustments	-84	n.a.	-63	n.a.	-86	n.a.	-66	n.a.
JM Consolidated	1,423	7.4%	1,437	7.7%	1,024	5.3%	1,045	5.6%

2. FINANCIAL STATEMENTS (5/11)

FINANCIAL RESULTS

(Million Euro)	IFRS16		Excl. IFRS16	
	2020	2019	2020	2019
Net Interest	-20	-23	-20	-23
Interests on Capitalised Operating Leases	-127	-132	-	-
Exchange Differences	-28	2	-6	0
Others	-7	-6	-7	-6
Financial Results	-180	-159	-32	-29

2. FINANCIAL STATEMENTS (6/11)

SALES BREAKDOWN

(Million Euro)	2020		2019		Δ %		Q4 20		Q4 19		Δ %	
	% total		% total		excl. FX	Euro	% total		% total		excl. FX	Euro
Biedronka	13,465	69.8%	12,621	67.7%	10.4%	6.7%	3,555	69.8%	3,384	68.0%	10.4%	5.1%
Pingo Doce	3,869	20.1%	3,945	21.2%		-1.9%	1,025	20.1%	1,033	20.8%		-0.8%
Recheio	847	4.4%	1,007	5.4%		-15.9%	208	4.1%	249	5.0%		-16.7%
Ara	854	4.4%	784	4.2%	24.4%	8.9%	238	4.7%	224	4.5%	22.8%	6.6%
Hebe	245	1.3%	259	1.4%	-2.2%	-5.4%	65	1.3%	79	1.6%	-13.9%	-18.0%
Others & Cons. Adjustments	14	0.1%	23	0.1%		-39.7%	4	0.1%	6	0.1%		-33.6%
Total JM	19,293	100%	18,638	100%	6.7%	3.5%	5,096	100%	4,976	100%	6.8%	2.4%

2. FINANCIAL STATEMENTS (7/11)

SALES GROWTH

	Total Sales Growth							LFL Growth						
	Q1 20	Q2 20	H1 20	Q3 20	9M 20	Q4 20	2020	Q1 20	Q2 20	H1 20	Q3 20	9M 20	Q4 20	2020
Biedronka														
Euro	12.6%	3.4%	7.8%	6.4%	7.3%	5.1%	6.7%							
PLN	13.2%	8.7%	10.9%	9.3%	10.3%	10.4%	10.4%	11.1%	4.8%	7.8%	6.0%	7.2%	6.9%	7.1%
Hebe														
Euro	14.6%	-16.6%	-1.7%	3.5%	0.1%	-18.0%	-5.4%							
PLN	15.2%	-11.8%	1.2%	6.4%	3.0%	-13.9%	-2.2%	-1.7%	-26.6%	-14.8%	1.7%	-9.4%	-12.5%	-10.3%
Pingo Doce	3.5%	-8.8%	-2.9%	-1.2%	-2.3%	-0.8%	-1.9%	2.8%	-10.2%	-4.0%	-2.5%	-3.5%	-3.1%	-3.4%
Excl. Fuel	4.3%	-7.1%	-1.6%	-0.1%	-1.1%	0.4%	-0.7%	3.5%	-8.5%	-2.8%	-1.5%	-2.3%	-2.0%	-2.2%
Recheio	0.2%	-26.7%	-14.4%	-17.5%	-15.6%	-16.7%	-15.9%	0.1%	-26.9%	-14.5%	-17.7%	-15.7%	-16.2%	-15.8%
Ara														
Euro	38.9%	0.5%	18.8%	-5.6%	9.9%	6.6%	8.9%							
COP	52.3%	16.7%	33.4%	10.9%	25.1%	22.8%	24.4%	34.3%	1.1%	16.6%	-1.7%	9.8%	11.1%	10.2%
Total JM														
Euro	11.0%	-1.3%	4.6%	2.7%	3.9%	2.4%	3.5%							
Excl. FX	12.0%	3.1%	7.3%	5.4%	6.6%	6.8%	6.7%	9.5%	-0.7%	4.2%	2.2%	3.5%	3.5%	3.5%

2. FINANCIAL STATEMENTS (8/11)

STORE NETWORK

Number of Stores	2019	Openings				Closings	2020
		Q1 20	Q2 20	Q3 20	Q4 20	2020	
Biedronka	3,002	11	23	18	77	16	3,115
Hebe	273	8	3	1	10	29	266
Pingo Doce	441	1	2	6	4	1	453
Recheio	42	0	0	0	0	0	42
Ara	616	19	4	10	23	9	663

Sales Area (sqm)	2019	Openings				Closings/ Remodellings	2020
		Q1 20	Q2 20	Q3 20	Q4 20	2020	
Biedronka	2,021,345	8,394	16,694	12,708	51,991	-9,205	2,120,337
Hebe	66,805	2,109	703	240	2,378	2,897	69,338
Pingo Doce	513,272	102	2,496	3,771	4,207	712	523,136
Recheio	133,826	0	0	0	0	-102	133,928
Ara	207,982	6,235	1,502	3,622	7,812	3,335	223,818

2. FINANCIAL STATEMENTS (9/11)

CAPEX

(Million Euro)	2020	Weight	2019	Weight
Biedronka	302	64%	388	57%
Pingo Doce	91	19%	143	21%
Recheio	10	2%	25	4%
Ara	30	6%	98	14%
Others	37	8%	25	4%
Total CAPEX	470	100%	678	100%

2. FINANCIAL STATEMENTS (10/11)

WORKING CAPITAL

(Million Euro)	IFRS16		Excl. IFRS16	
	2020	2019	2020	2019
Inventories	982	1,048	982	1,048
in days of sales	19	21	19	21
Customers	36	61	36	61
in days of sales	1	1	1	1
Suppliers	-3,190	-3,234	-3,190	-3,234
in days of sales	-60	-63	-60	-63
Trade Working Capital	-2,172	-2,125	-2,172	-2,125
in days of sales	-41	-42	-41	-42
Others	-693	-668	-689	-663
Total Working Capital ¹	-2,864	-2,793	-2,861	-2,788
in days of sales	-54	-55	-54	-55

¹ Cash in hand previously considered in Total Working Capital was restated to Cash and Cash Equivalents heading.

2. FINANCIAL STATEMENTS (11/11)

TOTAL BORROWINGS

(Million Euro)	2020	2019
Long Term Borrowings	364	309
as % of Total Borrowings	69.5%	42.2%
Average Maturity (years)	6.7	3.3
Short Term Borrowings	160	424
as % of Total Borrowings	30.5%	57.8%
Total Borrowings	524	732
Average Maturity (years)	5.1	1.7
% Total Borrowings in Euros	0.0%	6.8%
% Total Borrowings in Zlotys	41.7%	46.1%
% Total Borrowings in Colombian Pesos	58.3%	47.1%

DISCLAIMER

Statements in this presentation that are forward-looking are based on current expectations of future events and are subject to risks and uncertainties that can cause actual results to differ materially from those expressed or implied by such statements. The risks and uncertainties, which have increased as a result of the Covid-19 pandemic, relate to factors that are beyond Jerónimo Martins' ability to control or estimate precisely, and include but are not limited to, general economic conditions, actions taken by governmental authorities to address Covid-19 effects and their impacts over the economy, competition, industry trends, credit markets, foreign exchange fluctuations and regulatory developments.

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