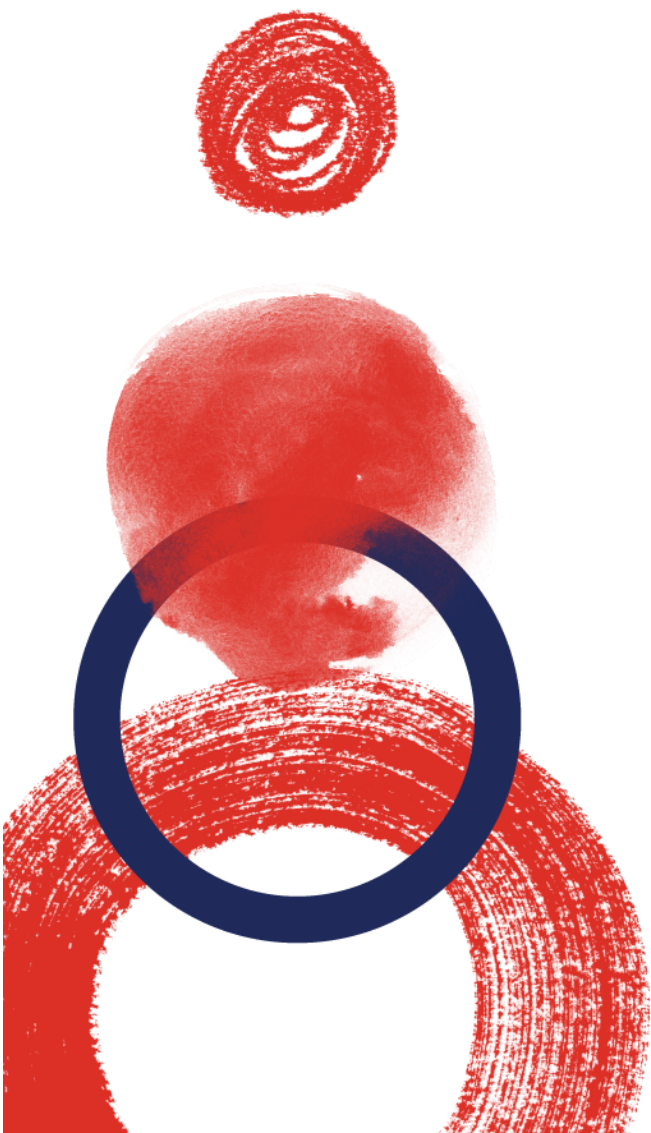




# 1<sup>st</sup> Half Results, 2022

Matosinhos, 28<sup>th</sup> July 2022

Proforma unaudited figures reported according to IFRS 16





# 01.

## HIGHLIGHTS<sup>1</sup>

- Turnover expanded to €2,695m in 1H'22, growing by 7.6% y.o.y. and 6.0% in like-for-like
- Grocery formats accelerated in 2Q'22, with Hypermarkets and Supermarkets outpacing market growth
- New growth businesses kept a buoyant trend, fuelled by the progressive return to pre-pandemic consumption patterns
- Cost inflation pressures were partially offset by reinforced trading and efficiency-enhancing initiatives, taking unEBITDA to €242m (9.0% margin)
- The positive evolution of the business allowed a sound free cash flow generation, €36m higher than in the same period last year
- Leverage ratios continue to evolve very favourably, showing an increasingly solid financial position

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## MESSAGE FROM THE CEO | Luís Moutinho

*“Amid a consumption environment impacted by high inflation, which has been severely eroding households’ purchasing power, MC has prioritized supporting Portuguese families in managing their food budgets, promoting differentiated offers at competitive prices and reinforcing savings solutions. We are extremely proud that customers continued to recognise our distinctive value proposition, consolidating their loyalty and engagement ties, which significantly contributed to the strong performance achieved across all our businesses.*

*Going forward, as the pressure on families’ finances intensifies, we remain committed to evolving our value proposal in line with consumer needs, and to providing additional savings opportunities. Also, in a predictably more normalized public health scenario, we’ll play our part to help Portuguese families enjoy summertime as they did before the pandemic, ensuring availability and exceptional levels of service.”*



Continente's stall at the Rock in Rio Lisbon festival

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<sup>1</sup> Comparative figures in 2021 were restated to reflect Maxmat as a discontinued operation.



# 02.

## OPERATIONAL AND FINANCIAL PERFORMANCE

TURNOVER (€m)	1 <sup>st</sup> Half				2 <sup>nd</sup> Quarter			
	2021	2022	Δ y.o.y.	Δ LFL	2021	2022	Δ y.o.y.	Δ LFL
Total MC	2,505	2,695	7.6%	6.0%	1,258	1,401	11.4%	9.8%
Hypermarkets	832	871	4.7%	5.3%	416	450	8.0%	8.7%
Supermarkets	1,272	1,342	5.6%	3.3%	633	703	11.2%	8.9%
New Growth Businesses & Others	401	482	20.2%	24.1%	209	248	18.6%	19.1%

KEY RESULTS (€m)	1 <sup>st</sup> Half			2 <sup>nd</sup> Quarter		
	2021	2022	Δ y.o.y.	2021	2022	Δ y.o.y.
Underlying EBITDA (unEBITDA)	235	242	3.2%	128	134	4.7%
as % of turnover	9.4%	9.0%	-0.4pp	10.2%	9.6%	-0.6pp
Net profit (from continuing operations)	48	62	29.3%	38	42	10.7%

- In the 1H'22, the impacts of the war in Ukraine on global supply severely intensified the inflationary pressures in the economy. A weakening purchasing power, exacerbated by a prospect of rising interest rates, kept consumer confidence low and led Portuguese families to reassess their budgets.
- Record high food inflation (8.6% in 1H'22) induced an uplift in the Portuguese grocery market in 1H'22, compared to a historical period that still benefited from at-home consumption (Horeca opened only in May-21). Even so, there was a reduction in total market volumes due to the global increase in the cost of living and the resumption of pre-pandemic out-of-home eating behaviours.
- MC sales increased by 7.6% to €2,695m in 1H'22, with a 6.0% like-for-like, and a positive performance across the portfolio, on the back of favourable customer perception levels. Amid a more cautious and value-oriented consumption environment, MC was swift to address evolving customer needs, reinforcing a distinctive and competitive offering across all banners (with seasonal discount campaigns, affordable private label offers and a strong fresh value proposition, among others).
- Grocery formats accelerated in 2Q'22, with Hypermarkets and Supermarkets expanding ahead of the market. The Hypermarkets' one-stop shop proposition continued to distinguish itself in the eyes of customers, while Supermarkets continued in a positive business momentum. FMCG private label products increased in importance, as consumers, looking to make ends meet, recognized and valued the quality of MC's offers.
- The Company continued to champion sustainable nutrition, for instance, mobilizing outdoor gastronomic events (such as food stalls at summer festivals or, more recently, the Continente Food Festival) and fighting food waste (with initiatives to donate or avoid food surpluses), promoting community engagement and brand recognition.
- In the New Growth Businesses segment, health, wellness and beauty and food service formats remained on an upbeat trajectory. In the former, turnover climbed driven by the ramp-up of the selective beauty and perfumery concept, and the ongoing investment in innovative product ranges. In the latter, Bagga cafeterias and the healthy Go Natural restaurants particularly benefited from the easing restrictions and normalisation of eating-out behaviour.



- Online channel sales showed a favourable evolution in 2Q'22 compared to 1Q'22 (growing 4.1% y.o.y.), taking 1H'22 online sales variation to -5.9%. On a 3-years comparison, 1H'22 online sales were more than 2x higher. The Company continued investing in omnichannel leadership and pushing for new digital solutions, particularly in the fields of payments (simplification of Continente app in-store usage), checkouts (new self-checkout model pilot) and loyalty (gamification in the app Cartão Continente – e.g. Santos Populares).
- MC continued to show a solid profitability profile, with unEBITDA standing at €242m (+€8m y.o.y.), or 9.0% of turnover. The uplift in non-grocery banners profitability (as public health situation normalized) helped to limit the impacts of ongoing inflationary pressures on the cost base – specially in energy-related costs. The Company also carried on with efficiency enhancing initiatives, with emphasis on energy consumption optimization (such as promoting energy self-consumption and refrigeration storage improvements).

#### FREE CASH-FLOW AND DEBT (€m)

	1 <sup>st</sup> Half		
	2021	2022	Δ y.o.y.
Gross cash-flow	160	165	5
Change in working capital & other cash impacts	-120	-90	31
Operational capex	-68	-70	-2
Income tax and net financial activity	-13	-11	2
Free cash-flow	-42	-5	36
Distributed dividends	-140	-243	-103
Change in net financial debt (vs. year-end)	-182	-248	-
Net financial debt	664	628	-36
Lease liabilities	1,085	1,069	-16
Total net debt <sup>2</sup> to unEBITDA	3.3x	3.1x	-

- Operational capex totalled €70m in 1H'22, powering future growth through investments in the digital front (IT backbone, cybersecurity) and in the development of logistic infrastructures, maximizing the efficiency of the supply chain. MC also continued to focus in segments with high growth potential, such as health, wellness and beauty, and proximity, expanding and remodelling its store network, mainly in densely populated zones, such as the metropolitan areas of Lisbon and Porto.
- Free cash flow generation reached -€5m in 1H'22 (€36m more than in same period last year), with a cash conversion ratio of 64.7%, driven by positive operational performance, disciplined approach to investment and efficient working capital management. At this regard, MC ensured a streamlined inventory management and continuous shelf replenishment (despite global issues in the supply chain of certain products, such as cereals and sunflower oil), capitalizing on top-notch processes and relationships with suppliers.
- The balance sheet position remained robust. After the payment of dividends, net financial debt reduced to €628m, resulting in a total net debt to unEBITDA ratio of 3.1x. MC conserved also a comfortable financing structure, with all funding needs ensured until the end of 2023 and a debt schedule with average maturity of more than 4 years. The Company continued to favour ESG-linked or Green operations and funding.

<sup>2</sup> Total net debt equals net financial debt plus lease liabilities.



A decorative graphic in the top left corner consisting of two overlapping circles, one blue and one red, with a red splash-like shape behind them.

## 03. OUTLOOK

- Uncertainty prevails over the duration and extent of the current adverse geopolitical conditions and their impacts on both consumer purchasing decisions and the cost structure of grocers, namely in energy-related costs. The foreseeable future increases in interest rates, by affecting the value of mortgage loan instalments for families, complicate this equation.
- In this background, with consumers managing tighter family budgets and paying increasing attention to the evolution of prices and promotions, the Portuguese food retail market should remain very competitive, but rational. MC remains confident in the future, backed by its distinctive value proposition, cost efficiency track record and ability to adapt to evolving challenging times.
- Looking ahead, MC will continue to pursue its strategic and core priorities, both in grocery, setting differentiation, value and scale as key enablers for the business, and in health, wellness and beauty, expanding leadership and fully capturing its long-term potential, always supported by a digital and omnichannel approach.



A.

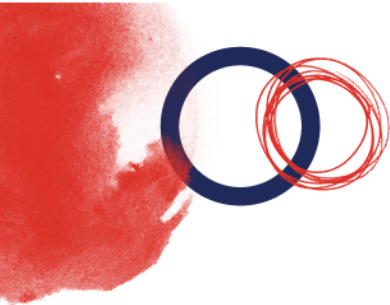
## CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED RESULTS (€m)	1 <sup>st</sup> Half			2 <sup>nd</sup> Quarter		
	2021	2022	Δ y.o.y.	2021	2022	Δ y.o.y.
Turnover	2,505	2,695	7.6%	1,258	1,401	11.4%
Underlying EBITDA (unEBITDA)	235	242	3.2%	128	134	4.7%
<i>as % of turnover</i>	9.4%	9.0%	-0.4pp	10.2%	9.6%	-0.6pp
D&A	-139	-134	-3.9%	-65	-68	4.3%
Underlying EBIT (unEBIT)	96	109	13.5%	63	66	5.1%
<i>as % of turnover</i>	3.8%	4.0%	0.2pp	5.0%	4.7%	-0.3pp
Net financial activity	-39	-37	-	-18	-18	-
Other investment income	0	0	-	0	0	-
Non-recurring items	-	-	-	-	-	-
Equity method	1	0	-	0	0	-
EBT	57	72	26.0%	45	49	8.6%
Income tax	-9	-9	-	-7	-6	-
Minorities	0	-1	-	-0	-1	-
Net profit (from continuing operations)	48	62	29.3%	38	42	10.7%

CONSOLIDATED BALANCE SHEET (€m)	1 <sup>st</sup> Half		
	2021	2022	Δ y.o.y.
Net fixed assets	1,587	1,610	1.5%
Leased assets right-of-use	943	911	-3.4%
Goodwill and financial investments	475	475	-0.1%
Working capital	-543	-551	1.4%
Invested capital	2,462	2,445	-0.7%
Shareholders' funds <sup>3</sup>	713	749	5.0%
Lease liabilities	1,085	1,069	-1.5%
Net financial debt	664	628	-5.5%
Sources of financing	2,462	2,445	-0.7%
Total net debt <sup>2</sup> to unEBITDA	3.3x	3.1x	-

Please visit <https://mc.sonae.pt/en/> for additional information about the results, including a comprehensive glossary.

<sup>3</sup> Shareholders' funds in 2021 exclude the net book value of Maxmat.



# Consolidated Financial Statements

1<sup>st</sup> Half, 2022



## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022 AND 2021 AND 31 DECEMBER 2021

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

(Amounts expressed in euro)	Notes	30 Jun 2022	30 Jun 2021	31 Dec 2021
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS:</b>				
Property, plant and equipment	3	1,348,188,004	1,329,681,659	1,360,810,433
Intangible assets	4	261,910,346	256,859,912	261,638,861
Right-of-use assets	5	911,156,195	943,081,072	933,496,274
Goodwill		454,900,067	454,900,067	454,900,067
Investments in joint ventures and associates	6	3,579,806	4,581,677	4,719,952
Other investments	7	16,510,237	15,860,316	16,205,006
Deferred tax assets	8	277,634,522	275,113,794	282,653,191
Income tax assets		4,489,601	4,489,601	4,489,601
Other non-current assets		5,432,560	9,050,947	8,555,496
<b>Total Non-Current Assets</b>		<b>3,283,801,338</b>	<b>3,293,619,045</b>	<b>3,327,468,881</b>
<b>CURRENT ASSETS:</b>				
Inventories		431,465,084	365,002,629	387,406,042
Trade receivables and other current assets		253,084,363	195,388,931	212,666,374
Income tax assets		45,722,084	43,004,027	26,855,537
Other investments	7	2,060,387	8,059,335	7,106,548
Cash and bank balances	9	63,196,029	83,128,242	198,802,965
<b>Total Current Assets</b>		<b>795,527,947</b>	<b>694,583,164</b>	<b>832,837,466</b>
Assets classified as held for sale		-	86,862,983	979,955
<b>TOTAL ASSETS</b>		<b>4,079,329,285</b>	<b>4,075,065,192</b>	<b>4,161,286,302</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY:</b>				
Share capital		1,000,000,000	1,000,000,000	1,000,000,000
Legal reserve		200,000,000	198,366,897	198,366,897
Reserves and retained earnings		(543,404,071)	(537,859,998)	(527,467,848)
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		62,305,959	50,834,037	222,006,491
Equity attributable to the equity holders of the Parent Company		718,901,888	711,340,936	892,905,540
Non-controlling interests	10	29,940,692	52,063,558	28,905,843
<b>TOTAL EQUITY</b>		<b>748,842,580</b>	<b>763,404,494</b>	<b>921,811,383</b>
<b>LIABILITIES:</b>				
<b>NON-CURRENT LIABILITIES:</b>				
Loans	11	686,203,252	751,865,210	512,034,858
Lease liabilities	5	991,047,208	1,006,251,306	1,001,111,372
Other non-current liabilities		24,322,210	23,366,915	22,875,692
Deferred tax liabilities	8	360,228,687	355,637,291	361,624,611
Provisions	12	7,857,519	6,837,486	6,753,035
<b>Total Non-Current Liabilities</b>		<b>2,069,658,876</b>	<b>2,143,958,208</b>	<b>1,904,399,568</b>
<b>CURRENT LIABILITIES:</b>				
Loans	11	6,835,201	3,500,675	73,308,836
Lease liabilities	5	76,751,268	78,657,346	80,901,632
Trade payables and other current liabilities		1,066,516,846	924,834,518	1,075,170,508
Income tax liabilities		47,772,744	68,348,101	35,733,124
Other tax liabilities		61,522,126	54,850,972	68,474,647
Provisions	12	1,429,644	1,361,548	1,486,604
<b>Total Current Liabilities</b>		<b>1,260,827,829</b>	<b>1,131,553,160</b>	<b>1,335,075,351</b>
Liabilities directly associated with assets classified as held for sale	-	-	36,149,330	-
<b>TOTAL LIABILITIES</b>		<b>3,330,486,705</b>	<b>3,311,660,698</b>	<b>3,239,474,919</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,079,329,285</b>	<b>4,075,065,192</b>	<b>4,161,286,302</b>

The accompanying notes are part of these condensed consolidated financial statements.





## CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022 AND 2021

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

(Amounts expressed in euro)	Notes	2 <sup>nd</sup> Quarter 2022	2 <sup>nd</sup> Quarter 2021	30 Jun 2022	30 Jun 2021
Sales		1,366,581,713	1,226,643,624	2,625,201,430	2,445,634,792
Services rendered		34,485,755	31,544,664	70,218,598	59,162,166
Gains and losses on investments		457,329	-	457,329	(1,124,205)
Other income		29,509,292	21,352,328	54,894,379	40,318,491
Cost of goods sold and materials consumed		(975,190,161)	(861,691,073)	(1,885,215,259)	(1,746,782,834)
External supplies and services		(129,044,641)	(120,897,192)	(251,894,814)	(230,385,606)
Employee benefits expense		(173,428,966)	(157,364,852)	(337,580,023)	(309,430,440)
Other expenses		(19,904,836)	(12,080,116)	(34,652,978)	(24,567,803)
Depreciation and amortisation expenses	3, 4 and 5	(67,005,190)	(63,984,996)	(133,303,668)	(127,607,923)
Provisions and impairment losses		(5,388)	(278,973)	545,407	(9,510,423)
Profit from continuing operations before interests, dividends, share of profit or loss of joint ventures and associates and tax		66,454,907	63,243,414	108,670,401	95,706,215
Dividends received during the year		300,488	200,000	300,488	200,000
Share of profit or loss of joint ventures and associates	6.2	152,676	274,502	437,953	513,869
Financial income		27,340,277	7,229,031	33,728,162	14,051,739
Financial expense		(45,051,914)	(25,631,945)	(70,984,141)	(53,216,112)
Profit from continuing operations before tax		49,196,434	45,315,002	72,152,863	57,255,711
Income tax expense		(6,303,022)	(7,018,084)	(8,664,884)	(9,079,147)
Profit from continuing operations for the period		42,893,412	38,296,918	63,487,979	48,176,564
Profit/(Loss) from discontinued operations after taxation	-	-	3,329,811	-	5,297,008
Consolidated profit/(Loss) for the period		42,893,412	41,626,729	63,487,979	53,473,572
Attributable to owners of the Company:					
Continuing operations		42,075,592	38,012,662	62,305,959	48,185,533
Discontinued operations		-	1,753,079	-	2,648,504
		42,075,592	39,765,741	62,305,959	50,834,037
Attributable to non-controlling interests:					
Continuing operations		817,820	284,256	1,182,020	(8,969)
Discontinued operations		-	1,576,732	-	2,648,504
	10	817,820	1,860,988	1,182,020	2,639,535
Profit/(Loss) per share:					
From continuing operations					
Basic	14	0.042076	0.038013	0.062306	0.048186
Diluted	14	0.042076	0.038013	0.062306	0.048186
From discontinued operations					
Basic	14	-	0.001753	-	0.002649
Diluted	14	-	0.001753	-	0.002649

The accompanying notes are part of these condensed consolidated financial statements.



# CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 30 JUNE 2022 AND 2021

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

(Amounts expressed in euro)	Notes	2 <sup>nd</sup> Quarter 2022	2 <sup>nd</sup> Quarter 2021	30 Jun 2022	30 Jun 2021
Net Profit / (Loss) for the period		42,893,412	41,626,729	63,487,979	53,473,572
Items that maybe reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations		(4,437,849)	(5,014,413)	(543,421)	(1,119,985)
Changes in hedge and fair value reserves		8,137,741	5,324,566	7,211,588	4,398,413
Deferred taxes related with other components of comprehensive income		155,960	(141,408)	2,597	(294,771)
Others		13,383	(30,986)	31	(44,338)
Other comprehensive income for the period		3,869,235	137,759	6,670,795	2,939,319
Total other comprehensive income for the period		3,869,235	137,759	6,670,795	2,939,319
Total comprehensive income for the period		46,762,647	41,764,488	70,158,774	56,412,891
Attributable to:					
Equity holders of parent company		45,546,983	39,401,893	68,976,754	53,669,593
Non controlling interests		1,215,664	2,362,595	1,182,020	2,743,298

The accompanying notes are part of these condensed consolidated financial statements.



# CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED 30 JUNE 2022 AND 2021

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

			Reserves and Retained Earnings							
	Share Capital	Legal Reserve	Currency translation Reserve	Hedging Reserve	Other Reserves and Retained Earnings	Total of reserves and retained earnings	Net Profit/ (Loss)	Total	Non controlling Controlling Interests (Note 10)	Total Equity
(Amounts expressed in euro)	Attributable to Equity Holders of Parent Company									
Balance as at 1 January 2021	1,000,000,000	186,480,406	8,006,476	1,959,877	(545,994,852)	(536,028,499)	143,349,796	793,801,703	49,963,472	843,765,175
Total comprehensive income for the period	-	-	(1,119,985)	3,999,879	(44,338)	2,835,556	50,834,037	53,669,593	2,743,298	56,412,891
Appropriation of profit of 2020										
Transfer to legal reserves and retained earnings	-	11,886,491	-	-	131,463,305	131,463,305	(143,349,796)	-	-	-
Dividends distributed	-	-	-	-	(140,000,000)	(140,000,000)	-	(140,000,000)	-	(140,000,000)
Income distribution	-	-	-	-	-	-	-	-	(120,104)	(120,104)
Change in subsidiaire's percentage	-	-	-	-	3,891,677	3,891,677	-	3,891,677	(802,776)	3,088,901
Others	-	-	-	-	(22,037)	(22,037)	-	(22,037)	279,668	257,631
Balance as at 30 June 2021	1,000,000,000	198,366,897	6,886,491	5,959,756	(550,706,245)	(537,859,998)	50,834,037	711,340,936	52,063,558	763,404,494
Balance as at 1 January 2022	1,000,000,000	198,366,897	8,194,936	15,529,309	(551,192,093)	(527,467,848)	222,006,491	892,905,540	28,905,843	921,811,383
Total comprehensive income for the period	-	-	(543,421)	7,214,185	31	6,670,795	62,305,959	68,976,754	1,182,020	70,158,774
Appropriation of profit of 2021										
Transfer to legal reserves and retained earnings	-	1,633,103	-	-	220,373,388	220,373,388	(222,006,491)	-	-	-
Dividends distributed	-	-	-	-	(243,000,000)	(243,000,000)	-	(243,000,000)	-	(243,000,000)
Income distribution	-	-	-	-	-	-	-	-	(70,347)	(70,347)
Others	-	-	-	-	19,594	19,594	-	19,594	(76,824)	(57,230)
Balance as at 30 June 2022	1,000,000,000	200,000,000	7,651,515	22,743,494	(573,799,080)	(543,404,071)	62,305,959	718,901,888	29,940,692	748,842,580

The accompanying notes are part of these condensed consolidated financial statements.



## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2022 AND 2021

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

(Amounts expressed in euro)	Notes	2 <sup>nd</sup> Quarter 2022	2 <sup>nd</sup> Quarter 2021	30 Jun 2022	30 Jun 2021
<b>OPERATING ACTIVITIES</b>					
Net cash flow from operating activities (1)		141,563,049	97,289,627	143,172,212	112,147,481
<b>INVESTMENT ACTIVITIES</b>					
Cash receipts arising from:					
Investments		608,150	3,696,760	920,125	3,959,217
Property, plant and equipment and intangible assets		1,692,415	1,729,852	2,009,841	2,430,402
Interests and similar income		24,853	6,134	40,037	10,957
Dividends		300,488	200,000	300,488	200,000
		2,625,906	5,632,746	3,270,491	6,600,576
Cash Payments arising from:					
Investments		(667,311)	(1,904,818)	(1,059,480)	(2,292,209)
Property, plant and equipment and intangible assets		(37,480,637)	(32,964,551)	(89,997,617)	(80,104,588)
		(38,147,948)	(34,868,982)	(91,057,097)	(82,396,797)
Net cash used in investment activities (2)		(35,522,042)	(29,236,236)	(87,786,606)	(75,796,221)
<b>FINANCING ACTIVITIES</b>					
Cash receipts arising from:					
Loans obtained		604,265,649	289,268,174	694,268,634	629,268,415
		604,265,649	289,268,174	694,268,634	629,268,415
Cash Payments arising from:					
Lease agreements		(22,308,085)	(43,497,894)	(56,650,563)	(77,226,848)
Loans obtained		(418,673,535)	(292,066,512)	(581,189,709)	(535,367,744)
Interests and similar charges		(2,807,423)	(2,655,471)	(4,596,266)	(5,299,260)
Dividends		(243,070,347)	(140,000,000)	(243,070,347)	(140,120,104)
		(686,859,390)	(478,219,877)	(885,506,885)	(758,013,956)
Net cash used in financing activities (3)		(82,593,741)	(188,951,703)	(191,238,251)	(128,745,541)
Net increase in cash and cash equivalents (5) = (1) + (2) + (3) + (4)		23,447,266	(120,898,312)	(135,852,645)	(92,394,281)
Effect of foreign exchange rate		(105,631)	(91,103)	(334,983)	(73,519)
Effect of discontinued operations		-	(7,737,674)	-	(7,737,674)
Cash and cash equivalents at the beginning of the period		39,622,234	222,767,265	198,692,793	194,280,818
Cash and cash equivalents at the end of the period		63,175,131	109,697,730	63,175,131	109,697,730

The accompanying notes are part of these condensed consolidated financial statements.



## **MCRETAIL, SGPS, SA**

# **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022 AND 2021**

(Translation of condensed consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)

## **1. INTRODUCTION**

MCRETAIL, SGPS, S.A. (hereafter referred as “MC” ou “Company”), formerly referred as Sonae MC, SGPS, S.A., has its head-office at Rua João Mendonça n° 529, 4464-501 Senhora da Hora, Portugal, and is the parent company of a group of companies referred as MC Group (“MC”).

## **2. PRINCIPAL ACCOUNTING POLICIES**

The principal accounting policies adopted in preparing the accompanying consolidated financial statements are described below. These policies have been consistently applied in comparative periods.

### **2.1. BASIS OF PRESENTATION**

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union, issued by the International Accounting Standards Board (“IASB”), and interpretations issued by the IFRS Interpretations Committee (“IFRIC”) or by the previous Standing Interpretations Committee (“SIC”), as adopted by the European Union as from the consolidated financial statements issuance date.

Interim financial statements are presented quarterly, in accordance with IAS 34 – “Interim Financial Reporting”. As such, they do not include all the information to be disclosed in the annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements for the previous year.

The accompanying condensed consolidated financial statements have been prepared from the books and accounting records of the company and subsidiaries, adjusted in the consolidation process, on a going concern basis and under the historical cost convention, except for some financial instruments and properties investments which are stated at fair value.





## New accounting standards and their impact in these consolidated financial statements:

Up to the date of approval of these consolidated financial statements, the European Union endorsed the following standards, interpretations, amendments and revisions some of which become mandatory during the year 2022:

Standards (new and amendments) effective as at 1 January 2022	Changes	Effective date (for financial years beginning on or after)
IAS 16 – Proceeds before intended use	Prohibition of deducting the proceeds obtained from the sale of items produced during the testing phase, to the acquisition cost of property, plant and equipment.	01 Jan 2022
IAS 37 – Onerous contract – cost of fulfilling a contract	Clarification about the nature of the expenses to be considered in determining whether a particular contract has become onerous.	01 Jan 2022
Annual Improvements 2018-2020	Specific amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41.	01 Jan 2022
IFRS 3 – Reference to the Conceptual framework	Update to references to the Conceptual Framework and clarification on the registration of provisions and contingent liabilities within the scope of a business combination.	01 Jan 2022

These standards were first applied by MC Group in 2022, however there were no significant impacts on these financial statements.

The following standards, interpretations, amendments and revisions were endorsed by the European Union and are mandatory for future economic years:

Standards (new and amendments) that will become effective, on or after 1 January 2023, already endorsed by the EU	Changes	Effective date (for financial years beginning on or after)
IFRS 17 – Insurance contracts	New accounting for insurance contracts, reinsurance contracts and investment contracts with discretionary participating features.	01 Jan 2023
IFRS 17 – Insurance contracts (amendments)	The amendments to IFRS 17 relate to changes in areas such as: i) scope; ii) level of aggregation of insurance contracts; iii) recognition; iv) measurement; v) modification and derecognition; vi) presentation of the Statement of Financial Position; vii) recognition and measurement of the Income statement; and viii) disclosures.	01 Jan 2023
IAS 1 – Disclosure of accounting policies	Disclosure requirement for material accounting policies, rather than significant accounting policies.	01 Jan 2023
IAS 8 – Disclosure of accounting estimates	Definition of accounting estimate. Clarification as to the distinction between changes to accounting policies and changes to accounting estimates.	01 Jan 2023



The following standards, interpretations, amendments and revisions were endorsed by the European Union and are mandatory for future economic years:

Standards (new and amendments) that will become effective, on or after 1 January 2023, not yet endorsed by the EU	Changes	Effective date (for financial years beginning on or after)
IAS 1 – Presentation of financial statements – classification of liabilities	Classification of a liability as current or non-current, depending on an entity's right to defer its payment. New definition of “settlement” of a liability.	01 Jan 2023
IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction	Requirement to recognize deferred tax on the recognition of assets under right of use / lease liability and provisions for decommissioning / related asset, when their initial recognition gives rise to equal amounts of taxable temporary differences and deductible temporary differences, because of not being relevant for tax purposes.	01 Jan 2023
IFRS 17 – Initial Application of IFRS 17 and IFRS 9 – Comparative Information	This amendment allows to avoid temporary accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented, when first applying IFRS 17. This amendment allows the application of a classification overlay to a financial asset for which the entity does not restate IFRS 9 comparative information.	01 Jan 2023

The Group did not proceed with the early implementation of any of these standards in the financial statements for the year ended 30 June 2022 due to the fact that their application is not mandatory, being in the process of analysing expected effects of those standards.

### 3. PROPERTY, PLANT AND EQUIPMENT

During the six months period ended 30 June 2022, the movements in Property, plant and equipment as well accumulated depreciation and impairment losses are made up as follows:

Property, plant and equipment	Land and Buildings	Plant and Machinery	Other Tangible Assets	Tangible assets in progress	Total property, plant and equipment
<b>Gross assets:</b>					
Opening balance as at 1 January 2022	1,092,688,952	1,472,329,263	213,940,516	26,987,859	2,805,946,590
Investment	3,214,925	1,018,198	559,408	53,163,323	57,955,854
Disposals	(6,252,752)	(20,815,100)	(23,672,719)	(324,144)	(51,064,715)
Exchange rate effect	-	-	502	-	502
Transfers	2,521,073	42,962,200	3,619,865	(50,127,308)	(1,024,170)
<b>Closing balance as at 30 June 2022</b>	<b>1,092,172,198</b>	<b>1,495,494,561</b>	<b>194,447,572</b>	<b>29,699,730</b>	<b>2,811,814,061</b>
<b>Accumulated depreciation and impairment losses</b>					
Opening balance as at 1 January 2022	382,739,165	904,678,643	157,718,349	-	1,445,136,157
Depreciation	8,165,365	50,335,500	8,321,882	-	66,822,747
Disposals	(4,999,554)	(19,569,469)	(23,554,544)	-	(48,123,567)
Exchange rate effect	-	-	184	-	184
Transfers	(2,971)	40,784	(247,277)	-	(209,464)
<b>Closing balance as at 30 June 2022</b>	<b>385,902,005</b>	<b>935,485,458</b>	<b>142,238,594</b>	<b>-</b>	<b>1,463,626,057</b>
<b>Carrying amount</b>					
<b>As at 30 June 2022</b>	<b>706,270,193</b>	<b>560,009,103</b>	<b>52,208,978</b>	<b>29,699,730</b>	<b>1,348,188,004</b>



## 4. INTANGIBLE ASSETS

During the six months period ended 30 June 2022, the movement occurred in intangible assets and in the corresponding accumulated amortisation and impairment losses, was as follows:

Intangible Assets	Industrial property	Software	Others intangible assets	Intangible assets in progress	Total Intangible Assets
<b>Gross cost</b>					
Opening balance as at 1 January 2022	150,788,042	390,064,003	9,202,092	22,870,384	572,924,521
Investment	-	225,481	-	14,666,614	14,892,095
Disposals	-	(15,591)	-	(69,827)	(85,418)
Transfers	38,000	5,869,300	-	(5,354,797)	552,503
<b>Closing balance as at 30 June 2022</b>	<b>150,826,042</b>	<b>396,143,193</b>	<b>9,202,092</b>	<b>32,112,374</b>	<b>588,283,701</b>
<b>Accumulated depreciation and impairment losses</b>					
Opening balance as at 1 January 2022	17,112,136	286,222,944	7,950,580	-	311,285,660
Depreciation of the period	74,700	15,006,500	8,322	-	15,089,522
Disposals	-	(1,661)	-	-	(1,661)
Transfers	-	(166)	-	-	(166)
<b>Closing balance as at 30 June 2022</b>	<b>17,186,836</b>	<b>301,227,617</b>	<b>7,958,902</b>	<b>-</b>	<b>326,373,355</b>
<b>Carrying amount</b>					
As at 30 June 2022	133,639,206	94,915,576	1,243,190	32,112,374	261,910,346

As at 30 June 2022 the Investment related to intangible assets in progress includes 14.7 million euro related to IT projects and software development. Within that amount it is included 7.1 million euro of capitalizations of personnel costs related to own work.

## 5. RIGHTS OF USE

During the period of six months ended on 30 June 2022, the detail and the movement in the value of the rights of use, as well as in the respective depreciations, was as follows:

	Land and Buildings	Vehicles	Others tangible assets	Total tangible assets
<b>Gross assets</b>				
Opening balance as at 1 January 2022	1,387,325,210	88,561,391	1,664,041	1,477,550,642
Additions	28,033,200	2,145,694	90,309	30,269,203
Write-offs and decreases	(28,300,584)	(4,222,665)	-	(32,523,249)
<b>Closing balance as at 30 June 2022</b>	<b>1,387,057,826</b>	<b>86,484,420</b>	<b>1,754,350</b>	<b>1,475,296,596</b>
<b>Accumulated depreciation and impairment</b>				
Opening balance as at 1 January 2022	482,678,079	61,163,679	212,610	544,054,368
Depreciation of the period	40,603,338	10,633,104	154,957	51,391,399
Write-offs and decreases	(27,624,030)	(3,681,336)	-	(31,305,366)
<b>Closing balance as at 30 June 2022</b>	<b>495,657,387</b>	<b>68,115,447</b>	<b>367,567</b>	<b>564,140,401</b>
<b>Carrying amount</b>				
As at 30 June 2022	891,400,439	18,368,973	1,386,783	911,156,195

Liabilities related to rights of use are recorded under non-current and current lease liabilities amounting to 991 million euro and 77 million euro respectively (1,001 million euro and 81 million euro at 31 December 2021).



In the consolidated income statement, 51.4 million euros were recognised for depreciation of the period (49.5 million euros in 30 June 2021) and 34.4 million of euros of interest relating to the adjusted debt (34.7 million in 30 June 2021).

## 6. JOINT VENTURES AND ASSOCIATED COMPANIES

### 6.1. DETAIL OF BOOK VALUE OF INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Joint ventures and associates, their head offices, percentage of share capital held and their value in the statement of financial position as at 30 June 2022 and 31 December 2021 are as follows:

Company	Head Office	Percentage of capital held				Statement of financial position	
		30 jun 2022		31 dec 2021		30 jun 2022	31 dec 2021
		Direct*	Total*	Direct*	Total*		
Sohi Meat Solutions - Distribuição de Carnes, SA	Santarém	50.00%	50.00%	50.00%	50.00%	2,278,549	3,639,130
Maremor Beauty & Fragances, S.L.	Madrid	50.00%	30.00%	50.00%	30.00%	157,825	170,499
<b>Investments in joint ventures</b>						<b>2,436,374</b>	<b>3,809,629</b>
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	Lisbon	25.00%	25.00%	25.00%	25.00%	1,143,432	910,323
<b>Investment in associates companies</b>						<b>1,143,432</b>	<b>910,323</b>
<b>Total</b>						<b>3,579,806</b>	<b>4,719,952</b>

\* the percentage of "Total" capital held is the total percentage of interest held by the parent company's shareholders; the percentage of "Direct" capital held corresponds to the percentage directly held by the subsidiary(s) in the share capital of that company.

Jointly controlled companies and associated companies were included in the consolidated financial statements by the equity method.

### 6.2. MOVEMENTS OCCURED IN THE PERIOD

During the period ended at 30 June 2022, movements in investments in joint ventures and associates are as follows:

	30 jun 2022		
	Proportion on equity	Goodwill	Total investment
<b>Investments in joint ventures</b>			
Initial balance as at 1 January	3,809,629	-	3,809,629
Equity method:			
Effect in gain or losses in joint controlled and associated companies	204,844	-	204,844
Distributed dividends	(1,578,099)	-	(1,578,099)
	<b>2,436,374</b>	<b>-</b>	<b>2,436,374</b>
<b>Investments in associates companies</b>			
Initial balance as at 1 January	910,323	-	910,323
Equity method:			
Effect in gain/losses in associated companies	233,109	-	233,109
	<b>1,143,432</b>	<b>-</b>	<b>1,143,432</b>
<b>Total</b>	<b>3,579,806</b>	<b>-</b>	<b>3,579,806</b>



## 7. OTHER INVESTMENTS

Other non-current investments, their head offices and book value as at 30 June 2022 and 31 December 2021, are as follows:

Company	Head Office	Percentage of capital held				Statement of financial position	
		30 jun 2022		31 Dec 2021		30 jun 2022	31 Dec 2021
		Direct	Total	Direct	Total		
Dispar - Distrib. de Participações, SGPS, S	Lisbon	14.28%	14.28%	14.28%	14.28%	9,976	9,976
Insco - Insular de Hipermerc., SA	Ponta Delgada	10.00%	10.00%	10.00%	10.00%	4,748,744	4,748,744
Sporessence - Spor Retail, SA	Ponta Delgada	10.00%	10.00%	10.00%	10.00%	595,964	595,964
Other investments						11,155,553	10,850,322
						16,510,237	16,205,006

As at 30 June 2022 the caption "Other investments" includes, among others, 7,218,374 euro (7,238,916 euro in 31 December 2021) related to deposited amounts on an Escrow Account applied in investment funds with superior rating. This Escrow is a guarantee for contractual liabilities assumed in the disposal of a Brazil Retail business and for which provisions were recorded in the applicable situations (Note 12).

At 30 June 2022, the movements in "Other Investments" are made up as follows:

	30 jun 2022	
	Non Current	Current
<b>Other investments:</b>		
Opening balance as at 1 January	16,205,006	-
Acquisitions in the period	823,481	-
Disposals in the period	(518,250)	-
<b>Closing balance as at 30 June</b>	<b>16,510,237</b>	<b>-</b>
<b>Derivative financial instruments</b>		
Fair value as at 1 January	-	7,106,548
Increase/(Decrease) in fair value	-	(5,046,161)
<b>Fair value as at 30 June</b>	<b>-</b>	<b>2,060,387</b>
<b>Total of Other Investments</b>	<b>16,510,237</b>	<b>2,060,387</b>





## 8. DEFERRED TAXES

Deferred tax assets and liabilities as at 30 June 2022 and 31 December 2021 considering the different natures of temporary differences, may be described as follows:

	Deferred tax assets		Deferred tax liabilities	
	30 jun 2022	31 Dec 2021	30 jun 2022	31 Dec 2021
Difference between fair value and acquisition cost	4,336,205	4,336,205	18,702,363	18,772,534
Temporary differences on property, plant and equipment and intangible assets	17,981	19,463	84,475,458	83,725,975
Provisions and impairment losses not accepted for tax purposes	11,534,186	12,785,491	-	-
Valuation of hedging derivatives	102,336	17,917	5,091,699	5,009,877
Amortisation of goodwill for tax purposes in Spain	-	-	42,461,662	39,553,323
Tax losses carried forward	9,578,353	9,475,989	-	-
Rights of use	240,264,195	243,454,070	208,912,865	213,930,128
Tax Benefits	9,738,833	10,540,031	-	-
Others	2,062,433	2,024,025	584,640	632,774
	277,634,522	282,653,191	360,228,687	361,624,611

As at 30 June 2022, the tax rate to be used in Portuguese companies, for the calculation of the deferred tax assets relating to tax losses is 21%. The tax rate to be used to calculate deferred taxes in temporary differences in Portuguese companies is 22.5% increased by the state surcharge in companies in which the expected reversal of those deferred taxes will occur when those rates will be applicable. For companies or branches located in other countries, rates applicable in each jurisdiction were used.

## 9. CASH AND CASH EQUIVALENTS

As at 30 June 2022 and 31 December 2021, Cash and cash equivalents are as follows:

	30 Jun 2022	31 Dec 2021
Bank deposits	11,089,203	10,883,999
Treasury applications	52,092,788	187,904,929
Cash and bank balances on the statement of financial position	14,037	14,037
Bank overdrafts (Note 11)	63,196,029	198,802,965
Cash and bank balances in the statement of cash flows	(20,898)	(110,172)
	63,175,131	198,692,793

Bank overdrafts include current account credit balances with financial institutions and are disclosed in the statement of financial position under "Loans".



## 10. NON-CONTROLLING INTERESTS

During the period ended 30 June 2022, the movement in non-controlling interests is detailed as follows:

	30 Jun 2022				Total
	Tomenider	Arenal	Fundo de Investimento Imobiliário Imosonae Dois	Others	
Opening balance as at 1 January	(6,614,292)	30,492,312	5,027,829	(6)	28,905,843
Income distribution from investment funds	-	-	(70,347)	-	(70,347)
Others	-	-	(76,824)	-	(76,824)
Profit for the period attributable to non-controlling interests	(64,525)	1,061,187	185,358	-	1,182,020
Closing balance as at 30 June	(6,678,817)	31,553,499	5,066,016	(6)	29,940,692

## 11. LOANS

As at 30 June 2022 and 31 December 2021, loans are made up as follows:

	30 Jun 2022		31 Dec 2021	
	Outstanding amount		Outstanding amount	
	Current	Non Current	Current	Non Current
Bank loans				
MCRETAIL, SGPS,SA - commercial paper	-	285,901,608	-	105,950,400
MC 2018/2031	6,111,111	48,888,889	-	55,000,000
Subsidiary of MC 2014/2023	-	50,000,000	-	50,000,000
Subsidiary of MC / 2020/2025	-	55,000,000	-	55,000,000
Subsidiary of MC / 2021/2028	-	20,000,000	-	20,000,000
Others	703,192	2,500,000	699,961	2,500,000
	6,814,303	462,290,497	699,961	288,450,400
Bank overdrafts (Note 9)	20,898	-	110,172	-
Up-front fees beard with the issuance of borrowings	-	(30,864)	-	(36,066)
Bank loans	6,835,201	462,259,633	810,133	288,414,334
Bonds				
Bonds MC / December 2019/2024	-	30,000,000	-	30,000,000
Bonds MC / April 2020/2027	-	95,000,000	-	95,000,000
Bonds MC / July 2020/2025	-	-	50,000,000	-
Bonds MC / July 2020/2025	-	-	22,500,000	-
Bonds MC ESG-Linked / dezembro 2021/2024	-	40,000,000	-	40,000,000
Bonds MC ESG-Linked / novembro 2021/2026	-	60,000,000	-	60,000,000
Up-front fees beard with the issuance of borrowings	-	(1,056,381)	(76,061)	(1,379,476)
Bonds	-	223,943,619	72,423,939	223,620,524
Other loans	-	-	74,764	-
	6,835,201	686,203,252	73,308,836	512,034,858

The interest rate at 30 June 2022 on bond loans and bank loans averaged approximately 0,8% (0.85% at 31 December 2021). Bonds and bank loans are mostly indexed to variable rates and indexed to Euribor.



It is estimated that the book value of all loans does not differ significantly from its fair value, determined based on discounted cash flows methodology.

The loans face value and maturities are as follows:

	30 Jun 2022	31 Dec 2021
N+1	6,835,201	73,384,897
N+2	167,846,052	61,944,444
N+3	123,444,444	155,394,846
N+4	38,444,444	83,444,444
N+5	276,444,444	118,444,444
After N+5	81,111,111	94,222,222
	694,125,698	586,835,297

The maturities presented above were estimated according to the contractual clauses of the loans and considering MC's best expectation as to its amortization date.

As at 30 June 2022 there are financial covenants included in borrowing agreements at market conditions, and which at the date of this report are in regular compliance.

As at 30 June 2022, MC has, as detailed in Note 9, "Cash and cash equivalents", the amount of 63 million euro (199 million euro as at 31 December 2021) and available credit lines as follows:

	30 Jun 2022		31 Dec 2021	
	Commitments of less than one year	Commitments of more than one year	Commitments of less than one year	Commitments of more than one year
Unused credit facilities	60,000,000	171,000,000	96,000,000	190,000,000
Agreed credit facilities	60,000,000	451,000,000	96,000,000	290,000,000

## 12. PROVISIONS AND IMPAIRMENT LOSSES

Movements in "Provisions and impairment losses" during the period ended 30 June 2022 are as follows:

	Balance as at 1 January 2022	Increase	Decrease	Exchange rate effect	Balance as at 30 June 2022
Accumulated impairment losses on investments	769,213	-	-	-	769,213
Impairment losses on property, plant and equipment	99,823,065	-	(4,798,690)	-	95,024,375
Impairment losses on intangible assets	6,628,282	-	-	-	6,628,282
Accumulated impairment losses on trade receivables and other current debtors	5,481,094	271,593	(1,131,633)	-	4,621,054
Non current provisions	6,753,035	-	-	1,104,484	7,857,519
Current provisions	1,486,604	15,000	(71,960)	-	1,429,644
	120,941,293	286,593	(6,002,283)	1,104,484	116,330,087

The change in the caption "Impairment losses on tangible fixed assets" results mostly from the sale of properties for which impairment had been recognized.

Impairment losses are deducted from the value of the corresponding asset.



# 13. RELATED PARTIES

Balances and transactions with related entities can be detailed as follows:

	Parent company		Jointly controlled companies		Associated companies		Other Related Parties	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
Sales & Services rendered	1,346,890	1,224,709	2,370,763	1,345,478	8,312	24,137,066	53,777,087	43,343,452
Other income	39,864	60,610	67,939	44,873	3,350	76,920	6,519,811	6,811,404
Cost of goods sold and materials consumed	-	-	161,007,558	141,714,430	46	-	12,342,595	10,743,387
External supplies and services	2,846,272	2,793,317	587,630	618,146	-	-	11,385,581	11,568,886
Other expenses	2,915	-	-	328	-	3	122,707	153,070
Financial expense	2,184	24,923	-	-	-	-	4,256,828	4,384,435
	4,238,125	4,103,559	164,033,890	143,723,255	11,708	24,213,989	88,404,609	77,004,634

	Parent company		Jointly controlled companies		Associated companies		Other Related Parties	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
Other non-current assets	-	-	-	-	-	-	3,759,787	4,027,030
Trade receivables	278,035	269,095	1,218,548	580,518	-	173,031	16,808,448	22,941,226
Other receivables	27,991	1,375,290	2,029,585	288,574	-	-	12,208,058	17,603,639
Income tax assets	27,119,525	12,337,647	-	-	-	-	5,884,378	3,585,846
Other current assets	19,199	40,352	133,813	39,124	-	-	6,528,959	3,377,404
Trade payables	456,242	736,260	62,446,334	66,700,498	2,143	2,097	7,491,833	6,792,559
Other non-current liabilities	-	-	-	-	-	-	139,200	182,545
Other payables	42	23,648	-	-	-	-	4,345,220	2,317,243
Income tax liabilities	30,697,350	22,103,430	-	-	-	-	6,878,320	6,946,674
Other current liabilities	641,762	1,225,432	176,058	204,458	-	-	14,144,787	14,134,332
	59,240,146	38,111,154	66,004,338	67,813,172	2,143	175,128	78,188,990	81,908,498

	Parent company		Jointly controlled companies		Associated companies		Other Related Parties	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
Property, plant and equipment acquisitions	1,715	-	-	1,804	-	-	320,309	425,709
Property, plant and equipment disposals	28,563	3,602	-	3,706	-	-	46,872	51,614
Intangible Assets acquisitions	-	-	-	-	-	-	442,206	771,780
	30,278	3,602	-	5,510	-	-	809,387	1,249,103

The variation in the caption “Sales and services rendered” with associated companies results from the change in the commercial supply flow between a Group’s subsidiary and the associated company Sempre a Postos - Produtos Alimentares e Utilidades, Lda, which is now carried out with a company external to the Group.



## 14. EARNINGS PER SHARE

Earnings per share for the periods ended 30 June 2022 and 2021 were calculated taking into consideration the following amounts:

	30 jun 2022	30 jun 2021	
	Continuing Operations	Continuing Operations	Discontinuing Operations
<b>Net profit</b>			
Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period)	62,305,959	48,185,533	2,648,504
Net profit taken into consideration to calculate diluted earnings per share	62,305,959	48,185,533	2,648,504
<b>Number of shares</b>			
Weighted average number of shares used to calculate basic earnings per share	1,000,000,000	1,000,000,000	1,000,000,000
Effect of dilutive potential ordinary shares from convertible bonds	-	-	-
Weighted average number of shares used to calculate diluted earnings per share	1,000,000,000	1,000,000,000	1,000,000,000
<b>Earnings per share (basic and diluted)</b>			
Basic	0.062306	0.048186	0.002649
Diluted	0.062306	0.048186	0.002649

## 15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors in a meeting held on 25 July 2022:

The Board of Directors,

Maria Cláudia Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

João Pedro Magalhães da Silva Torres Dolores

João Nonell Günther Amaral

Jan Reinier Voûte

Alan David Roux

Luís Miguel Mesquita Soares Moutinho

Rui Manuel Teixeira Soares de Almeida

Isabel Sofia Bragança Simões Barros

José Manuel Cardoso Fortunato