



TRANSLATED
ANNUAL REPORT

21


JUMBO
FOOD GROEP







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Foreword

We look back on an eventful year in many respects. The coronavirus pandemic continued to have an enormous impact on society and the personal lives of everyone in 2021 as well. We are well aware that - from a business point of view - as a supermarket company, we have no reason to complain compared to most other industries and sectors. Nonetheless, we too have had to pull out all the stops to maintain the food supply and ensure the safety and health of our employees and customers as much as possible. We were also forced to respond more quickly and effectively to the ongoing changes and uncertainties in the market. We explicitly took this into account when drafting our new Multi-year Plan 2022-2025. The new Multi-year Plan also forms the basis of this annual report in terms of its layout.

Impact of the pandemic

The coronavirus pandemic had a significant impact on society as a whole for the second year in a row. As soon as the vaccination campaign was well under way, society opened up a bit more. On a global level, we faced large-scale shortages of raw materials and disruptions to transport flows. In the Netherlands, specifically, the increasing labour shortage had adverse effects for us. These conditions are still impacting our business significantly. Moreover, in the autumn of 2021 new variants of the coronavirus emerged and society was forced to again mark time. All Jumbo employees, independent entrepreneurs and suppliers therefore had to make extra efforts to maintain the food supply and safety for customers and colleagues. Employees of La Place helped out in Jumbo stores or other parts of our organisation during periods of full or partial closures of the restaurants. The resilience of all the staff involved and their great commitment to continuing to offer our customers the best possible shopping experience deserves praise and thanks.

Positive news

Fortunately, there was also room for positive news in 2021. The one hundredth anniversary of our family business was an absolute highlight, as was the granting of the designation 'Royal'. On the eve of 2021, we were voted best national supermarket chain in the GfK Christmas Report for the nineteenth time. In this special anniversary year, this public award was the proverbial icing on the cake for us.

Revenue development

As Koninklijke Jumbo Food Groep, we ended the 2021 financial year with a total consumer revenue of €9.91 billion (€9.74 billion in 2020). Consumer revenue under the Jumbo formula increased by approximately 2% and amounted to €9.85 billion (€9.69 billion in 2020). Compared to the previous financial year, the growth in revenue was somewhat distorted because 2020 had one additional week (53 instead of 52). Corrected for this additional week of revenue, the growth was about 4% (13% in 2020). Thanks to this increase in revenue, our market share grew to over 22% at the end of 2021 (21.8% in 2020). The contribution to revenue by food service formula La Place rose by 4% compared to 2020, from €50 million to €52 million. Again disappointing, due to the forced closures of restaurants caused by the coronavirus measures.

Expansion of portfolio of stores

Jumbo wants to continue to grow, offline and online. In 2021, we increased our physical portfolio of stores by 18 locations, including five Jumbo City outlets in Dutch city centres and nine stores in Belgium, including the first Jumbo City in Antwerp. This brings the total number of store locations in the Netherlands and Belgium to 705. We notice that the enthusiastic reception by customers in our southern neighbours translates into strong revenue growth. Belgium now counts 17 Jumbo stores, two of which are operated by franchisees. In the Netherlands, 55 Jumbo stores were renovated, expanded and/or modernised last year. To satisfy changing customer needs optimally, we will continue to modernise our store portfolio and product range. For example, nearly all of our locations in the Netherlands and Belgium now have a large HEMA shelf with household items.

La Place

Despite this exceptional situation, a new La Place restaurant was opened at Maastricht Airport, along with a new foreign location in Copenhagen. Two new outlets of the convenience formula La Place Express were also added to the portfolio, one at Utrecht Central Station and one in Rotterdam city centre. At the end of 2021, La Place launched a home delivery pilot in partnership with Just Eat in 's-Hertogenbosch, Rotterdam and Eindhoven. The ambitions for the renewed growth of La Place after this period of forced closures remain high.

E-commerce

Consumer revenue from Jumbo's online activities grew by 30%, reaching approximately €650 million in 2021. Significant investments in our e-commerce network continue to be necessary to keep up with strong market demand and to work towards profitable operations. Last year, for example, we opened ten new regional delivery hubs, bringing the total in the Netherlands to 16. Based on the need for a level playing field for all stakeholders in the online market, we at Jumbo intend to join the new employers' association E-commerce Nederland. In this context, we are also considering switching to the new E-commerce collective labour agreement for our online activities. We reached an outline agreement with the flash delivery company Gorillas at the end of 2021. This should result in a strategic partnership enabling us to benefit from each other's expertise and at the same time strengthen our own market position.

Sport and health

To encourage customers to adopt healthier habits through good nutrition and sufficient exercise, we are constantly expanding access to the Jumbo Foodcoach app. The app has proven its added value in the world of top-class sport. The Team Jumbo-Visma cycling team, for example, achieved no fewer than 44 victories in the past year thanks to the use of Jumbo Foodcoach. We also entered into a far-reaching partnership with NOC*NSF, aimed at developing the Jumbo Foodcamp together. This new learning programme on nutrition, health and sport is specially designed for trainers and coaches of all of the 25,000 and more Dutch sport clubs.

Fresh food distribution

The rapidly growing demand for fresh and ultra-fresh food also has implications for our logistics network. In order to satisfy the expected growth in this segment, we started building a mechanised central distribution centre (CDC) for fresh products in Nieuwegein. This new facility will provide faster and more efficient delivery of fresh items such as dairy, cheese, meats, tapas, salads and chilled drinks to the stores and the E-Fulfilment Centres for online orders. The mechanised CDC Fresh is expected to be operational in 2024.

Sustainability and social responsibility

In addition to the theme of health, we see growing interest in sustainability and corporate responsibility. It is increasingly important to customers that the products they consume have been manufactured with attention to people, animals and the environment. The increasingly stringent laws and regulations in this area demand that we meet high requirements and standards. As Jumbo, we take our responsibility in this respect and accept the far-reaching consequences this has for our business operations. The most important thing is that with our sustainability policy, we want to add value and ensure a positive social impact.

Passion for the customer

The need to continue working in all areas to increase efficiency and control costs was as important as ever in 2021. The small and large organisational changes we implement are defined by our passion for the customer. In mid-2021, for example, we switched to a new store organisation based on a clear division between employees who focus entirely on service to customers and colleagues who ensure that everything runs smoothly behind the scenes.

Not resting on our laurels

In 2022, we will continue to build a robust and enterprising organisation. Jumbo is doing well and we are all working hard to achieve this. However, at the same time, we must not be blind to all the changes around us. Past successes offer no guarantees for the future at Jumbo either. We want to continue to grow through smart innovation and at the same time find an answer to rising costs and continuing pressure on margins. This ambition is detailed in our new Multi-Year Plan 2022-2025. It is no time to rest on our laurels, that is for sure!

Veghel, February 22, 2022

Management Board
Koninklijke Jumbo Food Groep

Frits van Eerd
Ton van Veen
Colette Cloosterman-van Eerd
Cees van Vliet



Key data

in € million	2021	2020	2019	2018	2017
Consumer revenue Jumbo The Netherlands	9,735	9,628	8,432	7,405	7,010
Consumer revenue Jumbo Belgium	119	57	0	0	0
Consumer revenue EMTÉ	-	0	84,93	262	-
Consumer revenue La Place	52	50	165	150	124
Consumer revenue Royal Jumbo Food Groep B.V. (total)	9,906	9,736	8,682	7,817	7,134
Net revenue	7,841	7,737	6,874	6,331	5,734
Result and equity excluding IFRS 16					
Normalised operating result before depreciation and amortisation (EBITDA)	455	483	400	376	354
Reported operating result before depreciation and amortisation (EBITDA)	426	448	371	345	350
Operating result (EBIT)	186	214	182	181	204
Result after taxes	139	142	133	160	156
Equity	717	714	619	555	440
Net debt	371	276	346	309	170
Net debt/normalised EBITDA (leverage ratio)	0,82	0,57	0,86	0,82	0,48
Result and equity including IFRS 16					
Normalised operating result before depreciation and amortisation (EBITDA)	725	753	637	376	354
Reported operating result before depreciation and amortisation (EBITDA)	691	736	608	345	350
Operating result (EBIT)	190	237	188	181	204
Result after taxes	114	137	115	160	156
Equity	674	689	601	555	440
Net debt	2,918	2,888	2,916	309	170
Net debt/normalised EBITDA (leverage ratio)	4,02	3,83	4,57	0,82	0,48
Employees					
Number of employees Jumbo	42,038	43,507	41,707	37,806	33,024
Number of employees EMTÉ	-	-	-	2,863	-
Number of employees La Place	177	1,370	2,804	2,992	2,688
Number of employees Royal Jumbo Food Groep B.V. (total)	42,215	44,877	44,511	43,661	35,712
Locations					
Number of Jumbo stores	705	687	672	618	585
Number of EMTÉ stores	-	-	-	56	-
Number of La Place restaurants	73	71	105	101	92

Explanation of key data

Consumer revenue

Consumer revenue is the revenue including VAT realised through cash register sales via the company's own Jumbo stores (including online), its own La Place restaurants and the affiliated franchisees. The revenue of Jumbo grew in 2021 by 2% to €9.854 billion. The revenue growth is distorted to some extent because the 2020 financial year had one additional week compared to 2021 (53 instead of 52). Corrected for this additional week of revenue in 2020, Jumbo's revenue growth in 2021 was around 4%. Jumbo again succeeded in increasing its market share in the Netherlands to over 22% by the end of 2021. The contribution to revenue by food service formula La Place was again disappointing at €52 million, a 4% increase in comparison to 2020, caused by the forced closures of restaurants due to the coronavirus measures.

Net revenue

The net revenue is the revenue realised by Jumbo and La Place. This is the total revenue, excluding VAT, realised from sales via the company's own stores (including online), restaurants and via the distribution centres to third parties (franchisees in particular). In 2021, the net revenue grew by 1% compared to the 2020 financial year. Note again that the 2020 financial year counted one additional week (53 instead of 52). Corrected for this additional week, Jumbo's revenue growth in 2021 was around 3%.

Result

Normalised and reported EBITDA

The normalised operating result before depreciation is the EBITDA corrected for one-time items. In 2021, the one-time items were caused by the implementation of the New Store Organisation, consultancy costs in relation to acquisitions and the outsourcing of the operation of 44 La Place restaurants to the Vermaat Groep. The decrease in EBITDA in 2021 compared to 2020 is mainly explained by non-recurring revenues of €40 million related to the sale of real estate locations in 2020.

As a result of IFRS 16, lease contracts are included on the balance sheet via right-of-use assets and lease liabilities since 2019. The effect of this on the result is that the rental costs must be deducted from the lease liabilities and not reported as rental charges. This has a significant effect on EBITDA: EBITDA excluding IFRS 16 impact is therefore reported separately in the key figures.

Operating result (EBIT)

The decrease in the operating result in 2021 compared to 2020 is mainly due to the incidental income of €40 million related to the sale of real estate locations in 2020. The regular operating result remained relatively stable compared to the previous year. The depreciation costs and impairments losses in 2021 were in line with 2020, at a level of €500 million. Of this, €260 million relates to the right-of-use assets.

Result after taxes

Compared to 2020, the financial income and expenses decreased by €2 million. The tax expense for 2021 of €40 million includes a one-time adverse effect of €6 million. The provision for deferred tax liabilities was recalibrated as a result of the changes in tax rates in the 2022 Tax Plan. Corporate income tax rate changes also took place in 2020 and 2019.

Equity

Equity

In 2021, extra dividend was paid out, mainly in connection with the financing of the partial takeover of HEMA B.V. by the shareholders of Koninklijke Jumbo Food Groep B.V. Solvency, calculated as shareholders' equity divided by total equity, was 12% at year-end 2021 (2020: 13%). Corrected for the 'IFRS 16 effect,' solvency at year-end 2021 was 30% (2020: 25%).

Net debt

Net debt (excluding the IFRS 16 impact) increased during 2021 due to investments made. This results in an increase of the leverage ratio to 0.82 at the end of the financial year, compared to 0.57 at the end of 2020. Part of the net debt is a Schuldschein issued in 2021. Credit institutions correct for IFRS 16 effects in the covenants, including net debt.

Employees

The number of employees represents the size of the workforce at the end of the financial year. These are the employees who were employed by Koninklijke Jumbo Food Groep B.V. at the end of the financial year. These figures do not include the employees employed by the franchisees. The number of employees at La Place decreased by 1,193 compared to the previous year. This decrease was the result of the transfer of the operation of 44 locations to Vermaat during the year as well as the temporary closure of locations due to coronavirus measures. Employees of La Place have in many cases been deployed at the Jumbo supermarkets, minimizing the decrease in the number of employees in the temporarily closed locations as much as possible.



Locations

The number of Jumbo stores increased to 705 at the end of the financial year, comprising 334 own stores (including fifteen Belgian stores) and 371 franchise stores (including two Belgian stores). Nine new stores were opened in the Netherlands in 2021, including seven former HEMA and Marqt stores, and nine new stores in Belgium. The number of La Place restaurants increased to 73 at the end of the financial year, consisting of ten own restaurants and 63 franchises. The coronavirus measures caused temporarily closing of all La Place locations during 2021.

Investments and acquisitions via business combinations in tangible fixed assets/intangible fixed assets

<i>in €1,000</i>	2021	2020
Intangible fixed assets		
Goodwill	6,641	3,880
Locations	28,936	59,794
(Internally developed) software	101,031	84,799
Other	1,581	19,325
	138,189	167,798
Tangible fixed assets		
Land and buildings	3,226	1,803
Leasehold improvements	58,193	73,870
Equipment and installations	77,116	72,594
Other fixed operating assets	3,436	4,331
Assets in progress	17,569	7,800
	159,540	160,398
Total investments	297,729	328,196

Intangible fixed assets

The investment in goodwill mainly concerns the acquisition of four locations in Belgium in 2021 (in 2020: acquisition of four locations in the Netherlands).

The investments in locations pertain to the acquisition of new individual Jumbo store locations in the Netherlands and Belgium. The new store locations in 2021 were mainly acquired from entrepreneurs in these two countries. This concerns the location (with lease), any tangible fixed assets and employees.

The investments in (internally developed) software pertain primarily to investments in IT applications, licences and Online.


Tangible fixed assets

The investments in the tangible fixed assets mainly relate to the conversion of acquired store locations, the opening of new stores and the refurbishment of existing Jumbo stores and La Place branches. Regular replacement investments were also made in existing stores, distribution centres, the head office, hardware and internal transport equipment. The investments in assets in progress mainly relate to the construction of new locations in the Netherlands and Belgium and the mechanised distribution centre in Nieuwegein.

Non-financial key data

HEALTHY PRODUCTS

39% healthy products in our private label assortment 

400 healthy innovations powered by Jumbo Food College 

52 Lekker Veggie private label products 

HEALTHY LIFESTYLE



51% revenue share of healthy products in our private label range


WORKING CONDITIONS IN THE CHAIN


100% coffee with a quality mark 

100% chocolate with a quality mark


100% tea with a quality mark

SUSTAINABLE CHAIN

100% dairy beverages with a quality mark 

100% Dutch fruit and vegetables with a quality mark 


 **510** organic products in our own brand range

81% sustainable soy 

100% fish with quality mark 


99% sustainable palm oil 

ANIMAL WELFARE

100% eggs with quality mark 

100% chicken with quality mark 

93% pork with quality mark 

100% turkey with quality mark 

FOOD WASTAGE



SAMEN
MINDER
VERSPILLEN

9 million
products sold via the Wasting
Less Together shelf



450 stores and all
distribution centres work
together with Voedselbanken
and almost 600,000 products
were donated



ENERGY AND EMISSIONS



15%
less CO₂
emissions



Load factor up
2%

Over
15,000
solar panels



PACKAGING AND WASTE



5.6%
less waste flows



89%
recyclable
packaging



8,403,145 kg
orange peels collected



LOCAL INVOLVEMENT



42
customer satisfaction
for local involvement



7,000
hearts of gold
handed out

€255,000
donated to local
food banks



35
Chatty
Checkouts



Over **200** shops participated in
National Clean-up Day

EMPLOYMENT CONDITIONS AND WORKING ENVIRONMENT IN THE ORGANISATION



500
long-service
anniversaries



160,000
education and training courses
and e-learning programmes

DIVERSITY AND INCLUSION



48%
Men

52%
Women

31% women in
senior management

2021 Highlights

2021 was particularly special because we celebrated the 100th anniversary of our family business. Moreover, we opened our 700th Jumbo store, introduced 'van Dichtbij' ('From close by'), opened nine new hubs and were rated best supermarket in the GfK Christmas report. Discover the highlights of the past year at a glance here.

January



Kick-off of anniversary year



New hub in Bommel

February



Start of construction of new Foodmarket in Dordrecht



Opening of most sustainably designed supermarket building in the Benelux in Goor



First race for women's Team Jumbo-Visma

March



Jumbo E-Fulfilment Centre in Bleiswijk officially opened



Expansion of vegetarian range under the Lekker Veggie banner



Start of experiment with smart shopping trolley



Introduction of improved packaging, less waste



New hub in Hengelo

April



Start of strategic cooperation between Jumbo and Vermaat for 44 La Place restaurants



Jumbo resolves: move completely to free-range chicken with Beter Leven quality



Change to store organisation



Jumbo helps employees with free final exam training and music

May



New hub in Groningen



Jumbo brings out Snollebollekes cheering cape for fans of the Dutch national team



La Place opens new restaurant in Copenhagen



Expansion of cooperation with entrepreneur Koornneef



Jumbo Belgium takes over Alvo stores in Antwerp and Lauwe

June



New hub in Deventer

July



Jumbo concludes partnership with Makro for business market



Start of joint approach with farmers and growers



Jumbo Belgium opens first store in West Flanders



New hub in Maastricht



Start of expansion of central distribution centre in Nieuwegein

August



New hub in Heerenveen

September



Family takes a 'Tour of the sites' to mark the 100th anniversary



Opening of 1st Jumbo City in Belgium



Introduction of Mpanga coffee



Opening of 700th Jumbo store



Introduction of pasture beef



Announcement of the addition of 200 Kletskassa's [Chatty Checkouts]

October



Jumbo Food Group receives designation of 'Royal' on 100th anniversary



Veghel turns yellow with Jumbo bicycle tours for 100th anniversary



First Jumbo products introduced with Nutri-Score

November



New hub in Zwolle



Jumbo and Jan Linders strengthen store portfolio in southern Netherlands



Introduction of Dutch-sourced private label products under the name 'van Dichtbij' [From close by]



Start of home delivery on Texel



New hub in Dordrecht

December



To celebrate its 100th anniversary, Jumbo donates 100,000 euro



New hub in Eindhoven



Jumbo rated best supermarket in GfK Christmas report



On Thursday, 30 September, the Van Eerd family received the designation 'Royal' from Ina Adema, the Queen's Commissioner in the province of Noord-Brabant. Henceforth the holding company be known as Koninklijke Jumbo Food Groep.



WATCH THE
VIDEO HERE

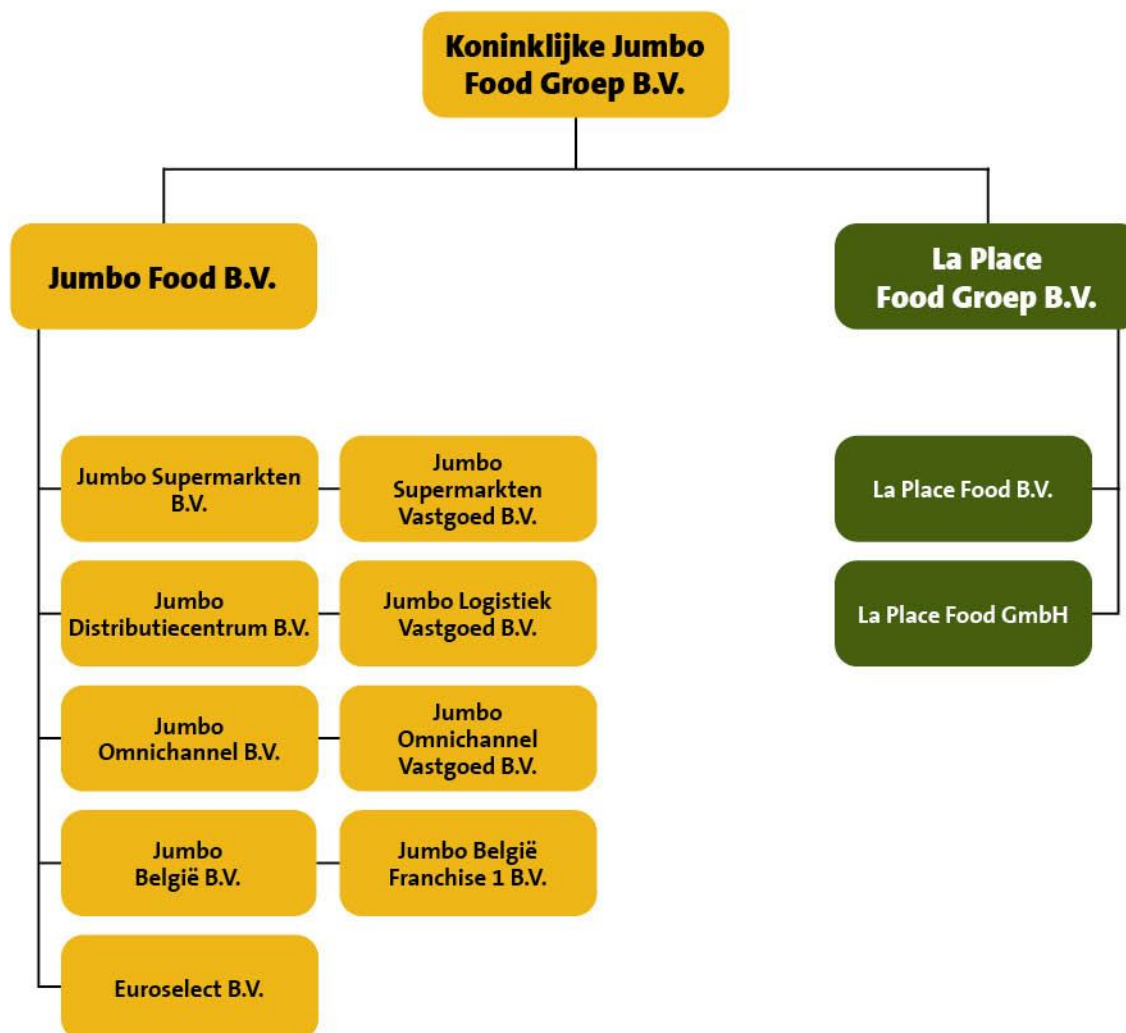
Profile

As Koninklijke Jumbo Food Groep, we are active in the food market with the Jumbo and La Place formulas. With the Jumbo Supermarket, Jumbo Foodmarket, Jumbo City and Jumbo.com, we deliberately build on our omnichannel proposition. We are doing that mainly in the Netherlands and, since 2019, in Belgium as well. Always with one goal in mind: customers who are 100% satisfied. Koninklijke Jumbo Food Groep also owns the La Place food service formula, with locations both in the Netherlands and abroad. We also own the nutrition and recipe platform Smulweb.

Our organisation

Koninklijke Jumbo Food Groep is wholly owned by four members of the Van Eerd family. Founder Karel van Eerd is chairman of the Supervisory Board of Koninklijke Jumbo Food Groep. Frits van Eerd is Chief Executive Officer, Colette Cloosterman-van Eerd is Chief Customer Officer and Monique Groenewoud-van Eerd is Manager Culture & DNA.

Together with Chief Financial Officer Ton van Veen and Chief Operating Officer Cees van Vliet, Frits van Eerd and Colette Cloosterman-van Eerd constitute the Management Board. Our head office is located in Veghel. At the end of 2021, we had approximately 100,000 employees, which includes those employed at franchise stores.



Jumbo

Jumbo Supermarkets

Our customers can get all their daily shopping at the more than seven hundred Jumbo stores throughout the Netherlands and Flanders, Belgium. The product range is always attuned to the needs of local customers. Our stores can play a role in the region, area, village or for passers-by. Jumbo's portfolio of stores consists of both own stores and franchisees operated by independent entrepreneurs.

Jumbo Foodmarket

With Jumbo's Foodmarket, we bring together healthy, fresh and tasty food at the lowest price. Every day, chefs and other culinary specialists prepare national and international dishes from the world kitchens of Jumbo and La Place. Customers have the choice of purchasing the ingredients they need to prepare a dish at home themselves, buying the meal ready-made, or enjoying it on site in the Food café.

Jumbo City

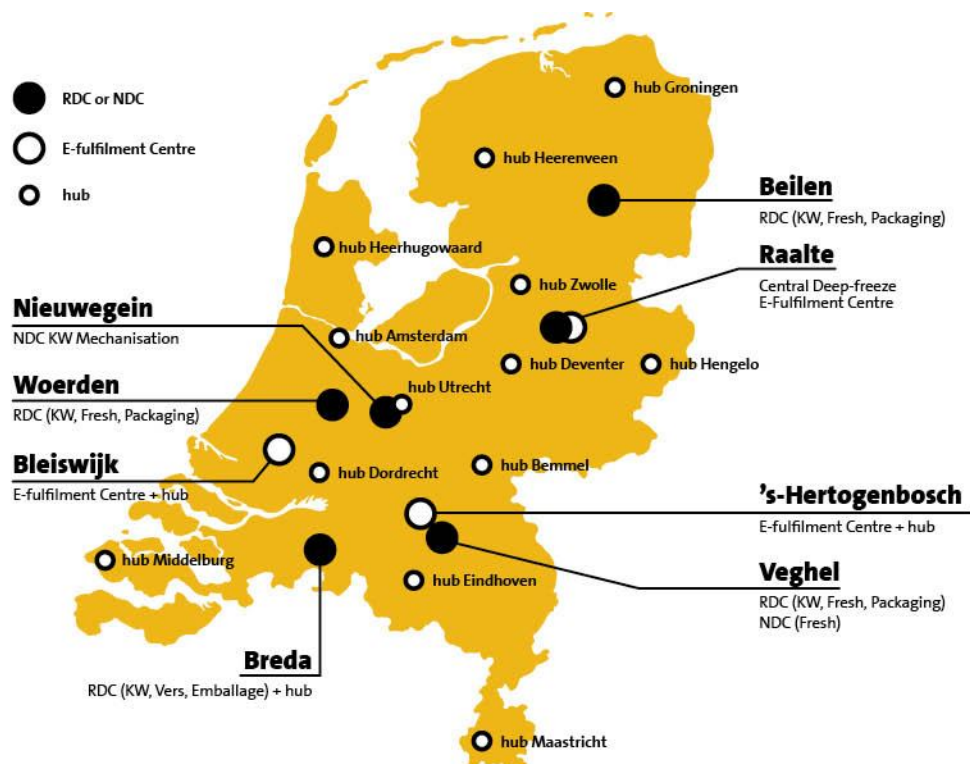
Jumbo City is our contemporary convenience store concept which specialises in ultra-fresh, home-cooked meals. Jumbo City is also the ideal stop for a quick buy. In this formula, we combine the best of the Jumbo Supermarkets, the Jumbo Foodmarkets and La Place restaurant chain.

Jumbo.com

Our customers can also opt to shop via Jumbo.com or the Jumbo app. We offer the option of having orders delivered to your home or collecting them from one of our Pick Up Points (PUPs). We put the orders together at our E-Fulfilment Centres (EFCs) in Bleiswijk, Raalte and 's-Hertogenbosch. We deliver the groceries directly to the customer's home via our hubs in Amsterdam, Bemmell, Bleiswijk, Breda, Deventer, Dordrecht, Eindhoven, Groningen, Heerenveen, Heerhugowaard, Hengelo (OV), Maastricht (Beek), Middelburg, 's-Hertogenbosch, Utrecht and Zwolle.

Distribution centres

We have our own distribution centres throughout the Netherlands, from which we supply our stores in the Netherlands and Belgium. The regional distribution centres for fresh food and groceries are in Veghel, Woerden, Breda and Beilen. We also have national distribution centres in Veghel (fresh) and Raalte (frozen); the national distribution centre in Elst was closed last year. The mechanised national distribution centre for groceries is in Nieuwegein. Last summer, we started to expand the processing capacity, which should be operational in the course of 2022. We also started building a new mechanised national distribution centre for fresh products here. This is expected to be operational in 2024.



Jumbo Belgium

We see abundant opportunities for Jumbo in the Belgian supermarket landscape. To respond to this effectively, we set up the Belgian Jumbo organisation in 2018 and opened our Belgian office in Brasschaat a year later. The first Jumbo shops in Belgium opened at the end of 2019. By the end of 2021 the counter reached 17 stores.

La Place

La Place Restaurants

La Place Restaurants are all about delicious, good and fresh food, with an emphasis on flavour, experience, speed and convenience. At any time of day here, restaurant guests will find an extensive range of homemade products, prepared fresh daily: hot meals, sandwiches, smoothies, fresh juices, soups, fresh fruit salads, coffee, desserts and bread. The La Place restaurant portfolio includes both company-owned and franchised outlets.

La Place Express

La Place Express is La Place's take-away formula. We operate this formula mainly in busy city squares, in shopping centres, in lively city neighbourhoods and at departure and arrival points for travellers, such as Schiphol airport and various NS stations. Guests can come here for a wide range of sandwiches to eat straight away or take with them. We also have a varied offering of coffees, teas, sweet and savoury snacks, juices, shakes, soft drinks and seasonal fruit.



Smulweb

In 2018, Jumbo acquired Smulweb. This popular nutrition and recipe platform counts more than three million unique visitors who inspire and advise each other on delicious and healthy food. The content of Smulweb gives us many valuable insights and thus contributes to our strategy, which we increasingly focus on customer convenience and food experience. For our customers, Smulweb provides an enrichment of the information they can find on Jumbo.com and in the Jumbo app.



Report from the Management Board

VEGETARISCH



Environment

The environment in which we operate is constantly changing and thus has a strong influence on our business operations. At Jumbo, we want to respond to this well, quickly and distinctively.

Customer needs and wishes

So many customers, so many needs and wishes. Customers are behaving less and less predictably and are also becoming more demanding. They want convenience and speed, and to be in control of where and when they do their shopping. They switch between physical and digital stores and demand the best service everywhere. They also want to be able to decide for themselves how and when their purchases are delivered to their homes. From 2022 onwards, we will take further steps in this direction through our strategic cooperation with the flash delivery company Gorillas. The retail landscape is becoming increasingly hybrid, with the traditional dividing lines between supermarket and hospitality becoming blurred. This so-called 'blurring effect' is also accompanied by an increasing demand for 'experience': customers want to spend their shopping time in a valuable way. The demand for tasty, healthy and more sustainable food is as great as ever, but customers do not want to pay too much for it.

Pandemic

Society was dominated by the coronavirus pandemic in 2021 as well. In our markets, we experienced severe (prolonged) lockdowns and a series of restrictive measures, including the closure of hospitality venues. Due in part to this, sales in the supermarket channel were higher than usual, as was the case in the first 'coronavirus year' of 2020 as well. Online ordering of groceries again grew at a rapid pace. The entire food chain again had to observe extra strict hygiene and safety measures. The persistence of the coronavirus crisis also caused disruption in several areas. Suppliers experienced increasing shortages in stocks, for instance, because of a lack of raw materials and transport capacity and more and more regions, particularly urban areas, were facing labour market shortages.



New business models

While the supermarket sector continues to professionalise and seeks out for economies of scale, resulting in consolidation, we also see new, often international players entering the market. The field of competition is widening, resulting in a fierce battle for market share. This situation is causing persistent pressure on prices and the need to invest more heavily in innovation. We see all sorts of new business models cropping up, based on, for example, digital marketplaces and platforms, direct-to-consumer (D2C) systems, subscription forms, loyalty programmes, etc. One striking trend is the arrival of so-called flash delivery companies, who respond to the customer's need for very fast home delivery of groceries.

Technology and data

The importance of digital information - from interpreting customer data to comparing prices online - is only increasing. More than ever before, technological infrastructure and the ability to process data are prerequisites for business success. At the same time, the attention and concern for the security of company and customer data is growing, as are the calls for privacy on the one hand and transparency on the other. Ever stricter legislation and regulations in these areas demands we keep a close eye on the legal possibilities and impossibilities and customer acceptance of certain applications.

Social trends

The call for transparency is also emphatic in the implementation of sustainability agendas by companies. Stakeholders expect a credible, active attitude in this area. Interest groups like to seek publicity with their own studies that scrutinise market players. Accelerating urbanisation is another social trend that has a major impact on business in general and the retail sector in particular. At Jumbo we see this in, among other things, a changing store portfolio.

Changing legislation

Changes in environmental, labour and other legislation translate directly into consequences for business operations. The climate plans of the Dutch government and the European Union are expected to have a major impact on business. New franchise legislation has been in force since January 1, 2021, based on which Jumbo has adjusted its agreements with retail entrepreneurs in some respects. The Unfair Trade Practices in the Agricultural and Food Supply Chain Act came into force on November 1, 2021. This law aims to strengthen the negotiating position of farmers, growers and fishermen against larger and more concentrated market players.

Consequences

Jumbo has no choice but to seize the opportunities presented by the rapid changes in the market and in society to constantly invest in its own formula. We take all relevant developments into account when putting together our new Multi-year Plan. We respond to the changing needs and wishes of our customers with significant investments in a high-quality offering, improvement of our online proposition, optimal service and shopping experience. The possibilities offered by digitalisation and mechanisation also help us propel our growth along the right track. The shortages on the labour market mean that we have to make extra efforts to retain employees and bring in new talent. It is inevitable that the current market situation will have an upward effect on our operating costs. Nevertheless, our mission is still to put the customer first and to achieve sustainable growth for the future. However, this does entail the need to constantly look at how we can reduce our operating costs and optimise our revenue models. Apart from this, the ongoing coronavirus pandemic has forced us to invest heavily in measures to ensure the safety of our employees and customers. Because of the temporary, forced closure of hospitality venues, such as our La Place restaurants, we had to once again call on employees to help out in our stores this year where possible.

Service and personalisation

At Jumbo we want to distinguish ourselves by always making the daily shopping a little more fun. This also means that we keep a sharp eye on the rapid changes in the market and society. The question of what this means for our service to the customer is key in this. Personal contact is and remains the most important criterion, but we realise that the way in which this contact occurs is changing. Customers are increasingly online and spend more time on the move. They also want more personalisation in their demand for service. Because of these developments, we expect that the supermarket of the future will play much more of a service-providing role and will not purely be a place to purchase groceries. In this picture of the future, our cooperation with La Place and HEMA plays a prominent role. With these brands, we see good opportunities to offer our customers a broader platform for their daily shopping and demand for personal service.

Mission, vision and strategy

Mission and vision

This is what we believe in

At Jumbo we believe that shopping can be enjoyable, every day. It is our ambition to become the most customer-oriented company in the Netherlands and - why not? - in the world! Today's customers want to eat delicious food, consider health important, want to make easy and informed choices and avoid paying too much. That is why at Jumbo, we make delicious and healthy food accessible to everyone and we are always and everywhere where the customer is. It is important to us that customers enjoy visiting our stores. That they feel they come first for us and that this is also genuinely the case, whether they visit a physical store or our online shop.

What we are aiming for

We are not going to stop until we are the best and most enjoyable supermarket. In fact, we are not going to stop until customers actually feel that is the case! That is why every day, we make things more enjoyable for our customers and ourselves. We want to do business together to win over the customer. We surprise, exceed expectations and aim for our highest goal on a daily basis: ensuring customers enjoy shopping with us.

Strategy

The Jumbo formula is all about the customer. For years, customer focus has been the constant factor in Jumbo's strategy and working method. Complete focus on our customers is therefore the foundation of our formula. We want to make our customers' everyday lives more enjoyable. Because we believe that things can be done just a little differently, easier, better and cheaper. With this attitude, we want to be the common thread in our customers' lives. Every day, always and everywhere. The 7 Certainties constitute the basis for ensuring customers enjoy shopping at Jumbo. They bring together the key starting points of our day-to-day business operations. They also form a reference framework that enables us to assess whether we are consistently living up to our promises to our customers.



De 7 Zekerheden (Our 7 Certainties)

1. Save more with us
2. Service with a smile
3. For all your shopping
4. Fresh really means fresh
5. Shopping made easy
6. Not fully satisfied? Money back guarantee!
7. Your preferences are key

The Jumbo DNA - doing business together to win - is an important guideline for how we work and how we make a difference for our customers. The Jumbo Multi-year Plan 2022 - 2025 is entirely based on this. This 2021 annual report was prepared with reference to the new Multi-year Plan. The following five strategic priorities serve as the guide in this:

- **Jumbo as Jumbo is meant to be**
- **Providing the winning omnichannel customer experience**
- **Delivering top quality at a Jumbo price**
- **Making healthier and more sustainable living enjoyable**
- **Building a robust and enterprising organisation with passion for our customers**

Value creation

We strive to create positive value for our customers, employees, entrepreneurs, chain partners and for society as a whole. Customers can count on the fact that they can always turn to Jumbo, no matter where they are, that Jumbo makes a healthier and more sustainable life enjoyable and that the products on Jumbo's shelves have been produced with concern for people, animals and the environment. We provide employment to about 100,000 employees, which includes our colleagues at independent Jumbo entrepreneurs. Long-term continuity of the organisation is an important starting point in everything we do. Our value creation model describes how we make a difference and the value chain model shows the spots at which this happens.

VALUE CREATION MODEL

INPUT



HOW WE MAKE a DIFFERENCE



CORPORATE GOVERNANCE

RISK MANAGEMENT

OUTPUT AND IMPACT

- **Healthy products:** 51% revenue share of healthy products in our private label range
- **Animal welfare:** 96% private label products with an animal welfare label
- **Sustainable chain:** 96% private label products with a sustainable quality mark
- **Energy and emissions:** 235 CO₂ footprint (tonnes/year)
- **Food wastage:** 1,52 food discarded (tonnes/mln euro)
- **Packaging and waste:** 27 packaging material (grams/CE) / 118 kg waste production per m² VVO
- **Working conditions in the chain:** 93% of suppliers certified for a social quality mark/certification in high-risk countries
- **Customer satisfaction:** score NPS
- **Local involvement:** 42% customer satisfaction for local involvement
- **Value for money:** 69% of the primary and secondary customers think that Jumbo offers good value for money
- **Consumer revenue:** €9 billion
- **Normalised EBITDA:** €722 million
- **Market share:** 22%
- **Employment conditions and working environment:** score eNPS 27
- **Diversity and inclusion:** 48% men, 42% women
- 705 stores
- 7 distribution centres
- 3 EFC's
- 16 hubs
- 10,000 private label products

SUSTAINABLE DEVELOPMENT GOALS



VALUE CHAIN





Five strategic priorities

In 2021, together with our employees, entrepreneurs and other stakeholders, we worked hard to create our Multi-year Plan 2022-2025. We feel it is important to be in constant dialogue with our stakeholders. To make the strategic direction concrete, we emphasise five priorities.

1. Jumbo as Jumbo is meant to be

With Jumbo's 7 Certainties, we distinguish ourselves in the market and fulfil our promises to our customers. We consider customer focus to be the common thread in everything we do. We use the strength of our employees and modern technology to provide good service to customers in all shopping channels. This presents all sorts of opportunities for inspiration, experience and education. Also, we work locally hard to make the neighbourhoods in which we are active more pleasant.

Passion for the customer

Best service

Service is a high priority at Jumbo. In order to properly implement our customer focus, we need to know what is needed. With our stores and online channels, we are very much in the midst of society and keep a close eye on what is going on. We also periodically gauge customer satisfaction using the Jumbo Image Monitor. This tool shows if and how we need to adjust our approach. We feel it is important for customers to know they can rely on us, especially in these uncertain times due to the coronavirus pandemic. That is why we are happy to inform our customers thoroughly about the additional measures we take in terms of safe shopping and sufficient availability of food.

At the same time, we do everything we can to make shopping fun and enjoyable. Our own radio station Jumbo Radio has been providing live broadcasts by professional DJs every workday since 2020. We also continue to create enthusiasm among customers with high-profile saving campaigns, such as the campaign involving the scale model of Max Verstappen's Formula 1 car and the campaign with Old-fashioned low prices for one hundred Jumbo products to celebrate our 100th anniversary.



Jumbo Academy

The Jumbo Academy plays an important role in making Jumbo ever more service-oriented. The range of training and education offerings has a clear starting point, specifically thinking and acting based on the customer's wishes. More than 43,000 employees took part in the training on the 7 Certainties and customer focus in 2021. The new 7 Certainties training course, Fans the game, was internationally recognised with a silver and bronze Learning Technology Award. Participants in this training receive an increasingly high score when they choose the best solution for the customer. The range of online training courses designed to strengthen our corporate culture was expanded by over a hundred new modules in 2021. When refurbishing existing stores and undertaking new construction projects, we put strong emphasis on our We of Jumbo and 7 Certainties training courses.

In 2021, more than 160,000 training programmes, e-learning modules and educational courses were successfully completed at the Jumbo Academy. We also organised a series of digital information sessions in 2021. These are aimed at providing employees with ideas and tools enabling them to promote Jumbo's commercial policy in the stores. The digital sessions were made available to all stores and to head office staff via narrowcasting.

Extra attention was paid to increasing customer focus in the home delivery of groceries. As part of this, we challenged all employees of our delivery hubs by creating their own series on YouTube called The Buzz. The series is intended to make employees more aware of their behaviour at the customer's door. We opted to use a format that appeals to this target group.

New, broadly-based learning lines have been developed for executives and professionals at the head office, team leaders in the stores and colleagues in supporting positions in the supply chain. The partnership we have had with Avans Hogeschool since 2019 is paying off. More than five hundred colleagues are now being trained here, a number of whom have already graduated.

We introduced the new, exclusive Entrepreneurial Leadership masterclass in 2020. This is a collaboration with EFMI Business School and management consultancy Korn Ferry. The masterclass, which strengthens entrepreneurs in their development, was co-created by the Jumbo Entrepreneurs' Association. The programme was continued in 2021. This also applies to the traineeship programme for store management, which is intended to strengthen executives.

Much attention this year went to the introduction of our New Store Organisation and the special education and training courses developed for it. The stores made a clear division between employees who focus entirely on service to customers and colleagues who ensure that everything runs smoothly behind the scenes. We want to turn our millions of weekly customers into returning fans by always putting them first, always pleasantly surprising them and always responding to their changing needs and wishes. To reinforce this goal, all 4,500 of our executives and specialists are trained in professional knowledge and customer focus. All store employees have also been re-trained in Jumbo's 7 Certainties.

Digital convenience

We are increasingly using digital solutions at checkout to free up time to serve customers in other ways. For example, a growing number of stores have self-checkout counters, which allow customers to pay for their shopping in a flash. We have also started using the so-called closed cash system. Cash payments continue to decline, prompting us to open more and more 'card only' checkouts. For customers who still prefer to pay by cash, we are using a closed cash solution in these pilot stores. With this system, customers can make their payment by inserting banknotes and coins into a secure cash box. Other digital solutions also help to free up more time for the customer, such as the use of electronic shelf labels, which we tested extensively in 2021. We will start rolling this out in 2022.

Local involvement

With our now more than seven hundred stores, we are very much in the midst of society. We are involved in what is going on locally and like to contribute to making the neighbourhoods in which we operate more pleasant.

Expansion of Klets-kassa's [Chatty Checkouts]

As a driving force behind the National Coalition Against Loneliness, we are doing our bit to tackle loneliness. In 2019, for example, we set up the concept of the Chatty Checkout, to create an extra moment of personal contact. Chatty Checkouts are specially designed for people who are not in a hurry and like to have a chat while checking out. We hope this concept contributes to reducing and preventing loneliness in the Netherlands. In 2021, we announced that we want to open two hundred Chatty Checkouts throughout the Netherlands.

Christmas campaign: Gouden Hart [Heart of Gold]

Our special Christmas campaign shines a spotlight on neighbours who selflessly do something for others. Our customers could nominate people who have made an exceptional effort in the past year for a Heart of Gold. They could add their nomination with a personal comment to the Christmas tree in the stores. From all the nominations, we selected ten entries per store, which we put in the limelight with a Heart of Gold surprise package. In this way, we thanked a total of seven thousand customers for their social commitment.

Sponsorship and local initiatives

Our sponsorship of Team Jumbo-Visma gives talented sports people the opportunity to excel. We also want to encourage young talent to start cycling or professionalise their commitment to this sport. That is why, among other things, we support school projects, sport associations and a training team for talented skaters, cyclists and cyclo-cross competitors under the age of 23. We also believe in young, promising, talented sports people who have the potential to grow into icons in society. Max Verstappen is the most outstanding example of these. In our support for good causes, we put the emphasis on children, health and exercise.

Our stores have a good habit of generously supporting local sport clubs, charities and events. The initiatives range from bottle deposit campaigns to clothing collection containers at stores. About two hundred stores participated in the National Clean-up Day in 2021 and thus contributed to a cleaner environment. To mark the 100th anniversary of our family business, the stores sold a special anniversary cake, of which one euro was donated to Stichting Jarige Job. Together with donations from suppliers and colleagues, this resulted in a grand total of €100,000. With this donation, three thousand less fortunate families are able to celebrate a happy birthday for their child. Together with Voedselbanken Nederland [Food Banks] and 450 Jumbo stores, we participated in a nationwide donation campaign for the Voedselbank. With this, a sum of €255,000 was donated to the local food banks.



Jumbo was able to make an amazing donation to Stichting Jarige Job. This amount was made possible in part thanks to customers who bought the Jumbo birthday cake and a contribution from suppliers and colleagues for the 100th anniversary of our family business. With this amount, Stichting Jarige Job can give more than three thousand families a wonderful birthday.



WATCH THE VIDEO HERE





(From left to right) Colette Cloosterman-van Eerd, customer Annie and alderman Dols at the opening of the Chatty Checkout in Udenhout (Tilburg municipality).

CHATTY CHECKOUT HELPS COMBAT LONELINESS

COZY CHECKOUT

After a successful introduction in 2019, Jumbo announced the arrival of two hundred additional Chatty Checkouts this year. Especially for customers who see their shopping trip as a social outing and are in need of a chat. CCO Colette Cloosterman-van Eerd and alderman Rolph Dols from Tilburg about combatting loneliness.

Colette: 'In my role at Jumbo, I am very interested in our customers. I still work the checkout now and then, for instance. You then pick up on all kinds of signals. I want to see that twinkle in the customer's eye, experience the personal interaction. This spontaneously gave rise to the idea of

the Chatty Checkout. After a meeting of the National Coalition Against Loneliness, we started experimenting with this initiative. And that has created quite a stir.'

Rolph: 'In our society, loneliness is a lurking problem, but you simply



cannot tell from looking at a person. In Tilburg, too, this is an issue and therefore an important one for local politics. We make it a topic of discussion and look into how we can take action. We prefer to do this together with and close to the people themselves, in the districts, in the neighbourhoods. That is where our problem-solving skills come into action.'

The Netherlands has almost 3.5 million people aged 65 and over. Of those over 75 years of age, 56% say they feel lonely at times.* Shopping is a valuable social activity for them. But digitalisation, self-checkouts and customers in a hurry involve that there is less time for a chat at the checkout. Jumbo came to the rescue with its Chatty Checkout.

* <https://www.volksgezondheidszorg.info/onderwerp/eenzaamheid/cijfers-context/huidige-situatie#node-eenzaamheid-naar-leeftijd>

Colette Cloosterman- Van Eerd:

'AT JUMBO WE REALLY WANT TO SEE THE CUSTOMER, TO TOUCH THEIR HEART, TO SEE THE HAPPINESS ON THEIR FACE'

Colette: 'If we could play even just a small role in the fight against loneliness, that would be wonderful. This is what we want to see at Jumbo: we want to really see the customer, to touch their heart, see the happiness on their face. With all the digital technology and the increasing haste, you see a growing need for human warmth. It really is a small effort to help someone bag their groceries at the checkout and have a nice chat at the same time. You show that this person matters.'

Rolph: 'In an inclusive society, not only should everyone be able to be themselves, but everyone should be able to participate. In Tilburg, we have

a very active policy on this. Instead of making cuts, we have invested more in what we call the social base. We do preventive home visits and facilitate great initiatives that arise in the districts and neighbourhoods. That is where our policy comes into practice, and that is where we very much welcome the engagement of the private sector. We see several beautiful initiatives emerging from this, from the Chatty Checkout at Jumbo to a parsonage garden that has been developed into a neighbourhood vegetable garden. And if you connect all these initiatives together, you get a very fine necklace.'

Colette: 'When we opened the Chatty Checkout in Udenhout, a few enthusiastic young women approached me and told me that this initiative is what had attracted them to working at Jumbo. It is nice to see that this need for warmth transcends generations. The Chatty Checkout is a first step, and with our Verskeuken [Fresh Kitchen] and coffee corners, we want to respond to this sentiment even more. Everything at Jumbo must be geared towards people leaving the store in a good mood.'

Rolph: 'Supermarkets are a sector that people keep visiting. They are also much needed to preserve the function

of neighbourhood and village shopping centres. Jumbo's Chatty Checkouts are a good example of how you can combine commercial and social impact. It would be wonderful if other parties also became part of the social base. As far as I'm concerned, that would make the world a better place.'

Rolph Dols:

'LONELINESS NEEDS TO BE TACKLED AT DISTRICT AND NEIGHBOURHOOD LEVEL; PEOPLE CAN OFTEN BEST HELP EACH OTHER IN THEIR OWN ENVIRONMENT'

WATCH THE
OPENING OF
THE CHATTY
CHECKOUT IN
UDENHOUT
HERE.



ANNIE (72) FROM UDENHOUT, JUMBO CUSTOMER

'I usually do my grocery shopping every day, and often in the morning, when it is quieter. At the Jumbo here, there is always time for a chat; I have been visiting this place for twenty years. The Chatty Checkout is a godsend. You don't have to worry about impatient customers in the queue. With the younger cashiers, I mainly make small talk; it's just lovely. If I want more of chat, I prefer the older staff. That also gives me a good feeling. I have quite a few hobbies and social contacts, but I also know people for whom the supermarket is the only moment of personal contact during the day.'



Annie aan de Klets-kassa in Udenhout.

2. Providing the winning omnichannel customer experience

At Jumbo, we want to be where the customer is, always and everywhere. With this omnichannel approach, we ensure that customers can shop at Jumbo, where and when they like, via a number of channels. Everywhere, the shopping experience must be truly Jumbo.

Investing in a strong store portfolio

In 2021 we completely renovated 55 Jumbo stores. In response to the changing customer wishes and needs and to make room for further expansion of our product range, we continue to work hard to modernise our stores. During the year, we also added nine stores to our portfolio in the Netherlands, including five Jumbo City locations in city centres. In expanding our store portfolio, we are particularly looking at locations where we can strengthen our position. The ongoing urbanisation plays an important role in that.

Strong online growth

Due in part to the ongoing coronavirus pandemic, the demand for home delivery of groceries ordered online continues to grow strongly. As a result, the further expansion of Jumbo online is still taking place at an accelerated pace. In 2021, we added a total of ten home delivery hubs near urban and regional centres, namely in Eindhoven, Dordrecht, Zwolle, Heerenveen, Maastricht, Bommel, Hengelo (OV), Groningen, Deventer and Bleiswijk. These hubs complement the existing locations in Heerhugowaard, Amsterdam, 's-Hertogenbosch, Middelburg, Utrecht and Breda. The third Jumbo E-fulfilment Centre (EFC) was opened in Bleiswijk in early 2021. The other EFCs are in 's-Hertogenbosch and Raalte.

Developments in E-commerce

On the eve of 2021, we reached agreement with the flash delivery company Gorillas Technologies on a strategic partnership. The partnership focuses on the rapidly growing market for the instant delivery of groceries ordered online in major cities. As part of the agreement, we will supply part of our range to Gorillas and online Jumbo customers will be given the opportunity to have their purchases via the Jumbo app or Jumbo.com delivered within ten minutes. Gorillas was already active in ten Dutch cities at the end of 2021 and is working hard on further expansion. We also announced our intention to join the new employers' association E-commerce Nederland. We endorse the strong need for a sector-wide vision with agreements on a level playing field for all stakeholders. We are also considering switching to the new E-commerce collective labour agreement for our online activities. An important motive is our need for employment conditions that are well-suited to a young industry that is developing rapidly. We are carefully preparing for a possible transition and expect to be able to take further steps in the course of 2022.

Business product range

We joined forces with foodservice wholesaler Makro to better serve Jumbo business customers. This cooperation agreement has added about a thousand items from Makro's product range to Jumbo's business online shopping channel. The expansion to include a broader and more targeted range means that, in one fell swoop, we have become a total supplier for business customers such as sports canteens, small catering establishments, SMEs and care institutions.

Jumbo Extras

The Jumbo Extras digital customer programme launched in 2019 has been received enthusiastically. The number of active, registered users has now grown to 1.6 million, a sharp increase from a year ago. Jumbo Extras offers customers a variety of benefits. For instance, they can redeem points saved for free groceries, get the highest discount on days out, or benefit from one of the other extras. From 2021 we also offer the option of receiving the receipt digitally. We also started a pilot this year for redemption actions in cooperation with HEMA. We will be implementing more innovations in 2022 to strengthen the digital relationship with the customer. One of the envisaged innovations concerns the digitalisation of the 7 Certainties, with in particular the promise of cheaper shopping.

Further growth in Belgian market

Jumbo's entry into the Belgian market is still proceeding satisfactorily: customers are embracing the formula and the results are positive. Despite a slight delay due to the coronavirus pandemic, the expansion of the store portfolio in Belgium is also going well. In 2021, we opened nine new stores in Belgium, including the first Jumbo City (Antwerp) and two stores operated by franchisees. This brought the total number of Jumbo stores in Belgium to 17.

Dilemma: bricks versus clicks

Online grocery sales have increased significantly, but the digital retail channel for food is still not profitable. Since the revenue from 'clicks' is partly at the expense of the revenue from 'bricks' bought from a physical store, the growth of online shopping has a clear impact on the overall return. At Jumbo, we have noticed that too. And yet we are neither able nor willing to let the different retail channels compete with each other. After all, having both an offline and online presence also results in more loyal customers. At Jumbo, for example, we see that customers who initially shop via Jumbo.com end up wanting to get to know our physical stores as well. This interplay between the retail channels demonstrates that the battle for online is ultimately also a battle for offline. Loyalty to our online retail channel fosters loyalty towards our physical stores as well.

We also need to follow our customers in their changing shopping behaviour - we really don't have a choice. It is up to the market parties, and therefore also to Jumbo, to develop new revenue models for online that are profitable. This could include better use of customer data, for example, within the possibilities afforded by the law, of course. Or other forms of utilisation through sponsored content. Cooperation with new players that still target a niche market, can also contribute to a stronger revenue model. The partnership between Jumbo and flash delivery company Gorillas agreed at the end of 2021 is an example of that.

One thing is certain: the traditional business model of supermarkets as a location that just sells goods is a thing of the past. Nowadays, consumers decide where, how and when they do their shopping. And where, how and when they receive their purchases at home. The entire customer journey is becoming more complex, which results in major shifts in the offerings. At Jumbo, we believe that the physical supermarket will always continue to exist. But the supermarket of the future will have a much more service-oriented function, a place where there is ample room for inspiration and experience, to which customers can turn for service and information.



3. Top quality at a Jumbo price

The wishes and needs of our customers are constantly changing. What remains a constant, however, is the demand for the best-quality fresh food and Jumbo's private label products at affordable prices. We respond to this with our formula and our offerings.

Product quality

We managed to increase the value for money we offer even further by making significant investments in product quality. Product innovation and quality, alongside price, continue to be the key indicators of customer loyalty. By constantly devoting attention to flavour and freshness, we strive to permanently exceed customer expectations on this front as well. In 2021, 25 Jumbo private label products were internationally awarded a Superior Taste Award by the independent International Taste Institute. Ten products were voted Best Product of the Year in their category.

Developments in product range

We invested in the development and expansion of our product range in various areas in 2021. The number of products carried under Jumbo's private label increased to 10,000 this year. In our constant efforts towards improving quality and product development, we look closely at how we can distinguish ourselves even better with freshness and innovativeness. We are working across the board to further increase the sustainability of products and reduce the sugar, salt and fat content without compromising on taste. As starting point in this, we consider the key trends in nutrition, such as health, sustainability, and diversity.

Fresh is also really fresh

Partly as a result of the ongoing coronavirus pandemic, customer behaviour, wishes and needs are changing rapidly. The demand for healthy and delicious food has increased. We are responding to customers' emphatic demand for fresh products by working hard to even better fulfil our promise in this area: fresh is really fresh. In cooperation with farmers, growers and suppliers we actively seek out ways to shorten the time between harvest and Jumbo's store shelves. Often, rearranging our fresh produce chains results in considerable time savings. It is also important that more than three quarters of our supply of fruit and vegetables, dairy, meat and eggs is of Dutch origin. We want to grow this share further in the coming period and promote it more emphatically under the heading 'From close by'. With 'From close by', we are responding to increasing customer demand for delicious, fresh products from Dutch soil. This also emphasises the widespread pride in our beautiful and tasty products of Dutch origin.

Innovation with Jumbo Food College

At Jumbo Food College, too, there is a strong emphasis on delicious, fresh and healthy. This shared knowledge, development and training centre of Jumbo and La Place for new products and recipes and the professional preparation was responsible for eight hundred innovations that found their way to store shelves in 2021. This is also reflected in the expansion of the Verskeukens [Fresh Kitchens] in Jumbo stores, including tasty, healthy and in-store prepared meals that are inspired by the seasons.

Fixed low prices

At Jumbo, we want to help our customers make everyday life easier and more enjoyable. Customers can be sure that at Jumbo they will be spending less. A strong offering of products characterised by high quality and permanently low prices contributes to that. With our Always Low Prices (ALP) campaign, we make customers aware of this. We also constantly measure and monitor our price level and its distance from the competition. On the occasion of our one-hundredth anniversary, we featured an additional campaign with Old-fashioned Low Prices for a large number of products.

Seasonal supermarket

At Jumbo we consciously orient ourselves to the seasons of the year, so that we can always offer our customers the best possible product range. We continued our approach with seasonal offers in 2021, therefore. These are items that customers use on a daily basis and which are available for a set low price for an entire season. Customers have great appreciation for this approach, as shown by continual research. The seasons play an important role while shopping in the store or online with a rich selection of tasty, varied and healthy food. But also at home, with inspiring recipes, sportive ideas and fun tips for in and around the house, all to be found in the Hallo Magazine or online. Via a number of media channels, we help our customers answer the most common question: what shall we eat today? In this way, we make everyday life easier and more enjoyable for our customers.

Collaboration with HEMA

The cooperation between Jumbo and HEMA was further intensified during 2021. Jumbo and HEMA are increasingly convinced that they share a common starting point, namely to make everyday life more fun and enjoyable. Jumbo customers now know how to find their way to the HEMA shelf in the supermarkets. Nearly all Jumbo stores in the Netherlands and Belgium now have such a shelf with popular household items from the well-known department store. The sales results are good. New forms of cooperation are on the agenda for 2022. Preparations have already been made for a pilot at HEMA stores with the sale of Jumbo products. These include fresh take-away sandwiches and ready-made meals for home. The test should show what offering is the most popular. Jumbo and HEMA are also investigating how the digital service to customers can benefit from the cooperation.

Dilemma: always low prices in a time of rising costs

Partly as a result of the coronavirus pandemic, businesses and consumers are facing rising costs. At Jumbo, we notice this too, on different levels: the costs of transport and energy are skyrocketing, salaries rise and suppliers pass these higher costs of commodities through to their customers at product level. This development puts sudden pressure on our earnings model. After all, cost increases of 5% or more are difficult to absorb with an average net margin of 2%. It takes a lot of computing power to incorporate the increased purchase prices into our overall margin mix. We are succeeding at this to some extent, but if costs continue to rise, then adjustments in consumer prices seem inevitable.

It is very important to Jumbo that our customers can continue to count on our continuing low prices. After all, this promise is part of our 7 Certainties and contributes to our strong position in a competitive market. But it is impossible to think that customers will be unaffected by the rising costs. It is a challenging task for us to be as restrained as possible in our price increases. This is a task we take very seriously.



The Abma family together with Cees van Vliet (right).

JUMBO'S AGREEMENTS WITH FARMERS AND GROWERS

A GOOD LIVING FOR EVERYONE



Jumbo entered into an extensive dialogue with Dutch farmers and growers about the challenges in the agricultural sector in 2021. This resulted in, among other things, an increase in the supply of products originating from the Netherlands. COO Cees van Vliet and chairman Sjaak van der Tak of Land- en Tuinbouworganisatie (LTO) Nederland on solutions to the farmers' problem.

the process of giving this offering our own logo: van Dichtbij, which means From close by. And we put big signs in the fields of the farmers who supply us: I produce for Jumbo. The response to this initiative has been tremendously positive. We want to show that we are proud to buy our supply from these farmers and growers.'

Sjaak: 'You mustn't underestimate the pride of the Dutch farmer. It hurts farmers and growers when unsubstantiated statements are made about crop protection or animal welfare. That really upsets them. They are hugely concerned with the welfare of their animals and the health of their crops.'

Cees: 'In conversation with the LTO grassroots, we have noticed this all too well. Farmers and growers feel that pride in the beautiful Dutch products is often lacking. We picked up on that signal at Jumbo. Apart from traditional imports such as citrus fruits, more than three quarters of our fresh produce now comes from Dutch soil. We are in

Giving the Dutch farmers a face is something LTO can only applaud. Just like Jumbo's initiative to engage in intensive dialogue with the sector. In 2021, this took shape with the organisation of five table sessions where farmers, growers, other chain partners, LTO and Jumbo exchanged ideas in an open, informal atmosphere about how to make the food chain more future-proof.

Cees van Vliet:

'JUMBO MAKES LONG-TERM AGREEMENTS WITH FARMERS AND GROWERS ABOUT QUALITY, VOLUME AND PRICE'

Sjaak: 'It's about daring to consider the other person's interest as well. That is the only way to create value for the whole supply chain. Jumbo has taken this step forward and that deserves a compliment. The great thing is that it is already paying off. Take, for instance the agreements on pasture beef. Or the complete switch to free-range chicken with the 'Beter Leven' quality mark that Jumbo is preparing with its regular suppliers. These are the kinds of initiative we need.'

Cees: 'We can only work on a more sustainable, future-proof chain if we make agreements with our regular suppliers for the longer term. For example, there are farmers who want to switch to chickens that are certified with the 1-star Beter Leven quality mark. This will ultimately lead to keeping fewer chicks. This kind of switch can only be profitable for those farmers if they have a long-term purchase contract. In the past, retailers would often switch suppliers to negotiate the lowest price. This is not what we believe in. We believe that everyone in the chain deserves a good living. That is why we conclude long-term agreements with our farmers and growers about quality, volume and price. This is good for these partners, as it gives them extra security and prospects. It is also good for our customers, as this ensures consistent quality.'

Sjaak: 'It is a fact that long-term contracts contribute to a better earnings model for the farmer. Previously, contracts were concluded for one or two years. Long-term agreements create new

opportunities. Just think about getting bank financing, for instance. We also have to dare to debate the price that consumers pay for food.'

Our food is simply too cheap now. We need to move towards more realistic pricing, also because of stricter environmental requirements. Let Jumbo and the other market players make it clear what consumers get when they pay a higher price.'

Cees: 'First, we need to reach as large an audience as possible with our tasty, healthy and sustainable offerings from Dutch soil. We are not in the business of creating a niche for people who don't mind paying extra money. It is much more interesting to take the overall offering to a higher level and ensure it is affordable for everyone.'

WATCH
THE STORY
BEHIND
'FROM
CLOSE BY'
HERE



Sjaak van der Tak.

Sjaak van der Tak:

'IT'S ABOUT DARING TO CONSIDER THE OTHER PERSON'S INTEREST.'

4. Making healthier and more sustainable living enjoyable

At Jumbo, we believe that a fun message should also be a sustainable message. We are convinced that we can make a real difference by helping our customers live healthier and more sustainably. That is why health and sustainability are a permanent part of everything we do. On [Jumborapportage.com](https://www.jumborapportage.com), we report in detail on our policy in this area, as well as on our targets and the progress we are making in this regard.

Health

Tasty, healthy and affordable products

Also in 2021, we were committed to the further growth of the range of tasty, healthy and affordable Jumbo private label products. In this context, we look closely at how our food performs according to the new food choice logo Nutri-Score. If necessary, we make product improvements, without compromising on taste or affordability. To properly prepare for the broad introduction of the Nutri-Score logo on our packaging, we started a test for some of the products carried under Jumbo's private label. The logo is now visible on the packaging for various breakfast cereals and on products in our to-go range. Our Jumbo Food College has developed new recipes for pizzas, which have significantly reduced the amount of saturated fat. After the changes, our convenience meals contain more vegetables and less salt. We are also making it easier for our customers to choose high-fibre variants, for example by expanding the range of wholegrain pizza bases and fresh wholegrain pasta.

At Jumbo we support the transition to a more plant-based diet. After all, we believe that healthier and more sustainable eating starts with a good foundation, which leaves less room for the consumption of animal-based food and more for plant-based variants. Based on this view, we have further expanded the range of vegetarian and vegan products. The range in our Lekker Veggie line has grown to sixty products, for instance, and we have introduced new vegan products such as entirely plant-based cheeses and chocolate bars without ingredients of animal origin.

It is important to us that health is a permanent part of our product development and information provision to customers. That is why we stimulate the knowledge development of our colleagues with special Nutri-Score workshops.

Helping and inspiring customers with healthy choices

On the shop floor, online, via the shopping app and the Jumbo Foodcoach app and with our recipes, we help customers to make healthier choices. For example, we encourage more vegetable consumption by making products in this category a regular part of our pick-and-mix offerings in every season. The same applies for fruit. We also believe that a healthier lifestyle is easier to achieve by taking small steps. The advice in the Jumbo Foodcoach app responds to this, for example by recommending wholegrain pasta instead of regular pasta, or swapping 48+ cheese for 30+ cheese.

We actively participate in the annual Week Without Meat by promoting vegetarian alternatives. We not only consider meat replacements, but also the consumption of plant-based dairy products. We are steadily increasing the number of stores with a water bottle-filling station available for customers and have made it a healthy habit to offer free fruit to children. We also developed the 'Taste Challengers' shopping route especially for children. Children learn to discover new tastes and healthy products in an inspiring way.

Healthy and active lifestyle

We promote a healthy and active lifestyle in various ways, from sports sponsorships to personalised nutritional advice. The Jumbo Foodcoach app became accessible to avid cyclists, runners, fitness enthusiasts and various team sports enthusiasts in 2021. Further expansion of functionalities is planned for 2022, by which time Jumbo Foodcoach should be available to anyone who wants to work on a healthier lifestyle.

We announced a partnership with sports umbrella organisation NOC*NSF in 2021. The cooperation focuses on making the Netherlands healthier through sport and good nutrition. The first initiatives have already been launched, such as a new learning programme on nutrition, health and sport. We also support top athletes of TeamNL with the Jumbo Foodcoach app and have joined the NOC*NSF National Sports Week as a partner. We will add new initiatives to this collaboration in 2022.



On Sunday, 3 October 2021, exactly 100 years after the founding of the family business, Veghel turned yellow with Jumbo bike rides to mark the anniversary. With 'Jumbo on the Pedals', some 1,000 cyclists, colleagues and their families got on their bikes from Jumbo's head office.



WATCH THE VIDEO HERE

Products that show concern for people, animals and the environment

At Jumbo we are increasingly putting products on the shelves that are made with care for people, animals and the environment.

Animal welfare

We believe it is important that the animals from which our meat products, eggs and dairy products originate have or had a good life. We encourage the use of quality marks with specific animal welfare criteria.

The range of animal-based products with a Beter Leven quality mark from the Dutch Society for the Protection of Animals has been further expanded, including in the dairy category.

We will be switching completely to free-range chicken with the Beter Leven quality mark in 2023. We have laid a strong foundation for a relatively easy transition to the requirements of this well-known quality mark thanks to our experiences with the Jumbo Nieuwe Standaard Kip (NSK). Since 2014 already, NSK has been considered an animal-friendly alternative to factory-farmed broilers. Together with the poultry farmers who have successfully put NSK on the map, Jumbo now wants to take this next step.

We are the first Dutch supermarket chain to carry a range of beef products from pasture-raised cattle. Cows with full access to pasture graze freely on Dutch meadows for at least 120 days a year and six hours a day. Apart from milk production, grazing cattle are also suitable for meat production and therefore serve a dual purpose. Dutch farmers also receive a premium price for their pasture beef. Jumbo processes the flavourful pasture meat from double-purpose cows into, among other things, lean minced meat, beef tartare, burgers and braising meat. In early 2022, we will expand the range to include more luxurious beef products from Dutch double-purpose cows.

Sustainable chain

Together with our chain partners, we are working on a product range with the lowest possible impact on the environment. Our cooperation with interest groups and certification bodies contributes to a more responsible offering in our stores.

All Dutch fruit and vegetables are Planetproof certified, for instance. As of this year, Jumbo itself is also certified, which enables us to make PlanetProof more visible on the shop floor for unpackaged fruit and vegetables. With this we demonstrate that our basic range of fruit and vegetables takes account of a balanced relationship between animals, nature and the environment.

We work with others as part of a number of covenants, such as the new Sustainability Initiative Fruit and Vegetables (SIFAV) covenant for fruit and vegetables. SIFAV's mission is to achieve 100% sustainable trade in fruit and vegetables from Africa, Asia and South America. With the Floriculture Sustainability Initiative (FSI), we also committed to the further sustainability of flowers and plants in 2021.

At Jumbo we are strongly committed to the preservation of biodiversity and ecosystems. We want to help combat deforestation and overfishing in areas where many of our raw materials come from, especially in places with rich natural environments. We strive to process only raw materials that have been produced sustainably. To put our money where our mouth is, we are setting increasingly strict requirements for the suppliers of Jumbo's private label products.

Working conditions in the chain

At Jumbo we feel that every employee in the supply chain deserves a healthy working and living environment. That is why we do our best for good working and living conditions in our international food chains. We realise that these are complex issues. We learn and work to improve every day.

In 2021, we screened a number of chains - coffee, citrus, coconut, mango - to gain better insight into the problems and risks involved and to determine what impact we as Jumbo can have on them. Together with other market parties, we carried out an impact assessment for tinned tomatoes. We also signed the Dutch Initiative on Sustainable Cocoa (DISCO), an initiative that aims to structurally improve the situation of cocoa production for farmers and their environment. More information on these and other efforts can be found in our due diligence report on [jumborapportage.com](https://www.jumbo.nl/jumborapportage.com). This page also contains a world map showing the origin of high-risk products and ingredients.

In 2021, all purchasers and product range managers followed training on responsible purchasing and risks to people, animals and the environment in the various production chains. This mandatory training is followed up on an annual basis. At present, 96% of the suppliers comply with the Jumbo Code of Conduct for Responsible Purchasing.

We are working to expand and deepen our human rights policy in the area of women's rights. We are further identifying the root causes of gender inequality with the aim of developing an approach for an inclusive economy and sustainable future for women in food supply chains.

Packaging and waste

We are making efforts to further reduce the impact of product packaging on the environment and to reuse waste as a raw material wherever possible.

The supermarket industry introduced a deposit on small PET bottles in 2021. At Jumbo we made adjustments accordingly in all our stores and distribution centres. We also started preparations for a deposit on tins. We also have implemented the Single Use Plastic (SUP) Directive and are preparing for related developments, such as a future ban on single-use drinking cups and food packaging.

We achieved various savings on the packaging material for Jumbo's private label products. Our minced meat is now packed in a so-called flow pack, for instance, which requires 70% less plastic. We also use less plastic in the packaging of bouquets and crisps, and a modified design of our wine bottles means less glass is used. Via the partnership with Plastic Pact, we are working on new packaging solutions.

Reducing environmental impact

At Jumbo we are working on a climate-aware and future-proof organisation.

Food wastage

We organise our chains such that food ends up where it is intended whenever possible. This means much less food needs to be thrown away. For example, we recently optimised the chain between Voedselbanken Nederland and the Jumbo distribution centres. Storage and transport are now better organised for the collection of products.

Last year, we sold 9 million products from the special Samen Minder Verspillen [Wasting Less Together] shelf in our stores. During the Week Against Waste, we helped customers use up unused food products with recipes and practical tips.



Dilemma: donations to the food banks

As a result of our efforts to tackle food waste at the core and thus reduce in-store loss, we have seen a decline in our donations to the food banks. A major player such as Voedselbanken Nederland [Food Banks], which is heavily dependent on deliveries from supermarkets, is hit hard by this. At Jumbo, we see this as a difficult dilemma that requires a solution. We are discussing this with the food banks and are looking at how we can jointly optimise existing activities. For example, we take care of some of the distribution, delivering residual streams from our distribution centres to the food banks' regional distribution centres. In 2021, the pilot in Beilen was concluded and the roll-out in other areas of the Netherlands started. We also organised a nationwide donation campaign in 2021 in close cooperation with more than 450 Jumbo stores to realise additional donations and we encourage our stores to periodically collect bottle deposits for the local food banks. Interested in learning more about our cooperation with the food banks? See www.Jumborapportage.com.

Energy and emissions

At Jumbo we aim to set up the entire chain in a climate-conscious and future-proof manner. We want to reduce energy consumption and emissions as much as possible in our stores and distribution centres and during transport.

We are also working on making our buildings more sustainable. This is certainly demonstrated by our third E-Fulfilment Centre (EFC), which was put into operation in Bleiswijk in early 2021. This business premises was awarded the highest BREEAM certificate for sustainable building. The Central Distribution Centre (CDC) in Nieuwegein was distinguished with a BREEAM award for being the most sustainably designed building in the world. This achievement was honoured with the highest BREEAM score ever and a special BREEAM design award. The new Jumbo store in Goor, Overijssel, is the most sustainably designed supermarket building in the Benelux.

We work every day to use energy more efficiently in our stores. To this end, we introduced a new energy management system that allows us to monitor consumption more frequently and make adjustments as necessary. In the meantime, 171 Jumbo shops have already stopped using gas. We also manage to organise our transport more and more efficiently and with less environmental impact. We are also participating in various coalitions to investigate the switch to hydrogen.



Ton van Veen with cyclist Primož Roglič during the Vuelta in Spain.

ATTENTION TO HEALTH AND ACTIVE LIFESTYLE A ROLE MODEL SETS A GOOD EXAMPLE

By sponsoring skaters, cyclists and Max Verstappen, Jumbo is working to increase its visibility. Indirectly, it is also an incentive for customers to choose a healthier and more active lifestyle. CFO Ton van Veen and sports director Merijn Zeeman of the Team Jumbo-Visma cycling team about role models and conscious nutrition.

Merijn: 'Every day we are concerned about winning, about improving performance, about making top-class sport more attractive to as many people as possible. Top athletes are well aware that they also serve as role models. They are therefore constantly asking themselves: Who am I? What environment am I a part of? What are my core values and how do I live by them?'

Ton: 'At Jumbo we show that Wout van Aert and Patrick Roest can win championships by being very conscious of their nutrition and by using the Jumbo Foodcoach. We then applied these insights to amateur sport. And now we are going to use that knowledge to the benefit of all our customers. Based on the technology of the Jumbo Foodcoach, we enable everyone to make healthier choices very easily.'

With all the attention paid to healthy nutrition, sport and exercise, Jumbo is committed to shouldering its responsibility in society. And to responding to a clear social trend around healthy living. There is room for a bit of fun in all of this. Living healthier and more sustainably can also be enjoyable. For example, by broadly deploying the Jumbo Foodcoach app, which has been tried and tested with great success by Team Jumbo-Visma and football club PSV, among others, in recent years.

Merijn: 'I have been involved in the development of the Jumbo Foodcoach from the start. It is safe to say that this has been quite a revolution for us. Especially in terms of quantities,

Ton van Veen:

**'YOU HAVE TO MAKE
SENSIBLE EATING
MORE ATTRACTIVE
AND AFFORDABLE'**

Merijn Zeeman:

'THE PUBLIC IS INCREASINGLY INTERESTED IN THE CONSCIOUS LIFESTYLE OF TOP ATHLETES'

composition and variety of meals. Not so long ago, the standard menu for a cyclist consisted mainly of pasta, broccoli and steak. That is different now. The athletes have been challenged to choose other options. They also say that they have come to appreciate nutrition better. And I am convinced that it has also benefited performance development. Just look at our series of successes in recent years.'

Ton: 'We invest heavily in healthy food, for example in product innovation with our Jumbo Food College. And in targeted actions to help people make sensible choices that lead to a healthier lifestyle, not only with the Jumbo Foodcoach. Think, for example, of the King's Breakfast for primary school children, where we emphasise the importance of a good, varied breakfast. We are also working with NOC*NSF on the new Jumbo Foodcamp learning programme for sports clubs. And really, these tools are not just for customers who want to ride the Amstel Gold Race or climb Mont Ventoux. It is also a godsend for people who just want to feel better and fitter.'

Merijn Zeeman.

Merijn: 'A role model sets a good example! At Team Jumbo-Visma we firmly believe that. We share our stories via our social media channels and in documentaries. On our website, we share the details of our athletes' daily menus. What does Primož Roglič eat every day to achieve a great performance? The public is increasingly interested in the conscious lifestyle of top athletes. And believe me, they are much more willing to accept something from their favourite athlete than from general campaigns that say you should exercise more or eat healthier.'

Ton: 'At Jumbo we want to offer our customers a choice, but not impose it on them. We encourage people to choose healthier alternatives. We encourage the good, but do not like to forbid the bad. We position sugar-free soft drinks prominently next to the sugary variety. And we put healthy temptations out there;



for example, we have more and more healthy offerings on the shelf at the checkout. You have to make sensible eating more attractive and affordable. Reducing the VAT rate on fruit and vegetables to zero? It's a piece of cake if you ask me.'

WATCH HERE HOW TOP ATHLETES USE THE JUMBO FOODCOACH APP.



5. Building a robust and enterprising organisation with passion for our customers

We want to offer our customers an exceptional Jumbo experience. To achieve this, we are building a robust and enterprising organisation with employees who are comfortable in their own skin and have a passion for the customer.



The Van Eerd family celebrates the 100th anniversary of the family business together with colleagues. With a special place on the stage for the winners of Jumbo Verrast, a programme in which employees were challenged to get even more out of themselves during the anniversary year.



WATCH THE VIDEO HERE

Fun employer

It is our ambition to improve every day and make shopping more and more enjoyable for our customers. Trained, customer-focused employees who feel good about themselves are of the utmost importance here. In our way of working, the Jumbo DNA is central: Doing Business Together to Win.

Feeling good, working well

In order to provide a pleasant working environment, we invest in the vitality and health of our employees. We do this under the heading 'Feeling good, working well'. In that context, we offer our colleagues free fruit, lifestyle programmes, online training and a stop smoking course, for instance. We also devote extra attention to exercising more by providing walking routes and home workouts and an employee bicycle scheme. We opened the Jumbo Gym at the head office in Veghel. Colleagues from the head office are now the first to make use of it. We plan to make the Jumbo Gym available to other employees as well in future.

We continue to be very appreciative of the resilience and extra commitment of all our people. To celebrate the 100-year anniversary of our family business, colleagues have received a structural discount on their shopping at Jumbo since 2021.

Development-focused organisation

At Jumbo we have been taking major steps towards becoming a development-focused organisation since 2018. This transformation is needed because we have grown quickly over the past several years, which has made the organisation more complex. We realise that we must be able to respond quickly to all the changes around us and that alert employees are the key to success in this respect. In 2018, under the heading of Develop & Perform, we also started using new instruments at the Jumbo head office that no longer automatically link assessment and remuneration. Central to this is the ongoing dialogue on personal and professional development. We gradually extended this approach to our stores and distribution centres from 2019 onwards. All the stores have been using Develop & Perform since 2020, and all our distribution centres and the Jumbo Belgium and La Place business units have been doing so since 2021.

Employee talent development

We believe it is very important that the right Jumbo employee is in the right place. This helps us to successfully realise our strategy. Equally important is a stimulating working atmosphere with room for development. After all, in this kind of environment we can develop all potential talents and deploy them for the organisation. Attracting and retaining talented employees is also of utmost importance. When filling key positions, we try to increase internal promotions as much as possible. We have been doing this with the help of a so-called talent review since 2018. This method provides us with better insight into our employees' talents and ambitions and enables us to direct talent development in a more targeted manner. The talent review again resulted in several internal appointments and promotions in 2021. Several management development programmes were also launched this year and the first management trainees started their internal training.

Diversity and inclusion

Jumbo is of and for everyone. We want employees to feel at home with us and identify with our values. That is why we promote a safe, fair and open working environment, where employees can be themselves. The versatility of our employees allows us to learn from each other and to make the most of the talent we have. Jumbo promotes diversity in the composition of our workforce via influx and outflow by, among other things, working with asylum permit holders in a number of our distribution centres and stores. We work with over two hundred people at a distance from the labour market in our stores and distribution centres, and we also work with older people (65+) in our stores in Amsterdam and surroundings.

At the end of 2021, 31% of the senior management at Jumbo were women. The Management Board has one female member (25%). The Supervisory Board also has one female member (20%). Our objective is to further increase the number of women at the top. We want employees to receive equal pay for equal work. Within our organisation, we therefore actively monitor the remuneration of men versus women.

From 2021 onwards, we measure the extent to which our employees feel at home and safe at Jumbo, can be themselves and have equal opportunities. This helps us to measure the progress of our activities on the one hand and to take targeted action when necessary on the other. In 2021 we also organised workshops for the head office and distribution centres to raise awareness of this issue and formulated concrete objectives. For more information, see [Jumborapportage.com](https://www.jumborapportage.com)

Safety

We have always worked to ensure a safe environment by using the right equipment, strictly observing hygiene regulations and offering various safety training courses. The outbreak of the coronavirus pandemic in 2020 also made it clear that continued investment in a safe, pleasant and clean working and shopping environment must be a top priority. We pay extra attention to safety and hygiene under the heading 'Take good care of yourself and each other!' Measures to prevent the spread of coronavirus: splash screens, free distribution of face masks, safety vests to keep 1.5 metres away, training, etc., are now commonplace in all parts of the company. During periods when the virus flares up, colleagues at the Jumbo head office work from home as much as possible. We have also introduced many measures that allow customers to continue to shop safely. Frequently used items, from hand scanners to shopping trolleys, are given additional cleaning and extra screens have been set up in the walkways near the checkouts. Various communication materials are used to call customers' attention to the measures taken. For migrant workers in our supply chain, we deployed a mobile vaccination bus in cooperation with the GGD. This makes it possible for them to be vaccinated as well.

Enterprising and decisive organisation

We continued to invest in a customer-oriented and cost-conscious Jumbo organisation in 2021. Processes and systems were further optimised to contribute to this principle. We involved our employees closely in this and provided intensive guidance.

Operational excellence

The Operational Excellence programme was launched in 2021. The focus of this programme is on improving our processes and activating and facilitating an Every-Day-Better mindset, a way of thinking and working that is inspired by the need to continuously improve and serve the (internal) customer more effectively and efficiently.

Process optimisations

Optimising key processes throughout the Jumbo organisation should ensure an overall strengthening of the business foundation, boost customer satisfaction and minimise errors in performance.

Every-Day-Better Mindset

We make sure that the preconditions necessary to activate an Every-Day-Better mindset in all colleagues are in place. These include further improving the feedback process from customers and the stores, organising and encouraging more ownership on the shop floor, and developing and offering tools and training courses aimed at leadership in Operational excellence.

New store organisation

With a view to customer orientation and sustainable growth in the years ahead, we made changes to how our stores are organised in 2021. The stores now make a clearer division between employees who focus entirely on service to customers and colleagues who ensure that everything runs smoothly behind the scenes.

Automation and standardisation of processes: S4 programme

Using the right technology, we can further strengthen our innovative capacity. This is one of the reasons why we are switching to a new way of working, so that we can offer our customers the very best shopping experience, remain at the forefront of our market and continue to grow and innovate. This requires a sizeable IT migration. The method, called S4, unites our approach to IT and business through four S's that aim to make our work - and life - easier: Standard, Stable, Simple and Speedy. In short, it comes down to this:

- Standard stands for processes that are simple, logical and efficient and for which concrete agreements have been made on a uniform way of working;
- Stable refers to reliability: systems just have to work right, from start to finish;
- Simple is all about intuitive systems that are very easy to use;
- Speedy means that important data are available in real time and can be used immediately to take the right decisions.

Expansion of central distribution centre in Nieuwegein

In 2021, we started a major expansion of the mechanised central distribution centre (CDC) in Nieuwegein, which was opened in 2020. In addition to increasing the automated processing capacity for long-life products by more than 6,000 m², including 11 robotised lines, the site will also house a new mechanised CDC for the Fresh category of around 40,000 m² in size.

Balanced wage costs

The importance of properly motivated and service-oriented employees is at the forefront at Jumbo. This is why we devote a great deal of attention to training and education. We also feel that employees deserve market-based pay and good employee benefits. At the same time, however, wage costs must be kept manageable. Securing our competitive position and the continuity of our operational management is something that concerns everyone involved. This is how we work on a healthy future for Jumbo and our employees.

La Place

Results

For the second year in a row, food service formula La Place had a difficult year due to the ongoing coronavirus pandemic. As a result of the forced hospitality closures, the revenue was with €52 million again disappointing, despite the slight increase of 4% compared to the 'first coronavirus year' of 2020.

Temporary closure due to coronavirus pandemic

The coronavirus pandemic prompted several lockdowns in the Netherlands during 2021. During those periods, all catering establishments had to close down, either in whole or in part. Our La Place restaurants were also affected by this. Takeaway meals remained a limited option at our Laren and De Lucht locations. It goes without saying that the closures and uncertainty this brought had an effect on our La Place employees. During team sessions, we deliberately devoted a great deal of attention and - if necessary - care to each other, so that colleagues could get through this difficult time as well as possible. Many La Place employees volunteered to help out in our Jumbo stores or other parts of the organisation during the closures. Due to the exceptional situation and increased traffic, it was all hands on deck there. Naturally there was always much attention to hygiene and safety.

No government support

Despite the considerable economic damage we suffered due to the forced closures, we did not apply for the government's Temporary Emergency Bridging Measure for Sustained Employment (NOW scheme) in 2021 either. As an independent business unit within Koninklijke Jumbo Food Groep, La Place was eligible for this, but we are in the fortunate position of being able to absorb the loss of revenue within the group itself and continue to pay our employees. We are also convinced that other businesses and entrepreneurs need the state support more than we do.

Expansion of locations

Our ambitions to grow La Place again after this period of forced closures remain high. Despite the exceptional situation, we opened a new La Place restaurant at Maastricht Airport in 2021, along with a new foreign location in the Danish capital of Copenhagen. Two new outlets of the convenience formula La Place Express were also added to the portfolio, one at Utrecht CS and one in Rotterdam city centre. At our locations, it is all about 'All day good food fast': delicious and fresh food with an emphasis on flavour and experience. Guests can also enjoy quality coffee and delicious biscuits and cakes from the barista bar, a wide range of fresh take-away products and other treats, like La Place chocolate and various snacks.

Collaboration with the Vermaat Groep

At the beginning of 2021 we reached agreement on a strategic cooperation between La Place and hospitality specialist the Vermaat Groep. As part of this cooperation, from March 2021 Vermaat acquired the operations of 44 La Place restaurants, including one in Germany. All employees of the restaurants involved are now employed by Vermaat. La Place and Vermaat are working together closely on further developing the restaurant concept.

Collaboration with Just Eat Takeaway

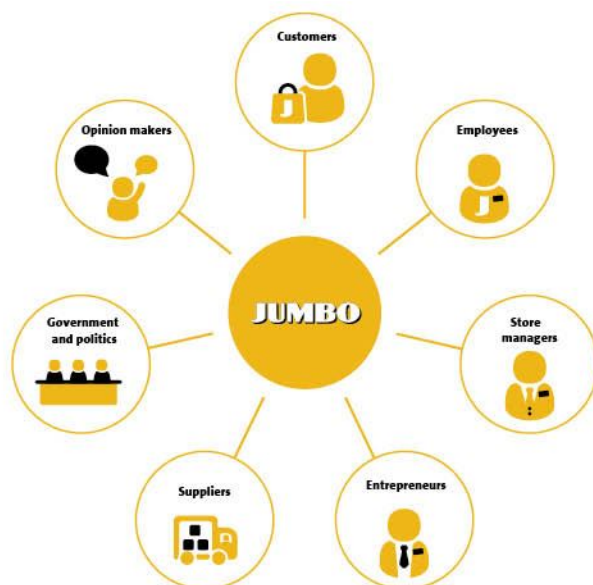
At the end of 2021, La Place launched a pilot in partnership with Just Eat in 's-Hertogenbosch, Rotterdam and Eindhoven for the home delivery of sandwiches, juices, meal salads, soups and various other tasty items. The online menu features familiar La Place favourites, such as the focaccia with tuna salad, the baguette with herb cream cheese, the cinnamon roll and freshly squeezed juice. The product range is gradually being expanded to include new tasty and healthy products, such as a meal salad of kale with sweet potato, goat's cheese and pecans. In addition to sandwiches, soups and salads, the menu also includes sweet treats such as chocolate and Tarte Sablées. All products for home delivery are freshly prepared in La Place's own kitchens. Many locations already have experience with La Place Mobile Order, a system for quickly and easily placing and collecting orders.

Stakeholders

We attach great value to an open dialogue with all our stakeholders. We can learn a great deal from listening closely to what is going on in our immediate environment. Shared insights and knowledge enable us to better respond to various developments in society.

We have defined seven stakeholder groups at Jumbo, more specifically:

Stakeholder group	Description
Jumbo customers	Jumbo has been built around the customer. Our customers are a representative reflection of the Dutch population. Additionally, we welcome more and more Belgium customers.
Jumbo employees	Our 100,000 employees (including franchisees) are a crucial part of implementing the Jumbo formula with excellence. This group includes employees with a permanent (25%) or a temporary (75%) employment contract with Jumbo.
Jumbo store managers	Jumbo store managers are responsible for the operation of Jumbo locations.
Jumbo entrepreneurs	Jumbo is a large franchise organisation in the Netherlands. Jumbo franchisees are responsible for operating their own Jumbo franchise stores and are affiliated with the Jumbo Entrepreneurs' Association.
Suppliers	Jumbo works intensively with its suppliers and aims for a strategic long-term partnership in this context. This group involves Jumbo suppliers, both producers of our own brand products and brand manufacturers. Although we at Jumbo do not directly do business with agricultural suppliers, such as growers or livestock farmers, we are conscious of our role in the chain.
Government and politics	Jumbo has contact with representatives from the government and politics on a regular basis. This mainly involves relevant stakeholders in the political-administrative arena with an impact on our policy in relation to the material topics, including the tax authorities and supervisory officials.
Opinion makers and civil society organisations	Jumbo has regular contact with relevant retail experts, civil society organisations, Non-governmental organisations, knowledge institutes, sector organisations, etc. These contacts are focused on aligning ambitions and goals for the longer term with regard to our material topics and the Sustainable Developments Goals. The dialogue takes place, amongst others, at the Executive Committee and Management Board level.



In dialogue with our stakeholders

The basis for all contacts with our stakeholders are open dialogues and mutual respect. We utilise various occasions, resources and platforms to maintain these contacts. Jumborapportage.com provides an overview of the partnerships and Public-Private Partnerships (PPPs) in which we are active.

Stakeholder group	Topics of discussion	Dialogue
Jumbo customers	Value for money, local involvement, healthy lifestyle	Annual customer satisfaction survey, contact in the stores, constant research via, e.g., customer panels, Jumbo Service Centre, social media
Jumbo employees	Employment conditions and working environment in the organisation, diversity and inclusivity	Periodic employee satisfaction survey, employee representation (Central Works Council, Head Office Works Council, Stores Works Council, Supply Chain Works Council, La Place Works Council), periodic updated for employees (Jumbo Update)
Jumbo store managers	Food wastage, packaging and waste, energy and emissions, local involvement, healthy lifestyle, employment conditions and working environment in the organisation, diversity and inclusivity	Employees, as well as various management committees, working groups and focus groups
Jumbo entrepreneurs	Food wastage, packaging and waste, energy and emissions, local involvement, healthy lifestyle, employment conditions and working environment in the organisation, diversity and inclusivity	Jumbo Entrepreneurs' Association, various management committees, working groups and focus groups
Suppliers	Sustainable chain, animal welfare, working conditions in the chain, packaging and waste, food wastage	Visits and supplier visits, one-to-one talks, annual supplier day(s)
Government and politics	Food wastage, packaging and waste, healthy products, working conditions in the chain, local involvement, sustainable chain, healthy lifestyle, value for money, working conditions and working environment within the organisation, animal welfare, energy and emissions, diversity and inclusivity	Municipalities, province of Noord-Brabant and other provinces, the Ministry of Public Health, Welfare and Sport, the Ministry of Economic Affairs and Climate, the Ministry of Infrastructure and Water Management, the Ministry of Agriculture, Nature and Food Quality, the Ministry of Social Affairs and Employment, the Netherlands Food and Consumer Product Safety Authority, company visits by members of parliament to Jumbo stores
Opinion makers and civil society organisations	Food wastage, packaging and waste, healthy products, working conditions in the chain, local involvement, sustainable chain, healthy lifestyle, value for money, working conditions and working environment within the organisation, animal welfare, energy and emissions, diversity and inclusivity	Consultation with interest groups and civil society organisations such as ASC, CBL, Comeos, CNV, the Consumers' Association, De Unie, the Dutch Society for the Protection of Animals, Fairfood International, Faritrade Max Havelaar, FNV, Foodwatch, GAIA, Greenpeace, HIVOS, JOGG, the Dutch Institute for Sustainable Packaging, LTO, Milieudefensie, Missing Chapter Foundation, MSC, MVO Nederland, the Dutch Nutrition Centre and Friends of the Earth Netherlands, Natuur en Milieu, Nederland Schoon, NL2025, Oxfam Novib, PlanetProof, Plastic Pact, Questionmark, Rainforest Alliance, RSPO, RTRS, Stichting Jarige Job, Samen tegen Voedselverspilling, National Coalition against Loneliness, Unicef, Urgenda, Voedselbanken Nederland, Voedingscentrum, Wakker Dier, WeCycle, Week zonder Vlees, WNF, World Animal Protection, ZLTO Cooperation with educational institutions, such as: Berkeley, Erasmus University Rotterdam, The Hague Hogeschool, HAS Hogeschool, Wageningen University & Research Knowledge exchange with, among others, retail experts and financiers



Frits van Eerd visiting group 8 at primary school 't Ven in Veghel.

JUMBO AND THE KIDS COUNCIL

LEARNING FROM CHILDREN

In 2011, Jumbo was the first Dutch supermarket company to start its own Kids Council. CEO Frits van Eerd and primary school teacher Frank Holthuijzen on the generations of the future and their open-minded view of 'big people's business'.

Frits: 'Adults often think they know everything. That is disastrous for an organisation that wants to be guided by the wishes and needs of the customer, today and tomorrow. Children keep us on our toes; in their open-mindedness they often say things that are spot-on. This provides new insights and solutions to problems we cannot solve ourselves. Many children clearly have a "Cannot? Can do!" mentality. That suits Jumbo perfectly.'

Jumbo has been working with its own Kids Council for ten years now.

This initiative of the Missing Chapter Foundation, founded by Princess Laurentien van Oranje, is committed to a child-inclusive society. It gives the generations of the future a voice in decisions for the future that are made now. Mr Frank's pupils from grade 8 at primary school 't Ven in Veghel form Jumbo's Kids Council.

Frank: 'Having children research a concrete problem at a company is also of great benefit to education. It awakens their curiosity and teaches them indispensable skills: working together, listening to each

other, questioning, reporting, giving presentations. The experiences we have gained with the Kids Council have changed our view of education. Theme-based working is now much more a part of the curriculum.'

Frits: 'This is not without obligation. As far as I am concerned, the Council is on the same level as the Works Council or the Supervisory Board. A few times a year, the children have a full say in important issues. Based on their own research, they come up with ideas that we actually put into practice.'

Frank: 'These are often very logical proposals, such as putting solar panels on the roofs of the distribution centres. That would be commonplace

Frank Holthuijzen:

'IT IS VERY EDUCATIONAL FOR THE CHILDREN TO SEE HOW THEIR PLANS COME TO LIFE.'

these days, but seven years ago when the children came up with this proposal, it was quite innovative. Or separating clear and labelled plastic waste for better recycling. The children came up with the simple proposal of using two bins in future. You can see that now in the warehouse of the stores.'

Frits: 'In our anniversary year, we had the New Tins Challenge, a competition for our employees to develop innovative ideas. Of course, I also invited the Kids Council to take part. Their proposal was so innovative and feasible that it came second in the finals. We are now working out the details of the idea.'

Frank: 'The students had researched how to expand the Jumbo app in such a way that shopping becomes more

Frits van Eerd:

'CHILDREN KEEP US ON OUR TOES; IN THEIR OPEN-MINDEDNESS THEY OFTEN HIT THE NAIL ON THE HEAD.'

fun, more effective and more secure. They came up with digital, interactive shopping routes through the store, based on your shopping list. At the shelf, you are shown tasty and healthy recipes and directed to where the ingredients are. The app determines the most favourable route in the store and even takes into account crowds and distance to other customers, so that it can all be done safely in the era of coronavirus as well. And more environmentally friendly, because it eliminates the need for a hand scanner.'

Frits: 'Of course, this generation looks primarily at digital solutions. But they are also very concerned with climate change, conscious eating and health. I am deeply impressed by how, in less than two minutes, they give a presentation on a plan that is really meaningful. Just recently, they came up with a plan for a supermarket encompassing multiple floors. With fruit and vegetables and other healthy products downstairs, all very accessible. Putting sweets, snacks and soft drinks on the top floor. You have to go up three flights of stairs, really work hard therefore, to get to the less healthy food.'

Frank: 'Of course, not all of the Council's ideas can be implemented immediately. But often they can. It is

WATCH
FRITS' VISIT
TO PRIMARY
SCHOOL
'T VEN IN
VEGHEL HERE.



very educational for the children to see how their plans become reality. And that their wishes and ideas are taken seriously. They get the chance to get to know a company well. They make vlogs and videos and give presentations to often as many as fifty managers. They learn a lot from that.'



Frits van Eerd and Frank Holthuijzen.

Risk management

Our success is largely based on our mission and vision, the quality of our employees and entrepreneurs and the strength to identify and make the most of opportunities together. We fully realise, however, that our business operations inevitably entail risks. To successfully implement our strategy, risk management is therefore an integrated part of our policy.

Organisation and risk management

Promptly identifying and correctly responding to possible risks is important for achieving our strategic objectives. There can only be effective risk management if there is ample room for active and open dialogue with all our stakeholders, with opportunities to identify and weigh the key risks. The degree to which we are prepared to take risks is primarily the responsibility of the Management Board and the Executive Committee. The cross-functional Fit for Purpose (F4P) Risk team supports the monitoring of existing and emerging risk areas. This management also bears responsibility for managing the risks and designing and implementing appropriate measures. These measures have been integrated into the strategy and translated into tactical and operational procedures and controls, using the 7-step action model of Risk Management. The model was implemented for operational and financial risks in 2021 and we will expand it to include strategic risks in 2022.

The control environment encompasses the behaviour, corporate culture and expertise of the employees in relation to (risk) management, administrative organisation and an adequately-functioning Internal Control Framework (ICF). The ICF also includes measures to prevent and detect fraud, both within our own organisation and fraud committed by third parties. Our employees think about both the opportunities and risks associated with realising our strategic objectives and ambitions. This way of thinking is part of our DNA at Jumbo and forms, together with Jumbo's 'Code Yellow' code of conduct, an important starting point for working together to make the right decisions and weigh the risks. The Management Board and Executive Committee set high standards for this control environment and for the values that are important to Jumbo as a family business. They render account on this to the Audit Committee and the Supervisory Board as a whole at set times.

The Internal Audit Function (IAF) monitors the process of strategic risk management and, among other things, performs audit and advisory work on the operational processes to check whether the processes are controlled. The ICF was further optimised through the use of more preventive and automated controls in 2021. The so-called Three Lines of Defence model is also being rolled out further, with responsibility being given more clearly to departments with operational tasks. Controlling fulfils the role of the second line here and the IAF monitors and assesses the system as the third line. The IAF reports the outcomes to the responsible members of the Executive Committee, the Management Board and the Audit Committee.

Jumbo is willing to take responsible business risks in order to realise its strategic objectives, whereby the interests of stakeholders are always central. Jumbo avoids risks related to legislation and regulations, customer and employee safety, business continuity, product safety and quality (zero tolerance). In other areas it has a predetermined risk appetite. The F4P Risk team supports the awareness and further promotion of such (risk) considerations and helps to conduct an open dialogue about them.

Key risk areas

Below is an overview of the key strategic, operational and financial risks and risks in relation to legislation and regulations. Provisions and measures have been taken in all areas to limit the potentially detrimental effects of these risks.

Strategic risks

Risk	Description and/or possible consequences	Measures
Reputation	Possible incidents or changes in public opinion could have serious consequences for our reputation or market position	<ul style="list-style-type: none"> • Culture and conduct: Jumbo DNA • Jumbo's 'Code Yellow' Code of Conduct / uniform internal guidelines • Reputation survey score
CSR	Jumbo does not meet changing demands of stakeholders in relation to sustainability and health. Climate change is an urgent topic	<ul style="list-style-type: none"> • Reputation survey score, Jumbo Image Monitoring (JIM) score • Quarterly Impact dashboard
Digitalisation and technology	Business models and processes could be overtaken by advanced technological developments	<ul style="list-style-type: none"> • Accelerating and investing in digital strategy and technology • Focus on improved digital customer experience
Innovation and changing customer needs	Innovation is moving along at a rapid pace and could potentially result in a limited ability to innovate and/or respond on time to the customer's changing needs	<ul style="list-style-type: none"> • Identifying customer needs and trends • Focusing on and investing in innovation and trends, especially in relation to the Product range, Technology, Service and E-commerce (i.a. on demand delivery)
Competition	Competition online and in stores from home and abroad and other sectors is increasing and could have an impact on revenues, prices and market share	<ul style="list-style-type: none"> • Identifying market opportunities and developments • NPS score is part of the targets and is periodically discussed in the meetings of the Management Board and Executive Committee • Investing in various distinctive (online) formats



Operational risks

Risk	Description and/or possible consequences	Measures
Disruption of supply chain	The likelihood of (natural) disasters, pandemics and man-made risks remains and can have a detrimental effect on the continuity of business processes	<ul style="list-style-type: none"> Limiting the impact of unforeseen disruptions Continuity Plan Distribution Centres
Scarcity on the labour market and sustainable employability	This could potentially lead to perceptible shortages, particularly in distribution and transport	<ul style="list-style-type: none"> Focus and attention for working environment, age structure of the employees and employment conditions Investing in automated distribution
Product safety and quality	Inability to guarantee product safety or a change in quality perception can have serious consequences for our reputation and market position	<ul style="list-style-type: none"> External testing performed by IFS (International Food Standard) in stores and distribution centres Quality terms and conditions and checks/audits for hygiene Training and education Monitoring of KPIs in the recall process Supplier management for Jumbo own brand through taste and quality testing and root cause analysis for consumer recalls
Safety of customers and employees	Unsafe stores could keep customers away and employees and potential employees may no longer be willing to work for Jumbo	<ul style="list-style-type: none"> Investing in prevention (visible and invisible security) Deploying detective measures in stores, distribution centres, EFCs, restaurants and the head office Making the perceived safety of customers and employees measurable Collaboration with agencies such as Detailhandel Nederland, CBL, Retail Security Groep and connection with the FAD (National Warning Register for Combating Fraud in Retail)
Information security	Information flows may be inadequately secured which means data could be lost, which could be damaging for the people involved and, by extension, Jumbo's reputation. In addition, we want to secure the continuity of our business processes	<ul style="list-style-type: none"> Investing in preventive and detective measures (technology, processes and awareness) which fit the to the increased threat level of cybercrime Focus and attention on (possible) hacks, data breaches and critical security incidents Educating and training employees with regard to the awareness of phishing and cyber crisis management

Financial risks

Risk	Description and/or possible consequences	Measures
Credit risk	Purchasers may not be able to meet the conditions stipulated for the financing and securities provided	<ul style="list-style-type: none"> • Periodic monitoring of the recoverability of outstanding receivables at buyers • Requiring security such as mortgage registrations for real estate, bank guarantees, pledging of assets, etc. when providing financing
Interest rate risk	There is possible exposure to risk in relation to market interest rate developments	<ul style="list-style-type: none"> • Monitoring the interest rate risk • Using derivatives to hedge the interest rate risk
Liquidity risk	There is a possibility that current and future liabilities and potential liabilities cannot be met	<ul style="list-style-type: none"> • Periodic monitoring of whether the credit facility committed has been met • For more information on controlling of our working capital refer to note 25 to the Financial Statements
Fraud and loss prevention	Possible fraud and/or theft of money and goods in stores, restaurants, EFCs, distribution centres, Home delivery centers and head office	<ul style="list-style-type: none"> • Periodic assessment of the cash/goods movement • Daily analysis of cash register transactions • Collaboration with agencies such as Detailhandel Nederland, CBL, Retail Security Groep and connection with the FAD (National Warning Register for Combating Fraud in Retail) • Investing in product security • Management measures in the internal control framework (ICF) in order to prevent and detect fraud, like for example the four-eyes principle, the authorization matrix and segregation of duties

Risks in relation to legislation and regulations and compliance

Risk	Description and/or possible consequences	Measures
Compliance with changing and growing legislation and regulation	Non-compliance or late compliance with legislation and regulation can result in negative (material and financial) impact on Jumbo's legal position and reputation	<ul style="list-style-type: none"> • Jumbo's 'Code Yellow' Code of Conduct / uniform internal guidelines • Monitoring and training in relation to legislation and regulation
Compliance with financial reporting legislation	The internal and external (financial) reporting does not comply with legislation	<ul style="list-style-type: none"> • Ensuring that the reports to external stakeholders, for example in the form of banking reports and the consolidated financial statements, comply with the applicable legislation and regulation for financial reporting (Title 9 of Book 2 of the Dutch Civil Code and IFRS).
Speak Up arrangement	In the absence of a healthy ethics and compliance culture, incidents and structural issues that could potentially impact Jumbo's reputation negatively will not be timely identified and addressed	<ul style="list-style-type: none"> • Increase awareness and familiarity of the Speak Up arrangement

Compliance

Compliance risks are the risks arising from non-compliance or non-timely compliance with legislation and regulations and internal guidelines and procedures, and which can have an immediate impact on our reputation, legal position and/or business processes.

Code Yellow: Jumbo's code of conduct

The Jumbo code of conduct 'Code Yellow' was introduced in 2017. Awareness in relation to Code Yellow has been expanded to include franchisees with whom we work, as well as the temporary employment agencies. Code Yellow reflects the way in which we as a company represent ourselves in society and helps us to strengthen Jumbo's reputation as organisation and employer. Code Yellow not only provides guidelines for complying with the relevant legislation and regulations, but also contains provisions concerning ethical conduct, respectful cooperation and protecting company resources and information. All employees at the head office, in the stores, restaurants, at the distribution centres, EFCs and in the hubs are expected to respect and comply with the Code Yellow. Safeguarding compliance in all parts of the organisation is one of the objectives for the Management Board and Executive Committee. The constant activation of Code Yellow has been included in the Internal Control Framework, and elsewhere.

Jumbo Speak Up scheme

In 2020, as part of Code Yellow, the Speak Up scheme was continued. Via Speak Up, employees can report actual or possible violations of Code Yellow or any other actual or possible abuses. An effective reporting system is essential for a healthy corporate culture. Jumbo places great value on honesty, integrity and transparency. That requires an open and safe working environment in which everyone should feel free to speak out and report actual or possible abuses related in any way whatsoever with Code Yellow. This way, Jumbo can tackle problems on time and in an appropriate manner. Employees can make a report - anonymously if they wish - through various channels:

- Manager or HR Business Partner
- Speak Up contact within the Legal department
- External confidential adviser
- Speak Up service (by telephone or online)

At Jumbo, the Ethics Committee is responsible for receiving, assessing and evaluating reports made through Speak Up. The Ethics Committee also supervises the investigation, if applicable. The Speak Up scheme does not apply for HR-related reports (e.g. about assessments, employment conditions, application of the collective labour agreement, health and safety, absenteeism and rehabilitation or similar matters).

Risk management & coronavirus

Because of the coronavirus pandemic, Jumbo's crisis approach - within the context of risk management - played a crucial role in 2020 and 2021. At the first signs that the coronavirus would indeed have an impact in Europe, Jumbo deployed a multidisciplinary crisis team under the direction of the Management Board. This team initially focused on preventing and mitigating the two greatest risks: the disruption of the logistical flow of goods, resulting in the disruption of the food supply in the Netherlands, and the danger to the safety and health of employees and customers.

During the course of the crisis, the composition and approach of the crisis team was adjusted to remain agile and decisive. This adjusted composition remained during 2021. Central to this is Jumbo's basic principle of successfully anticipating the customer's changing needs in the context of the coronavirus crisis.

Besides the constant focus on the supply chain and the safety of employees and customers, direct and clear communication to all stakeholders and creating connection have been important points of concern throughout Jumbo's approach to this crisis. There has been constant and intensive contact with the Dutch Food Retail Association (CBL) and its members to work together to ensure that supermarkets met all safety measures as well and as quickly as possible and in so doing continue to fulfil their crucial role in the food supply in the Netherlands.

Corporate governance

As a family business, Jumbo values transparency very highly. This is expressed in, among other things, the way Jumbo is managed. We want to and must take into account the interests of many different stakeholders. Sometimes these interests conflict with each other and we have to reach a careful balance. We account for how we manage the business and how we balance the different interests in extensive reporting to various target groups. We share this publicly on [Jumborapportage.com](https://www.jumborapportage.com), [Nieuws.Jumbo.com](https://www.nieuws.jumbo.com), [Jumbo.com](https://www.jumbo.com) and via external publications.

Good governance

Jumbo is characterised by the close involvement of the founders and owners of the group, the Van Eerd family, in the business operations and supervision thereof. The family members work with the Management Board and the Executive Committee to manage the company based on a long-term perspective. The Dutch corporate governance code serves as the guide in this.

Corporate governance structure



	Description	Consultation structure
Shareholders	The Jumbo shares are fully owned by the Van Eerd family and equally divided among Karel van Eerd and his children Colette, Frits and Monique. The family regulations lay down the shareholder relations and agreements. These are aimed at ensuring Jumbo's continuity as a family business. The family regulations have been in force since 2012.	General meeting of shareholders once per year and family meeting four times per year.
Supervisory Board	Karel van Eerd is Supervisory Board Chairman. The other Supervisory Board members are Antony Burgmans, Piet Coelewijn, Wilco Jiskoot (contact person for the Jumbo Entrepreneurs' Association) and Jacqueline Hoogerbrugge. All of the Supervisory Board members have extensive management experience. There is also a great deal of knowledge on the Supervisory Board about food retail, consumer marketing, supply chain management, e-commerce, digitalisation, financing, mergers and acquisitions and corporate governance.	The Supervisory Board met six times during the reporting year. These meetings take place in accordance with a pre-agreed meeting schedule or are convened if there is a special reason to do so. The Supervisory Board meetings are usually attended by all members. There were no frequent absences on the part of one or more members. The Supervisory Board also met without the Management Board during the reporting year.
Audit Committee	The Audit Committee is made up of Wilco Jiskoot (chair) and Jacqueline Hoogerbrugge.	The Audit Committee met four times during the reporting year. The Audit Committee supports the Supervisory Board in relation to financial reporting, accounting, the financial statements, financing, tax issues and the internal control and risk management system.
Commercial Committee	The Commercial Committee is made up of Karel van Eerd (chair), Antony Burgmans and Piet Coelewijn.	The Commercial Committee met three times during the reporting year. The Commercial Committee supports the Supervisory Board in relation to the commercial strategy and sub-areas relating to that.
Governance Committee	The Governance Committee is made up of Karel van Eerd (chair), Antony Burgmans and Wilco Jiskoot.	The Governance Committee met twice during the reporting year. The Governance Committee supports the Supervisory Board and the Shareholders in issues relating to good governance, the relationship between shareholders and the company as well as succession issues in the Supervisory Board and the Management Board.
Management Board	The Management Board consists of Frits van Eerd (CEO), Ton van Veen (CFO), Colette Cloosterman-van Eerd (CCO), and Cees van Vliet (COO).	The Management Board meets at least once a week and takes decisions on both the long-term strategy and the day-to-day implementation of that.
Company secretary	Claire Saes is the company secretary. She is also ultimately responsible for Corporate Affairs and ad interim for HR.	
Fit for Purpose-teams	Fit for Purpose-teams are set up for cross-functional decision-making around themes such as commerce, format development, CSR, operational excellence and people & culture.	The meeting structure varies from team to team and ranges from once a week to once a quarter.

Personal details

Supervisory Board

C.J.M. van Eerd (83) Supervisory Board Chairman

Mr C.J.M. van Eerd holds Dutch nationality. The year of first appointment was 2009. The term of the appointment expires in 2025.
Former principal position: CEO Koninklijke Jumbo Food Groep B.V.

A. Burgmans (74)

Mr A. Burgmans holds Dutch nationality. The year of first appointment was 2009. The term of the appointment expires in 2024.
Former principal position: CEO Unilever.
Relevant ancillary activities until April 2018: Chair of the Supervisory Board AkzoNobel; other ancillary activities until April 2016: Chair of the Supervisory Board at TNT Express, Non-executive Director BP plc.

P. Coelewij (61)

Mr P. Coelewij holds Dutch nationality. The year of first appointment was 2018. The term of the appointment expires in 2022.
Former principal position: CEO Wehkamp B.V.
Relevant ancillary activities: Chairman of the Supervisory Board of PMM Public Mediamarkt, member of the Supervisory Board at Royal FloraHolland and the Supervisory Board at Interparking S.A.

J.C. Hoogerbrugge (58)

Ms J.C. Hoogerbrugge holds Dutch nationality. The year of first appointment was 2020. The term of the appointment expires in 2024.
Former principal position: President Operations Cloetta.
Relevant ancillary activities: Member of the Supervisory Boards at the Swedish companies Dometic and Swedish Match, the Dutch company Broadview Holding and the Portuguese company BA Glass.

W.G. Jiskoot (71)

Mr W.G. Jiskoot holds Dutch nationality. The year of first appointment was 2009. The term of the appointment expires in 2025.
Former principal position: Member of the Management Board at ABN AMRO.
Relevant ancillary activities: Chairman of the Board of Directors of Constellation Netherlands Holding B.V. and member of the Supervisory Board at HEMA.

Supervisory Board



Karel van Eerd



Antony Burgmans



Piet Coelewij



Jacqueline Hoogerbrugge



Wilco Jiskoot

Management Board

G.F.T. van Eerd (54), CEO

Mr G.F.T. van Eerd holds Dutch nationality. Area of focus: ultimately responsible for Jumbo.

Relevant ancillary activities: board member at CBL, founder of Frits-Starter.

A.L. van Veen (52), CFO

Mr A.L. van Veen holds Dutch nationality. Areas of focus: Finance, Technology & Data, Corporate Affairs, Franchise & Real Estate, Human Resources, Internal Audit.

Relevant ancillary activities: Supervisory Board Chairman for Team Jumbo-Visma, Member of the Supervisory Board at PSV, Member of the Supervisory Board at Rituals Cosmetics, Member of the Supervisory Board at HEMA and director of Mississippi Ventures B.V.

C.M.P.W. Cloosterman-van Eerd (55), CCO

Ms C.M.P.W. Cloosterman-van Eerd holds Dutch nationality. Areas of focus: Formula & Format, La Place.

Relevant ancillary activities: board member at Topsport Community, Member of the Management Board and Supervisory Board at Thuiswinkel.org, driver of NL2025, driver of the National Coalition against Loneliness.

C.H. van Vliet (52), COO

Mr C.H. van Vliet holds Dutch nationality. Areas of focus: Buying & Merchandising, Marketing, E-commerce, Sales & Operations, Supply Chain, Jumbo Belgium.

Jumbo Executive Committee

R.M.J. Bertrand, Formula

P.A. van Erp, Finance

F.M.S. Franken-Mulder, Marketing and Buying & Merchandising

T. Hehenkamp, Technology & Data

P. Isaac, Jumbo Belgium

C.J.A. de Jong, Supply Chain

Mr C.P.W. Saes, Corporate Affairs and ad interim Human Resources

D.H. Snel, Franchise & Real Estate

Mr A.T.J. Willemse, Sales & Operations

A. Theunissen, La Place

Central Works Council (CWC)

R.T. Huitenga, Chair

C.J.J.B. van Overveld, Vice-chair

J. Blaak, Member

J. Kamphuis, Member

R. Koudijs, Member

R.J.P.B. van de Laar, Member

J.J.H. van Meer, Member

G.J. Middelbos, Member

M. de Rozario, Member

M.C.P. Kortman, Official Secretary

The composition and ages shown are as of 2 January 2022.

Management Board



Frits van Eerd



Ton van Veen



Colette Cloosterman-
van Eerd



Cees van Vliet

Jumbo Executive Committee



Ralph Bertrand



Peter van Erp



Frances Franken-
Mulder



Tim Hehenkamp



Peter Isaac



Karel de Jong



Claire Saes



Douwe Snel



Alice Theunissen



Theo Willemse

Outlook for 2022

It looks like 2022 will again be a year with both positive and negative developments, just like 2020 and our 2021 anniversary year also had. Unfortunately, we cannot yet put the coronavirus pandemic completely behind us and look forward to a normalisation of daily life. However, it is likely that the changes in the world around us will continue to come at a rapid pace. At Jumbo we actively respond to this, but at the same time we stick to our mission to make shopping more enjoyable. The characteristic Jumbo DNA helps us with that, as do our 7 Certainties. We expect this commitment to help us achieve our revenue target of €10 billion in 2022.

7 Certainties

It is still uncertain how the revenue in the supermarket sector will develop once the periods of lockdown and restrictive measures come to an end. At Jumbo we realise that revenue growth must come mainly from new store locations, the full reopening of La Place and overall better performance than the market. As far as this last aspect is concerned, we will be focusing more than ever on our 7 Certainties. These universal principles in relation to price, quality, smooth shopping and service stand firm and are, in a certain sense, timeless. However, the way in which we fulfil our promises to the customer must always be adapted to current developments. By constantly asking ourselves how the customer benefits, we want to continue to distinguish ourselves positively in the area of customer focus.

Store openings

For 2022, we foresee a further expansion of our store portfolio, with some 15 new locations each in the Netherlands and Belgium. In Belgium we will continue to focus on the Flemish region; expansion into Wallonia is not yet on the cards this year. In the course of 2022, dozens of Jumbo shops in the Netherlands will be renovated, so that they will again comply with the principles of our formula. We are investing heavily in Fresh Kitchens, for instance, with tasty and healthy meals, prepared in store, to take away. The increasing need for convenience and unburdening is creating a strong demand for this. In 2022, we will also start a trial with offering Jumbo food products in some HEMA stores.

Investing in online

We notice that the battle for the online customer is also having repercussions on the retention and attraction of customers to our physical stores. An increasing share of our revenue is shifting to our digital channels, however. As a result, we continue to invest heavily in online. This is needed in order to keep up with the strong market demand and to work towards profitable operations. Next year, we will be adding four regional delivery hubs to our portfolio. In the first half of 2022, we will start our deliveries to the flash delivery company Gorillas. Part of the Jumbo and La Place product range will then be in easy reach of Gorillas customers in the major cities. In the course of the second half of the year, our own Jumbo customers will also be given the choice of regular home delivery or lightning-fast delivery within ten minutes.

E-commerce Nederland

The online grocery market has a lot of potential, but also faces several challenges. All the existing and new players are seeking out efficiency improvements, profitable business models and opportunities for cooperation. Based on the need for a level playing field for all stakeholders in this new market, we sought connection with the new employers' association E-commerce Nederland. As a result, we are also preparing to switch to the new E-commerce collective labour agreement for our online activities. An important motive is the need for employment conditions that are well-suited to an innovative industry that is developing rapidly. The E-commerce collective labour agreement will only apply to new employees at Jumbo.

Health and exercise

The demand for delicious and healthy food will grow further in 2022, as will the interest in an active lifestyle. At Jumbo, we respond to that need in different ways. In 2022 we will start displaying the Nutri-Score indication clearly on Jumbo's private label products. This food choice logo helps customers make a conscious choice for healthier food. We will also make the Jumbo Foodcoach app available to everyone. This application to encourage customers to adopt a healthier lifestyle with the right nutrition and sufficient exercise has already been extensively tested by top and amateur athletes in recent years. Together with sports umbrella organisation NOC*NSF, we are working to develop Jumbo Foodcamp, a new learning programme on nutrition, health and sport that will be available to trainers and coaches of all the more than 25,000 sport clubs in the Netherlands.

La Place

Food service formula La Place has not been able to realise its full potential in the past two years because of the forced closures in the hospitality sector. Preparations have been undertaken to emerge stronger from the coronavirus crisis. The new restaurant concept 'All Day Good Food Fast' is built entirely on convenience and fast service, and provides a surprising range of delicious, healthy and fresh food and drinks that stimulates the senses. La Place will be further developing this concept with its new collaboration partner the Vermaat Groep. For 2022, La Place is aiming for growth at home and abroad, among other ways through further expansion of the La Place Express convenience formula in city centres.

Taking responsibility

We continue to work in many areas to make our product range and operations more sustainable. Our key starting point here is balancing concern for people, animals and the environment. Society rightly demands that everyone contributes to combating climate change. For several years, we have had our own targets in this area, but we want to extend these to our entire value chain. We will therefore work with so-called science-based targets to stay within the margin of a maximum 1.5°C temperature increase. In 2022, we will remain committed to open dialogue with diverse stakeholder groups, ranging from customers to civil society organisations, and from employees to suppliers. We want to be transparent about the activities we undertake and consider it very important to share knowledge and insights with each other.

Changing playing field

We realise that the changes and uncertainties in the food industry are now greater than ever. Customer behaviour is becoming more unpredictable, online growth is booming and new, often international players are entering the market. All of this creates a changing playing field, which is also fuelled by scarcity of raw materials and transport capacity, significantly higher purchase prices and an extremely volatile labour market. The rising costs and narrower margins that this brings about call for a critical look at our earning models and, if necessary, adjustments to our formula and business operations. In these challenging times, it is very much about smart innovation and keeping costs under control at the same time. We already explicitly took this into account in the preparations for our new Multi-year Plan 2022-2025. As part of the new Multi-year Plan, Jumbo will also review its top structure in 2022.

Full attention to the customer

Amid all the changes, there is also one constant: full attention to the customer is and remains of utmost importance. As a family business, we therefore maintain our long-term focus on our customers. Even in a challenging market, shopping should be and remain enjoyable. Even a hundred years from now, as far as Jumbo is concerned!

Report from the Supervisory Board

The Supervisory Board is pleased to determine that Jumbo successfully achieved its key strategic objectives in 2021. The revenue increase achieved by the Jumbo formula was to our satisfaction. Food service formula La Place, on the other hand, was again hit hard by the forced closures in the hospitality industry. The news that Jumbo was selected as the best national supermarket chain for the nineteenth time in the GfK Christmas report and that it has been awarded the designation of 'Royal' was received with great enthusiasm.

We look back on an eventful year. Koninklijke Jumbo Food Groep as a whole managed to successfully stand up to the challenges of the virus outbreak. Once again, no expense was spared to maintain the food supply and ensure the safety of customers and employees.

Throughout 2021, the company worked hard to put together its new Multi-year Plan 2022-2025. The world around Jumbo is changing rapidly and the customer is changing along with it: they want convenience and healthy food for a low price. Shortages are noticeable in all sorts of areas and society demands that everyone contributes to combating climate change. For the supermarket sector specifically, digitalisation, the battle for market share and the arrival of new market players also play a role. All in all, Jumbo is facing a multitude of dilemmas. That calls for a smart, proactive response. The Supervisory Board applauds the fact that fundamental choices have been made in the new Multi-year Plan.

Focus on the Jumbo formula

Jumbo has continued to focus strongly on its relationship with the customer. Everything is aimed at putting the customer first. Especially in these times of the coronavirus, customers must be able to rely on Jumbo. That is why Jumbo has continued to focus on training and retraining employees in the 7 Certainties. The principles behind the 7 Certainties were also scrutinised and discussed, with the aim of adapting these to the spirit of the times where necessary.

Offline and online

Steps were once again taken to enable Jumbo to grow into a leading omnichannel player in the Dutch food market. It is more important than ever to meet the customer where they are. Consumers have a greater need for convenience; time is increasingly a scarce commodity. We see that the market for meal and grocery delivery continues to grow rapidly as a consequence. Jumbo embraces new developments, such as flash delivery, even if they do not fit into the traditional business model. The strategic partnership with Gorillas creates new opportunities for Jumbo and helps strengthen its position in the city centres. At the same time, Jumbo continues to invest in the renewal and expansion of its store portfolio and online activities. This is necessary in order to maintain and further expand the undisputed number two position in the future. The expansion to new locations in Belgium is progressing successfully, despite any delay that has occurred due to the coronavirus pandemic.

Developments in product range

Jumbo again invested heavily in the quality of its product range. This is reflected in, among other things, the development in the product range, largely driven by innovations from the Jumbo Foodcollege. A large number of own-brand products were distinguished with (international) awards.

Conscious of its role in society

In 2021 Jumbo took the first, important follow-up steps towards integrated reporting. With this, the company sends a clear signal that it takes sustainable business operations seriously and that it wants to create both commercial and social value for the short, medium and long term. The Supervisory Board applauds this strategy. The Multi-year Plan devotes explicit attention to health and sustainability. Jumbo is thus clearly responding to societal wishes and needs, and in doing so making the transition from attention prompted by compliance to attention inspired by societal involvement.

Continuing to build a strong organisation

A further organisational optimisation took place under the banner of Operational Excellence. Processes and systems were strengthened with the aim of having the basics in order so as to be able to serve the customer optimally. It is paramount for Jumbo to remain an enterprising and customer-oriented business, where a passion for the customer and a keen eye for cost awareness prevail.

La Place

La Place took the occasion of the forced closures due to the coronavirus outbreak to emerge stronger from the coronavirus crisis. The formula has developed the restaurant concept to be better suited to the times. Good steps have also been taken to strengthen the restaurants operationally in strategic cooperation with the Vermaat Groep.

Supervisory Board meetings

The Supervisory Board met six times during the reporting year. These meetings take place in accordance with a pre-agreed meeting schedule or are convened if there is a special reason to do so. The Supervisory Board meetings are usually attended by all members. There were no frequent absences on the part of one or more members. The Supervisory Board also met without the Management Board during the reporting year.

The following topics were on the agenda during the 2021 reporting year: the effects of the coronavirus pandemic, development of the food retail market in general, the creation and implementation of the new Multi-year Plan and made more concrete in the 2022 Year Plan, initiatives for the Jumbo formula and differentiation, marketing campaigns, periodic discussion of the results, financing of the business, the results of the employee satisfaction survey, risk management and control systems, integrated reporting, Jumbo's governance model and other topics relating to the Supervisory Board's role in monitoring the business.

In this reporting year, particular attention was devoted to the commercial collaboration with HEMA, the opening of new Jumbo stores in Belgium, sustainability, further mechanisation of the logistics network, the Jumbo organisation, diversity and inclusivity, the starting points of the Jumbo formula and the strategic plans concerning La Place. The 2022 Year Plan was also approved, including the budget for 2022.

Audit Committee

In 2021, the following topics were among those discussed in the Audit Committee: the financial results of Jumbo and La Place, the financial statements, financing and tax issues, strategic projects, compliance, supply chain management, the Year Plan, the audit charter, the management letter and the audit report from the external auditor, and the quarterly Internal Audit reports.

Commercial Committee

The following topics were among those discussed in the Commercial Committee in 2021: brand positioning and marketing policy, the NPS and customer surveys, format differentiation, product range policy, market penetration, development in revenue and price policy. In particular, the strengthening of the 7 Certainties and, where necessary, the adaptation of these universal principles for Jumbo to the current spirit of the times, were considered.

Governance Committee

In 2021, the Governance Committee discussed the following topics, among others: current composition and functioning of the management bodies (Supervisory Board, Management Board and Executive Committee), succession planning for key officers, relationship between the family charter and the company, long-term value creation and the proposed changes to the top structure of Jumbo in 2022.

General Meeting, financial statements, profit appropriation and discharge

The 2021 financial statements are accompanied by an audit opinion from PricewaterhouseCoopers Accountants N.V.

The Supervisory Board advises the General Meeting to adopt the 2021 financial statements and add the 2021 result to the other reserves in line with the proposal from the Management Board. The Supervisory Board also advises the General Meeting to grant the Management Board discharge for the policy pursued and the Supervisory Board for the supervision exercised.

The Supervisory Board feels it is important to express its appreciation for the major efforts made by the Management Board and all the employees during the reporting year, as well as for the results achieved during this year.

Veghel, 22 February 2022

Supervisory Board
Koninklijke Jumbo Food Groep B.V.

Karel van Eerd
Antony Burgmans
Piet Coelewij
Jacqueline Hoogerbrugge
Wilco Jiskoot



Annual accounts 2021



JUMBO

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Consolidated income statement for 2021

<i>in €1,000</i>	Note	2021	2020
Net revenue	1	7,840,687	7,736,836
Cost of sales	2	(6,515,951)	(6,347,578)
Gross revenue result		1,324,736	1,389,258
Other operating income	4	171,569	180,468
Selling costs	5	(962,435)	(945,008)
General and administrative costs	6	(206,966)	(240,951)
Total expenses		(1,169,401)	(1,185,959)
Net revenue result		326,904	383,767
Amortisation of intangible fixed assets	10	(121,938)	(105,719)
Impairments/reversal of impairments	7	(14,563)	(40,634)
Operating result		190,403	237,414
Financial income	8	1,735	7,261
Financial expenses	8	(37,806)	(40,996)
Result before taxes		154,332	203,679
Taxes	9	(40,067)	(66,807)
Result after taxes accruing to shareholders		114,265	136,872

Consolidated statement of comprehensive income for 2021

<i>in €1,000</i>	Note	2021	2020
Result after taxes		114,265	136,872
Results that will not be reclassified to the income statement			
Actuarial results on defined benefit plans	21	(2,148)	3,875
Taxes on changes to defined benefit plans	9	530	(970)
Changes in fair value of derivative financial instruments	20	-	10
Taxes on changes in fair value of derivative financial instruments	9	-	(2)
		(1,618)	2,913
Total result		112,647	139,875
Total result accruing to shareholders		112,647	139,785

Consolidated balance sheet as of 2 January 2022

Before profit appropriation, in €1,000

ASSETS	Note	2 January 2022	3 January 2021
Fixed assets			
Intangible fixed assets	10	1,699,863	1,693,292
Tangible fixed assets	11	528,155	489,703
Right-of-use assets	12	2,502,193	2,567,938
Financial fixed assets	13	109,882	63,188
Deferred tax assets	9	4,074	3,050
		4,844,167	4,817,171
Current assets			
Assets held for sale	14	17,329	28,736
Inventories	15	187,446	198,568
Trade debtors and other receivables	16	401,140	313,784
Cash and cash equivalents	17	78,705	74,357
		684,620	615,445
TOTAL ASSETS		5,528,787	5,432,616
LIABILITIES			
Group equity			
Issued capital		8	8
General reserves		559,498	551,744
Unappropriated result		114,265	136,872
Total group equity	18	673,771	688,624
Non-current liabilities			
Lease commitments	19	2,319,177	2,392,198
Loans and other liabilities	20	350,841	352,251
Pensions and other employee benefit obligations	21	23,684	21,485
Deferred tax liabilities	9	187,845	186,087
Provisions	22	1,527	1,777
		2,883,074	2,953,798
Current liabilities			
Liabilities held for sale	14	4,754	-
Lease commitments	19	227,934	220,316
Loans and other liabilities	20	101,009	1,928
Provisions	22	891	6,088
Corporate income tax	9	1,304	15,546
Trade creditors and other payables	23	1,636,050	1,546,316
		1,971,942	1,790,194
Total liabilities		4,855,016	4,743,992
TOTAL LIABILITIES		5,528,787	5,432,616

Consolidated cash flow statement for 2021

According to the indirect method, in €1,000

	Note	2021	2020
Cash flow from operational activities			
Operating result		190,404	237,414
Adjustments for:			
Depreciation and amortisation of tangible fixed assets, intangible fixed assets and rights of use	10, 11, 12	485,832	458,224
Impairments/reversal of impairments	7	14,563	40,634
Result on divestments of assets		(15,347)	(5,702)
Movement in right-of-use assets and lease commitments		(13,172)	(885)
Movement in fair value of derivative financial instruments		-	(39,972)
Movement in long-term receivables, non-current liabilities and provisions		(2,464)	(16,473)
		659,816	673,240
Movements in working capital:			
Movement in inventories		11,122	(19,325)
Movement in trade debtors and other receivables		(89,359)	(6,166)
Movement in trade creditors and other payables		90,074	81,959
Cash flow from business operations		671,653	729,708
Corporation tax paid		(53,019)	(35,151)
Net cash flow from operational activities		618,634	694,557
Cash flow from investment activities			
Investments in tangible fixed assets/intangible fixed assets		(272,129)	(297,062)
Divestments of tangible fixed assets/intangible fixed assets	11	2,518	763
Investments in right-of-use assets		(2,795)	(2,023)
Investments in assets held for sale		(13,331)	(267,154)
Divestments of assets held for sale		19,573	319,881
Acquisition of interests		(31,786)	(24,730)
Disposals of interests		21,928	105
Long-term receivables provided	13	(95,353)	(18,377)
Repayments on long-term receivables	13	66,414	18,140
Interest received		3,679	3,317
Net cash flow from investment activities		(301,282)	(267,140)
Cash flow from financing activities			
Proceeds from long term loans	20	300,000	-
Repayments on long-term loans	20	(200,000)	(62,500)
Payments under lease commitments	19	(279,347)	(297,907)
Interest paid		(6,157)	(6,642)
Dividends paid	18	(127,500)	(52,500)
Net cash flow from financing activities		(313,004)	(419,549)
Total net cash flow		4,348	7,868
Opening balance cash		74,357	66,489
Closing balance cash	17	78,705	74,357

Consolidated movements in group equity 2021

The movements in group equity for 2021 were as follows (see note 18):

<i>before profit appropriation, in €1,000</i>	Issued capital	General reserves	Unappropriated result	Total group equity
Balance at start of 2021 financial year	8	551,744	136,872	688,624
Result after taxes	-	-	114,265	114,265
Appropriation of profit previous financial year	-	136,872	(136,872)	-
Actuarial results on defined benefit plans	-	(1,618)	-	-1,618
Fair value of derivative financial instruments	-	-	-	-
Total result	-	135,254	(22,607)	112,647
Payment of dividend to Stichting Jumbo Groep	-	(127,500)	-	(127,500)
Total movements in relationship with shareholders	-	(127,500)	-	(127,500)
Balance at end of 2021 financial year	8	559,498	114,265	673,771

The movements in group equity for 2020 were as follows:

<i>before profit appropriation, in €1,000</i>	Issued capital	General reserves	Unappropriated result	Total group equity
Balance at start of 2020 financial year	8	486,451	114,880	601,339
Result after taxes	-	-	136,872	136,872
Appropriation of profit previous financial year	-	114,880	(114,880)	-
Actuarial results on defined benefit plans	-	2,905	-	2,905
Fair value of derivative financial instruments	-	8	-	8
Total result	-	117,793	21,992	139,785
Payment of dividend to Stichting Jumbo Groep	-	(52,500)	-	(52,500)
Total movements in relationship with shareholders	-	(52,500)	-	(52,500)
Balance at end of 2020 financial year	8	551,744	136,872	688,624

Notes to the consolidated financial statements

General

The company and its activities

The activities of Koninklijke Jumbo Food Groep B.V. ('Jumbo' or 'Group') (Chamber of Commerce number 17136209), with registered office at Rijksweg 15 in Veghel, and its group companies consist mainly of food retail and hospitality.

These consolidated financial statements were prepared by the Management Board and signed on 22 February 2022. The 2021 annual report has been submitted to the General meeting for adoption on 22 February 2022.

Statement of compliance with International Financial Reporting Standards

The consolidated financial statements and notes are in accordance with the International Financial Reporting Standards (IFRS) as endorsed in the European Union and with Title 9 of Book 2 of the Dutch Civil Code (Dutch financial reporting rules).

General principles

The consolidated financial statements of Jumbo have been prepared based on historical cost to the extent IFRS does not prescribe a different valuation policy for specific items. This latter situation applies for: assets held for sale, deferred tax liabilities, derivative financial instruments and defined benefit schemes.

Jumbo's financial year covers a period of 52 or 53 weeks and ends on the Sunday closest to 31 December of the applicable year. The 2021 financial year consisted of 52 weeks and ended on 2 January 2022. The comparative 2020 financial year consisted of 53 weeks. The 2020 financial year started on 30 December 2019 and ended on 3 January 2021.

The consolidated financial statements have been prepared in euros; this is also the functional currency. The amounts in the financial statements are presented in to €1,000, rounded to the nearest thousand, unless stated otherwise.

Continuity

The outbreak of the coronavirus in 2020 and the related corona crisis still has a major impact on society. In 2021, the corona pandemic was still ongoing. The pandemic also had a significant (operational) impact on the retail sector these previous years. As a supermarket business, we fulfil a crucial function and have an extra responsibility for society, which is why we were designated by the government as a critical profession. As in previous years, the Dutch and Belgian governments have implemented significant measures to limit the pandemic's social and economic impact. Partly thanks to these measures, Jumbo's net revenue has increased significantly compared to the year before the coronavirus pandemic.

Research by the Centraal Planbureau shows that the corona crisis will impact the economy on the medium and long term. The retail sector will increasingly experience barriers in terms of both personnel and equipment/goods. This carries risks for Jumbo due to potential shortages of staff and raw materials. In 2021 Jumbo experienced an increase in energy, raw materials and personnel costs. Furthermore, suppliers experienced an increase in stock shortages due to a lack of transport capacity and more and more regions experienced staff shortages. These rising costs are putting pressure on profitability. However, there is currently no reason to doubt Jumbo's ability to continue as a going concern.

Unlike the supermarkets of Jumbo, the La Place restaurants were hit hard by (partial) closure of hospitality establishments in 2020 and 2021. Restaurant revenue will again remain far below plan in 2021. La Place however did not participate in the 'Noodmaatregel Overbrugging Werkgelegenheid' (NOW scheme), as the Group decided that support should be allocated to the entrepreneurs who need it more. As part the strategic partnership between La Place and Vermaat Groep, Vermaat Groep acquired the exploitation of 44 La Place restaurants as per 1 April 2021. The partnership is based on the continuation of the La Place formula.

At the moment there is no reason for Jumbo to conclude that its continuity is jeopardized by the social and economic situation. Jumbo continues to invest heavily in the future. The financial statements have therefore been prepared on the presumption of going concern. We continue to follow the policies and advice of the various national and international institutions and, at the same time, are doing our best to continue our activities as well and safely as possible, taking into account the health of our employees and the environment.

Consolidation principles

The consolidated financial statements of Jumbo include the financial data of companies belonging to the Jumbo and other legal entities in which Jumbo can exercise control over the financial and operational policy.

There is control at the moment Jumbo can exert control over the participation, is exposed to variable returns from its involvement with the participating interest and Jumbo has the ability to affect those returns through its power to direct the activities of the entity. If Jumbo does not have the majority of the voting rights or similar rights in a participation, it takes into account all the relevant facts and circumstances in assessing whether it can exercise control of the participation.

The financial data of the consolidated group companies, with the exception of J&C Acquisition Holding B.V., are fully included in the consolidated financial statements, taking into account the elimination of intercompany relations and transactions. Based on the economic reality, J&C Acquisition Holding B.V. is proportionately reported as part of Jumbo for 66.67%, whereby distribution only takes place to the shareholders. The recognition percentage is based on the financial distribution, i.e. 66.67% for Jumbo and 33.33% for Coop Holding B.V.

The following participations were included in the consolidation of Jumbo at the end of the financial year (as a percentage of share capital):

Company	Registered office	2021	2020
Jumbo Food B.V.	Veghel	100%	100%
- Jumbo Distributiecentrum B.V.	Veghel	100%	100%
> Jumbo Logistiek Vastgoed B.V.	Veghel	100%	100%
- Jumbo Supermarkten B.V.	Veghel	100%	100%
> Jumbo Supermarkten Vastgoed B.V.	Veghel	100%	100%
> EMTÉ Kapelle B.V.	Veghel	100%	100%
- Euroselect B.V.	Veghel	100%	100%
- Jumbo Omnichannel B.V.	Veghel	100%	100%
> Jumbo Omnichannel Vastgoed B.V.	Veghel	100%	100%
- Jumbo België B.V.	Brasschaat	100%	100%
> Jumbo België Franchise 1 B.V.	Brasschaat	100%	-
La Place Food Groep B.V.	Veghel	100%	100%
- La Place Food B.V.	Veghel	100%	100%
- La Place Food GmbH	Montabaur	100%	100%
J&C Acquisition Holding B.V.	Veghel	50%	50%

During 2021 the following name changes were made:

- Jumbo Groep Holding B.V. changed its name to Koninklijke Jumbo Food Groep B.V.
- Jumbo Food Groep B.V. changed its name to Jumbo Food B.V.

Jumbo made the following changes to its corporate structure in 2021:

- Jumbo België B.V. incorporated Jumbo België Franchise 1 B.V. on August 31, 2021.
- Jumbo Supermarkten B.V. acquired Coback B.V. (including Hema Bakkerijen B.V.) per December 31, 2021
- Jumbo Supermarkten B.V. divested Coback B.V. (including Hema Bakkerijen B.V.) per December 31, 2021

The two-tier board structure applies to Jumbo. The company is managed by the Management Board. Supervision is exercised by the Supervisory Board.

Koninklijke Jumbo Food Groep B.V. is the parent company of the Group. Stichting Jumbo Groep holds 100% of the issued shares and was incorporated to promote the interests of the ultimate shareholders of Jumbo. Stichting Jumbo Groep is not a parent company since Stichting Jumbo Groep is not entitled or exposed to variable returns from its involvement with Jumbo.

Business combinations

A business combination is recognised based on the acquisition method of accounting on acquisition date. This is the date on which control is passed to Jumbo.

Jumbo records goodwill on acquisition date as the excess of the consideration transferred over the fair value of the identifiable assets and liabilities acquired. If the difference is negative, a gain is recognised in the income statement.

The consideration transferred does not include any amounts for settling existing relationships. These amounts are recognised in the income statement. Transaction costs incurred by Jumbo in acquiring a business combination, not being the costs for issuing liability or equity instruments, are recognised in the income statement when they are incurred.

Fair value measurement

Jumbo's accounting policies and disclosure practices require that the fair value of both financial and non-financial assets and liabilities are determined. Fair value measurements are categorized in accordance with the levels of the fair value hierarchy. In accordance with IFRS 13, the following number of valuation levels are defined for fair value measurement of the financial instruments recognised:

- Level 1: quoted market prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices.).
- Level 3: inputs for the asset or liability which are not based on observable market data (non-observable input). To determine these level 3 valuations, Jumbo uses generally accepted valuation models.

The methods used for fair value measurement are stated below for the relevant items.

Intangible assets

The fair value of intangible assets acquired in a business combination is based on the expected present value of the cash flows from the use of the asset or by using a revenue multiple (level 3).

Tangible fixed assets

The fair value of tangible fixed assets acquired in a business combination is based on the market value. The market value is the estimated amount for which the asset can be traded between a well-informed buyer and seller in a business transaction between third parties (level 3).

Inventories

The fair value of the inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated selling and disposal costs less a reasonable profit allowance for the effort of preparing the inventories for sale and selling the inventories (level 3).

Financial instruments (such as receivables and debts)

The trade and other receivables, trade payables and other liabilities are measured at fair value upon initial recognition. They are subsequently measured at amortised cost, using the effective interest method less an allowance for the risk of uncollectability. These allowances are determined on the basis of individual assessment of the receivables. When determining the effective interest rate, mark-ups and discounts at acquisition date are taken into account (level 3).

Derivative financial instruments (derivatives)

The fair value of derivative financial instruments is the estimated amount that Jumbo would receive or pay to settle the contract as of the balance sheet date, taking into account the current interest rate and current creditworthiness of both contract parties. These valuations are verified for reasonableness using techniques based on discounted cash flows on the basis of the conditions and the terms of the contract and using the market interest rate for a similar instrument as of the valuation date (level 2).

Foreign currencies

Receivables, debts and liabilities denominated in foreign currencies are converted to euros at the exchange rate on the balance sheet date. Transactions in foreign currencies during the reporting period are recognised in euros in the consolidated financial statements at the exchange rate on the transaction date. Differences arising from the conversion are recognised in the income statement.

Jumbo has interests in entities that are located in the European Union, (Netherlands, Belgium and Germany) and which use the euro as functional and reporting currency.

Effects of new accounting policies effective for the current financial year

As a result of the Covid-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment breaks, deferral of lease payments or rent discounts. In May 2020, the IASB made an amendment to IFRS16 'Leases' which provides lessees with an exemption for the accounting of rent concessions that are a direct result of the Covid-19 pandemic. As a practical expedient, a lessee can opt not to assess whether a Covid-19-related rent concession from a lessor is a lease modification. A lessee that applies this practical expedient treats every change in lease payments arising from the Covid-19-related rent concession in the same way as it would include the change under IFRS 16, if the change were not lease modifications. The amendment is applicable to financial years which start on or after 1 June 2020. Early adoption is allowed. Jumbo applied this practical expedient in the annual accounts 2020. This change had no significant impact on the consolidated financial statements of Jumbo. In 2021 Jumbo has not obtained Covid-19-related rent concessions.

In addition to the current accounting policies in relation to the reform of the interbank benchmark rates, the IASB made phase 2 amendment of these reforms in August 2020 to IFRS 9 'Financial instruments', IAS 39 'Financial instruments: Recognition and Measurement', IFRS 7 'Financial instruments: Disclosures', IFRS 4 'Insurance contracts' and IFRS 16 'Leases'. Phase 2 amendments became effective for financial years starting on or after 1 January 2021.

Jumbo holds financial instruments that are based on the interbank benchmark rate Euribor. As part of the reform of the interbank benchmark rates, Euribor will remain. None of the financial instruments held by Jumbo are based on interbank benchmark rates that have been replaced. Therefore, this amendment does not have a significant impact on the consolidated financial statements of Jumbo. The reform of interbank benchmark rates has potential impact on hedge accounting relationships. As Jumbo does not apply hedge accounting, this element does not impact the consolidated financial statements of Jumbo.

Effects of new accounting policies for future years

The IASB issued several standards, amendments and interpretations that are not yet effective for 2021 and have not been applied to these consolidated financial statements:

- IFRS 16 'Leases' (amendment): extension of the period of application of the practical expedient for Covid-19-related rent concessions.
- IFRS 3 'Business combinations', IAS 16 'Tangible fixed assets' and IAS 37 'Provisions, contingent liabilities and contingent assets': a number of amendments with limited impact.
- IAS 1 'Presentation of financial statements' (amendment): clarification of classification of liabilities as current or non-current.
- IAS 1 'Presentation of financial statements' and IAS 8 'Accounting policies, changes in accounting estimates and errors' (amendment): clarification of the difference between changes in accounting estimations and changes in accounting policies.
- IAS 12 'Income tax' (amendment): deferred tax related to assets and liabilities arising from a single transaction.
- IFRS 17 'Insurance contracts': will replace IFRS 4 'Insurance contracts'.

Jumbo does not apply early adoption of these standards and interpretations and does not expect that the application of these new accounting policies will have a significant impact on Jumbo's future consolidated financial statements.

Consolidated cash flow statement

The consolidated cash flow statement is prepared using the indirect method. Cash in the cash flow statement consists of the cash and cash equivalents. Cash flows are divided into cash flows from operational activities, investment activities and financing activities.

Cash flows denominated in foreign currencies have been converted at the rates used in the income statement. Income tax receipts and payments are included under the cash flow from operational activities. Interest receipts and payments are included under the cash flow from investment activities and the cash flow from financing activities, respectively. Any dividends paid are included under the cash flow from financing activities.

The payment of lease instalments is designated as a cash flow from financing activities. Transactions not involving any exchange of cash are not included in the consolidated cash flow statement.

Significant transactions

Acquisition and divestment of Coback B.V. (Hema Bakeries)

On 31 December 2021 Jumbo Supermarkten B.V. acquired all shares in Coback B.V. and its subsidiary Hema Bakkerijen B.V. On the same date, Jumbo Supermarkten B.V. sold its the shares in Coback B.V. and its subsidiary Hema Bakkerijen B.V. to BAC Onroerend Goed B.V. ('BACU'). Through this resale by Jumbo, the centralised bakery in Almere and the decentralised bakeries in Almere, Sneek, Zwolle, Doetinchem, Dordrecht and Helmond, including the 250 employees of Hema Bakkerijen B.V., have been transferred to BACU, a supplier of bread, pastries and bread specialties based in Uden. BACU already supplies bread and pastries to Jumbo and will supply bread and pastries to HEMA B.V. after this transaction.

On 1 February 2021 Jumbo provided a loan of € 50.000 to Jaguar Bidco B.V., the sole shareholder of HEMA B.V. for which the bakeries served as collateral. As part of the transaction with BACU, this loan was redeemed on 31 December 2021.

The consideration paid for acquisition of all shares in Coback B.V. amounted to € 3.000, which was settled on acquisition date from the cash received from BACU.

At acquisition date, the fair value of the assets acquired and held for sale amounted to € 69,387 and the fair value of the liabilities incurred and held for sale amounted to €53,778.

The consideration which was received on acquisition date for the divestment of all shares in Coback B.V. amounted to € 15.609. The acquisition and subsequent divestment of Coback B.V. has resulted in a book result before tax of € 12.609, which has been recognized in other income. The costs related to the acquisition and subsequent divestment amounted to € 764 and have been recognized in the consolidated financial statements under general and administrative costs.

La Place franchise agreement with Vermaat Groep

On 23 December 2020 La Place agreed to a strategic partnership with hospitality specialist Vermaat Groep. As part of the partnership, Vermaat Groep has acquired the exploitation, staff and assets of 44 La Place restaurants. Jumbo will remain owner of the La Place brand and will receive a consideration for the use of the La Place brand name and formula. Jumbo and Vermaat will work together on further development of the La Place restaurant concept. The partnership is aligned with the strategy of Jumbo and La Place. It is expected that the restaurants will improve operationally through the partnership. The transaction was executed on 1 April 2021, whereby the consideration for the assets and liabilities transferred was fully settled in 2021. The transaction did not lead to a significant result.

1. Net revenue

The net revenue is the revenue (excluding VAT) realised by Jumbo and La Place. This is the revenue realised through sales via the company's own stores (including online) and restaurants and via the distribution centres to third parties (mainly franchisees). The net revenue can be broken down as follows:

	2021	2020
Jumbo own stores	3,749,266	3,687,709
Jumbo franchise	3,988,276	3,965,630
Jumbo Belgium	95,737	47,125
La Place restaurants	7,408	36,372
	7,840,687	7,736,836

The decrease in revenue for the La Place restaurants is related to the acquisition of 44 restaurants by the Vermaat Groep and the forced closures due to the coronavirus measures.



Estimates and judgments

Jumbo has several saving campaigns, such as Jumbo Extras, where consumers save points that can be redeemed in the future for discounts on products or free products. Based on a best estimate of how much of the points issued will be redeemed by consumers, revenue is deferred at the time of the initial purchase, until the moment that consumers use the points for the discount or free products.



Accounting policies

The net revenue consists of the income from the provision of goods and services, including catering, to consumers and retail, less discounts and excluding taxes levied on the revenue. The net revenue from goods/service provision to consumers is recognised upon settlement by consumers at the cash register. The net revenue from goods/service provision to franchisees and third parties is recognised upon delivery from the distribution centres or delivery from suppliers. Income from services is recognised prorated to the degree to which the services have been performed, based on the costs incurred up to the balance sheet date in the context of the service provision as a proportion of the estimated costs of the total service provision to be performed. The cost price of these services is attributed to the same period.

2. Cost of sales

The cost of sales consists of:

	2021	2020
Cost of inventories	(5,946,895)	(5,856,516)
Other costs	(569,056)	(491,062)
	(6,515,951)	(6,347,578)



Estimates and judgments

When vendor allowances cannot be specifically identified in the purchase price of products, this requires the application of estimates on the timing of when performance obligations have been fulfilled, the volume of purchases that will be made during a period of time, the product remaining in ending inventory, and the probability that funds can be collected from vendors. Using these estimates, earned vendor allowances are allocated between cost of sales and inventory based upon the amount of related product that was sold and the amount that remains in ending inventories. This practice is based upon the turnover of the inventories.



Accounting policies

The cost of sales includes the acquisition price of the goods supplied less the vendor allowances realised. The cost of sales also includes the costs associated with operating the distribution centers, including transport to the stores. Also included are the IFRS16 depreciation costs for right-of-use assets, where these relate to distribution centers.

3. Employee benefits

The employee benefits are recognised in the income statement under the financial statements items cost of sales, selling costs and general and administrative costs. A breakdown of the employee benefits is shown below:

	2021	2020
Salaries	(557,474)	(581,580)
Social security contributions	(88,441)	(93,942)
Pension costs based on defined benefit plans	40	53
Pension costs based on defined contribution schemes	(42,713)	(37,550)
Other employee benefits	(4,596)	(10,113)
	(693,184)	(723,132)

Jumbo employed an average of 15,970 full-time equivalents in 2021 (2020: 16,445), 468 of whom (2020: 299) were outside the Netherlands.

The decrease in employee benefits is related to the decrease in the number of full-time equivalents and a decrease in variable remuneration.

4. Other operating income

The other operating income consists of:

	2021	2020
Sublease income real estate	110,538	103,395
Movement in fair value of derivative financial instruments	303	40,100
Services provided to franchisees	12,279	10,505
Proceeds from disposal of real estate	5,611	188
Proceeds from disposal of interests	12,609	-
Other	30,229	26,280
	171,569	180,468

The movement in the fair value of derivative financial instruments is the movement in the fair value of interest rate derivatives held (2020: the movements in the fair value of interest rate derivatives of €128 and of the purchase option with Supermarkt Vastgoed Fonds of €39,972).

The other operating income also includes the compensations charged to franchisees and other buyers for services provided.

In 2021, the proceeds from the sale of real estate included €1,733 in proceeds from sale and leaseback transactions (2020: €881) and €3,878 in proceeds on the sale of real estate.

The proceeds from disposal of interests arose from the acquisition and sale of the shares in Coback B.V. and its subsidiary HEMA Bakkerijen B.V. For further explanation of this transaction, refer to Significant transactions.

Included in Other are the proceeds received for delivering store and catering operations to franchisees and proceeds in connection with the sale of assets.



Accounting policies

Other operating income includes proceeds which are not directly attributable to the provision of goods or service in the ordinary, non-incident course of business. These proceeds are recognized in the reporting period in accordance with the underlying agreements.

Income from sublease contracts that can be classified as operational leases is recognised under other operating income. Jumbo's general principle is not to own real estate for store locations. Rental income from real estate therefore only relates to income from sublease agreements, mainly with entrepreneurs where Jumbo acts as the lessor.

The other operating income also includes the compensation charged to franchisees and other buyers for services provided. This also includes the income received for delivering store and catering operations to franchisees, income in connection with the sale of assets and the delivery of store and catering operations to third parties.

5. Selling costs

The selling costs consist of:

	2021	2020
Employee benefits expense	(462,361)	(479,940)
Depreciation/amortisation costs	(279,380)	(281,395)
Marketing costs	(103,372)	(77,531)
Other selling costs	(117,322)	(106,142)
	(962,435)	(945,008)

Marketing costs increased compared to 2020 for the purpose of clearly positioning the Jumbo formula and bringing it to the attention of customers.

Other selling costs mainly relate to housing costs, including energy, cleaning and maintenance costs. Inflation and the coronavirus crisis have caused a rising housing cost level.



Accounting policies

The selling costs consist of the costs directly and indirectly related to the sale of goods and services, including catering. This includes the costs relating to the operation of the company's own stores and the costs incurred by the head office to support the sales activities, including marketing costs for the stores and the franchisees. Also included are the IFRS 16 depreciation costs for right-of-use assets, where these relate to store locations.

6. General and administrative costs

The general and administrative costs consist of:

	2021	2020
Employee benefits expense	(77,053)	(108,493)
Depreciation/amortisation costs	(26,735)	(25,654)
Maintenance expenses	(33,025)	(30,756)
Lease expense real estate	(6,800)	(2,804)
Other general and administrative expenses	(63,353)	(73,244)
	(206,966)	(240,951)

The general and administrative costs relate mainly to the costs of the head office, including personnel costs, ICT costs and other indirect costs.

The decrease in personnel costs is also related to a decrease in variable remuneration.

The fees for external auditor PricewaterhouseCoopers Accountants N.V. ('PwC') which were charged to the income statement (attributed to the relevant financial year) can be summarised as follows:

	2021	2020
Audit of the financial statements	(512)	(632)
Other audit engagements	(12)	-
Tax consultancy services	-	-
Other non-audit services	-	(42)
	(524)	(674)

In 2021, the costs incurred in relation to the other PwC network amount to €139 (2020: €100).



Accounting policies

The general and administrative costs include the costs incurred in the context of managing the activities of Jumbo. Also included are the IFRS 16 depreciation costs for right-of-use assets, where these relate to locations which are neither distribution centers nor store locations.

7. Impairments

The impairments can be specified as follows:

1. **Impairment losses**
2. **Reversal of impairments**

	2021			2020		
	1	2	Total	1	2	Total
Goodwill and brand names	-	-	-	(6,072)	-	(6,072)
Other intangible fixed assets	(6,350)	266	(6,084)	(320)	7,126	6,806
Tangible fixed assets	(3,422)	-	(3,422)	(22,671)	1,384	(21,287)
Right-of-use assets	(8,015)	2,567	(5,448)	(21,041)	5,047	(15,994)
Assets held for sale	(203)	594	391	(4,087)	-	(4,087)
	(17,990)	3,427	(14,563)	(54,191)	13,557	(40,634)

Goodwill on acquisitions is allocated to (groups of) cash-generating units that benefit from the acquisition. Jumbo has defined cash-generating units at the level of Jumbo The Netherlands, Jumbo Belgium and La Place.

For the right of exclusivity in relation to the cooperation agreement with HEMA, included in other intangible fixed assets, the cash flow-generating unit has been set at the level of Jumbo Supermarkets. For other intangible fixed assets, tangible fixed assets and right-of-use assets which cannot be assessed on the individual level, Jumbo has defined the cash flow-generating unit to be the related location.

In determining the size of an impairment loss, developments in the market area corresponding to a location are also taken into account. The estimated future cash flows, which are used in calculating the value in use, are discounted based on the weighted average cost of capital of 4.0% (2020: 4.0%) after taxes, which corresponds to 7.5% (2020: 7.6%) before taxes. The growth rate and the allocated operational expenses used in future cash flows are related to Jumbo's strategic plan and the future expectations for the particular locations. The cash flow horizon to be used is equal to the remaining economic life. Jumbo assumes that a location will contribute to the operation of the Jumbo formula for twenty years, unless it is known that the location will be sold or closed in the near future. In calculating any impairment losses, the replacement investments, working capital developments and any residual value of tangible fixed assets are taken into account in relation to the cash flows.

The valuation models have been applied consistently, with the exception that the impact of Covid-19 was taken into account in 2021 and 2020 when determining the value in use with normalised estimated cash flows. Reasonable, possible changes to the starting points of the recoverable amount calculated as of the end of the year, such as a 0.5% increase in the discount rate in the final value calculation, a 0.5% decrease in the growth rate, or a decrease of the calculated revenue multiple of 1 also do not result in material impairments other than as mentioned above. It has also been concluded that there is enough latitude in the calculations, which is why no detailed sensitivity analysis is included.

The impairment losses and reversals during the financial year can be explained as follows:

Goodwill and brand names

The recoverable amounts, i.e. the values in use, of the cash flow-generating units that have been defined for the other items under goodwill and brand names, as stated above, are substantially higher than the carrying amounts for the goodwill and brand names. The carrying amount of the goodwill acquired in previous acquisitions allocated to the cash flow-generating unit Jumbo Netherlands amounts to €754,285 and to the cash flow-generating unit Jumbo Belgium amounts to €7,055. The carrying amount of the La Place brand name totals €32,059 and is attributed to the La Place cash flow-generating unit. Also refer to note 10.

Other intangible fixed assets

The impairment losses and the reversals of the impairments related to locations. Also refer to note 10.

Tangible fixed assets

The impairment calculations for the tangible fixed assets relate to structural facilities and fixtures and fittings.

The foregoing disclosures are part of the movements in tangible fixed assets, refer to note 11.

Right-of-use assets

The impairments on right-of-use assets of €8,015 (2020: €21,041) relate to La Place locations. The reversal of impairments related to the right-of-use assets for a sum of €2,567 (2020: €5,047) mainly pertains to previously vacant La Place locations for which a tenant was found in 2021 or for which the lease was terminated in 2021. See also note 12.



Estimates and judgments

At least once a year Jumbo assesses whether there is any indication that non-current assets may be impaired. If indicators of impairment exist, Jumbo estimates the recoverable amount of the asset. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount is estimated of the cash generating unit to which it belongs.

The most important estimates made in determining the recoverable amount relate to the revenue multiple to be used, the discount rate, the remaining useful life and the growth percentage included in the cash flow forecasts, the operational costs and the estimates of the future margins to be achieved as well as the residual value of the assets (if applicable). The Covid-19 pandemic has an impact on current and future cash flows and as such an impact on the estimates for determining the value in use. Cash flows in the supermarket locations have increased and cash flows in the hospitality locations have decreased because of the Covid-19 pandemic. The pandemic is not expected to have a structural impact on the cash flows in the future. That is why the determination of the value in use as of year-end 2021 is based on normalised estimated cash flows.



Accounting policies

An impairment is recognised if the recoverable amount of an asset is lower than the carrying amount; the recoverable amount is the higher of the fair value less cost to sell and the value in use, which is the present value of the estimated future cash flows that could be generated from use of the fixed asset.

An impairment is recognised in the income statement. In the reporting periods subsequent to an impairment, the company reviews whether there are indications that an impairment that has been recognised in relation to a fixed asset may have to be reversed. If there are such indications, the recoverable amount of that asset is recalculated and the carrying amount is increased to the recoverable amount. The increase in the carrying amount due to the reversal of an impairment is limited to the carrying amount that would apply for the asset if the original impairment had not been taken. Reversals of impairments are recognised in the income statement. Impairments in relation to goodwill are not reversed.

Goodwill and brand names

The goodwill and brand names are subjected annually to a so-called impairment test, whereby it is determined whether an impairment needs to be recognized. Impairment tests on capitalized goodwill and brand names are performed based on the future expected cash flows, taking into account a discount rate before tax to determine the present value of these future cash flows.

If the impairment test results in an impairment loss, the impairment loss is allocated first to reduce the carrying amount of the goodwill and brand names of the cash generating unit, before the impairment loss is allocated to the other fixed assets. The cash generating unit for goodwill and brand names has been set at the level of the applicable formula; this is determined based on all the store locations present that operate under the applicable brand name at the moment of the impairment test.

Other intangible fixed assets, tangible fixed assets and right-of-use assets

For the other intangible fixed assets, tangible fixed assets and right-of-use assets, Jumbo has defined the store location as the cash generating unit, unless the assets in question are not directly connected to the store location. In that case, just as for brand names, the cash generating unit is determined based on all existing operational store locations at the moment of the impairment test. In determining the amount of an impairment loss, developments in the market area corresponding to a store location are also taken into account.

8. Financial income and expenses

The item financial income and expenses can be specified as follows:

	2021	2020
Financial income		
Interest income on leases	146	5,185
Other interest income and similar proceeds	1,589	2,076
	1,735	7,261
Financial expenses		
Interest on lease liabilities	(30,455)	(31,170)
Interest on loans from credit institutions	(3,876)	(2,786)
Interest on defined benefit pension plan	(34)	(96)
amortisation financing fee	(399)	(614)
Other interest expense and similar costs	(3,042)	(6,330)
	(37,806)	(40,996)
Balance at end of financial year	(36,071)	(33,735)



Accounting policies

The financial income is the interest income on invested funds and interest income on financial subleases and the increases in the fair value of derivative financial instruments, to the extent these are recognised in the result. The financial expenses include the interest expense on loans and borrowings, interest on lease liabilities related to right-of-use assets, financing costs on provisions and liabilities and decreases in the fair value of derivative financial instruments, to the extent these are recognised in the result. Financial income and expenses are recognised in the income statement on the basis of the effective interest method.

9. Taxes

Taxes

The following table specifies the current and deferred income tax positions:

	2021	2020
Current tax expense	(39,863)	(54,561)
Deferred tax income/(expense)	(204)	(12,246)
Taxes	(40,067)	(66,807)

The reconciliation between the nominal tax rate and the effective tax rate is as follows:

	2021		2020	
Result before taxes		154,332		203,679
Nominal tax rate	-25.0%	(38,574)	-25.0%	(50,866)
Rate changes	-3.8%	(5,860)	-12.1%	(24,669)
Other corrections	2.7%	4,191	2.5%	5,049
Adjustments to previous years	0.1%	176	1.8%	3,679
Effective tax rate / Taxes	-26.0%	(40,067)	-32.8%	(66,807)

The changes in tax rates relate to the '2022 Tax Plan' adopted. The income tax rate has been increased to 25.8% (2020: 25%) as of 2022. The deferred tax liabilities as of the end of 2021 are stated at the adjusted rates, which has an effect of €5,860 (2020: €24,669) on the taxes in the income statement.

The other corrections mainly concern a participation exemption and the innovation box. The adjustments of previous years are corrections based on the final tax returns filed.

Deferred tax assets and liabilities

The deferred tax assets and liabilities are netted in the balance sheet per tax jurisdiction and are predominantly long term in nature.

The movements in deferred tax assets at year-end 2021 consist of claims against the Belgian tax jurisdiction (at year-end 2020: the Belgian and German tax jurisdictions). The movements in the deferred tax assets were as follows:

	2020		Movements during the financial year		2021	
	Receivable	Liability	through income statement	Through OCI	Receivable	Liability
Intangible fixed assets	-	(459)	620	-	161	-
Tangible fixed assets	176	-	240	-	416	-
Right-of-use assets	-	(4,289)	(7,963)	-	-	(12,252)
Pensions and other employee benefit obligations	-	-	31	(15)	16	-
Lease liabilities	4,266	-	8,051	-	12,317	-
Other assets and liabilities	-	1	-	-	1	-
carry forward losses	3,355	-	60	-	3,415	-
Balance of deferred receivables and liabilities	(4,747)	4,747	-	-	(12,252)	12,252
Net deferred tax assets	3,050	-	1,039	(15)	4,074	-

The deferred tax liabilities at year-end 2021 consist of liabilities to the Dutch and German tax jurisdictions (at year-end 2020: the Dutch tax jurisdiction). The movements in the deferred tax liabilities were as follows:

	2020		Movements during the financial year		2021	
	Receivable	Liability	via income statement	via comprehensive income	Receivable	Liability
Intangible fixed assets	(1,634)	202,122	922	-	(3,726)	205,136
Tangible fixed assets	(3,355)	1,321	707	-	(3,697)	2,370
Rights-of-use assets	-	639,301	(2,763)	-	-	636,538
Financial fixed assets	-	1,933	645	-	-	2,578
Pensions and other employee benefit obligations	(3,062)	-	(876)	515	(3,423)	-
Provisions	-	4,566	(1,256)	-	-	3,310
Lease liabilities	(648,877)	-	(3,945)	-	(652,822)	-
Non-current liabilities	(5,296)	-	(993)	-	(6,289)	-
Other assets and liabilities	(16,350)	96	13,686	-	(2,639)	71
Reinvestment reserve	-	15,322	(4,884)	-	-	10,438
Balance of deferred receivables and liabilities	678,574	(678,574)	-	-	672,596	(672,596)
Net deferred tax liabilities	-	186,087	1,243	515	-	187,845

The deferred tax liabilities for the Dutch tax jurisdiction as of the end of 2021 are recognised on balance at the adjusted tax rate of 25.8% (2020: 25%).

The current portion of the deferred tax assets and deferred tax liabilities is -€171 (2020: €162) and €33,024 (2020: €1,050), respectively.

The movement in the deferred taxes in the statement of comprehensive income concerns the tax on the actuarial results on the defined benefit plans of €530 (2020: -€970) and the taxes on the unrealised revaluations of the derivative financial instruments of nil (2020: -€2).

Tax assets and liabilities

The current (immediate) tax assets and liabilities relate to the tax positions of the relevant business units, consisting of tax years not yet settled, with deduction of input taxes or provisional refunds.

Fiscal unity

At the end of the 2021 financial year, all the Dutch group companies included in the consolidation were included in Koninklijke Jumbo Food Groep B.V.'s fiscal unity for turnover tax from the moment of incorporation or acquisition, with the exception of Euroselect B.V., J&C Acquisition Holding B.V., Coback B.V. and HEMA Bakkerijen B.V.

At the end of the 2021 financial year, all the Dutch group companies included in the consolidation were included in Koninklijke Jumbo Food Groep B.V.'s fiscal unity for income tax from the moment of incorporation or acquisition, with the exception of J&C Acquisition Holding B.V., Coback B.V. and HEMA Bakkerijen B.V.

Because of their inclusion in a fiscal unity, the group companies of Koninklijke Jumbo Food Groep B.V. are each jointly and severally liable for the tax debts of the particular fiscal unity.



Estimates and judgments

Jumbo has made estimates in determining its current and deferred tax positions. New information may become available that causes Jumbo to change its estimates. Such changes to deferred tax positions will impact the income tax expense in the period in which the change is made.

Deferred tax assets, with the inclusion of those deferred tax assets arising from losses carried forward, are recognised if, based on the current information available, it is probable that the asset will be realised in the future. Deferred tax assets are revised and lowered each year on the reporting date if it is no longer probable that the related tax benefits can be realised.



Accounting principles

The taxes on result of the reporting year consist of the corporate income tax due or to be received on the commercial result, taking into account elements of the result which are tax exempt. Income tax is recognised in the income statement unless it relates to items recognised in the statement of comprehensive result, in which case the tax is recognised in the statement of comprehensive result.

Deferred tax assets and liabilities are recognised as temporary differences between the value of the assets and liabilities according to the valuation principles and principles for determining the result used in these financial statements, on the one hand, and the tax regulations, on the other. The deferred tax assets and liabilities are calculated at the tax rates known at the end of the reporting year, at which future settlement is expected to take place. Deferred tax assets and liabilities are measured at their nominal value.

The current tax expense or benefit for the financial year is the expected tax payable on the income before taxes of the financial year, calculated using tax rates determined on the report date, and any corrections to the income tax payable of previous years.

10. Intangible fixed assets

The movements in the intangible fixed assets for 2021 were as follows:

1. **Goodwill**
2. **Brand names**
3. **Locations**
4. **(Internally developed) software**
5. **Miscellaneous**

	1	2	3	4	5	Total 2021
Balance at start of financial year						
Acquisition value	754,285	32,059	1,182,477	334,460	81,963	2,385,244
Cumulative amortisation	-	-	(489,423)	(147,763)	(54,766)	(691,952)
Carrying amount at start of financial year	754,285	32,059	693,054	186,697	27,197	1,693,292
Movements during the financial year						
Investments	-	-	9,623	101,031	1,581	112,235
Acquisitions through business combinations	6,641	-	19,313	-	-	25,954
Transfers within intangible fixed assets	414	-	(414)	-	-	-
Transfers to tangible fixed assets	-	-	(187)	-	-	(187)
Transfers to assets held for sale	-	-	(3,409)	-	-	(3,409)
Amortisation	-	-	(55,209)	(59,036)	(7,693)	(121,938)
Impairments	-	-	(6,351)	-	-	(6,351)
Reversal of impairments	-	-	266	-	-	266
	7,055	-	(36,367)	41,995	(6,112)	6,571
Balance at end of financial year						
Acquisition value	761,340	32,059	1,203,895	393,816	59,519	2,450,628
Cumulative amortisation	-	-	(547,208)	(165,124)	(38,434)	(750,765)
Carrying amount at end of financial year	761,340	32,059	656,687	228,692	21,085	1,699,863

The movements in the intangible fixed assets for 2020 were as follows:

	1	2	3	4	5	Total 2020
Balance at start of financial year						
Acquisition value	756,477	32,059	1,123,131	249,981	62,978	2,224,626
Cumulative amortisation	-	-	(443,246)	(102,246)	(48,655)	(594,147)
Carrying amount at start of financial year	756,477	32,059	679,885	147,735	14,323	1,630,479
Movements during the financial year						
Investments	-	-	39,968	84,799	19,325	144,092
Acquisitions through business combinations	3,880	-	19,826	-	-	23,706
Amortisation	-	-	(53,751)	(45,517)	(6,451)	(105,719)
Impairments	(6,072)	-	-	(320)	-	(6,392)
Reversal of impairments	-	-	7,126	-	-	7,126
	(2,192)	-	13,169	38,962	12,874	62,813
Balance at end of financial year						
Acquisition value	754,285	32,059	1,182,477	334,460	81,963	2,385,244
Cumulative amortisation	-	-	(489,423)	(147,763)	(54,766)	(691,952)
Carrying amount at end of financial year	754,285	32,059	693,054	186,697	27,197	1,693,292

Goodwill was recognised as a result of the acquisition of Super de Boer, C1000, EMTÉ and other supermarkets. The acquisitions via business combinations during 2021 mainly concern a number of Belgian locations.

The La Place brand name, acquired in the takeover of La Place in 2016, is recognised under brand names.

Included in the other intangible fixed assets is the exclusivity right with regard to the cooperation agreement with HEMA.

For further explanation of the recognition and reversal of impairment losses, refer to note 7.



Estimates and judgements

Intangible fixed assets are amortized over the expected useful life of the assets. The amortization rates applied for intangible fixed assets at initial recognition are:

Goodwill	0
Brand names	0%
Locations	5% - 20%
(Internally developed) software	20%
Miscellaneous	10% - 20%

For costs of internally developed software a distinction is made between research costs and development costs. Development phase costs are recognized as an intangible asset if the criteria for capitalisation are met.

Change in estimation

In 2019 Jumbo signed a commercial partnership agreement with HEMA B.V. Under this agreement, Jumbo would acquire the leases of seventeen HEMA stores in phases. The number of leases has been reduced to nine. Eight of these leases have been transferred to Jumbo and the remaining location is expected to be transferred in 2022.

The total transaction price of the commercial partnership agreement has changed following these developments. This has resulted in a reduced valuation of the assets recognized under the commercial partnership agreement. The reduction has been adjusted prospectively in the financial statements. Under the investments in locations and other intangible assets in 2021 reductions in the cost price of € 7,300 and € 4,500 respectively were included.

The positive effect of this change in accounting estimate on the result before tax for the financial year 2021 amounts to € 815. This relates to a reduction in the amortization expenses in 2021 due to the reduced cost price. In future years this change in accounting estimate will also result in lower amortization expenses.



Accounting policies

Goodwill

Goodwill is calculated as the difference between the consideration paid for acquisitions and the fair value of the assets and liabilities acquired (taking into account the valuation of locations). After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised.

At the time of acquisition, goodwill is allocated to the cash generating unit that is expected to benefit from the business combination. Jumbo defined cash generating units on the level of Jumbo Netherlands, Jumbo Belgium and La Place.

Brand names

The valuation of the brand names acquired is based on the so-called discounted cash flow method using estimated future free cash flows. After initial recognition, brand names are measured at cost less any accumulated impairment losses. Brand names are not amortised, since the applicable brand names will be actively used in the current and future business operations.

Locations

Locations are measured at the amount of the costs incurred, less any accumulated amortisation and accumulated impairment losses. Considerations paid to acquire new locations are capitalised to the extent that associated future economic benefits are expected to flow to Jumbo and Jumbo has control over the capitalised assets. The valuation of locations acquired is based on the so-called discounted cash flow method. Locations are amortized on a straight-line basis assuming an expected useful life of 5 to maximum 20 years without a residual value. Key money paid for the acquisition of new locations is also included under locations. These down payments are amortised from store opening at these locations.

(Internally developed) software

Costs of (internally developed) software are capitalised if the criteria for capitalisation are satisfied. Capitalised software is amortised on a straight-line basis from initial recognition over the estimated useful life and expensed to the profit or loss, less any accumulated impairment losses.

Implementation and configuration expenses related to Software as a Service (SaaS) cloud solutions are capitalised if the criteria for capitalisation are satisfied.

Other intangible fixed assets

The other intangible fixed assets consist of contributions provided to entrepreneurs and software purchased from third parties. The contributions to entrepreneurs are capitalised to the extent the associated future economic benefits are expected to flow to Jumbo. Costs relating to software purchased from third parties are capitalised if the criteria for capitalisation are satisfied.

After initial recognition, capitalised other intangible fixed assets are measured at cost less any accumulated amortisation and accumulated impairment losses. Other intangible fixed assets are amortised on a straight-line basis from initial recognition over the estimated useful life and expensed to the profit or loss.

11. Tangible fixed assets

The movements in the tangible fixed assets for 2021 were as follows:

1. Land and buildings
2. Structural facilities
3. Fixtures and fittings
4. Other fixed operating assets
5. Assets in progress

	1	2	3	4	5	Total 2021
Balance at start of financial year						
Acquisition value	7,892	468,403	490,996	35,153	11,995	1,014,439
Cumulative depreciation	(1,312)	(191,668)	(305,328)	(26,428)	-	(524,736)
Carrying amount at start of financial year	6,580	276,735	185,668	8,725	11,995	489,703
Movements during the financial year						
Investments	3,226	57,024	75,453	3,436	17,569	156,708
Acquisitions through business combinations	-	1,169	1,663	-	-	2,832
Divestments	-	(388)	(2,118)	(12)	-	(2,518)
Disposals	-	(3,680)	(2,610)	(29)	-	(6,319)
Transfers within tangible fixed assets	-	4,686	4,147	109	(8,942)	-
Transfers to intangible fixed assets	-	187	-	-	-	187
Transfers to assets held for sale	-	(1,349)	(669)	(29)	-	(2,047)
Depreciation and amortisation	(190)	(40,580)	(62,758)	(3,440)	-	(106,968)
Impairments	-	(2,587)	(835)	0	-	(3,422)
	3,036	14,482	12,273	35	8,627	38,453
Balance at end of financial year						
Acquisition value	11,118	503,993	527,893	36,953	20,622	1,100,579
Cumulative depreciation	(1,502)	(212,776)	(329,952)	(28,194)	-	(572,424)
Carrying amount at end of financial year	9,616	291,217	197,941	8,759	20,622	528,155

The movements in the tangible fixed assets for 2020 were as follows:

	1	2	3	4	5	Total 2020
Balance at start of financial year						
Acquisition value	6,089	392,779	476,638	33,903	73,197	982,606
Cumulative depreciation	(1,150)	(187,035)	(290,526)	(25,952)	-	(504,663)
Carrying amount at start of financial year	4,939	205,744	186,112	7,951	73,197	477,943
Movements during the financial year						
Investments	1,803	73,090	72,350	4,331	7,800	159,374
Acquisitions through business combinations	-	780	244	-	-	1,024
Divestments	-	(44)	(718)	(1)	-	(763)
Disposals	-	-	(104)	(1)	-	(105)
Transfers within tangible fixed assets	-	65,084	3,918	-	(69,002)	-
Transfers to assets held for sale	-	(13,393)	(7,171)	(17)	-	(20,581)
Depreciation and amortisation	(162)	(37,681)	(61,657)	(3,470)	-	(102,970)
Impairments	-	(17,795)	(7,740)	-68	-	(25,603)
Reversal of impairments	-	950	434	-	-	1,384
	1,641	70,991	(444)	774	(61,202)	11,760
Balance at end of financial year						
Acquisition value	7,892	468,403	490,996	35,153	11,995	1,014,439
Cumulative depreciation	(1,312)	(191,668)	(305,328)	(26,428)	-	(524,736)
Carrying amount at end of financial year	6,580	276,735	185,668	8,725	11,995	489,703

Some of the assets recognised in the category fixtures and fittings are leased to franchisees. The carrying amount of these assets at the end of 2021 is €15,938 (2020: €8,646). The rental includes cash registers, scales, scanners, hand terminals and card payment equipment.

For further explanation of the recognition and reversal of impairment losses, refer to 7.



Estimates and judgments

Tangible fixed assets are depreciated over their estimated useful lives. The depreciation rates applied for tangible fixed assets are:

Land and buildings	0% - 4%
Leasehold improvements	10%
Equipment and installations	10% - 33.3%
Other fixed operating assets	10% - 33.3%
Assets in progress	0%



Accounting policies

Land and buildings

Land and buildings are valued at acquisition cost less any accumulated straight-line depreciation and accumulated impairment losses. Depreciation is calculated on a straight-line basis from the date of commissioning, taking into account any residual value. Land is not depreciated.

Other tangible fixed assets

Other tangible fixed assets, including leasehold improvements, equipment and installations and other fixed operating assets, are valued at acquisition cost, less any accumulated depreciation and accumulated impairments. The depreciation is based on the estimated useful life and is calculated based on a fixed percentage of the acquisition price, taking into account any residual value. The asset is depreciated from the date of commissioning.

Costs for major maintenance are included in the carrying amount of the asset, with application of the component approach.

Depreciation charges for tangible fixed assets are recorded under cost of sales, selling costs and general and administrative costs.

12. Right-of-use assets

The movements in the right-of-use assets for 2021 were as follows:

1. Land and buildings
2. Means of transport
3. Other operating assets

	1	2	3	Total 2021
Balance at start of financial year				
Acquisition value	3,034,229	41,063	9,061	3,084,353
Cumulative depreciation	(498,338)	(16,942)	(1,135)	(516,415)
Carrying amount at start of financial year	2,535,891	24,121	7,926	2,567,938
Movements during the financial year				
Investments	78,083	7,045	5,363	90,491
Acquisitions through business combinations	6,657	-	-	6,657
Terminations	(8,755)	-	-	(8,755)
Transfers from and to finance leases	(2,509)	-	-	(2,509)
Transfers to assets held for sale	(4,506)	-	-	(4,506)
Depreciation and amortisation	(245,516)	(10,313)	(1,097)	(256,926)
Remesurements and modifications	116,191	-	-	116,191
Impairments	(8,015)	-	-	(8,015)
Reversal of impairments	2,567	-	-	2,567
Deferred result from sale and leaseback contracts	(940)	-	-	(940)
	(66,743)	(3,268)	4,266	(65,745)
Balance at end of financial year				
Acquisition value	3,218,450	48,108	14,424	3,280,982
Cumulative depreciation	(749,302)	(27,255)	(2,232)	(778,789)
Carrying amount at end of financial year	2,469,148	20,853	12,192	2,502,193

The movements in the rights-of-use assets for 2020 were as follows:

	1	2	3	Total 2020
Balance at start of financial year				
Acquisition value	2,731,525	29,785	3,684	2,764,994
Cumulative depreciation	(242,516)	(7,853)	(517)	(250,886)
Carrying amount at start of financial year	2,489,009	21,932	3,167	2,514,108
Movements during the financial year				
Investments	430,188	11,278	5,377	446,843
Acquisitions through business combinations	10,501	-	-	10,501
Terminations	(204,941)	-	-	(204,941)
Reclassifications from and to finance leases	1,794	-	-	1,794
Depreciation and amortisation	(239,828)	-9,089	-618	(249,535)
Remeasurements and modifications	68,496	-	-	68,496
Impairments	(21,041)	-	-	(21,041)
Reversal of impairments	5,047	-	-	5,047
Deferred result from sale and leaseback contracts	(3,334)	-	-	(3,334)
	46,882	2,189	4,759	53,830
Balance at end of financial year				
Acquisition value	3,034,229	41,063	9,061	3,084,353
Cumulative depreciation	(498,338)	(16,942)	(1,135)	(516,415)
Carrying amount at end of financial year	2,535,891	24,121	7,926	2,567,938

Land and buildings

The leases for Jumbo, La Place and other locations, including any related sites and car parks, are recognised in land and buildings.

The right-of-use assets also include leases pertaining to land and buildings that are not fully used for Jumbo's regular business operations. In those cases, real estate is rented out to third parties. The carrying amount of right-of-use assets relating to these rental agreements with third parties amounts to €30,639 (2020: €36,067), of which €9,232 (2020: €9,528) involves related parties.

Means of transport

Lease contracts for passenger cars, home delivery vans and semi-trailers are included in means of transport.

Other operating assets

Leases for paper balers and solar panels are recognised in other operating assets.

For further explanation of the recognition and reversal of impairment losses, refer to note 7. For an explanation of the related lease liabilities, refer to note 19; for off balance sheets assets, commitments and contingencies, refer to note 24.



Estimations and judgments

For more information on estimates related to right-of-use assets reference is made to Note 19 Lease liabilities.



Accounting policies

Jumbo has right-of-use assets relating to land and buildings, vehicles and other operating assets. Right-of-use assets are valued at cost, comprising the initial amount of the lease liabilities, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee, and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. Payments by Jumbo in relation to leases at existing locations are recognized as an investment in right-of-use assets.

After initial recognition right-of-use assets are measured at cost less any accumulated straight-line depreciation and accumulated impairment losses, and adjusted for any remeasurements of lease liabilities. Right-of-use asset are depreciated from commencement date. The depreciation period has been set at a maximum of 15 years, which is equal to the expected term of each individual lease.

Jumbo holds several land and building properties that are not fully used for regular business operations. In those cases, Jumbo locations are subleased to third parties. The locations subleased to third parties generate rental income for Jumbo, but are retained because of the strategic importance of these locations for Jumbo's business operations. Jumbo's general principle is not to own real estate for store locations. The carrying amount of right-of-use assets relating to these kinds of sublease agreements with third parties is included as part of the right-of-use assets. Land and building properties subleased to entrepreneurs are considered part of the normal business operations as they contribute directly to Jumbo's business operations. The right-of-use assets relating to the subleases to third parties follow the valuation method applied to all right-of-use assets for land and buildings.

In the event of a so-called 'sale and leaseback' transaction in which Jumbo sells a building and then immediately leases it back and the sale has resulted in a gain, it is not permitted under IFRS 16 to immediately report this result in full in the income statement. For each transaction it is determined which part of the gain was realised and should be recognized in the income statement and which part of the gain should be recognized over the term of the new lease. Any losses that arise from a sale and leaseback transaction are directly recognized in the income statement.

The depreciation charges to the right-of-use assets are recognised under the cost of sales, selling costs and general and administrative costs.

13. Financial fixed assets

The financial fixed assets consist of:

	2021	2020
Loans receivable	49,159	7,531
Prepaid contributions	45,492	40,214
Finance leases	10,331	10,177
Prepaid expenses	1,366	1,618
Fair value of derivative financial instruments	430	128
Other receivables	3,104	3,520
	109,882	63,188

The movements in the loans receivable were as follows:

	2021	2020
Gross balance at start of financial year	8,626	22,554
New advances	97,031	-
Repayments received	(54,218)	(14,650)
Other movements	(1,540)	722
Gross balance at end of financial year	49,899	8,626
Provision	(740)	(1,095)
Net balance at end of financial year	49,159	7,531

The loans receivable are loans to entrepreneurs and other loans. The new loans in 2021 mainly concern loans issued in connection with the sale of Coback B.V. and the cooperation agreement with the Vermaat Groep. An amount of €555 is expected to be repaid in 2022 on the loans to entrepreneurs. An amount of €5,000 is expected to be repaid in 2022 on the other loans provided. Most of the loans to entrepreneurs are not interest bearing. The movements in present value are included under other movements. The movements with regard to the provision in 2021 concern an additional recognised provision of €95, a used amount of €355 and a reversal of €95.

The movements in the prepaid contributions were as follows:

	2021	2020
Gross balance at start of financial year	40,665	34,466
New advances	18,322	12,356
Repayments received	(7,889)	(64)
Depreciation and amortisation	(6,088)	(5,093)
Other movements	1,644	(1,000)
Gross balance at end of financial year	46,654	40,665
Write-down	(1,162)	(451)
Net balance at end of financial year	45,492	40,214

The prepaid amounts mainly concern contributions to entrepreneurs which are written off over the course of the term.

The movements in the finance leases in 2021 were as follows:

	2021	2020
Carrying amount at start of financial year	10,177	12,877
Transfers from and to right-of-use assets	2,509	-1,794
Remeasurements	175	-
Terminations	(1,305)	-
Repayments received	(1,307)	(927)
Interest charge	82	21
Carrying amount at end of financial year	10,331	10,177

The finance leases expire as follows:

	2021	2020
Terms expiring within 1 year	1,085	899
Terms expiring in 1 to 5 years	3,698	3,279
Terms expiring after 5 years	5,548	5,999
	10,331	10,177



Estimations and judgments

Changes in the present value of loans provided are calculated using a discount rate of 2,6%, consisting of the risk-free rate plus a risk premium.

Finance leases are lease contracts where Jumbo subleases 75% of the lease term or more to third parties and whereby Jumbo passes on the lease conditions on a one-on-one basis in the sublease conditions. This makes Jumbo a lessor. Furthermore, Jumbo holds property leases which are subleased to entrepreneurs. Jumbo has assessed and concluded that these subleases are classified as operational lease contracts, as the risks and rewards of the leased properties are attributed to Jumbo.

For more information on the estimates related to leases, reference is made to Note 19 Lease liabilities.



Accounting policies

Financial assets are classified as debt instruments, derivatives (derivative financial instruments) and equity instruments. Upon initial recognition, the financial fixed assets are measured at fair value. Depending on the classification, financial assets are subsequently measured at amortised cost, at fair value with movements recognised in the consolidated statement of comprehensive income or at fair value with movements in the income statement.

In relation to debt instruments, the classification is assessed based on the 'business model test' and the 'Solely Payments of Principal and Interest' test (hereafter: SPPI test). In the 'business model test', the company reviews whether debt instruments are held to collect the contractual cash flows or if the contractual cash flows are held so that they can be collected and subsequently sold. If this is the case, the SPPI test is performed to determine whether the cash flows generated are exclusively caused by payments of the principal and interest. Depending on the business model, the outcome of the SPPI test and the existence of options that must be valued at fair value, the amortised cost price method or fair value method is applied.

The financial assets stated at amortised cost are loans provided, prepaid amounts, finance leases (included in financial fixed assets) and trade debtors and other receivables.

The loans provided are initially recognised at fair value and subsequently measured at amortised cost after deduction of any provisions for uncollectability that are deemed necessary.

The prepaid contributions are measured at fair value upon initial recognition, and are subsequently measured at amortised cost, with deduction of impairments deemed necessary in the event of cash flow set-backs expected in future years. The periodic releases of the prepaid contributions are charged directly to revenue.

Finance leases are recognised initially at fair value and subsequently measured at amortised cost after deduction of any provisions for uncollectability that are deemed necessary. The rent receipts during the financial year are deducted from this item. These cash flows are discounted and the interest revenue is recognised in the income statement.

14. Assets and liabilities held for sale

The assets and liabilities held for sale comprise:

	2021	2020
Assets held for sale		
Intangible fixed assets	3.839	-
Tangible fixed assets	8.984	28.736
Right-of-use assets	4.506	-
	17.329	28.736
Liabilities held for sale		
Lease liabilities	4.754	-
	4.754	-

Acquisition and sale of Jan Linders Supermarkten locations

On 3 November 2021 Jumbo and Jan Linders Supermarkten agreed a to an exchange of several store locations in the provinces Limburg and North Brabant. Under this agreement, Jumbo will acquire two locations from Jan Linders Supermarkten. Jan Linders Supermarkten will acquire three locations from Jumbo. In addition, Jan Linders will acquire one Jumbo location in connection with Jumbo's relocation to another store location. The transactions will be executed in 2021, 2022 and 2023. The transaction has no significant impact on the result in the 2021 financial statements. The assets and liabilities of the locations that will be transferred to Jan Linders Supermarkten are included in the financial statements as assets and liabilities held for sale.

The proceeds from the sale of assets held for sale are recognized as other operating income. Refer to note 4.



Accounting policies

Fixed assets or groups of assets are designated as 'held for sale' if it is highly likely that the carrying amount will be recovered primarily through a sale transaction within 12 months rather than through continuing use. The assets held for sale are valued at the lower of carrying amount or fair value, less costs to sell. Any impairments required are recognised in the income statement. Assets held for sale are not depreciated or amortised once classified as held for sale. Liabilities related to the assets held for sale are classified separately as liabilities held for sale.

15. Inventories

The inventories consist primarily of trade goods and packaging.

The carrying amount of the inventory of trade goods that is valued at lower net realisable value totals € 13.998 (2020: € 13.211), taking into account selling costs still to be incurred. The provision in the inventories valuation includes the write-down to fair value. The movements in the provision are recognised via the income statement.



Accounting policies

The inventories consist primarily of trade goods and packaging and are valued at the lower of cost and net realisable value. This lower net realisable value is determined by individual assessment of the inventories. Cost of inventories encompasses the last known purchase price and directly attributable additional costs, including transport costs, less the directly attributable supplier contributions.

The net realisable value is the estimated selling price in the ordinary course of business less the costs that still need to be incurred, such as selling costs. Valuation at the last known purchase price can result in unrealised gains. Given the high turnover rate of inventories, the impact on the overall valuation is negligible. As such, this valuation does not differ significantly from the first-in, first-out method.

16. Trade debtors and other receivables

The trade debtors and other receivables consist of:

	2021	2020
Trade debtors	323,634	273,725
Receivables from subsequent payments	3,350	2,646
Prefinancing real estate	18,152	18,321
Prepayments and accrued income	56,004	19,091
	401,140	313,784

The trade debtors includes a provision for bad debts of €3,834 (2020: €2,539).

At year-end 2021, the trade debtors included receivables from related parties of €33 (2020: €294), for which no provision for bad debts has been recognised (in line with 2020).

The receivables from subsequent payments are receivables from entrepreneurs regarding payments arrangements that will be received in the upcoming year. No reliable estimate can be made of the receipts for the subsequent years and for this reason, no receivable has been recognised.

The prefinancing is prefinancing for real estate that is under development as of the year-end.

The prepayments and accrued income include prepaid expenses, receivables from employees and other receivables and prepayments.



Accounting policies

The trade debtors and other receivables are measured at fair value upon initial recognition. These current receivables are subsequently measured at amortised cost based on the effective interest method. This usually equals the nominal value, under deduction of impairment losses for the risk of uncollectability as disclosed in Note 25.

17. Cash and cash equivalents

Of the total cash and cash equivalents, €43,311 (2020: €7,111) is not at free disposal due to issued bank guarantees and €35,553 (2020: nil) in connection with cash and cash equivalents in trust accounts.



Accounting policies

Cash and cash equivalents consist of cash, bank credit balances and time deposits with an original term of maximum three months. Cash and cash equivalents are recognised at nominal value. Given the short-term nature of the cash and cash equivalents, the nominal value is virtually the same as the fair value. If assets cannot be freely disposed of, this is mentioned in the notes.

18. Group equity

Issued capital

The issued and paid-up capital at the end of the 2021 financial year consists of 8.008 ordinary shares (2020: 8.008). The nominal value per ordinary share is €1 (one euro).

The authorised capital amounts to €90, consisting of 90,000 ordinary shares, each with nominal value of €1 (one euro).

All shares are entitled to dividend.

General reserves

Jumbo maintains general reserves on grounds of provisions in the articles of association. The balance is at the disposal of the shareholders, with the exception of the statutory reserves on grounds of Dutch legislation and regulations, as stated in note 3 of the notes to the company balance sheet.

In 2021, a dividend of €127,500 was paid out to Stichting Jumbo Groep. A large part of this (€75,000) was used to acquire a 50% stake in HEMA B.V. by the shareholders of Jumbo.

The movements in the general reserve are shown in the consolidated movements in group equity.

Unappropriated result

The unappropriated result consists of the balance of profits that have not been paid out. The balance is at the disposal of the shareholders. The movements in the unappropriated result are shown in the consolidated movements in group equity.

Earnings and dividend per share

	2021	2020
Weighted average number of shares	8,008	8,008
Ordinary earnings per share (x €1)	14,269	17,092
Diluted earnings per share (x €1)	14,269	17,092
Dividend per share (x €1)	15,922	6,556



Accounting policies

Financial instruments issued are classified as equity or as a financial liability depending on the economic reality of the contractual conditions of the instrument. Ordinary shares issued are classified under group equity. Costs that are directly attributable to the issue of ordinary shares are deducted from group equity, after deduction of any taxes.

19. Lease liabilities

The lease liabilities, which are linked to the right-of-use assets, can be specified as follows:

	2021	2020
Non-current lease commitments		
Land and buildings	2,298,251	2,371,104
Vehicles	9,984	13,806
Other operating assets	10,942	7,288
	2,319,177	2,392,198
Current lease commitments		
Land and buildings	215,780	209,386
Vehicles	10,867	10,295
Other operating assets	1,287	635
	227,934	220,316
Total lease commitments	2,547,111	2,612,514

The movements in the lease liabilities in 2021 were as follows:

	2021	2020
Balance at start of financial year	2,612,514	2,569,646
Investments	87,696	443,350
Acquisitions through business combinations	6,657	10,501
Terminations	(10,243)	(206,889)
Transfers to liabilities held for sale	(4,754)	-
Remeasurements and modifications	104,133	62,531
Repayments	(279,347)	(297,907)
Accretion of interest	30,455	31,282
	(65,403)	42,868
Balance at end of financial year	2,547,111	2,612,514

Of the total lease liability, €1,570,277 (2020: €1,488,018) relates to the non-cancellable period of lease contracts and €976,884 (2020: €1,124,496) relates to periods covered by extension options of which it is reasonably certain that Jumbo will exercise these options. The lease liabilities for the non-cancellable period in respect of right-of-use asset contracts for own use amount to €992,095 (2020: €971,242). The remainder of €578,131 (2020: €516,776) concerns liabilities for right-of-use assets that Jumbo leases and subleases to entrepreneurs and third parties and for which Jumbo will receive rental payments in the future. For further explanation of the rental payments to be received for finance leases, refer to note 13 and for an explanation of operational leases, refer to the off-balance-sheet receivables in note 24.

The lease liabilities fall due as follows (not discounted):

	2021	2020
Terms expiring within 1 year	255,131	252,470
Terms expiring in 1 to 5 years	1,067,652	1,057,622
Terms expiring after 5 years	1,385,397	1,477,024
	2,708,180	2,787,116

From the 2021 financial year onwards, this amount is determined based on the amounts still to be paid as of the balance sheet date for the remaining term of the lease liabilities. This method of calculation results in a total amount of €2,708,180. Last year this amount was presented in the financial statements as being the total amount payable from the start date of the lease contracts instead of from the balance sheet date. This calculation resulted in a total amount of €3,283,419 in 2020. Application of the revised calculation method in 2021 results in an adjustment of the comparative figures in this note. The amounts reported correspond to the contractual cash flows as of the balance sheet date as disclosed in note 25.

Costs under leases with a term of less than 1 year or a value of less than €5 are recognised in the income statement for an amount of €13,855 (2020: €11,741) and €9,496 (2020: €8,004), respectively. These costs relate to the lease of land and buildings, means of transport such as cars and trucks, internal transport such as forklift trucks, store automation, copying equipment and other machinery and fixtures and fittings.

Variable lease payments are not included in the lease liabilities or in the right-of-use assets. Variable lease payments are recognised in the income statement for €478 in 2021 (2020: € 266). These costs relate to leases for company buildings where part of the lease amounts payable is related to the revenue achieved by Jumbo and/or La Place at such a location.

The total lease commitment includes an amount of €240,407 (2020: €295,273) relating to lease liabilities with related parties regarding the lease of a number of Jumbo and La Place store locations, a number of distribution centres, the head office of Jumbo and solar panels on company buildings.

For further explanation of right-of-use assets, refer to note 12.

For related Off balance sheets assets, commitments and contingencies, refer to note 24.



Estimates and judgements

Jumbo applies the incremental borrowing rate when discounting lease payments, taking into account the remaining term of the lease contract. The incremental borrowing rate interest rate consists of the following components: the risk-free interest rate based on Dutch government bonds, Jumbo-specific credit premium and a premium based on the risk category of the underlying assets. The weighted average incremental borrowing rate for 2021 is 1,0% (2020: 1,1%).

When determining the expected term of the lease liabilities, Jumbo takes into account all facts and circumstances which provide an economic incentive to exercise an extension option or to not exercise a termination option. Extension options (or periods after termination options) are only included and recognized in the lease liabilities if it is reasonably certain the lease will be extended (or not terminated).

Jumbo mainly uses store locations, i.e. land and buildings, through leases contracts and has limited ownership of land and buildings. The initial term of leases for store locations in the Netherlands is 10 years in general with continuous extension options of 5 years each. In Belgium, the initial term of leases is 3 years in general with continuous extension options of 3 years.

Jumbo expects to use extension options for the majority of its portfolio of leased store locations and to continue the leases in the medium term. Furthermore, differentiation is applied for locations based on their attention profile, which may lead to adjustments in the expected use of extension options. The power to exercise extension options is mainly within Jumbo's control, as a result of legal protection.

A maximum lease term of 15 years is applied to Jumbo store locations in the Netherlands, a maximum term of 9 years is applied to Jumbo store locations in Belgium and a maximum term of 10 years is applied to La Place locations.

In addition, Jumbo has leases related to vehicles and other operating assets which are recognized under IFRS16, assuming an average lease term of 4 years for vehicles and 15 years for other operating assets. For the vehicle lease contracts a portfolio approach is applied based on the average remaining lease term.



Accounting policies

Lease liabilities are initially measured at the present value of the unpaid lease payments discounted at the interest rate implicit in the lease. If this interest rate cannot be reliably determined, which generally is the case for lease contracts in which Jumbo acts as lessee, the incremental borrowing rate of the lessee must be used. Jumbo does not recognize lease liabilities for leases with a term of less than 12 months or a value of less than €5. The cost of the right-of-use assets is based on the amount of lease liabilities recognized.

The expected term of a contract includes the lease period (based on the non-cancellable period of a lease contract), including the periods covered by an contract extension option, if it is reasonably certain that Jumbo will exercise this option, and including the periods covered by a contract termination option, if it is reasonably certain that Jumbo will exercise this option.

Lease payments included in the measurement of the lease liabilities are:

- fixed payments less lease incentives receivable;
- variable lease payments that are based on an index or a rate and which are initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by Jumbo in respect of residual value guarantees;
- the exercise price of a purchase option if it is reasonably certain that Jumbo will exercise this option; and
- payments of penalties for termination of the lease, if the lease period used reflects the exercise by Jumbo of an option to terminate the lease.

Applicable rent concessions, with the exception of Covid-19-related rent concessions, are included in the valuation of the lease liability. Service costs are not included in the measurement of the lease liability, but recognised directly in the income statement.

After initial recognition, lease liabilities are measured at (amortised) cost. The amount of lease liabilities is increased to reflect the accretion of interest, reduced for the lease payments made, remeasured to reflect any reassessment or modifications in the lease. Interest on the lease liabilities and variable lease payments not included in the valuation of the liabilities are recognised in the income statement.

Remeasurements and modifications of the lease liabilities arise from changes in lease payments, changes in the lease term or in the assessment of an option to purchase the underlying asset, changes in amounts of to be paid under residual value guarantees and changes in the discount rate. The amount of the remeasurements and modifications of the lease liabilities is recognised as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset has been written down to nil and there is a further reduction in the lease liability, the remeasurements and modifications are recognised in the income statement.

For lease contracts with a lease term of less than 12 months or a value of less than €5, which are not recognized in accordance with IFRS 16, the lease payments are recognized as expense in the income statement. The lease liabilities arising from these lease contracts are included in the notes to the financial statements under contingent assets and liabilities. This note also includes lease contracts which are signed, but which have not yet commenced at balance sheet date.

20. Loans and other liabilities

The loans and other liabilities consist of:

	2021	2020
Non-current loans and other liabilities		
Schuldschein	199,303	-
Bank loans	148,826	348,530
Liabilities related to triple-net distribution centres	2,712	3,471
Other liabilities	-	250
	350,841	352,251
Current loans and other liabilities		
Bank loans	100,000	-
Liabilities related to triple-net distribution centres	759	696
Other liabilities	250	1,232
	101,009	1,928
Total interest-bearing loans	451,850	354,179

Movements in long-term loans and other liabilities can be represented as follows:

	2021	2020
Gross balance at start of financial year	350,000	412,500
Repayments	(200,000)	(387,500)
Increase / decrease in facility	200,000	(25,000)
Proceeds	-	350,000
Gross balance at end of financial year	350,000	350,000
Deferred bank fees	2,712	(1,470)
Other	(1,871)	-
Net balance at end of financial year	350,841	348,530

On the 26th of April 2021 Jumbo raised a Schuldschein financing with a principal amount of €200 million. This financing arrangement consists of three underlying loans, being two five-year loans and one seven-year loan. A fixed interest rate has been agreed over the entire term for a five-year loan and the seven-year loan. The other five-year loan is a loan with a variable interest rate based on the Euribor percentage plus a premium. This financing arrangement has been agreed with foreign banks and insurers. As of January 2, 2022, the amount is fully classified under long-term loans. The average interest rate in 2021 was 1.00%.

The bank loans are part of the five-year financing arrangement agreed on 15 December 2020. In addition, a working capital financing agreement was agreed on 6 December 2021. An interest rate of Euribor plus a premium or fixed interest rate has been agreed over the full term of the bank loan financing. For the long-term bank loans, the interest rate depends on the use of the facility and the leverage ratio. With effect from 2022, the achievement of sustainability indicators will also be taken into account when determining the interest rate. The average interest rate on the bank loans in 2021 was 0.94% (2020: 0.91%).

The deferred financing fees which are deducted from the debt liability relate to the fees paid to banks when the credit facility was obtained. These costs are amortized and recognized in the income statement over the term of the financing arrangement.

Triple-net liabilities

The current liabilities related to triple for distribution centers consists of a release of €1,071 (2020: €1,071) and a discounting of €312 (2020: €375). At the end of 2021, the remaining term of the liabilities related to triple-net distribution centres is 4 years.



Accounting policies

Loans and other liabilities consist of debts to financial institutions and other investors, triple net obligations concerning real estate and other loans and commitments. Interest-bearing loans and borrowings are initially valued at fair value, net of directly attributable transaction costs of acquisition. After initial recognition, interest-bearing loans and borrowings are valued at amortised cost, which is the nominal value less the non-amortised costs of acquisition.

The costs of acquisition are amortised to the income statement over the term of the respective financing agreements, so that the effective interest rate is consistent throughout the term.

Triple net liabilities originate from lease contracts, agreed based on the so called triple net conditions, whereas Jumbo has committed itself to pay all ownership charges related to the leased real estate object during the term of the lease contracts. The obligations arising from these contracts have been recorded as non-current liabilities and consist of the present value of estimated future cash flows. When discounting, a discount rate is used based on an interest rate which applicable to similar financing arrangements and is in line with the average expected remaining duration.

21. Pensions and other employee benefit obligations

The pensions and other employee benefit obligations consist of:

	2021	2020
Defined benefit pension plan obligations	6,833	4,691
Other employee benefit obligations	16,851	16,794
	23,684	21,485

Pension liability based on defined benefit plans

1. Defined benefit obligations
2. Fair value of fund investments
3. Net pension assets and obligations (balance 1 and 2)
4. Chargeable to the income statement
5. Recognised directly in group equity

2021	1	2	3	4	5
Balance at start of financial year	60,645	(55,954)	4,691		
Movements during the financial year					
Pension entitlements granted to year of service	275	-	275	275	-
Pension costs of elapsed service years	-	-	-	-	-
Interest expense/income	436	(402)	34	34	-
Contributions by employer	-	(307)	(307)	(307)	-
Contributions by employees	-	-	-	-	-
Return on fund investments	-	4,086	4,086	-	4,086
Experience adjustments	(8)	-	(8)	-	(8)
Changes in financial assumptions	(1,930)	-	(1,930)	-	(1,930)
Changes in demographic assumptions	-	-	-	-	-
Pension benefits paid	(1,315)	1,315	-	-	-
Value transfer pension plan	(83)	83	-	-	-
Curtailement of pension scheme	-	-	-	-	-
Other movements	(8)	-	(8)	(8)	-
	(2,633)	4,775	2,142	-6	2,148
Balance at end of financial year	58,012	-51,179	6,833		

2020	1	2	3	4	5
Balance at start of financial year	62,309	(53,786)	8,523		
Movements during the financial year					
Pension entitlements granted to year of service	119	-	119	119	-
Pension costs of elapsed service years	15	-	15	15	-
Interest expense/income	675	-579	96	96	-
Contributions by employer	-	-177	-177	-177	-
Contributions by employees	-	-	-	-	-
Return on fund investments	-	-2,762	-2,762	-	-2,762
Experience adjustments	87	-	87	-	87
Changes in financial assumptions	304	-	304	-	304
Changes in demographic assumptions	(1,504)	-	(1,504)	-	(1,504)
Pension benefits paid	(1,355)	1,355	-	-	-
Value transfer pension plan	(62)	62	-	-	-
Curtailement of pension scheme	-	-	-	-	-
Other movements	57	(67)	(10)	(10)	-
	(1,664)	(2,168)	(3,832)	43	(3,875)
Balance at end of financial year	60,645	(55,954)	4,691		

Jumbo has its defined benefit plan administered at pension insurers. These are primarily career average pay schemes with conditional indexation, while a few of the insured schemes involve indexation linked to the indexation of an industry-wide pension fund. The employer's obligation for active schemes consists of the annual premium, any indexations, administration costs and single premiums for individual outbound value transfers. The employer's obligations for inactive schemes consist of the single premiums for outbound value transfers and any indexations. The financing schemes are laid down in insurance contracts between Jumbo and the pension insurers. These schemes fall under the Pensions Act. If these contracts expire, there is a risk that taking out new contracts could result in higher pension costs.

In 2021, €357 in gross premium contributions (2020: €231) was paid by the employer.

The fund investments are 100% insured contracts. The value of the fund investments is based on the guaranteed values of these contracts. The pension insurer is responsible for the fund investments. The fund investments are not divided up by pension contract. The pension insurers periodically prepare an analysis for aligning the fund investments and pension obligations in the short and long term. Based on the outcomes of the aforementioned analyses, the pension insurers adjust the nature and composition of the investments, if necessary, in line with the expected terms of the pension obligations. The term of the liabilities relating to the defined contribution plans ranges from ten to thirty years.

The main actuarial assumptions used in calculating the pension obligations are shown in bandwidths below.

	2021	2020
Discount rate	1.0% - 1.3%	0.5%-0.8%
Expected future real salary increases general	3%	1%
Expected future real salary increases individual	1%	0%
Expected future inflation	2.1%	1.9%
Expected pension increase for active participants	0%	0%
Expected pension increase for inactive participants	0.0%-2.1%	0%-1.9%

The AG Forecast Table 2020 was used for 2021 (2020: AG Forecast Table 2020).

The sensitivity analysis below is based on the most plausible changes in the actuarial assumptions which could occur at the end of the reporting period, while the other actuarial assumptions remain constant. The effect on the present value of the defined pension obligations is shown below. A decrease in the discount rate and an increase in indexation would result in an increase in the pension obligation. An increase in the discount rate and a decrease in indexation would result in a decrease in the pension obligation.

	2021	2020
Decrease in discount rate by 0.5%	5,931	6,547
Increase in discount rate by 0.5%	(5,174)	(5,682)
Decrease in indexation by 0.5%	(2,466)	(1,505)
Increase in indexation by 0.5%	6,107	6,895

Contribution to defined contribution plans

The defined contribution plans consist mostly of schemes at industry-wide pension funds. Jumbo is affiliated with several industry-wide pension funds. Multiple companies are required by law to be affiliated with the industry-wide pension funds. All the affiliated companies pay a self-financing premium to the industry-wide pension fund. At the end of 2021, the large majority of the employees were participants in the industry-wide pension funds for the food business (Stichting Bedrijfstakpensioenfondsvoor het Levensmiddelenbedrijf) and the food service business (Stichting Bedrijfstakpensioenfondsvoor Foodservice). The current funding ratios of these funds were 96.6% and 114.3%, respectively, as of the balance sheet date 2021 (2020: 87.1% and 104.7%, respectively). Both industry-wide pension funds have a recovery plan in which the premium is a steering instrument. No additional premiums are expected in the coming years alongside the regular self-financing premiums.

Jumbo expects to make a contribution in 2022 in the form of premiums totalling €45,935 (2021: €43,752) to the defined contribution plans.

Other liabilities in relation to employee benefits

The other liabilities in relation to employee benefits consist of a provision for jubilee benefits and a provision for occupational disability benefits.

The movements in the other liabilities in relation to employee benefits were as follows:

	Long-service awards	Disability	Total 2021	Total 2020
Balance at start of financial year	15,692	1,102	16,794	11,674
Additions	1,923	89	2,012	5,393
Releases	(464)	-	(464)	-
Withdrawals	(381)	(1,110)	(1,491)	(608)
Accretion of interest	-	-	-	335
Movements in carrying amount	1,078	(1,021)	57	5,120
Balance at end of financial year	16,770	81	16,851	16,794
Non-current	16,266	-	16,266	15,976
Current	504	81	585	818
Balance at end of financial year	16,770	81	16,851	16,794



Estimates and judgements

Pensions

To make the actuarial calculations for the defined benefit plans, Jumbo applies assumptions for discount rates, future pension increases and life expectancy as described in this note. The actuarial calculations are made by external actuaries based on inputs from observable market data. These observable market data includes:

- corporate bond returns and yield curves to determine the discount rates used;

- mortality tables to determine life expectancy; and
- inflation numbers to determine future salary and pension growth assumptions.

Other employee benefit obligations

The recognized liability is the best estimate of the amounts necessary to settle the related obligations as per balance sheet date. The calculation includes the chance that employees will not be eligible for an anniversary bonus as a result of early termination of employment. The liability is calculated taking into account the time value of money by recognizing the liability at present value.



Accounting policies

Jumbo has a number of pension schemes. The pension schemes are financed by contributions to pension administrators, i.e. industry-wide pension funds and insurance companies. In the pension obligations, a distinction is made between defined contribution plans and defined benefit plans.

Defined contribution plans

A defined contribution plan is one in which Jumbo pays fixed contributions to a separate entity and has no legal or constructive obligation if the pension fund has insufficient assets to pay all the benefits to employees in connection with the employees' service years in the current and previous periods. As soon as the contributions are paid, Jumbo has no further payment obligations. The pension contributions are recognised in the income statement as the costs of employee benefits in the year to which they relate.

Prepaid pension contributions are recognised as an asset to the extent this results in a repayment in cash or set-off with future contributions. Contributions to a defined contribution plan which are payable more than 12 months after expiration of the period in which the employees perform the related services are discounted to their present value.

Defined benefit plans

Defined benefit plans are all pension schemes that are not a defined contribution plan. The obligation under the defined benefit plans is the balance of the present value of the defined benefit obligations on the balance sheet date less the fair value of the fund investments held in connection therewith. Jumbo's obligation under defined benefit plans is calculated separately for each scheme annually based on the projected unit credit method. The present value of the defined benefit obligation is determined by the estimated future outflow of funds based on the interest rates of high-grade corporate bonds with comparable maturities.

If the calculation results in a positive balance for Jumbo, the recognition of the asset is limited to an amount that is at most equal to any unrecognised pension costs of past employment and the present value of economic benefits in the form of any future refunds or reduction in future pension contributions. In calculating the present value of economic benefits, the minimum financing obligations that apply to Jumbo's separate schemes are taken into account. An economic benefit is available for Jumbo if it can be realised within the term of the scheme or upon settlement of the obligations of the scheme. Actuarial gains and losses arising from changes to the actual developments or actuarial assumptions are recognised in the consolidated statement of comprehensive result. If the pension entitlements under a scheme are changed or if a scheme is curtailed, the ensuing change in entitlements in relation to past service time or the gain or loss on that curtailment is recognised directly in the income statement. Jumbo recognises gains or losses in relation to the settlement of a defined benefit plan at the moment that an official decision has been taken.

Other employee benefit obligations

Other employee benefit obligations relate to benefits that are part of the remuneration package. These liabilities include the deferred remuneration (jubilee benefits and occupational disability benefits).

22. Provisions

The provisions can be specified as follows:

	2021	2020
Restructuring	2,418	5,215
Other provisions	-	2,650
	2,418	7,865
Non-current	1,527	1,777
Current	891	6,088
	2,418	7,865

The provisions are valued at present value. The discount rate is based on the risk-free interest rate of 0.00% (2020: 0.00%).

The additions to and usage of the reorganisation provision mainly relate to the restructuring of the head office and the New Store Organisation.

The movements in the provisions are as follows:

	Restructuring	Other provisions	Total 2021	Total 2020
Balance at start of financial year	5,215	2,650	7,865	7,450
Additions	8,447	-	8,447	15,985
Releases	(499)	(2,600)	(3,099)	(557)
Usage	(10,745)	(50)	(10,795)	(15,013)
Accretion of interest	-	-	-	-
Movements in carrying amount	(2,797)	(2,650)	(5,447)	415
Balance at end of financial year	2,418	-	2,418	7,865
Non-current	1,527	-	1,527	1,777
Current	891	-	891	6,088
Balance at end of financial year	2,418	-	2,418	7,865



Accounting policies

Provisions are recognized for obligations enforceable by law or constructive obligations on grounds of events on or before the balance sheet date when it is probable that an outflow of resources will be required and the size of these can be reliably estimated. Provisions are valued by discounting the expected future cash flows using a discount rate that reflects the current market estimations of the time value of money and the risks specific to the liability. Interest accrual on the provisions is recognised as a financing expense.

Restructuring provision

The restructuring provision relates to costs associated with the restructuring of activities and is formed if a constructive or legal obligation has arisen for Jumbo.

Other provisions

The other provisions consist mainly of provisions for legal claims.

23. Trade creditors and other payables

The trade creditors and other payables consist of:

	2021	2020
Trade creditors	1,247,598	1,216,795
Employee-related liabilities	87,602	96,321
Taxes and social security charges	95,740	81,192
Stamp obligations	52,945	50,361
Saving campaign liabilities	15,595	8,246
Accruals and deferred income	136,570	93,401
	1,636,050	1,546,316

The trade creditors includes a receivable in relation to purchase bonuses and promotional contributions still to be received. As of the end of the 2021 financial year, this receivable amounts to €87,282 (2020: €69,283). At year-end 2021, the trade creditors includes a liability to related parties of €51 (2020: €658).

Jumbo gives its suppliers the possibility to make use of Supply Chain Finance. This allows suppliers to be paid earlier by the banks where Jumbo has taken out the facility, with deduction of interest that is in line with the market. Jumbo itself continues to pay at the payment time contractually agreed with the supplier and as a result the facility has a positive effect on the working capital.

The average payment term for trade creditors once again decreased in 2021: to 25 days compared to 27 days in 2020. This is a response from Jumbo to society's desire to pay trade creditors more quickly. Refer to the specification of the actual payment periods below.

	2021	2020
Trade creditors (incl. VAT)	1,247,598	1,236,819
VAT amount in trade creditors	(142,226)	(140,997)
Supply Chain Finance and Dynamic Discounting facilities and other	(562,660)	(532,538)
Trade creditors (normalised)	542,712	563,284
Cost of sales	6,507,232	6,347,578
Purchases of non-trade goods and services and other	1,357,800	1,236,819
Total purchases (normalised)	7,865,032	7,584,397

Payment term Trade creditors	25 days	27 days
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The payment period has been determined by dividing the normalised trade creditors by the normalised total purchases and multiplying this number by the number of days in a year. The total purchases was also normalised for the 53rd week for the 2020 financial year. For a correct calculation, trade creditors are corrected for VAT; outstanding amounts relating to the Supply Chain Finance and Dynamic Discounting facilities are left out of consideration as these amounts are directly available to the suppliers. This gives Jumbo a normalised balance of trade creditors. In order to determine total purchases, both the cost of sales and the purchase of non-trading goods and services must be included. When applicable, adjustments are also made to purchases in case of acquisitions during the financial year in order to determine the correct total purchase values related to the trade creditors concerned.

The reservations for employee-related liabilities also include a debt for pensions of € 13,006 (2020: €7,614).

In relation to stamp obligations, a total of €73,082 in stamps were issued in 2021 (2020: €75,285), specifically 730,825 stamps (2020: 752,850). The movement in the stamp obligations in 2021 amounts to €2,584.

The liability for saving campaigns concerns a liability for deferred revenue, in accordance with IFRS 15, which is realised when consumers use saved points for discounts or free products.

The accruals and deferred income consist mainly of interest payable, property-related items, other accounts payable, accruals and deferred income. These current liabilities are not interest-bearing.



Estimates and judgments

The supply chain agreement is a payment service provider to Jumbo's suppliers. From Jumbo's point of view, this agreement does not result in changes to payment dates, payment terms, due dates and other conditions. Jumbo has obligations to its suppliers for providing goods and/or services, for which the payments are processed through the platform of the participating banks. These obligations are therefore classified as liabilities to trade creditors.



Accounting policies

Trade creditors and other payables are measured at fair value upon initial recognition. These current liabilities are subsequently measured at amortised based on the effective interest method. This usually equals the nominal value. Government levies are also included under the other current liabilities. The government levies are recognised in the period in which the government levy arises.

24. Off balance sheets assets, commitments and contingencies

Contingent receivables

Jumbo has contingent receivables from former and current entrepreneurs in relation to subsequent settlement schemes for, among other things, purchase considerations and investment contributions. The contingent receivables are contractually agreed with the stipulation that if there is excess profit and/or discontinuation profit in any future year, the entrepreneur will pay part of this contingent receivable to Jumbo.

To some extent, the size of the future economic benefits associated with the aforementioned receivables cannot be determined reliably. A receivable for the subsequent settlement schemes has been included in the balance sheet exclusively for the portion that can be estimated reliably.

In 2021 and previous reporting years, an amount of €3,350 was included under other receivables, prepayments and accrued income (2020: €2,646). Jumbo cannot estimate the size of the receivable for 2022 and beyond with reasonable certainty.

Purchase agreements

Jumbo has entered into procurement contracts with parties outside of the regular purchasing for the supply of goods and services for amounts of €1,000 or more.

The liabilities relating to these procurement contracts fall due as follows:

	2021	2020
Terms expiring within 1 year	77,322	68,247
Terms expiring in 1 to 5 years	80,688	173,099
Terms expiring after 5 years	6,368	7,152
	164,378	248,498

At the end of the 2021 financial year, Jumbo had also entered into various procurement contracts for the supply of goods and services which are in reasonable proportion to the normal business operations.

Purchase and repurchase commitments and other guarantees

Entrepreneurs have pledged inventory items to third-party financiers for the financing extended to entrepreneurs. Jumbo gives these third-party financiers repurchase commitments in relation to these inventory items. These commitments are secured with the inventory items which would be received back, so that the credit risks are mitigated.

Jumbo has also issued warranties and direct guarantees to the aforementioned third-party financiers in connection with the financing taken by the entrepreneurs. In the guarantees provided to the third-party financiers, the inventory items of the relevant entrepreneurs are pledged directly to Jumbo.

At year-end 2021, Jumbo had given purchase and repurchase commitments and other guarantees up to a sum of €14,084 (2020: € 19,617).

Lease commitments and rental obligations

Jumbo has contracted lease agreements for the distribution centres, internal transport, vehicles and other assets. Jumbo also leases real estate and subleases some of this real estate, mainly to entrepreneurs. In these cases, Jumbo is responsible for the full owner's charges. The conditions under which leases are contracted are based primarily on economic considerations and market conditions at the time the lease is concluded.

The lease commitments and rental obligations have been reported in accordance with IFRS 16 and included in lease commitments, refer to note 19. For the related right-of-use assets, refer to note 12. Leases and rental contracts with a term of less than 1 year or an underlying asset with a low value of less than €5 are not included in this. The rental obligations arising from these are included below, along with obligations entered into in 2021, which take effect from 2022 or later.

The minimum rental obligations from leases not reported under IFRS 16 fall due as follows:

	2021	2020
Rental obligations (real estate)		
Terms expiring within 1 year	29,686	9,862
Terms expiring in 1 to 5 years	64,640	54,197
Terms expiring after 5 years	53,686	12,054
	148,012	76,113

The total off-balance-sheet liability for leases for real estate not measured under IFRS 16 amounts to €148,012 (2020: €76,113). This does not include any liabilities to related parties (2020: nil).

The minimum receivables from the subleasing immovable property held under operational lease contracts fall due as follows:

	2021	2020
Rent receivables (immovable property)		
Terms expiring within 1 year	123,827	102,823
Terms expiring in 1 to 5 years	386,448	301,236
Terms expiring after 5 years	142,064	123,963
	652,339	528,022

The total off-balance-sheet receivables for operational leases for real estate amount to €652,339 (2020: €528,022). In addition, there are off-balance-sheet receivables from related parties for operational leases of €4,295 (2020: €2,620)

In 2021, rental income of €110,538 (2020: €102,542) was credited to the income statement for operational leases for real estate.

Receivables and liabilities arising from the agreement with Jan Linders Supermarkten

As part of the agreement with Jan Linders Supermarkten, as described in note 14, Jumbo has entered into a conditional obligation to purchase two locations and has a conditional receivable arising from the sale of four locations. In addition to the above transaction, Jumbo and Jan Linders Supermarkten have agreed on the sale of an additional location.

Other liabilities

Jumbo has made commitments to entrepreneurs about financial compensation and contributions to be provided and has entered into liabilities with third parties in this regard. The total of these liabilities amount to €397,612 at year-end 2021 (2020: €402,439). The commitments to entrepreneurs are primarily investment and divestment contributions, transition allowances, opening contributions, closing costs, operating contributions and goodwill guarantees. Pending legal disputes are not included in the balance sheet if the outgoing cash flows cannot be reliably estimated.

Other receivables

Other off-balance-sheet receivables of €2,976 relate to unsettled receivables from insurance policies and sponsorship activities.

25. Financial instruments

General

Jumbo uses various financial instruments in the course of normal business operations to hedge financial risks. Jumbo's financial instruments include cash and cash equivalents, loans receivable, trade debtors and other receivables, interest-bearing loans and other long-term liabilities, current account credits, trade creditors and other payables and derivative financial instruments. The cash and cash equivalents, interest-bearing loans and current account credits are held or taken out with renowned banks and financial institutions with a high credit rating. Jumbo only provides loans if necessary and sensible on the basis of responsible entrepreneurship. Starting points for loans to entrepreneurs include that the loan agreement must be officially documented, there must be sound operational planning with an expected positive result and structural monitoring of the development in the operations and financing during the term of the loan. As concerns the other financial instruments, Jumbo seeks to enter into financial transactions with financially sound counterparties. Jumbo enters into transactions in derivative financial instruments in order to hedge the risks related to financial instruments. Derivative financial instruments are not held for trading purposes.

In its normal operations, Jumbo uses various financial instruments that expose Jumbo to liquidity, credit and market risks. Jumbo estimates that these risks have an extremely limited impact on the operation of the business. Compared to the previous year, Jumbo's business operations were not affected to a greater or lesser extent by these risks. Jumbo's policy for managing these risks has not changed since previous year.

Managing the working capital

Jumbo pursues a financing policy which centres on continuity of the business and takes into account the management of the working capital (the capital held to perform the operational activities). To this end, Jumbo takes the investment level into account, for the short- and long-term, and adjusts it if necessary to guarantee the continuity of the operational activities.

From February 1, 2022, new legislation will limit the payment period between businesses to 60 calendar days. The statutory period remains 30 days. Jumbo has also taken these developments into account when planning its financing needs.

Jumbo uses various forms of financing including longer-term bank financing and working capital facilities, and since 2021 a Schuldschein. When the Schuldschein was issued, it emerged that there was ample interest from investors in providing such financing to Jumbo. By issuing the Schuldschein, Jumbo reduces its dependence on banks in its financial management.

In relation to the financing, Jumbo must satisfy the requirements stipulated by the lenders. The most important covenant, agreed in the long-term bank financing, concerns the leverage ratio excluding IFRS 16 impact, whereby a ratio of 3.00x is maintained. At January 2, 2022, the leverage ratio is 0.82x (January 3, 2021: 0.57x). Jumbo amply meets the requirements set.

Liquidity risk

The liquidity risk is the risk that Jumbo will be unable to meet its financial obligations at a certain moment. Jumbo maintains sufficient cash and cash equivalents and has adequate credit facilities at its disposal to minimise the liquidity risk, under both normal and more challenging circumstances. The cash flows are monitored closely and planned in order to minimise the liquidity risk. The liquidity risk is limited since there is sufficient latitude in the existing credit facilities.

Credit facilities

The current financing agreement with a principal amount of €700 million took effect at December 15, 2020 and has a term of five years, with the option of a two-year renewal. The financing agreement was concluded with the bank syndicate consisting of ABN AMRO, Rabobank, ING, Deutsche Bank and BNP Paribas.

For the credit facilities mentioned, a covenant has been agreed with the banks that can be summarised as follows: the (corrected) net debt as a percentage of the EBITDA (cumulative EBITDA on a 12-month progressive basis). The banks correct the net debt for the effects of the implementation of IFRS 16.

At April 26, 2021, Jumbo issued a Schuldschein financing with a principal amount of €200 million. This financing consists of three underlying loans, being two five-year loans of €150 million and one seven-year loan of €50 million. For one five-year loan and the seven-year loan, a fixed interest rate has been agreed for the entire term. The remaining five-year loan is a loan with a variable interest rate based on the Euribor rate plus a mark-up. This financing was concluded with foreign banks and insurers.

Finally, at December 6, 2021, Jumbo entered into a €100 million uncommitted working capital facility.

The credit facilities at year-end 2021 are as follows:

	Credit facility	Amount used
Revolving Facility	550,000	150,000
Ancillary	150,000	-
Schuldschein	200,000	200,000
Working capital facility	100,000	100,000
Gross balance at end of financial year	1,000,000	450,000

To secure the credit facilities, Jumbo provided as security the joint and several liability of the following subsidiaries belonging to Jumbo: Jumbo Distributiecentrum B.V., Jumbo Omnichannel B.V., Jumbo Supermarkten B.V., Jumbo Food B.V. and Jumbo Supermarkten Vastgoed B.V.

Financial instruments

The interest on part of the financing is variable and based on the Euribor plus a mark-up. The refinancing has a floor at 0%, consequently the interest payable cannot be lower than the mark-up.

Some of this interest rate risk is hedged using interest rate derivatives. As of year-end 2021, the interest rate derivatives consisted of interest rate caps, which cap the Euribor at 0% and which end at December 2023. The nominal value of the interest rate caps present on January 2, 2022 is €200,000. On the balance sheet date, this hedges €200,000 (2020: €200,000) of the credit facility used. The interest rate caps had a market value of €430 at year-end 2021 (2020: €128).

Contractual terms of the financial liabilities

Below are the contractual terms of the financial liabilities including mandatory repayments and interest payments by Jumbo on the balance sheet date. The interest charges have been estimated taking into account an average Euribor rate of 0% and a debt reduction in accordance with the multi-year planning.

	Carrying amount	Contractual cash flows	Less than one year	1-5 years	More than 5 years
2021					
Bank loans	248,826	261,337	102,780	158,557	-
Schuldschein	199,303	210,591	2,165	157,616	50,810
Lease commitments	2,547,111	2,708,180	255,131	1,067,652	1,385,397
Other financing obligations	250	250	250	-	-
Stamp obligations	52,945	52,945	52,945	-	-
Creditors and other payables	1,583,105	1,583,105	1,583,105	-	-
	4,631,540	4,816,408	1,996,376	1,383,825	1,436,207
2020					
Bank loans	348,530	366,988	3,403	363,585	-
Lease commitments	2,612,514	2,787,116	252,470	1,057,622	1,477,024
Other financing obligations	1,482	1,482	1,232	250	-
Stamp obligations	50,361	50,361	50,361	-	-
Creditors and other payables	1,495,955	1,495,955	1,495,955	-	-
	4,508,842	4,701,902	1,803,421	1,421,457	1,477,024

Credit risk

Credit risk is the risk of financial loss for Jumbo if a buyer or counterparty in a financial instrument fails to comply with the contractual obligations entered into.

Jumbo's credit risk consists of credit risk on financing provided to buyers, securities furnished to financial institutions for the financing provided to buyers and trade receivables.

For the financing provided and the security provided to financial institutions for the financing arrangements provided to buyers, Jumbo requires that the particular buyers furnish security in return, including mortgage registrations for immovable property, bank guarantees and the pledge of assets, receivables and life insurance entitlements.

The maximum credit risk is the carrying amounts of the financial assets on the balance sheet date and is as follows:

	2021	2020
Financial fixed assets	109,882	63,188
Trade debtors	323,634	273,725
Other receivables, prepayments and accrued income	77,506	40,059
Cash and cash equivalents	78,705	74,357
	589,727	451,329

To determine the provision for financial assets, the expected credit losses model is applied in accordance with IFRS 9. Three stages are distinguished in the model. These stages relate to the assessment of the counterparty's credit quality. The provision for financial assets and trade debtors is largely determined and calculated on the basis of stage 3, whereby actual payment arrears have already arisen. Jumbo availed of the possibility of applying the simplified approach under IFRS 9 for determining the provision relating to the trade debtors.

The ageing breakdown of these trade debtors as of the balance sheet date is as follows:

	2021	2020
Not due	230,643	210,169
Overdue by 0-30 days	47,119	22,554
Overdue by 31-60 days	24,758	21,317
Overdue by 61-90 days	7,753	11,575
Overdue by more than 90 days	17,196	10,649
	327,468	276,264
Provision for bad debts	(3,834)	(2,539)
Carrying amount of receivables	323,634	273,725

The fair value adjustments resulting from the possible uncollectability of the trade debtors take place on an individual basis. In relation to the receivables that are not yet due and not written down, there were no indications on the balance sheet date that these would not be paid.

The movements during the year in the provision for bad debt in relation to trade debtors were as follows:

	2021	2020
Balance at start of financial year	(2,539)	(7,531)
Additions	(3,392)	(526)
Withdrawals	192	4,009
Releases	1,905	1,509
	(1,295)	4,992
Balance at end of financial year	(3,834)	(2,539)

As of the balance sheet date, there was no concentration of credit risks at certain parties. The maximum credit risk was also mitigated by the securities obtained in relation to the assets. These are explained in note 24 under purchase and repurchase commitments and other guarantees.

Market risk

Market risk is the risk that Jumbo's income or the value of financial instruments will be detrimentally affected by changes in interest rates.

Interest rate risk

The interest rate risk is limited to any changes in the market value of loans taken and provided. Some of the loans Jumbo has entered into have a variable interest rate. Jumbo has taken out interest rate derivatives to limit the interest rate risks. Jumbo has also taken out loans with a fixed interest rate for the entire term of the loan.

As of the end of the 2021 financial year, Jumbo has interest rate derivatives with terms to the end of 2023. The fair value of the interest rate derivatives is the estimated amount that Jumbo would receive to settle the contract as of the balance sheet date, taking into account the current interest rate and current creditworthiness of the contract parties with whom the interest rate derivatives have been taken out. In line with the previous year, Jumbo does not apply hedge accounting for the interest rate derivatives taken out.

Movements in the fair value of the interest rate caps are recognised on the balance sheet under the derivative financial instruments and in the income statement under other operating income. At year-end 2021, 92.2% of the variable interest-bearing debts was hedged using interest rate derivatives (2020: 57.1%). The average interest rate on the variable interest-bearing debts was 0.94% in 2021 (2020: 0.91%).

The counterparty risk is judged to be extremely low since the interest rate derivatives have been taken out with leading financial institutions.

Interest rate sensitivity analysis

The goal of managing the interest rate risk is to limit the effect of short-term interest rate fluctuations on the group results. In the long term, however, permanent changes in interest rates will affect the result.

On the balance sheet date, the interest rate profile of Jumbo's interest-bearing financial instruments is as follows, taking into account the effective hedging instruments linked to these instruments:

	2021	2020
Fixed-interest instruments		
Financial assets	29,000	-
Financial liabilities	252,945	250,361
Floating-interest instruments		
Financial assets	78,715	74,547
Financial liabilities	248,129	148,530

The financial assets relate to interest-bearing loans and borrowings and cash and cash equivalents, the financial liabilities relate to bank loans drawn down and stamp obligations.

Sensitivity analysis of cash flow for instruments with a floating interest rate

Fluctuations in the variable interest rate are largely hedged using the interest rate derivatives. Nevertheless, an increase in the Euribor rate will, to a certain extent, result into higher interest expenses.

In the event of a decrease of 100 basis points in the interest rates (Euribor, -0.572% as of year-end) over 2021 (to the extent this is possible), the group result before taxes would remain the same. After all, the Euribor was negative for the whole of 2021 and all the variable financing has a floor of 0%. In the event of an increase of 100 basis points in the interest rates (Euribor) over 2021, the group result before tax would decrease by €777 as the result of rising interest expenses on the financing, largely compensated by the receipts from the interest rate derivatives. This is assuming that all other variables were to remain constant.

Financial instruments included in the balance sheet and fair value

The determination of the fair value of (derivative) financial instruments is explained in the accounting policies below, whereby the level in the fair value hierarchy is reported. No transfers of financial instruments took place between the different hierarchies.

On the balance sheet date, the fair value and corresponding hierarchy of the financial instruments were as follows:

	2021	2021	2021	2020	2020	2020
	Carrying amount	Fair value	Hierar-chy	Carrying amount	Fair value	Hierar-chy
Fixed assets						
Financial fixed assets (a)	109,452	109,452	3	63,060	63,060	3
Derivative financial instruments (a)	430	430	2	128	128	2
	109,882	109,882		63,188	63,188	
Current assets						
Trade debtors (a)	323,634	323,634	3	273,725	273,725	3
Cash and cash equivalents (a)	78,705	78,705	1	74,357	74,357	1
	402,339	402,339		348,082	348,082	
Non-current liabilities						
Bank loans (c)	148,826	148,826	2	348,530	348,530	2
Derivative financial instruments (e)	199,303	199,303	2	-	-	2
	348,129	348,129		348,530	348,530	
Current liabilities						
Bank loans (c)	100,000	100,000	2	-	-	2
Stamp obligations (c)	52,945	29,489	2	50,361	30,047	2
Trade creditors (c)	1,247,598	1,247,598	3	1,236,819	1,236,819	3
	1,400,543	1,377,087		1,287,180	1,266,866	
Total financial instruments	2,260,893	2,237,437		2,046,980	2,026,666	
Total per category						
(a) Financial assets at amortised cost	511,791	511,791		411,270	411,270	
(b) Financial at fair value through profit or loss	-	-		-	-	
(c) Financial liabilities at amortised cost	1,748,672	1,725,216		1,635,710	1,615,396	
(d) Financial liabilities at fair value	-	-		-	-	
(e) Derivative financial instruments	430	430		-	-	
Total	2,260,893	2,237,437		2,046,980	2,026,666	

The carrying amount of the loans and receivables approximates the fair value because any uncollectability is expressed in the value at the end of the financial year.

The fair value of the interest-bearing long-term liabilities approximates the amortised cost, given the floating interest rate based on the 3-month Euribor rate agreed on during the term. The carrying amount of the other financial liabilities approximates the fair value. The liabilities are stated at fair value, which is the value at which settlement is expected to take place.

26. Related parties

The transactions with related parties take place at arm's length. The main transactions are explained below.

Stichting Jumbo Groep

The directors of Stichting Jumbo Groep are members of or closely related to the Management Board under the articles of association of Koninklijke Jumbo Food Groep B.V.

F.E.G. Beheer B.V.

The director of F.E.G. Beheer B.V. is a member of the Management Board under the articles of association van Koninklijke Jumbo Food Groep B.V. The transactions with F.E.G. Beheer B.V. consist of management fees.

C.E.G. Beheer B.V.

The director of C.E.G. Beheer B.V. is a member of the Management Board under the articles of association van Koninklijke Jumbo Food Groep B.V. The transactions with C.E.G. Beheer B.V. consist of management fees and the sale and lease of immovable property.

M.E.G. Beheer B.V.

The director of M.E.G. Beheer B.V. is closely related to the Management Board under the articles of association of Koninklijke Jumbo Food Groep B.V. The transactions with M.E.G. Beheer B.V. consist of management fees and the sale and lease of immovable property.

Van Eerd Beheer B.V.

The director of Van Eerd Beheer B.V. is chairman of the Supervisory Board of Koninklijke Jumbo Food Groep B.V. The transactions with Van Eerd Beheer B.V. consist of the sale and lease of immovable property. The transactions relating to the lease of real estate in 2021 involved a total sum of €12,004 (2020: €13,343).

Jumbo Onroerend Goed B.V.

Jumbo Onroerend Goed B.V. has directors who are also members of the Management Board under the articles of association van Koninklijke Jumbo Food Groep B.V. The transactions with Jumbo Onroerend Goed B.V. involving a total of €5,968 (2020: €6,267) consisted mainly of leasing of real estate.

La Place Food Vastgoed B.V.

La Place Food Vastgoed B.V. has directors who are also members of the Management Board under the articles of association van Koninklijke Jumbo Food Groep B.V. The transactions with La Place Food Vastgoed Goed B.V. involving a total of €9,930 (2020: €3,700) consisted mainly of leasing of real estate.

Van Eerd Onroerend Goed B.V.

Van Eerd Onroerend Goed B.V. has directors who are also members of the Management Board under the articles of association van Koninklijke Jumbo Food Groep B.V. The transactions with Van Eerd Onroerend Goed B.V. involving a total of €4,757 (2020: €4,824) consisted mainly of leasing of real estate and chargebacks of investments.

DCJ B.V.

DCJ B.V. has directors who are also members of the Management Board under the articles of association van Koninklijke Jumbo Food Groep B.V. The transactions with DCJ B.V. involving a total amount of €5,884 (2020: €4,034) consisted mainly of leasing of real estate and investments in structural facilities related to the mechanised central distribution centre (CDC) in Nieuwegein.

Stichting Beheer Gelden Stimuleringsregeling Jumbo

The Stichting Beheer Gelden Stimuleringsregeling Jumbo aims to facilitate a scheme to encourage a uniform way of cooperating for all Jumbo supermarkets, in order to operate, safeguard and successfully market the formula.

Remuneration of Management Board members and Supervisory Board members

In 2021, the remuneration granted to Management Board members under the articles of association amounts to €8,123 (2020: €6,087) and consists of management fees and employee benefits. The increase in 2021 mainly concerned one-time payments related to exceptional performance.

In 2021, the Supervisory Board members were granted remuneration totalling €413 (2020: €474). No loans, advance payments or guarantees were provided to the Supervisory Board members.

27. Provisions in the articles of association concerning profit appropriation

Article 30 of the articles of association stipulates that the profit is adopted according to generally accepted standards and that the profit is at the free disposal of the General Meeting, with due observance of the provisions in this article. On the understanding that the company can only make profit distributions to the shareholders to the extent that the equity is greater than the statutory reserves and reserves according to the articles of association (paragraph 2).

Distribution of profit takes place after the adoption of the financial statements showing that this is justified. Interim distributions are permitted, with due observance of the provisions in the previous paragraph.

The profit achieved in any financial year is at the free disposal of the General Meeting, with due observance of the provisions in paragraph 2, and can either be added to the reserves or paid out to shareholders and, to the extent such have been issued, the holders of profit-sharing certificates.

Payments chargeable to a dividend reserve can, without prejudice to the provisions in paragraph 2, take place at all times pursuant to a resolution from the General Meeting. A dividend is made payable at the time and place stipulated by the General Meeting. Dividends which are not claimed within five years after they are made payable revert to the company.

Appropriation of the result for the 2020 financial year

The 2020 financial statements were adopted in the General Meeting held at February 23, 2021. The General Meeting decided that the result for the 2020 financial year would be added to the general reserves in the amount of €136,872.

Dividend payments in the amount of €127,500 were made to shareholders in 2021.

Proposed appropriation of 2021 result

In anticipation of the decision of the General Meeting, the result for 2021 in the amount of €114,265 will be added to the other reserves. The proposal to add the €114,265 to the other reserves has not yet been incorporated in the financial statements.

28. Subsequent events

Jumbo and the flash delivery company Gorillas have reached an agreement on a strategic partnership in the Netherlands and Flanders. As part of the agreement, Jumbo will supply part of its product range to Gorillas starting in 2022. In addition, online customers of Jumbo in urban areas will have the future option of having their purchases delivered by Gorillas.

The outbreak of the coronavirus and the related interventions will be issues in 2022 as well. For more information on the impact on Jumbo, refer to the General notes, in the 'Continuity' section.

Besides the above, no significant events occurred after the balance sheet date of January 2, 2022 which provide further information on the actual situation on the balance sheet date and which require recognition and/or disclosure in the 2021 financial statements.

Company income statement for 2021

<i>in €1,000</i>	Note	2021	2020
Result from participations after taxes		116,579	155,503
Sum of other income and expenses after taxes	1	(2,314)	(18,631)
Net result		114,265	136,872

Company balance sheet as of 2 January 2022

Before profit appropriation, in €1,000

ASSETS	Note	2 januari 2022	3 January 2021
Fixed assets			
Financial fixed assets	1	1,290,962	1,143,871
		1,290,962	1,143,871
Current assets			
Intercompany current account		137,223	146,376
Cash and cash equivalents		284	8,236
		137,507	154,612
TOTAL ASSETS		1,428,469	1,298,483
LIABILITIES			
Equity			
Issued capital		8	8
Legal reserve		228,692	188,063
General reserves		330,806	363,681
Unappropriated result		114,265	136,872
Total equity	2	673,771	688,624
Provisions	3	200,820	191,096
Non-current liabilities	4	348,129	348,530
Current liabilities			
Loans and other liabilities		100,000	-
Credit institutions		101,648	52,984
Corporate income tax		1,272	15,551
Other accounts payable, accruals and deferred income		2,829	1,698
		205,749	70,233
Total liabilities		754,698	609,859
TOTAL LIABILITIES		1,428,469	1,298,483

Notes to the company financial statements

General accounting policies for the preparation of the financial statements

The company financial statements were prepared in accordance with the provisions in Title 9 of Book 2 of the Dutch Civil Code. With application of Section 362 (8) of the Dutch Civil Code, the valuation principles and principles used for determination of the result are in accordance with the valuation principles used by Koninklijke Jumbo Food Groep B.V. in the consolidated financial statements. For the valuation principles and principles used for determination of the result, reference is made to notes of the consolidated financial statements.

The company financial statements have been prepared in euros. The amounts in the financial statements have been rounded off to the nearest €1,000, unless stated otherwise.

The financial data of Koninklijke Jumbo Food Groep B.V. are incorporated in the consolidated financial statements so that using Section 2:402 of the Dutch Civil Code, an abbreviated income statement in the company financial statements suffices.

Intercompany current account

The current accounts with group companies are measured at fair value upon first recognition and subsequently measured at amortised cost.

1. Balance of other income and expenses after taxes

The Balance of other income and expenses after taxes can be specified as follows:

	2021	2020
Corporate income tax rate adjustment	(6,262)	(25,330)
Other result after taxes	3,948	6,699
	(2,314)	(18,631)

2. Financial fixed assets

The financial fixed assets consist of:

	2021	2020
Participations	1,290,532	1,143,743
Fair value of derivative financial instruments	430	128
Balance at end of financial year	1,290,962	1,143,871

An overview of the participating interests is included in the general notes to the consolidated financial statements.

The movements in the participating interests are as follows:

	2021	2020
Balance at start of financial year	1,143,743	898,441
Direct equity movements participations	30,210	89,799
Result from participations	116,579	155,503
Balance at end of financial year	1,290,532	1,143,743



Accounting policies

Participations with a negative asset value are stated at nil. If the company wholly or partly guarantees the debts of the particular participations or has the constructive obligation to enable the participations (for its share) to pay its debts, a provision is recognized. In determining the size of this provision, provisions for uncollectability already deducted from receivables from the participation are taken into account.

Participations in group companies in which significant influence is exercised on the business and financial policy are valued at net asset value, but no lower than nil. This net asset value is calculated on the basis of the valuation principles of Koninklijke Jumbo Food Groep B.V. as applied in the consolidated financial statements.

3. Equity

Refer to note 18 of the notes to the consolidated financial statements as well as the statement of the consolidated movements in group equity 2021.

Legal reserve

A legal reserve for participations in relation to (internally developed) software was formed in accordance with Section 2:389 (6) of the Dutch Civil Code.

The movements in the reserve were as follows:

	2021	2020
Balance at start of financial year	188,063	147,735
Movements from unappropriated result	40,629	40,328
Balance at end of financial year	228,692	188,063

On grounds of Dutch law and regulations, the legal reserves cannot be paid out as dividend to Jumbo shareholders.

4. Provisions

The provisions consist of a deferred tax liability.

The movements in the deferred tax assets and liabilities were as follows:

	2020		Movements during the financial year		2021	
	Receivable	Liability	through income statement	through OCI	Receivable	Liability
Intangible fixed assets	(1,634)	202,122	922	-	(3,726)	205,136
Tangible fixed assets	(3,355)	1,321	707	-	(3,697)	2,370
Financial fixed assets	-	1,933	645	-	-	2,578
Pensions and other employee benefit obligations	(3,062)	-	(876)	515	(3,423)	-
Non-current liabilities	(5,296)	-	(993)	-	(6,289)	-
Other assets and liabilities	(16,351)	96	13,688	-	(2,638)	71
Reinvestment reserve	-	15,322	(4,884)	-	-	10,438
Balance of deferred receivables and liabilities	29,699	(29,699)	-	-	19,773	(19,773)
Net deferred tax liabilities	-	191,096	9,209	515	-	200,820

A sum of €21,978 of the deferred tax liability (2020: €8,873) is short term.

5. Loans and other liabilities

The loans and other liabilities consist of (see note 20 of the consolidated financial statements):

	2021	2020
Non-current loans and other liabilities		
Bank loans	148,826	348,530
Schuldschein	199,303	-
	348,129	348,530
Current loans and other liabilities		
Bank loans	100,000	
	100,000	348,530

6. Off balance sheets assets, commitments and contingencies

In connection with the use of the publication exemptions for the group companies included in the consolidation, as referred to in Title 9 of Book 2 of the Dutch Civil Code, Section 403 (1) (f), the company has accepted joint and several liability for debts arising from all juridical acts of the following subsidiaries: Jumbo Food B.V., Jumbo Distributiecentrum B.V., Jumbo Logistiek Vastgoed B.V., Jumbo Supermarkten B.V., Euroselect B.V., Jumbo Omnichannel B.V., Jumbo Omnichannel Vastgoed B.V., Jumbo Supermarkten Vastgoed B.V., La Place Food Groep B.V., La Place Food B.V. and EMTÉ Kapelle B.V.

Other explanations and the signing of the financial statements

Employees

Koninklijke Jumbo Food Groep B.V. did not have any employees in 2021 (2020: 0).

Remuneration of Management Board members and Supervisory Board members

Details concerning the remuneration of Management Board members and Supervisory Board members are contained in note 26 to the consolidated financial statements.

Profit appropriation and appropriation of the result

Details concerning the profit appropriation and result according to the articles of association are contained in note 27 to the consolidated financial statements.

Accountant's fees

Details concerning the fees for external auditor PricewaterhouseCoopers Accountants N.V. are contained in note 6 to the consolidated financial statements.

Subsequent events

The subsequent events are contained in note 28 to the consolidated financial statements.

Signing of the financial statements

Veghel, February 22, 2022

On behalf of the Management Board,

G.F.T. van Eerd
Chief Executive Officer

Drs. A.L. van Veen
Chief Financial Officer

Drs. C.M.P.W. Cloosterman-van Eerd
Chief Customer Officer

C.H. van Vliet
Chief Operating Officer

On behalf of the Supervisory Board,

C.J.M. van Eerd
Supervisory Board Chairman

A. Burgmans

P. Coelewijn

Ir. J.C. Hoogerbrugge

Drs. W.G. Jiskoot



Other information

Profit appropriation according to the articles of association

Article 30 of the articles of association stipulates that the profit is adopted according to generally accepted standards and that the profit is at the free disposal of the General Meeting, with due observance of the provisions in this article. On the understanding that the company can only make profit distributions to the shareholders to the extent that the equity is greater than the statutory reserves and reserves according to the articles of association (paragraph 2).

Distribution of profit takes place after the adoption of the financial statements showing that this is justified. Interim distributions are permitted, with due observance of the provisions in the previous paragraph.

The profit achieved in any financial year is at the free disposal of the General Meeting, with due observance of the provisions in paragraph 2, and can either be added to the reserves or paid out to shareholders and, to the extent such have been issued, the holders of profit-sharing certificates.

Payments chargeable to a dividend reserve can, without prejudice to the provisions in paragraph 2, take place at all times pursuant to a resolution from the General Meeting. A dividend is made payable at the time and place stipulated by the General Meeting. Dividends which are not claimed within 5 years after they are made payable revert to the company.

Independent auditor's report

To: the Management Board and the Supervisory Board of Koninklijke Jumbo Food Groep B.V.

Report on the translated financial statements for the period 4 January 2021 to 2 January 2022

Our opinion

In our opinion, the accompanying translated financial statements for the period 4 January 2021 to 2 January 2022 of Koninklijke Jumbo Food Groep B.V. are consistent, in all material respects, with the audited financial statements, in accordance with the basis described in the general notes to the translated financial statements.

The translated financial statements

The translated financial statements of Koninklijke Jumbo Food Groep B.V., Veghel ('the company'), derived from the audited financial statements for the period 4 January 2021 to 2 January 2022, comprise:

- Foreword, Key data, 2021 Highlights, Profile;
- report from the Management Board;
- report from the Supervisory Board;
- the consolidated and company income statements for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated and company balance sheet as of 2 January 2022;
- the consolidated cash flow statement for the year then ended;
- the consolidated movements in group equity for the year then ended;
- the related notes to the consolidated and the company financial statements; and
- other information.

The audited financial statements and the translated financial statements do not reflect the events that occurred subsequent to the date of our report on the audited financial statements.

The translated financial statements

We expressed an unmodified audit opinion on the audited financial statements in our report dated 22 February 2022.

Responsibilities of the Management Board for the translated financial statements

The Management Board is responsible for the preparation of the translated financial statements in accordance with the basis described in the general notes to the translated financial statements.

Our responsibility for the audit of the financial statements

Our responsibility is to express an opinion on whether the translated financial statements are consistent, in all material respects, with the audited statutory financial statements based on our procedures, that we conducted in accordance with Dutch Law, including the Dutch Standard 810 'Engagements to report on summary financial statements'.

Eindhoven, 18 March 2022

PricewaterhouseCoopers Accountants N.V.

Original has been signed by J. Dekker RA





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About this report

Reporting period and scope

This report was written for all Jumbo employees, customers, civil society organisations, supermarket entrepreneurs, lenders, suppliers, government authorities and other interested parties. The scope of this report encompasses Koninklijke Jumbo Food Groep B.V., including the Jumbo locations and stores operated by independent entrepreneurs, the head office, the distribution centres and La Place. Jumbo aims to make the content of this report readable and interesting for everyone.

Koninklijke Jumbo Food Groep B.V.'s financial year covers a period of 52 or 53 weeks and ends on the Sunday closest to 31 December of the particular year. The 2021 financial year consisted of 52 weeks and ended at 2 January 2022. The report was drawn up with the involvement of those responsible for the departments within the Jumbo organisation. The data in this report relate to the performance of Jumbo and not to the performance of other parties in the value chain, unless stated otherwise.

Reporting of information

Reporting of financial information

The reliability of the internal and external financial reporting is very important to Jumbo. After all, the management of the organisation and internal decision-making take place based on this information. The reports to external stakeholders must also satisfy the applicable legislation and regulations for financial reporting (Title 9 of Book 2 of the Dutch Civil Code and IFRS). Present uncertainties and risks in the reporting are mainly related to estimates and the degree of subjectivity in valuation issues. These estimates and assumptions affect the reported assets and liabilities, the statement of off-balance sheets assets, commitments and contingencies on the balance sheet date and the income and expenditure in the period being reported on.

The assumptions, expectations and forecasts used as the basis for the estimates are as accurate as possible a reflection of the outlook for Jumbo. The estimates reflect Jumbo's views on the dates on which they were made and relate to known and unknown risks, uncertainties and other factors. This means that the actual results could deviate from the expected results. Jumbo does not expect any material differences in that respect.

Reporting of non-financial information

We have published our CSR reporting online at [Jumborapportage.com](https://jumborapportage.com) since 2012. This ensures our ambitions, objectives and results in the field of sustainability are accessible to a wide audience. Here we describe what we do, why and how. Transparency is very important to us and we try to improve our reporting every year. In cooperation with independent parties, we have improved data collection and control of non-financial information greatly in recent years. These data have not been externally verified but have been validated.

Jumbo is as complete as possible and bases decisions on the data available now. These are data from our own systems such as SAP, SIM, JIM, PIM, IRI and Youforce. Since 2017, the CSR annual report has been integrated in the corporate annual report. Our GRI table can be found online at [Jumborapportage.com](https://jumborapportage.com).

Transparency

The standards and guidelines in accordance with which Jumbo reports are the GRI Standards (Core), internally applied reporting criteria, transparency guidelines from the Transparency Benchmark, Corporate Governance Code, EU Directive on the Disclosure of Non-Financial Information and information on diversity.

Jumbo acknowledges and endorses the Universal Declaration of Human Rights from the United Nations (UN), the Guiding Principles for Business and Human Rights from the UN, and the OECD guidelines for multinational companies.

Towards integrated reporting

At Jumbo we are on the road towards integrated reporting. The starting shot for this was an extensive stakeholder survey in 2018, which led to a so-called materiality matrix. In 2019, the material topics from the materiality matrix were tested against the business strategy. We also identified risks and determined governance indicators. For each topic, a reporting manual has been put together to prepare us for an audit opinion on the non-financial data. Since 2021, we have been monitoring progress on each topic quarterly using an 'Impact Dashboard'. The possibility of managing Jumbo's performance on these topics and reporting on this in an integrated report is an important condition for long-term value creation.

Creation of the materiality matrix

The strategic pillars describe information on the material topics for Jumbo. The materiality matrix was created by means of an extensive stakeholder survey that we carried out in 2018. The results of this so-called materiality analysis can help us better determine how we can strengthen our social relevance.

For the materiality analysis, we made a selection from the stakeholder groups relevant to us. An important selection criterion was that the value chain must be fully represented, i.e. from supplier and employee to customer. Among other things, we also looked at groups with a direct relationship to Jumbo, including a reflection of the indirect stakeholders. The selection of stakeholder groups was made under the responsibility of the Manager Corporate Communications & Sustainability and was validated by the Management Board.

The analysis was performed among the stakeholder groups most important for us: customers, employees, store managers, entrepreneurs, suppliers, the government, opinion makers and civil society organisations.

The topics to be considered come from a great many guidelines, such as the Sustainable Development Goals, Global Reporting Initiative, International Integrated Reporting Framework, United Nations Guiding Principles, Transparency Benchmark and the Jumbo Multi-year Strategy. This produced a long list which, after internal consultation on the Management Board, was reduced to a shorter but still diverse overview of topics. This was ultimately presented to the stakeholder groups.

The materiality analysis resulted in a series of topics which, according to the stakeholders, are relevant for Jumbo Supermarkets (excluding Jumbo Belgium and La Place) and in which Jumbo can have an impact on society. The performance on these topics and the stakeholders' expectations were also included in the survey. These are described in the chapter 'A Sustainable Message'.

Materiality matrix



Definition of material topics

1. **Food wastage:** reducing food wastage, both in-store and in production, storage and transport, including raising consumer awareness of this and encouraging consumers to waste less food.
2. **Packaging and waste:** reducing environmental impact through using less packaging and using packaging with less environmental impact, with the aim of reducing waste and a smaller plastic footprint. We are also reducing our other waste and - together with partners - using as much of it as possible as new raw materials.
3. **Healthy products:** ensuring that healthy products are affordable for the general public.
4. **Working conditions in the chain:** working with manufacturers that offer their employees decent wages and good working conditions, with attention to safety, health, working hours, prevention of child and forced labour and discrimination. Use of quality marks such as Fairtrade and UTZ.
5. **Local involvement:** be a good neighbour and make a positive contribution to the local community via the stores, for example, through local initiatives and sponsorship.
6. **Sustainable chain:** making the chain more sustainable through the responsible use of resources and by purchasing from suppliers who respect the environment and satisfy a sustainability label from an independent body, such as Biologisch, PlanetProof and MSC label.
7. **Healthy lifestyle:** encouraging, inspiring and helping customers to eat, cook and live healthier, and adopting responsible policies in relation to unhealthy products.
8. **Value for money:** offering the best value for money and thereby supplying at the lowest price compared to other supermarkets in the Netherlands.
9. **Working conditions and working environment within the organisation:** offering a market-based salary and good employee benefits, such as leave schemes and pension, and showing great commitment to employees, respect and attention for each other and for a safe working environment, including accident and injury prevention.
10. **Animal welfare:** contributing to better animal welfare in the chain by taking the health, living conditions and treatment of animals into account when purchasing animal products, among other ways by using the Beter Leven quality mark.

Jumbo itself added the following two topics:

11. **Energy and emissions:** reducing and increasing the sustainability of energy consumption in supermarkets, distribution centres and transport.
12. **Diversity and inclusion:** ensuring a diverse workforce that reflects society, an organisation where everyone feels at home regardless of background, where there is no discrimination based on age, gender, skin colour, race, religion, origin, disability or sexual orientation and where everyone is treated equally.

Credits

This annual report is a publication of

Koninklijke Jumbo Food Groep B.V.

Rijksweg 15, 5462 CE Veghel

T +31 413 38 02 00

www.jumbo.com

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