

## Stop & Shop Reaches Tentative Withdrawal Agreement with Local Unions on UFCW International Union - Industry Pension Fund

*Zaandam, the Netherlands, July 21, 2020* – Ahold Delhaize announces today that its U.S. brand Stop & Shop, reached a tentative agreement to terminate its participation in the United Food & Commercial Workers International Union (UFCW) – Industry Pension Fund (the “National Plan”), through a transaction that the National Plan’s trustees determined to be in the best interests of the National Plan’s participants and beneficiaries. While the plan is not in critical status, the tentative agreement does importantly improve the security of pension benefits for associates as well as reduces financial risk for the company. If ratified by the UFCW Locals, the transaction will be treated as an extraordinary item and will therefore not impact the underlying operating results outlook for 2020. This statement should not be interpreted as an update to any component of the previously issued 2020 outlook. As is customary, the 2020 outlook will be updated on August 5<sup>th</sup>, when the company reports Q2 2020 results.

Pending ratification of this agreement, Stop & Shop expects to pay the National Plan withdrawal liability of \$649 million (€567 million), on a pre-tax basis, to fulfill Stop & Shop’s obligations for past service for associates and retirees in the National Plan. Stop & Shop will also make an \$18 million (€16 million) contribution to a transition reserve for a new variable annuity pension plan, described in further detail below. On an after-tax basis, the withdrawal liability and contribution to the transition reserve total approximately \$500 million (€437 million). The withdrawal liability will be satisfied by installment payments to the National Plan over the next three years. Ahold Delhaize will therefore recognize a provision in these amounts, which will impact Q3 IFRS results. The provision will be excluded from both underlying operating profit and underlying earnings per share. While the majority of this obligation will be paid in 2020, the Group’s full year 2020 free cash flow outlook, which is expected to be in excess of €1.5 billion, will not be impacted due to the strong level of free cash flow generated in Q1.

Kroger and Albertsons have also entered into separate tentative agreements with the UFCW Locals and the National Plan Trustees to withdraw from the National Plan. Together, Ahold Delhaize’s brand Stop & Shop, Kroger, and the UFCW Locals plan to create the UFCW International Union-Industry Variable Annuity Pension Plan for future benefits. This new plan is designed to protect the benefit accrual of participants, with a significantly reduced risk of plan underfunding and improved visibility on annual contributions. The annual contribution by Stop & Shop to fund the new variable annuity plan is expected to be nearly identical to the annual contributions previously estimated for the National Plan during the next eight years. Therefore, this change also has no impact to the previously issued financial outlook.

These tentative agreements have been approved by Stop & Shop, the National Plan board of trustees and the UFCW local unions. They remain contingent upon approval and ratification by Stop & Shop and Kroger associates in 25 local UFCW unions, which is expected to occur by October 1, 2020. Together, these agreements are expected to materially improve the security of pension benefits for associates and reduce financial risk for the company.

**Cautionary notice**

This communication contains information that qualifies as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

This communication includes forward-looking statements. All statements other than statements of historical facts may be forward-looking statements. Words such as tentative, plan, will be, impact, outlook, update, updated, expects, would be, the next three years, will not be, future, risk, during the next eight years, expected, remain, contingent or other similar words or expressions are typically used to identify forward-looking statements.

Forward-looking statements are subject to risks, uncertainties and other factors that are difficult to predict and that may cause actual results of Koninklijke Ahold Delhaize N.V. (the “Company”) to differ materially from future results expressed or implied by such forward-looking statements. Such factors include, but are not limited to the risk factors set forth in the Company’s public filings and other disclosures. Forward-looking statements reflect the current views of the Company’s management and assumptions based on information currently available to the Company’s management. Forward-looking statements speak only as of the date they are made and the Company does not assume any obligation to update such statements, except as required by law.

**For more information:**

Press office: +31 88 659 5134   Investor relations: +31 88 659 5213   Social media:   Twitter: @AholdDelhaize  
 YouTube: @AholdDelhaize  
 LinkedIn: @Ahold-Delhaize

Ahold Delhaize is one of the world’s largest food retail groups and a leader in both supermarkets and e-Commerce. Its family of great, local brands serves 54 million customers each week in Europe, the United States, and Indonesia. Together, these brands employ 380,000 associates in 6,967 grocery and specialty stores and include the top online retailer in the Benelux and the leading online grocers in the Benelux and the United States. Ahold Delhaize brands are at the forefront of sustainable retailing, sourcing responsibly, supporting local communities and helping customers make healthier choices. Headquartered in Zaandam, the Netherlands, Ahold Delhaize is listed on the Euronext Amsterdam and Brussels stock exchanges (ticker: AD) and its American Depositary Receipts are traded on the over-the-counter market in the U.S. and quoted on the OTCQX International marketplace (ticker: ADRNY). For more information, please visit [www.aholddelhaize.com](http://www.aholddelhaize.com).

