financial statements

financial statements

Consolidated income statement

€ million, except per share data	Note	52 weeks ended December 29, 2024	52 weeks ended December 31, 2023, restated
Net sales	7	**89,356**	88,734
Cost of sales	8	**(65,551)**	(64,880)
Gross profit		**23,805**	23,854
Other income	8	**431**	414
Selling expenses	8	**(17,192)**	(17,320)
General and administrative expenses	8	**(4,261)**	(4,102)
Operating income		**2,784**	2,846
Interest income		**221**	174
Interest expense		**(340)**	(336)
Net interest expense on defined benefit pension plans	24	**(20)**	(17)
Interest accretion to lease liability	33	**(422)**	(382)
Other financial income (expense)		**(1)**	15
Net financial expenses	9	**(562)**	(546)
Income before income taxes		**2,222**	2,300
Income taxes	10	**(481)**	(456)
Share in income of joint ventures and associates	15	**23**	30
Income from continuing operations		**1,764**	1,874
Income (loss) from discontinued operations	5	**—**	—
Net income		**1,764**	1,874
Attributable to:			
Common shareholders		**1,764**	1,874
Non-controlling interests		**—**	—
Net income		**1,764**	1,874
Earnings per share	29		
Net income per share attributable to common shareholders:			
Basic		**1.90**	1.95
Diluted		**1.89**	1.94
Income from continuing operations per share attributable to common shareholders:			
Basic		**1.90**	1.95
Diluted		**1.89**	1.94

The accompanying notes are an integral part of these consolidated financial statements.

Comparative amounts have been restated to conform to the current year's presentation (see *Note 3*).

Consolidated statement of comprehensive income

€ million	Note	52 weeks ended December 29, 2024	52 weeks ended December 31, 2023
Net income		**1,764**	1,874
Remeasurements of pension plans:			
Remeasurements before taxes – income (loss)	24	**336**	(145)
Income taxes	10	**(86)**	37
Non-realized gains (losses) on debt and equity instruments:			
Fair value result for the year		**(27)**	—
Income taxes	10	**7**	—
Other comprehensive income (loss) that will not be reclassified to profit or loss		**230**	(108)
Currency translation differences in foreign interests:			
Continuing operations		**702**	(393)
Cumulative translation differences transferred to net income		**(10)**	(30)
Income taxes	10	**1**	1
Cash flow hedges:			
Fair value result for the year		**5**	(11)
Transfers to net income		**2**	1
Income taxes	10	**(2)**	3
Non-realized gains (losses) on debt and equity instruments:			
Fair value result for the year		**—**	(1)
Income taxes		**—**	—
Other comprehensive income (loss) of joint ventures – net of income taxes:			
Share of other comprehensive income (loss) from continuing operations	15	**—**	(1)
Other comprehensive income (loss) reclassifiable to profit or loss		**697**	(431)
Total other comprehensive income (loss)		**927**	(539)
Total comprehensive income		**2,691**	1,335
Attributable to:			
Common shareholders		**2,691**	1,335
Non-controlling interests		**—**	—
Total comprehensive income		**2,691**	1,335
Attributable to:			
Continuing operations		**2,691**	1,335
Discontinued operations		**—**	—
Total comprehensive income		**2,691**	1,335

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated balance sheet

€ million	Note	December 29, 2024	December 31, 2023
Assets			
Property, plant and equipment	11	**11,953**	11,647
Right-of-use assets	12	**9,649**	9,483
Investment property	13	**591**	591
Intangible assets	14	**13,420**	12,998
Investments in joint ventures and associates	15	**279**	268
Other non-current financial assets	16	**1,021**	949
Deferred tax assets	10	**161**	196
Other non-current assets		**243**	228
Total non-current assets		**37,316**	36,358
Assets held for sale	5	**49**	205
Inventories	17	**4,797**	4,583
Receivables	18	**2,721**	2,488
Other current financial assets	19	**323**	302
Income taxes receivable		**95**	68
Prepaid expenses and other current assets		**373**	332
Cash and cash equivalents	20	**6,169**	3,484
Total current assets		**14,526**	11,463
Total assets		**51,842**	47,821
Equity and liabilities			
Equity attributable to common shareholders	21	**15,454**	14,755
Loans	22	**5,175**	4,137
Other non-current financial liabilities	23	**11,103**	10,801
Pensions and other post-employment benefits	24	**553**	792
Deferred tax liabilities	10	**1,051**	925
Provisions	25	**1,042**	764
Other non-current liabilities		**68**	37
Total non-current liabilities		**18,992**	17,456
Liabilities related to assets held for sale	5	**5**	—
Accounts payable		**8,524**	8,278
Other current financial liabilities	26	**4,610**	3,275
Income taxes payable		**104**	114
Provisions	25	**569**	492
Other current liabilities	27	**3,583**	3,451
Total current liabilities		**17,396**	15,610
Total equity and liabilities		**51,842**	47,821

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

€ million	Note	Share capital	Additional paid-in capital	Currency translation reserve	Cash flow hedging reserve	Other reserves including retained earnings[1]	Equity attributable to common shareholders
Balance as of January 1, 2023		**10**	**9,603**	**595**	**(1)**	**5,198**	**15,405**
Net income attributable to common shareholders		—	—	—	—	1,874	1,874
Other comprehensive income (loss) attributable to common shareholders		—	—	(422)	(8)	(109)	(539)
Total comprehensive income (loss) attributable to common shareholders		—	—	(422)	(8)	1,765	1,335
Dividends		—	—	—	—	(1,044)	(1,044)
Share buyback		—	—	—	—	(999)	(999)
Cancellation of treasury shares		—	(1,189)	—	—	1,190	—
Share-based payments		—	—	—	—	57	57
Other items		—	—	—	—	—	—
Balance as of December 31, 2023	21	**10**	**8,413**	**173**	**(9)**	**6,168**	**14,755**
Net income attributable to common shareholders		**—**	**—**	**—**	**—**	**1,764**	**1,764**
Other comprehensive income (loss) attributable to common shareholders		**—**	**—**	**693**	**5**	**230**	**927**
Total comprehensive income (loss) attributable to common shareholders		**—**	**—**	**693**	**5**	**1,993**	**2,691**
Dividends		**—**	**—**	**—**	**—**	**(1,037)**	**(1,037)**
Share buyback		**—**	**—**	**—**	**—**	**(1,000)**	**(1,000)**
Cancellation of treasury shares		**—**	**(897)**	**—**	**—**	**898**	**—**
Share-based payments		**—**	**—**	**—**	**—**	**45**	**45**
Other items		**—**	**—**	**—**	**—**	**—**	**—**
Balance as of December 29, 2024	21	**9**	**7,516**	**866**	**(4)**	**7,067**	**15,454**

1. Other reserves include, among others, the remeasurements of defined benefit plans.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

€ million	Note	52 weeks ended December 29, 2024	52 weeks ended December 31, 2023
Income from continuing operations		**1,764**	1,874
Adjustments for:			
Net financial expenses	9	**562**	546
Income taxes	10	**481**	456
Share in income of joint ventures and associates	15	**(23)**	(30)
Depreciation, amortization and impairments	8	**3,706**	3,844
(Gains) losses on leases and the sale of assets / disposal groups held for sale		**172**	177
Share-based compensation expenses	32	**42**	53
Operating cash flows before changes in operating assets and liabilities		**6,703**	6,921
Changes in working capital:			
Changes in inventories		**(30)**	(88)
Changes in receivables and other current assets		**(220)**	(205)
Changes in payables and other current liabilities		**143**	243
Changes in other non-current assets, other non-current liabilities and provisions		**97**	(204)
Cash generated from operations		**6,693**	6,667
Income taxes paid – net	10	**(470)**	(200)
Operating cash flows from continuing operations		**6,224**	6,466
Operating cash flows from discontinued operations		**—**	—
Net cash from operating activities		**6,224**	6,466
Purchase of non-current assets		**(2,299)**	(2,434)
Divestments of assets / disposal groups held for sale		**250**	136
Acquisition of businesses, net of cash acquired	28	**(26)**	(34)
Divestment of businesses, net of cash divested	28	**21**	(130)
Dividends received from joint ventures	15	**22**	22
Interest received		**196**	160
Lease payments received on lease receivables		**125**	117
Cash received from sale of equity / debt instruments		**—**	125
Other	28	**(16)**	(171)
Investing cash flows from continuing operations		**(1,727)**	(2,209)
Investing cash flows from discontinued operations		**—**	—
Net cash from investing activities		**(1,727)**	(2,209)
Proceeds from long-term debt	28	**1,594**	500
Interest paid		**(230)**	(226)
Repayments of loans	28	**(782)**	(291)
Changes in short-term loans	28	**1,217**	97
Repayment of lease liabilities	28	**(1,743)**	(1,815)
Dividends paid on common shares	21	**(1,037)**	(1,044)
Share buyback	21	**(1,000)**	(999)
Other cash flows from derivatives	28	**—**	—
Other		**(1)**	(3)
Financing cash flows from continuing operations		**(1,983)**	(3,781)
Financing cash flows from discontinued operations		**—**	—
Net cash from financing activities		**(1,983)**	(3,781)
Net cash from operating, investing and financing activities		**2,514**	475
Cash and cash equivalents at the beginning of the year (excluding restricted cash)		**3,475**	3,054
Effect of exchange rates on cash and cash equivalents		**168**	(54)
Cash and cash equivalents at the end of the year (excluding restricted cash)	28	**6,157**	3,475

The accompanying notes are an integral part of these consolidated financial statements.

notes to the consolidated financial statements

Notes to the consolidated financial statements

1 The Company and its operations

The principal activity of Koninklijke Ahold Delhaize N.V. ("Ahold Delhaize" or the "Company" or "Group"), a public limited liability company with its registered seat and head office in Zaandam, the Netherlands, is the operation of retail food stores and e-commerce primarily in the United States and Europe. The Company is registered with the Dutch Trade Register under number 35000363.

On February 25, 2025, the Management Board authorized the financial statements. The financial statements, as presented in this Annual Report, are subject to adoption by the Ahold Delhaize General Meeting of Shareholders. The Company has the ability to amend and reissue the financial statements up to the moment the financial statements have been adopted by the General Meeting of Shareholders.

Ahold Delhaize's significant subsidiaries, joint ventures and associates are listed in *Note 35*.

2 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code.

Historical cost is used as the measurement basis unless otherwise indicated. The financial statements have been prepared on the basis of the going concern assumption.

Ahold Delhaize's financial year is a 52- or 53-week period ending on the Sunday nearest to December 31 for the Company and our European operations, or the Saturday before the Sunday nearest to December 31 for our operations in the United States. The financial year 2024 consisted of 52 weeks and ended on December 29, 2024. The comparative financial year 2023 consisted of 52 weeks and ended on December 31, 2023.

These consolidated financial statements are presented in millions of euros (€), unless otherwise stated. Due to rounding, numbers presented may not add up precisely to the totals provided.

2 Basis of preparation continued

The following exchange rates of the euro (€) against the U.S. dollar ($), the Czech crown (CZK), the Romanian leu (RON) and the Serbian dinar (RSD) have been used in the preparation of these financial statements:

	2024	2023
U.S. dollar		
Average exchange rate	**0.9242**	0.9248
Year-end closing exchange rate	**0.9591**	0.9059
Czech crown		
Average exchange rate	**0.0398**	0.0417
Year-end closing exchange rate	**0.0397**	0.0405
Romanian leu		
Average exchange rate	**0.2010**	0.2022
Year-end closing exchange rate	**0.2009**	0.2010
Serbian dinar		
Average exchange rate	**0.0085**	0.0085
Year-end closing exchange rate	**0.0086**	0.0085

Significant estimates, assumptions and judgments

The preparation of financial statements requires management to make a number of estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities which, by definition, will seldom equal the actual results. All assumptions, expectations and forecasts used as a basis for certain estimates within these financial statements represent good faith assessments of Ahold Delhaize's current and future performance for which management believes there is a reasonable basis. They involve risks, uncertainties and other factors that could cause the Company's actual future results, performance and achievements to differ materially from those forecasted.

Information on the estimates, assumptions and judgments that management considers most critical is included in the notes as listed below.

Area	Note	Description	Judgments[1]	Estimates[2]
Vendor allowances	8	Expenses and other income by nature	✓	✓
	17	Inventories		
	18	Receivables		
Income taxes	10	Income taxes	✓	✓
	34	Commitments and contingencies		
Intangible assets	4	Acquisitions	✓	✓
	14	Intangible assets		
Leases and sale and leaseback transactions	12	Right-of-use assets	✓	✓
	33	Leases		
Impairments	6	Segment reporting	✓	✓
	8	Expenses by nature		
	11	Property, plant and equipment		
	12	Right-of-use assets		
	13	Investment property		
	14	Intangible assets		
Company and multi-employer pension obligations	24	Pensions and other post-employment benefits	✓	✓
Provisions and contingencies	25	Provisions	✓	✓
	34	Commitments and contingencies		
Derivatives	30	Financial risk management and financial instruments		✓

1. In applying Ahold Delhaize's accounting policies, management makes judgments that may have a significant effect on the amounts recognized in the financial statements (i.e., current recognition).
2. Management makes assumptions about the future and other major sources of estimation uncertainty at the end of the reporting period, which may have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Fair value measurements

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that the Company can access at the measurement date.
- Level 2 inputs are 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 are unobservable inputs for the asset or liability.

Risks and uncertainties

An integrated comprehensive analysis of the principal risks faced by Ahold Delhaize is included in the *Risks and opportunities* section of this Annual Report. The main risks relate to macroeconomic and sociopolitical developments, the competitive environment, supply chain and business continuity, and climate- and nature-related risks.

2 Basis of preparation continued

Macroeconomic developments and geopolitical tensions

The global economy demonstrated resilience during 2024, with generally stable GDP growth, and the decline in inflation rates, which started at the end of 2022, continued. Ongoing cost-of-living pressures continued to impact household disposable incomes and, simultaneously, in conjunction with competitive pressure, presented challenges in passing cost increases on to prices.

Political developments and the conflicts in Ukraine and Israel/Gaza are causing disruption and uncertainty around global economic prospects, and security risks remain elevated in many regions. While the Group does not have any operations in Ukraine, Israel or Gaza, we performed an assessment of the overall impact of the conflicts on our global risk profile. Currently, we don't see any significant increases in the risk profile of the Company as a whole due to these factors; however, a further escalation of these conflicts or other geopolitical tensions might impact our risk profile more significantly in the future, including impacts related to downward macroeconomic trends and supply chain disruption. We are closely monitoring and assessing the evolution of any potential related impacts on our people and on macroeconomic, operational and supply chain aspects in our brands' markets. See *Risks and opportunities* for further detail on how we manage risks related to these topics, as well as other principal risks.

Climate change

The climate-related risks can be divided into two major categories: risks related to the transition to a lower-carbon economy (transition risks) and risks related to the physical impacts of climate change (physical risks).

- Transition risks: Our financial performance may be affected by the nature, speed and focus of policy, legal, technology and market changes.
- Physical risks: Our financial performance may be affected by changes in the severity and intensity of climate hazards, which may damage Ahold Delhaize assets and/or result in operational and revenue disruption. Shifting climate patterns may also lead to adverse value chain – for example, by impacting water availability, sourcing and quality and food security.

We consider the impact of climate change in assessing whether assets may be impaired or whether the useful life of assets needs to be shortened due to early replacement (see *Note 11* and *Note 14*). We also consider climate-related risks for larger projects and limit financial losses by procuring property damage and business interruption insurance against damage from natural catastrophes and weather-related events, such as floods, hurricanes and winter storms.

Use of estimates

The preparation of these consolidated financial statements requires management to make a number of estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities which, by definition, will seldom equal the actual results. The Company regularly updates its significant assumptions and estimates. In relation to this, current macroeconomic developments and geopolitical tensions primarily impacted the following areas:

Impairments

Cash-generating units (CGUs), to which goodwill and brand names have been allocated, as well as intangible assets under development and other intangible assets with indefinite lives, are tested for impairment annually, or more frequently when there is an indication that the CGU or an asset may be impaired. An impairment trigger assessment is performed on a quarterly basis to determine whether there is an indication, based on either internal or external sources of information, that an asset or a CGU may be impaired.

The Company performed its annual goodwill impairment test in the fourth quarter. Free cash flow projections for the CGUs reflect current macroeconomic circumstances, as well as certain cost-savings initiatives to reduce negative impacts. The weighted average cost of capital (WACC) rates applied are aligned with the current macroeconomic environment. For more information, see *Note 14*.

With regard to non-current assets other than goodwill and other intangible assets with indefinite lives, the Company assessed, on a quarterly basis, whether there was any indication that non-current assets were impaired. Where such indicators of impairment existed, the Company estimated the recoverable amount of the individual asset, where possible, or, otherwise, the CGU to which the asset belonged. The pre-tax discount rates that were applied are aligned with the current economic environment. For more information, see *Note 11*.

Pension obligations and self-insurance provision

The Company's pension and self-insurance provisions were impacted by the increased economic uncertainty and related risks. The impact on the actuarial assumptions used reflects the current economic outlook and is mutually compatible, including estimated future salary increases.

Impairment testing financial assets

The Company measures the loss allowance at an amount equal to the lifetime-expected credit losses for trade receivables, contract assets and lease receivables. An updated assessment of the lifetime-expected credit losses was made based on reasonable and supportable information. The overall impact of the wider macroeconomic developments was not material.

Fair value measurements

Of the Company's categories of financial instruments, only derivatives, investments in debt and certain equity instruments, and reinsurance assets (liabilities) are measured and recognized on the balance sheet at fair value.

The fair value measurement of the virtual power purchase agreement is categorized within Level 3 of the fair value hierarchy. The Company uses unobservable input data, such as the volume of generated solar power and the price curves of the respective electricity market.

Other fair value measurements are categorized within Level 2 of the fair value hierarchy. The volatility and uncertainty in the financial markets did not materially impact the fair values of these financial assets and liabilities.

3 General accounting policies

Where necessary, accounting policies relating to financial statement captions are included in the relevant notes to the consolidated financial statements. These are presented in a paragraph titled *Accounting policies* at the bottom of each note. The accounting policies outlined in this Note are applied throughout the financial statements.

Consolidation

The consolidated financial statements incorporate the financial figures of the Company and its subsidiaries. Subsidiaries are entities over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases. All intra-group transactions, balances, income and expenses are eliminated upon consolidation. Unrealized losses on intra-group transactions are eliminated, unless the transaction provides evidence of an impairment of the assets transferred.

Non-controlling interests are recorded, as appropriate, on the consolidated balance sheet, in the consolidated income statement, and in the consolidated statement of comprehensive income for the non-controlling shareholders' share in the net assets and the income or loss of subsidiaries. Non-controlling shareholders' interest in an acquired subsidiary is initially measured at the non-controlling interest's proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

Foreign currency translation

The financial statements of subsidiaries, joint ventures and associates are prepared in their functional currencies, which are determined based on the primary economic environment in which they operate. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the transaction dates. At each balance sheet date, monetary items denominated in foreign currencies are translated into the entity's functional currency at the then prevailing rates. Exchange differences arising on the settlement and translation of monetary items are included in net income for the period. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are considered as assets and liabilities denominated in the functional currency of the foreign entity.

Upon consolidation, the assets and liabilities of subsidiaries with a functional currency other than the euro are translated into euros using the exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the respective periods. Exchange rate differences arising during consolidation and on the translation of investments in subsidiaries are included in other comprehensive income and in equity, in the currency translation reserve. Intercompany loans to and from foreign entities for which settlement is neither planned nor likely to occur in the foreseeable future are considered to increase or decrease the net investment in that foreign entity; therefore, the exchange rate differences relating to these loans are also included in other comprehensive income and in equity, in the currency translation reserve.

On the disposal of a foreign operation resulting in loss of control, loss of joint control or loss of significant influence, the related cumulative exchange rate difference that was included in equity is transferred to the consolidated income statement.

Financial alternative performance measures

In presenting and discussing Ahold Delhaize's operating results, management uses certain financial alternative performance measures not defined by IFRS (*Note 6*). These financial alternative performance measures should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. Financial alternative performance measures do not have a standardized meaning under IFRS and, therefore, may not be comparable to similar measures presented by other companies. Where a non-financial measure is used to calculate an operational or statistical ratio, this is also considered an alternative performance measure. For the definitions of the financial alternative performance measures, see *Definitions and abbreviations*. For reconciliations between financial alternative performance measures and IFRS measures, see *Financial alternative performance measures*.

Change in presentation

As of 2024, media and data income that was previously presented as part of Other income is presented as part of Net sales, as a result of increased media and data activities at Ahold Delhaize. This change results in reclassifications within the income statement. The reclassifications to Ahold Delhaize's 2023 comparative amounts for the changes in presentation are as follows:

Consolidated income statement

€ million	2023, as reported	Changes in presentation	2023, restated
Net sales	88,649	85	88,734
Cost of sales	(64,880)	—	(64,880)
Gross profit	**23,769**	**85**	**23,854**
Other income	499	(85)	414
Selling expenses	(17,320)	—	(17,320)
General and administrative expenses	(4,102)	—	(4,102)
Operating income	**2,846**	**—**	**2,846**

Net sales – Information about geographical areas (Note 6)

€ million	2023, as reported	Changes in presentation	2023, restated
The Netherlands (country of domicile)	18,697	3	18,699
The United States	54,536	73	54,610
Rest of world	15,416	9	15,425
Ahold Delhaize	**88,649**	**85**	**88,734**

3 General accounting policies continued

Net sales (Note 7)

€ million	The United States 2023, as reported	Changes in presentation	2023, restated
Sales from owned stores	50,087	—	50,087
Sales to and fees from franchisees and affiliates	—	—	—
Online sales	4,247	—	4,247
Wholesale sales	202	—	202
Other sales	—	73	73
Net sales	**54,536**	**73**	**54,610**

€ million	Europe 2023, as reported	Changes in presentation	2023, restated
Sales from owned stores	21,397	—	21,397
Sales to and fees from franchisees and affiliates	7,851	—	7,851
Online sales	4,768	(84)	4,684
Wholesale sales	97	—	97
Other sales	—	96	96
Net sales	**34,113**	**12**	**34,124**

€ million	Ahold Delhaize 2023, as reported	Changes in presentation	2023, restated
Sales from owned stores	71,485	—	71,485
Sales to and fees from franchisees and affiliates	7,851	—	7,851
Online sales	9,015	(84)	8,931
Wholesale sales	298	—	298
Other sales	—	169	169
Net sales	**88,649**	**85**	**88,734**

Other income by nature (Note 8)

€ million	2023, as reported	Changes in presentation	2023, restated
Rent income	162	—	162
Advertising income	21	(21)	—
Other income	316	(64)	252
Total other income	**499**	**(85)**	**414**

New accounting policies effective for 2024

The following amendments and revisions to existing standards became effective for Ahold Delhaize's consolidated financial statements as of January 1, 2024:

- Amendments to IAS 1, "*Classifications of Liabilities as Current or Non-current*" and "Non-current Liabilities with Covenants"
- Amendments to IFRS 16, *"Lease Liability in a Sale and Leaseback"*
- Amendments to IAS 7 and IFRS 7, *"Supplier Finance Arrangement"*

These amendments do not have a significant impact on the Company's consolidated financial statements.

New accounting policies not yet effective for 2024

The IASB has issued several standards, or revisions to standards, that are not yet effective for 2024, but will become effective in coming years.

IFRS 18, "Presentation and Disclosure in Financial Statements"

In April 2024, the IASB issued a new Standard, IFRS 18, "*Presentation and Disclosure in Financial Statements"*, which replaces IAS 1, "*Presentation of Financial Statements"*. The new Standard carries forward many requirements from IAS 1 unchanged. IFRS 18 is the culmination of the IASB's Primary Financial Statements project and introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analyzing and comparing companies:

- Improved comparability in the statement of profit or loss (income statement)
- Enhanced transparency of management-defined performance measures
- More useful grouping of information in the financial statements

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Company is currently assessing the impact on its consolidated financial statements.

Amendments to IFRS 9 and IFRS 7, "Contracts Referencing Nature-dependent Electricity"

In December 2024, the IASB issued targeted amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). The amendments to IFRS 9, "*Financial Instruments*" and IFRS 7, "*Financial Instruments: Disclosures"* include:

- Clarifying the application of the "own-use" requirements
- Permitting hedge accounting if these contracts are used as hedging instruments
- Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows

The amendments are effective for annual periods beginning on or after January 1, 2026. The Company is currently assessing the impact on its consolidated financial statements.

3 General accounting policies continued

Amendments to IAS 21, "Lack of exchangeability"

In August 2023, the IASB issued amendments to IAS 21. The amendments specify when a currency is exchangeable into another currency and when it is not, and how an entity determines the exchange rate to apply when a currency is not exchangeable. The amendments also require additional information to be disclosed when a currency is not exchangeable. The amendments are effective for annual periods beginning on or after January 1, 2025. The Company does not anticipate that the application of these amendments will have a significant effect on the future consolidated financial statements.

Amendments to IFRS 9 and IFRS 7, "Amendments to the Classification and Measurement of Financial Instruments"

On May 30, 2024, the IASB issued amendments to the classification and measurement requirements in IFRS 9, "*Financial Instruments*" and IFRS 7, "*Financial Instruments: Disclosures*." The amendments address diversity in accounting practice by making the requirements more understandable and consistent. The amendments are effective for annual periods beginning on or after January 1, 2026. The Company does not anticipate that the application of these amendments will have a significant effect on the future consolidated financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11

On July 18, 2024, the IASB issued narrow amendments to IFRS Accounting Standards and accompanying guidance as part of its regular maintenance of the Standards. These amendments include clarifications, simplifications, corrections and changes aimed at improving the consistency of several IFRS Accounting Standards. The amended Standards are as follows:

- IFRS 1, *"First-time Adoption of International Financial Reporting Standards"*
- IFRS 7, *"Financial Instruments: Disclosures"* and its accompanying *"Guidance on implementing IFRS 7"*
- IFRS 9, *"Financial Instruments"*
- IFRS 10, *"Consolidated Financial Statements"*
- IAS 7, *"Statement of Cash Flows"*

The amendments are effective for annual periods beginning on or after January 1, 2026. The Company does not anticipate that the application of these amendments will have a significant effect on the future consolidated financial statements.

There are no other IFRSs that have been issued but are not yet effective that are expected to have a material effect on the future consolidated financial statements.

4 Acquisitions

Ahold Delhaize completed acquisitions of various stores in Europe and in the United States for a total purchase consideration of €28 million. The allocation of the fair values of the identifiable assets acquired, liabilities assumed, and goodwill arising from the acquisitions during 2024 is as follows:

€ million	2024
Property, plant and equipment	6
Investment property	—
Other intangible assets	1
Inventories	2
Cash and cash equivalents	—
Net identifiable assets acquired	**8**
Goodwill	20
Total purchase consideration	**28**
Purchase consideration – in kind	(2)
Cash acquired (excluding restricted cash)	—
Acquisition of businesses, net of cash acquired	**26**

Acquisition subsequent to balance sheet date

The intention to acquire 100% of Romanian grocery retailer Profi Rom Food SRL (Profi) from MidEuropa was announced in 2023. In 2024, the Romanian regulatory authorities approved the acquisition, subject to post-completion obligations regarding the relationships with suppliers in the Romanian retail market and subject to the post-completion obligation to divest 87 stores. The acquisition was completed on January 3, 2025. For more information on this acquisition, see Note 36.

Accounting estimates and judgments

Intangible assets acquired in a business acquisition and the financial liability related to non-controlling interest are measured at fair value at the date of the acquisition.

To determine the fair value of intangible assets at the acquisition date, estimates and assumptions are required. The valuation of the identifiable intangible assets involves estimates of expected sales, earnings and/or future cash flows and requires use of key assumptions such as discount rate, royalty rate and growth rates.

The financial liability related to the non-controlling interest is subsequently measured at amortized cost. The measurement of the financial liability involves estimates of the cash flows to settle the non-controlling interest based on the most likely scenario of exercise of related call-and-put options.

Accounting policies

Ahold Delhaize accounts for business combinations using the acquisition method when control is transferred to the Company. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired and the liabilities assumed. Transaction costs are expensed as incurred. Any contingent consideration is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

5 Assets and liabilities held for sale and discontinued operations

Assets and liabilities held for sale

€ million	December 29, 2024	December 31, 2023
Non-current assets and disposal groups held for sale	**49**	205
Total assets held for sale	**49**	205
Liabilities related to assets held for sale	**5**	—

Assets held for sale at December 29, 2024, primarily comprises non-current assets of various retail locations in The United States of €0 million (December 31, 2023: €137 million, including predominantly non-current assets of two meat processing facilities) and in Europe of €49 million (December 31, 2023: €68 million). Liabilities of €5 million at December 29, 2024, related to the certain assets held for sale in Europe.

Transformation of Delhaize integrated stores to affiliates

On March 7, 2023, Ahold Delhaize's Belgian brand, Delhaize, announced its intention to transform all of its integrated supermarkets in Belgium (128 stores) into independently operated Delhaize stores to strengthen its position in the country's competitive retail market. Delhaize planned to sell the store assets to the local entrepreneurs, who would become independent operators under the affiliate business model. In the second quarter of 2023, the store assets qualified as assets held for sale. Before they were classified as assets held for sale, Delhaize Belgium recognized a €108 million impairment for the assets based on fair value less costs to sell.

Of these, 33 stores during 2023, and the remaining 95 stores during 2024, were sold and converted into operating affiliate stores. At December 31, 2023, Delhaize Belgium's assets held for sale relating to the aforementioned affiliate business model transformation had a carrying value of €34 million.

FreshDirect

FreshDirect was reported under The United States reportable segment.

Ahold Delhaize acquired FreshDirect, an online grocer based in New York City, in January 2021. In April 2023, Ahold Delhaize began to explore its strategic options for the FreshDirect business. In Q3 2023, Ahold Delhaize recognized an impairment loss of €153 million mainly for FreshDirect's property, plant and equipment based on fair value less costs to sell. The impairment was included in General and administrative expenses in the consolidated income statement.

On November 8, 2023, Ahold Delhaize announced it had entered into an agreement to sell its FreshDirect business to Getir. The business did not qualify as a discontinued operation.

The transaction closed on December 6, 2023. Upon the divestment, Ahold Delhaize recorded a pre-tax loss of €250 million as a result on sale, offset by a net tax benefit of €75 million; these were included within General and administrative expenses and Income taxes in the consolidated income statement, respectively. Divestment of business, net of cash divested, was a negative €144 million. See *Note 28*.

Discontinued operations

Discontinued operations for the years ended 2024 and 2023 included minor adjustments on various past divestments qualified as discontinued operations.

Accounting policies

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition and its sale must be highly probable. Non-current assets (or disposal groups) classified as held for sale are measured at the lower of the asset's carrying amounts or the fair value less costs of disposal. Depreciation or amortization of an asset ceases when it is classified as held for sale. Equity accounting ceases for an investment in a joint venture or associate when it is classified as held for sale; instead, dividends received are recognized in the consolidated income statement.

A discontinued operation is a component of the Company that either has been disposed of or is classified as held for sale, and represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations. Results from discontinued operations that are clearly identifiable as part of the component disposed of and that will not be recognized subsequent to the disposal are presented separately as a single amount in the consolidated income statement. Results and cash flows from discontinued operations are reclassified for prior periods presented in the financial statements so that the results and cash flows from discontinued operations relate to all operations that have been discontinued as of the balance sheet date for the latest period presented.

6 Segment reporting

Reportable segments

Ahold Delhaize's retail operations are presented in two reportable segments. In addition, Ahold Delhaize Group (formerly "Global Support Office") is presented separately. Ahold Delhaize Group is not considered a reportable segment, as it does not engage in business activities from which it may earn revenues.

Ahold Delhaize's unconsolidated joint ventures JMR – Gestão de Empresas de Retalho, SGPS, S.A. ("JMR") and P.T. Lion Super Indo ("Super Indo") are excluded from the segment information below. See *Note 15* for disclosures related to the unconsolidated joint ventures.

All reportable segments sell a wide range of perishable and non-perishable food and non-food consumer products.

Reportable segment	Operating segments included in the Reportable segment	
The United States[1]	Stop & Shop, Food Lion, The GIANT Company, Hannaford and Giant Food	
Europe	Albert Heijn (the Netherlands and Belgium) bol (the Netherlands and Belgium) Alfa Beta (Greece) Delhaize Serbia (Serbia) Gall & Gall (the Netherlands)	Delhaize (Belgium and Luxembourg) Albert (Czech Republic) Mega Image (Romania) Etos (the Netherlands)

Other	Included in Other
Other retail	Unconsolidated joint ventures JMR (49%) and Super Indo (51%)
Ahold Delhaize Group	Ahold Delhaize Group staff (the Netherlands, Belgium, Switzerland and the United States)

1. The United States also included FreshDirect as an operating segment until it was divested on December 6, 2023.

6 Segment reporting continued

Segment reporting 2024

€ million	The United States	Europe	Total operating segments	Ahold Delhaize Group	Ahold Delhaize
Net sales	**54,198**	**35,158**	**89,356**	**—**	**89,356**
Of which: online sales	**4,090**	**5,145**	**9,235**	**—**	**9,235**
Operating income (loss)	**2,215**	**906**	**3,120**	**(337)**	**2,784**
Adjusted for:					
Impairment losses and reversals – net[2]	**154**	**75**	**229**	**—**	**229**
(Gains) losses on leases and the sale of assets – net[3]	**(38)**	**219**	**181**	**—**	**181**
Restructuring and related charges and other items[4]	**67**	**137**	**204**	**210**	**414**
Adjustments to operating income[1]	***183***	***431***	***614***	***210***	***824***
Underlying operating income (loss)	**2,398**	**1,336**	**3,734**	**(127)**	**3,608**
Other segment information					
Additions to non-current assets[5]	**2,045**	**1,632**	**3,678**	**22**	**3,699**
Depreciation and amortization[6]	**2,053**	**1,407**	**3,459**	**18**	**3,477**
Share-based compensation expenses	**21**	**13**	**34**	**8**	**42**

1. Included in General and administrative expenses in the consolidated income statement
2. Net impairments of property, plant and equipment; investment property; right-of-use assets; and intangible assets. Mainly relates to Stop & Shop stores in the U.S. and, in Europe, to intangible assets and impairments related to bol.
3. (Gains) losses on leases and the sale of assets – net mainly relates to the Belgium Future Plan.
4. Restructuring and related charges and other items mainly relates to an amendment to and additional funding for the Dutch pension plan of €72 million in Europe and €206 million in Ahold Delhaize Group (see Note 24).
5. Additions to property, plant and equipment; right-of-use assets; investment property; and intangible assets (including assets acquired through business combinations as well as net reassessments and modifications of right-of-use assets).
6. Depreciation and amortization of property, plant and equipment; right-of-use assets; investment property; and intangible assets.

Segment reporting 2023, restated

€ million	The United States	Europe	Total operating segments	Ahold Delhaize Group	Ahold Delhaize
Net sales[7]	54,610	34,124	88,734	—	88,734
Of which: online sales[7]	4,247	4,684	8,931	—	8,931
Operating income (loss)	2,044	870	2,913	(68)	2,846
Adjusted for:					
Impairment losses and reversals – net[2]	228	147	375	—	375
(Gains) losses on leases and the sale of assets – net[3]	220	(40)	180	—	180
Restructuring and related charges and other items[4]	61	143	204	(2)	202
Adjustments to operating income[1]	*509*	*250*	*759*	*(1)*	*758*
Underlying operating income (loss)	2,553	1,120	3,673	(69)	3,604
Other segment information					
Additions to non-current assets[5]	2,157	1,920	4,077	23	4,099
Depreciation and amortization[6]	2,088	1,365	3,453	15	3,469
Share-based compensation expenses	30	13	44	9	53

1. Included in General and administrative expenses in the consolidated income statement
2. Net impairments of property, plant and equipment; investment property; right-of-use assets; and intangible assets. Includes an impairment charge of €153 million for FreshDirect and €108 million related to the Belgium Future Plan.
3. (Gains) losses on leases and the sale of assets – net is mainly driven by the loss on the divestment of FreshDirect.
4. Restructuring and related charges and other items mainly relates to the Belgium Future Plan.
5. Additions to property, plant and equipment; right-of-use assets; investment property; and intangible assets (including assets acquired through business combinations as well as net reassessments and modifications of right-of-use assets).
6. Depreciation and amortization of property, plant and equipment; right-of-use assets; investment property; and intangible assets.
7. Comparative amounts have been restated to conform to the current year's presentation (see Note 3).

Information about geographical areas

€ million	The Netherlands (country of domicile)	The United States	Rest of world	Ahold Delhaize
2024				
Net sales[1]	**19,112**	**54,198**	**16,045**	**89,356**
Non-current assets[2]	**6,519**	**21,920**	**7,173**	**35,613**
2023, restated				
Net sales[1,3]	18,699	54,610	15,425	88,734
Non-current assets[2]	6,609	20,916	7,194	34,719

1. Net sales are presented based on country of destination.
2. Non-current assets include property, plant and equipment; right-of-use assets; investment property; and intangible assets.
3. Comparative amounts have been restated to conform to the current year's presentation (see Note 3).

6 Segment reporting continued

Additional segment information

Segment results do not include significant non-cash items other than depreciation, amortization, reassessments, modifications and additions of right-of-use assets, impairment losses and reversals, and share-based compensation expenses.

Segment information joint ventures – Other retail (JMR and Super Indo)

The information with respect to JMR and Super Indo is presented in Note 15.

Accounting estimates and judgments

Reportable segments

Management has applied judgment in determining the key economic characteristics to be assessed for similarities in order to define the reportable segments.

Impairments

For more information on the accounting estimates and judgment policies for impairments, see Note 11 and Note 14.

Accounting policies

The accounting policies used for the segments are the same as the accounting policies used for the consolidated financial statements. Ahold Delhaize's operating segments are its retail operating companies that engage in business activities from which they earn revenues and incur expenses, and whose operating results are regularly reviewed by the Executive Committee to make decisions about resources to be allocated to the segments and to assess their performance. In establishing the reportable segments, certain operating segments with similar economic characteristics have been aggregated. As Ahold Delhaize's operating segments offer similar products using complementary business models, and there is no discernible difference in customer bases, Ahold Delhaize's policy on aggregating its operating segments into reportable segments is based on geography, macroeconomic environment and management oversight.

The segments' performance is evaluated against several measures, of which operating income and underlying operating income are the most important. Underlying operating income is regularly reviewed by the Executive Committee and is defined as total operating income, adjusted for impairments of non-current assets, gains and losses on the sale of assets, gains and losses on leases and subleases, restructuring and related charges, and other items considered not to be directly related to the underlying operating performance. Ahold Delhaize's management believes this measure provides better insight into the underlying operating performance of the Company's operations. This alternative performance measure should be considered in addition to, but not as a substitute for, operating income. Intersegment sales are executed under normal commercial terms and conditions that would also be available to unrelated third parties. There were no material intersegment sales in 2024 or 2023.

7 Net sales

Sales by segment for 2024 are as follows:

€ million	The United States	Europe	Ahold Delhaize
Sales from owned stores	**49,841**	**19,873**	**69,714**
Sales to and fees from franchisees and affiliates	**—**	**9,888**	**9,888**
Online sales	**4,090**	**5,145**	**9,235**
Wholesale sales	**209**	**103**	**312**
Other sales	**58**	**150**	**208**
Net sales	**54,198**	**35,158**	**89,356**

Sales by segment for 2023 (restated) are as follows:

€ million	The United States	Europe	Ahold Delhaize
Sales from owned stores	50,087	21,397	71,485
Sales to and fees from franchisees and affiliates	—	7,851	7,851
Online sales[1]	4,247	4,684	8,931
Wholesale sales	202	97	298
Other sales[1]	73	96	169
Net sales[1]	54,610	34,124	88,734

1. Comparative amounts have been restated to conform to the current year's presentation (see Note 3).

Net sales by product category are as follows:

Percentage of net sales	2024	2023, restated
Food: perishable	**44.9%**	44.4%
Food: non-perishable	**35.7%**	35.8%
Non-food	**14.2%**	15.0%
Pharmacy	**3.9%**	3.4%
Gasoline	**1.1%**	1.2%
Media and data	**0.2%**	0.2%
Net sales	**100%**	100%

Comparative amounts have been restated to conform to the current year's presentation (see Note 3).

Accounting estimates and judgments

The recognition of revenue requires estimates regarding the timing of redemption of gift cards and future discounts under bonus and loyalty programs. Consideration received from the customer upon activation of a gift card is deferred until redemption or until the card expires, at which time the liability is recognized as revenue. The Company estimates any gift card non-redemptions and recognizes such breakage on a proportionate basis as redemptions occur.

7 Net sales continued

Accounting policies

Ahold Delhaize generates and recognizes net sales to retail customers as it satisfies its performance obligation at the point of sale in its stores and upon delivery of goods through its online channel. The Company also generates revenues from the sale of products to retail franchisees and affiliates that are recognized upon delivery. Ahold Delhaize recognizes fees from franchisees and affiliates as revenue as services are performed or the granted rights are used. Revenue from the sale of gift cards and gift certificates is recognized when the gift card or gift certificate is redeemed by the retail customer. Future discounts earned by customers in connection with bonus or loyalty cards and other Company-sponsored programs are deferred on the balance sheet at the time of the sale and subsequently recognized in the income statement when redeemed. When the Company expects that gift cards and future discounts under bonus and loyalty programs will not be redeemed, the breakage that is able to be estimated is recognized proportionately as revenue at the time that the Company's performance obligations are satisfied (e.g., as customers redeem their award credits or purchase goods using gift cards or vouchers).

Ahold Delhaize's sales activities do not result in the Company having a material amount of unperformed obligations and, therefore, no contract assets are recognized separately from receivables. The Company does enter into transactions with customers where contract liabilities result from consideration being received from the customer prior to the Company satisfying its performance obligations. These contract liabilities are presented on the balance sheet and in the notes as deferred income and gift card liabilities; see *Note 27*.

Generally, net sales and cost of sales are recorded based on the gross amount received from the customer for products sold and the amount paid to the vendor for products purchased, excluding sales taxes and value-added taxes. However, for certain products or services, such as sales through bol's partner platform and the sale of lottery tickets, third-party prepaid phone cards, stamps and public transportation tickets, Ahold Delhaize acts as an agent and, consequently, records the amount of commission income in its net sales. Net sales also reflect the value of products sold to customers for which the Company anticipates returns from customers, when such returns are considered to be material. Currently, customer returns mainly relate to Ahold Delhaize's online general merchandise sales, and are included in Accrued expenses in *Note 27*. Past customer return practices provide the basis for determining the anticipated returns that the Company is exposed to at the balance sheet date.

8 Expenses and other income by nature

Expenses by nature

The aggregate of cost of sales, selling expenses, and general and administrative expenses is specified by nature as follows:

€ million	2024	2023
Cost of product	**61,831**	61,174
Labor costs	**13,089**	12,875
Other operational expenses	**8,131**	8,153
Depreciation and amortization	**3,477**	3,469
Rent expenses	**65**	75
Impairment losses and reversals – net	**229**	375
(Gains) losses on leases and the sale of assets – net	**181**	180
Total expenses by nature	**87,003**	86,302

(Gains) losses on leases and the sale of assets – net mainly relate to the Belgium Future Plan and, in 2023, the divestment of FreshDirect. For more information about the sale of the Delhaize stores in Belgium, see *Note 5*.

Other income by nature

Other income is specified as follows:

€ million	2024	2023
Rent income	**170**	162
Advertising income[1]	**—**	—
Other income[1]	**261**	252
Total other income	**431**	414

1. Comparative amounts have been restated to conform to the current year's presentation (see *Note 3*).

For more information on rent expenses and rent income, see *Note 33*.

Accounting estimates and judgments

Vendor allowances

When vendor allowances cannot be specifically identified in the purchase price of products, this requires management to apply judgments and estimates, mainly surrounding 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 judgments and estimates, management's practice is to allocate earned vendor allowances 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 on the turnover of the inventories.

8 Expenses and other income by nature continued

Impairments

For more information on the accounting estimates and judgments for impairments, see *Note 11* and *Note 14*.

Accounting policies

Cost of sales

Cost of sales includes the purchase price of the products sold and other costs incurred in bringing the inventories to the location and condition ready for sale. These costs include: costs of purchasing, storing and rent; depreciation of property, plant and equipment and right-of-use assets; salaries; and cost of transporting products, to the extent that it relates to bringing the inventories to the location and condition ready for sale.

Vendor allowances

Ahold Delhaize receives various types of vendor allowances. The most common allowances vendors offer are (i) volume allowances, which are off-invoice or amounts billed back to vendors based on the quantity of products sold to customers or purchased from the vendor and (ii) promotional allowances, which relate to cooperative advertising and market development efforts. Volume allowances are recognized as a reduction of the cost of the related products as they are sold. Promotional allowances are recognized as a reduction of the cost of the related products when the Company has performed the activities specified in the contract with the vendor. If the contract does not specify any performance criteria, the allowance is recognized over the term of the contract.

Vendor allowances are generally deducted from cost of sales, unless there is clear evidence that they should be classified as revenue resulting from the Company providing a distinct good or service to the vendor. Ahold Delhaize recognizes vendor allowances only where there is evidence of a binding arrangement with the vendor, the amount can be estimated reliably and receipt is probable.

Selling expenses

Selling expenses relate to our store and online operations and consist of employees' salaries and wages, store expenses, depreciation related to owned and leased stores, amortization of intangible assets, advertising costs, outbound logistics costs (order fulfillment and delivery cost) and other selling expenses.

General and administrative expenses

General and administrative expenses consist of support office employees' salaries and wages, rent and depreciation of support offices, amortization of intangible assets, impairment losses and reversals, gains and losses on the sale of non-current assets and disposal groups held for sale, restructuring costs, and other general and administrative expenses.

9 Net financial expenses

€ million	2024	2023
Interest income	**221**	174
Interest expense	**(340)**	(336)
Net interest expense on defined benefit pension plans	**(20)**	(17)
Interest accretion to lease liability	**(422)**	(382)
Gains (losses) on foreign exchange	**1**	4
Fair value gains (losses) on financial instruments	**(1)**	3
Other gains (losses)	**—**	7
Other financial income (expense)	**(1)**	15
Net financial expenses	**(562)**	(546)

Interest income relates primarily to interest earned on cash and cash equivalents, short-term cash deposits and similar instruments.

Interest expense relates primarily to notes and financing obligations and also includes:

- Interest accretions to provisions, which mainly consists of interest accretions to the provision for self-insurance in the amount of €53 million (2023: €56 million). For details, see *Note 25*.
- Interest accretion on the Food Employers Labor Relations Association (FELRA) settlement liability of €21 million (2023: €23 million). See *Note 24*.
- Interest expenses on the other long-term financial liabilities of €2 million (2023: €25 million, included the interest accretion on the financial liability for the non-controlling interest of FreshDirect and Cycloon and interest accretion on the Local 1500 Pension Fund withdrawal liability, which were settled in 2023).

Net interest expense on defined benefit pension plans is related to the Company's pension plans being in a net liability position over 2024 and 2023.

Interest accretion to lease liabilities is impacted by interest rates. For more information on leases and the interest accretion thereon, see *Note 33*.

Foreign exchange results arising from the purchase of goods for sale or goods and services consumed in Ahold Delhaize's operations are included in cost of sales or in the appropriate element of operating expenses, respectively. In 2024, the Company recorded a net exchange gain of €2 million in operating income (2023: net exchange gain of €1 million).

Other gains (losses) in 2023 mainly include a €25 million gain on the settlement of the financial liability to acquire the remaining shares in Cycloon, partly offset by a €15 million loss on the loan extinguishment at FreshDirect.

10 Income taxes

Income taxes on continuing operations

The following table specifies the current and deferred tax components of income taxes on continuing operations in the income statement:

€ million	2024	2023
Current income taxes		
Domestic taxes (the Netherlands)	**(105)**	(143)
Foreign taxes		
United States	**(161)**	(201)
Europe – Other	**(158)**	(98)
Total current tax expense	**(424)**	(442)
Deferred income taxes		
Domestic taxes (the Netherlands)	**40**	(37)
Foreign taxes		
United States	**(82)**	(32)
Europe – Other	**(16)**	55
Total deferred tax expense	**(58)**	(14)
Total income taxes on continuing operations	**(481)**	(456)

Effective income tax rate on continuing operations

Ahold Delhaize's effective tax rate in its consolidated income statement differed from the Netherlands' statutory income tax rate of 25.8%. The following table reconciles the statutory income tax rate with the effective income tax rate in the consolidated income statement:

	2024	
	€ million	**Tax rate**
Income before income taxes	**2,222**	
Income tax expense at statutory tax rate	**(573)**	**25.8%**
Adjustments to arrive at effective income tax rate:		
Rate differential (local rates versus the statutory rate of the Netherlands)	**93**	**(4.2)%**
Deferred tax income (expense) related to recognition of deferred tax assets – net	**(3)**	**0.1%**
Non-taxable income (expense)	**(3)**	**0.1 %**
Other	**5**	**(0.2)%**
Total income taxes	**(481)**	**21.7%**

	2023	
	€ million	Tax rate
Income before income taxes	2,300	
Income tax expense at statutory tax rate	(593)	25.8%
Adjustments to arrive at effective income tax rate:		
Rate differential (local rates versus the statutory rate of the Netherlands)	115	(5.0)%
Deferred tax income (expense) related to recognition of deferred tax assets – net	(9)	0.4%
Non-taxable income (expense)	18	(0.8%)
Other	13	(0.6)%
Total income taxes	(456)	19.8%

The rate differential indicates the effect of Ahold Delhaize's taxable income being generated and taxed in jurisdictions where tax rates differ from the statutory tax rate in the Netherlands.

Non-taxable income (expense) for 2023 includes a tax benefit on divestments in the amount of €16 million.

Other includes discrete items, such as one-time transactions, movement in uncertain tax positions and (state) tax rate changes impacting deferred tax in the balance sheet.

OECD Pillar Two model rules

On December 14, 2022, the Council of the EU adopted the Pillar Two directive (the Global Anti-Base Erosion Proposal or "GloBE" – EU Directive 2022/2523). It states that large multinationals will be required to compute their effective tax rate according to the GloBE rules (referred to as GloBE income and GloBE effective tax rate) in each jurisdiction where they operate. They will be liable to pay a top-up tax for the difference between their GloBE effective tax rate in that jurisdiction and the GloBE rate set of 15%.

For Ahold Delhaize, the new rules are applicable as of fiscal year 2024. Ahold Delhaize has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred. Hence, there are no deferred positions recorded related to Pillar Two. For 2024, Ahold Delhaize does not expect to pay Pillar Two top-up tax for the jurisdictions where we operate.

Income taxes on discontinued operations

Current and deferred income tax related to discontinued operations amounted to nil in 2024 (2023: nil).

10 Income taxes continued

Deferred income tax

The significant components and annual movements of deferred income tax assets and liabilities as of December 29, 2024, and December 31, 2023, are as follows:

€ million	January 1, 2023	Recognized in income statement	Other	December 31, 2023	**Recognized in income statement**	**Other**	**December 29, 2024**
Leases and financings	416	4	(16)	404	**18**	**33**	**455**
Pensions and other (post-)employment benefits	359	(10)	(7)	342	**6**	**(84)**	**264**
Provisions	123	(48)	23	98	**(37)**	**19**	**80**
Interest	65	(3)	(4)	58	**5**	**5**	**68**
Other	21	(17)	12	16	**2**	**(5)**	**13**
Total gross deductible temporary differences	984	(74)	8	918	**(5)**	**(33)**	**880**
Unrecognized deductible temporary differences	(7)	—	3	(4)	**—**	**4**	**—**
Total recognized deductible temporary differences	977	(74)	11	914	**(5)**	**(29)**	**880**
Tax losses and tax credits	346	81	(50)	377	**64**	**(211)**	**230**
Unrecognized tax losses and tax credits	(269)	(8)	47	(230)	**—**	**214**	**(16)**
Total recognized tax losses and tax credits	77	73	(3)	147	**64**	**3**	**214**
Total net deferred tax asset position	1,053	(1)	8	1,061	**58**	**(26)**	**1,093**
Property, plant and equipment and intangible assets	(1,522)	(9)	27	(1,504)	**(100)**	**(59)**	**(1,663)**
Inventories	(289)	(4)	8	(285)	**(16)**	**(18)**	**(320)**
Other	(5)	—	5	—	**—**	**—**	**—**
Total deferred tax liabilities	(1,816)	(13)	40	(1,789)	**(116)**	**(78)**	**(1,983)**
Net deferred tax assets (liabilities)	(763)	(14)	48	(729)	**(58)**	**(104)**	**(890)**

The column Other in the table above includes amounts recorded in equity, acquisitions, divestments and exchange rate differences, as well as reclassifications between deferred tax components and the application of tax losses and tax credits against current year income tax payables.

Deferred income tax assets and liabilities are offset on the balance sheet when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to income taxes levied by the same fiscal authority. The deferred tax assets and liabilities are presented as non-current assets and liabilities on the balance sheet as follows:

€ million	**December 29, 2024**	December 31, 2023
Deferred tax assets	**161**	196
Deferred tax liabilities	**(1,051)**	(925)
Net deferred tax liabilities	**(890)**	(729)

10 Income taxes continued

As of December 29, 2024, Ahold Delhaize had operating and capital loss carryforwards of a total nominal amount of €1,439 million (December 31, 2023: €1,963 million). The following table specifies the years in which Ahold Delhaize's operating and capital loss carryforwards and tax credits are scheduled to expire:

€ million	2025	2026	2027	2028	2029	2030–2034	2035–2039	After 2039	Does not expire	Total
Operating and capital losses (nominal value)	65	10	47	49	12	538	58	12	648	**1,439**
Operating and capital losses (tax value)	3	—	2	3	2	29	3	1	162	**206**
Tax credits	1	1	3	2	2	9	4	—	2	**24**
Tax losses and tax credits	5	2	5	5	4	38	7	1	164	**230**
Unrecognized tax losses and tax credits	(3)	(1)	(1)	(2)	—	—	—	(1)	(8)	**(16)**
Total recognized tax losses and tax credits	2	1	4	3	4	38	7	—	156	**214**

The majority of the above-mentioned deferred tax assets relate to tax jurisdictions in which Ahold Delhaize has suffered a tax loss in the current or a preceding period. Operating and capital loss carryforwards related to one jurisdiction may not be used to offset income taxes in other jurisdictions. Of the loss carryforwards, €776 million relates to U.S. state taxes, for which a weighted average tax rate of 5.3% applies.

No deferred income taxes are recognized on undistributed earnings of Ahold Delhaize's subsidiaries and joint ventures, as the undistributed earnings will not be distributed in the foreseeable future. The cumulative amount of undistributed earnings on which the Group has not recognized deferred income taxes was approximately €65 million at December 29, 2024 (December 31, 2023: €67 million).

Income taxes in equity and comprehensive income

Current and deferred income taxes recognized in and transferred from equity and comprehensive income are as follows:

€ million	2024	2023
Remeasurement of pension plans	**(86)**	37
Currency translation differences on loans	**1**	1
Cash flow hedges	**(2)**	3
Non-realized gains (losses) on debt and equity instruments	**7**	—
Share-based compensation	**3**	3
Total	**(77)**	44

Income taxes paid

The following table specifies the income taxes paid per country:

€ million	2024	2023
The United States	**(205)**	(224)
The Netherlands	**(116)**	(188)
Belgium	**(11)**	367
Greece	**7**	(3)
Czech Republic	**(23)**	(13)
Serbia	**(11)**	(14)
Romania	**(17)**	(9)
Switzerland	**(89)**	(112)
Luxembourg	**(5)**	(4)
Total income taxes paid	**(470)**	(200)

In March 2023, Ahold Delhaize signed an agreement with the Belgian tax authorities relating to its tax return over 2018. Based on this agreement, Ahold Delhaize fully recovered its associated outstanding receivable in 2023.

10 Income taxes continued

Taxes accrued

The following table specifies the taxes accrued (current tax) per country:

€ million	2024	2023
The United States	**(161)**	(201)
The Netherlands	**(105)**	(143)
Belgium	**(8)**	(5)
Greece	**(1)**	(2)
Czech Republic	**(25)**	(15)
Serbia	**(10)**	(10)
Romania	**(9)**	(8)
Switzerland	**(100)**	(57)
Luxembourg	**(6)**	(1)
Total income taxes accrued	**(424)**	(442)

Accounting estimates and judgments

The ultimate tax effects of transactions may be uncertain for a considerable period of time, requiring management to estimate the related current and deferred tax positions. The Company recognizes liabilities for uncertain tax positions when it is probable that additional tax will be due or recognizes assets for uncertain tax positions when it is probable that the benefit will flow to the Company and the benefit can be reliably measured. Probability is estimated using the Company's interpretation of legislation and relevant case law and the Company assumes that the taxation authorities have full knowledge of all facts and circumstances.

Management is required to make significant judgment in determining whether deferred tax assets are realizable. The Company determines this on the basis of expected taxable profits arising from the reversal of recognized deferred tax liabilities and on the basis of budgets, cash flow forecasts and impairment models. The Company assesses and weighs all positive and negative evidence to support this determination. Where utilization is not considered probable, deferred tax assets are not recognized in the balance sheet.

Accounting policies

Income tax expense represents the sum of current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income. Current tax expense is based on the best estimate of taxable income for the year, using tax rates that have been enacted or substantively enacted at the balance sheet date and adjustments for current taxes payable (receivable) for prior years. Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and the corresponding tax basis used in the computation of taxable income. Deferred tax assets and liabilities are generally recognized for all temporary differences. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill.

Deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets, including deferred tax assets for tax loss carryforward positions and tax credit carryforward positions, are recognized to the extent that it is probable that future taxable income will be available against which temporary differences, unused tax losses or unused tax credits can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are not discounted; they are offset on the balance sheet when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to income taxes levied by the same fiscal authority. Current income tax assets and liabilities are offset on the balance sheet when there is a legally enforceable right to offset and when the Company intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The ultimate tax effects of some transactions can be uncertain for a considerable period of time, requiring management to estimate the related current and deferred tax positions. The Company recognizes liabilities for uncertain tax positions when it is probable that additional taxes will be due or recognizes assets for uncertain tax positions when it is probable that the benefit will flow to the Company and the benefit can be reliably measured. To measure the liability for the uncertain tax position, management determines whether uncertainties need to be considered separately or together based on which approach better predicts the resolution of the uncertainty. The Company also recognizes the liability for either the most likely amount or the expected value (probability weighted average), depending on which method it expects to better predict the resolution.

These liabilities are presented as current income taxes payable, except in jurisdictions where prior tax losses are being carried forward to be used to offset future taxes that will be due; in these instances, the liabilities are presented as a reduction of deferred tax assets. Interest accrued on uncertain tax positions is considered to be a financial expense of the Company. Any other adjustments to uncertain tax position liabilities are recognized within Income tax expense.

A (voluntary) tax payment of a disputed amount to the tax authority meets the definition of an asset and is recognized as a current or non-current income tax receivable, depending on the timing of the expected resolution. The payment is an asset for the Company because it will either be refunded by the tax authority or be used to settle the tax liability arising from the resolution of the dispute.

11 Property, plant and equipment

€ million	Buildings and land	Other	Under construction	Total
As of January 1, 2023				
At cost	14,681	11,431	534	26,647
Accumulated depreciation and impairment losses	(7,037)	(7,127)	—	(14,164)
Carrying amount	**7,644**	**4,303**	**534**	**12,482**
Year ended December 31, 2023				
Additions	235	708	929	1,872
Transfers from under construction	637	330	(968)	—
Acquisitions through business combinations	20	1	—	21
Depreciation	(674)	(1,001)	—	(1,675)
Impairment losses	(147)	(196)	—	(343)
Impairment reversals	—	—	—	—
Assets classified (to) from held for sale or sold	(362)	(104)	(4)	(470)
Other movements	(5)	17	(16)	(4)
Exchange rate differences	(146)	(84)	(6)	(237)
Closing carrying amount	**7,202**	**3,974**	**470**	**11,647**
As of December 31, 2023				
At cost	14,487	11,080	470	26,037
Accumulated depreciation and impairment losses	(7,285)	(7,105)	—	(14,390)
Carrying amount	**7,202**	**3,974**	**470**	**11,647**
Year ended December 29, 2024				
Additions	**187**	**730**	**839**	**1,756**
Transfers from under construction	**651**	**350**	**(1,001)**	**(1)**
Acquisitions through business combinations	**4**	**2**	**—**	**6**
Depreciation	**(640)**	**(977)**	**—**	**(1,618)**
Impairment losses	**(80)**	**(37)**	**(15)**	**(133)**
Impairment reversals	**5**	**1**	**—**	**5**
Assets classified (to) from held for sale or sold	**(65)**	**(25)**	**(1)**	**(91)**
Other movements	**(23)**	**8**	**—**	**(15)**
Exchange rate differences	**244**	**145**	**8**	**397**
Closing carrying amount	**7,483**	**4,170**	**300**	**11,953**
As of December 29, 2024				
At cost	**15,315**	**11,998**	**300**	**27,614**
Accumulated depreciation and impairment losses	**(7,832)**	**(7,829)**	**—**	**(15,660)**
Carrying amount	**7,483**	**4,170**	**300**	**11,953**

Buildings and land includes stores, DCs, warehouses and improvements to these assets. Other property, plant and equipment mainly consists of furnishings, machinery and equipment, trucks, trailers and other vehicles. Assets under construction mainly consists of stores and improvements to stores and furnishings, machinery and equipment.

The higher of the value in use or fair value less cost of disposal represents an asset's recoverable amount. The value-in-use method involves estimating future cash flows. The present value of estimated future cash flows has been calculated using pre-tax discount rates ranging between 6.1% and 13.3% (2023: 6.3%-13.8%). Fair value represents the price that would be received to sell an asset in an orderly transaction between market participants and is generally measured by using an income approach or a market approach. The income approach is generally applied by using discounted cash flow projections based on the assets' highest and best use from a market participants' perspective. The market approach requires a comparison of the subject assets to transactions involving comparable assets by using inputs such as bid or ask prices or market multiples.

In 2024, Ahold Delhaize recognized net impairment losses of €127 million for property, plant and equipment (2023: €343 million). These were related to The United States (2024: €93 million, 2023: €210 million) and Europe (2024: €34 million, 2023: €133 million). Net impairment losses in 2024 were recognized mainly for underperforming and closed stores. Net impairment losses recognized in 2023 included mainly impairment charges for FreshDirect in the amount of €141 million, for store assets related to the transformation of Delhaize's integrated stores into affiliates in the amount of €102 million, and for underperforming and closed stores.

The additions to property, plant and equipment include capitalized borrowing costs of €3 million (2023: €2 million). Generally, the capitalization rate used to determine the amount of capitalized borrowing costs is a weighted average of the interest rate applicable to the respective operating companies. This rate ranged between 2.8% and 8.8% (2023: 3.0%-8.1%).

Other movements mainly includes transfers between asset classes and between property, plant and equipment, investment property and intangible assets.

The carrying amount of buildings and land includes amounts related to assets held under financings of €90 million (December 31, 2023: €95 million). Ahold Delhaize does not have legal title to these assets.

Property, plant and equipment with a carrying amount of €5 million (December 31, 2023: €10 million) has been pledged as security for liabilities, mainly for loans.

Accounting estimates and judgments

Judgments are required, to determine not only whether there is an indication that an asset may be impaired, but also whether indications exist that impairment losses previously recognized may no longer exist or may have decreased (impairment reversal). After indications of impairment have been identified, estimates and assumptions are used in the determination of the recoverable amount of a non-current asset. These involve estimates of expected future cash flows (based on future growth rates and remaining useful life) and residual value assumptions, as well as discount rates to calculate the present value of the future cash flows.

11 Property, plant and equipment continued

Accounting policies

Property, plant and equipment
Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition or construction of an asset and borrowing costs incurred during construction. Where applicable, estimated asset retirement costs are added to the cost of an asset. Subsequent expenditures are capitalized only when it is probable that future economic benefits associated with the item will flow to the Company and the costs can be measured reliably. All other subsequent expenditures represent repairs and maintenance and are expensed as incurred.

Depreciation is computed using the straight-line method based on the estimated useful lives of the items of property, plant and equipment, taking into account the estimated residual value. Where an item of property, plant and equipment comprises major components having different useful lives, each such part is depreciated separately.

The ranges of estimated useful lives of property, plant and equipment are:

Land	indefinite
Buildings	30–40 years
Certain structural components of buildings	10–20 years
Finish components of buildings	5–10 years
Machinery and equipment	3–15 years
Other	5–10 years

The useful lives, depreciation method and residual value are reviewed at each balance sheet date and adjusted, if appropriate.

Depreciation of leasehold improvements is calculated on a straight-line basis over either the lease term (including renewal periods when renewal is reasonably assured) or the estimated useful life of the asset, whichever is shorter.

Impairment of non-current assets other than goodwill
Ahold Delhaize assesses on a quarterly basis whether there is any indication that non-current assets may be impaired. If indicators of impairment exist, the Company estimates the recoverable amount of the asset. If it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which it belongs. Individual stores are considered separate CGUs for impairment testing purposes. The carrying value of the store includes mainly its property, plant and equipment and right-of-use assets (if held under a lease arrangement).

The recoverable amount is the higher of an asset's fair value less costs of disposal or the asset's value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The estimated future cash flows exclude lease payments if the CGU is held under a lease arrangement, but include a replacement CapEx if needed to maintain the ongoing operation during the forecast period.

An impairment loss is recognized in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount.

In subsequent years, the Company assesses whether indications exist that impairment losses previously recognized for non-current assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is recalculated and, if required, its carrying amount is increased to the revised recoverable amount. The increase is recognized in operating income as an impairment reversal. An impairment reversal is recognized only if it arises from a change in the assumptions that were used to calculate the recoverable amount. The increase in an asset's carrying amount due to an impairment reversal is limited to the depreciated amount that would have been recognized had the original impairment not occurred.

As noted above, companies are required to assess at each reporting date whether there is an indication that a non-current asset may be impaired. One such indicator is significant changes with adverse effects in the technological, market, economic or legal environment in which the company operates that have taken place during the period (or will take place in the near future). Transitioning to a lower-carbon economy may trigger such adverse effects. Therefore, Ahold Delhaize also considers the impact of climate change in assessing whether assets may be impaired or whether the useful life of assets needs to be shortened due to early replacement.

12 Right-of-use assets

€ million	Buildings and land	Other	Total
Carrying amount as of January 1, 2023	**9,423**	**184**	**9,607**
Year ended December 31, 2023			
Additions	494	94	588
Reassessments and modifications to leases	1,077	3	1,080
Acquisitions through business combinations	1	—	1
Depreciation	(1,249)	(63)	(1,311)
Termination of leases	(30)	(4)	(34)
Impairment losses	(8)	—	(8)
Impairment reversals	—	—	—
Assets classified (to) from held for sale or sold	(134)	(11)	(144)
Transfer (to) from right-of-use assets – investment property	(1)	(1)	(2)
Reclassifications (to) from net investment in leases	(92)	—	(92)
Exchange rate differences	(199)	(3)	(201)
Carrying amount as of December 31, 2023	**9,283**	**200**	**9,483**
Year ended December 29, 2024			
Additions	**374**	**112**	**485**
Reassessments and modifications to leases	**877**	**—**	**877**
Depreciation	**(1,247)**	**(63)**	**(1,311)**
Termination of leases	**(37)**	**(4)**	**(40)**
Impairment losses	**(50)**	**—**	**(50)**
Impairment reversals	**2**	**—**	**2**
Transfer (to) from right-of-use assets – investment property	**19**	**(14)**	**6**
Reclassifications (to) from net investment in leases	**(132)**	**—**	**(132)**
Exchange rate differences	**322**	**7**	**329**
Carrying amount as of December 29, 2024	**9,412**	**237**	**9,649**

Buildings and land includes stores, DCs and warehouses. Other mainly consists of furnishings, machinery and equipment and vehicles. Right-of-use assets that meet the criteria of an investment property are included in *Note 13*. For more information on leases, see *Note 33*.

Accounting estimates and judgments

For more information on the accounting estimates and judgments policies for leases, see *Note 33*, and for impairments, see *Note 11*.

Accounting policies

For more information on the accounting policies for leases, see *Note 33*.

13 Investment property

€ million	Right-of-use asset investment property	Company-owned investment property	Total investment property
As of January 1, 2023			
At cost	710	880	1,590
Accumulated depreciation and impairment losses	(479)	(449)	(928)
Carrying amount	**231**	**430**	**661**
Year ended December 31, 2023			
Additions	5	10	15
Reassessments and modifications to leases	11	—	11
Depreciation	(24)	(20)	(44)
Impairment losses	(2)	(3)	(5)
Termination of leases	(2)	—	(2)
Assets classified (to) from held for sale or sold	—	(14)	(14)
Reclassifications (to) from net investment in leases	(6)	—	(6)
Transfers (to) from right-of-use assets, property, plant and equipment and intangible assets	2	(12)	(10)
Exchange rate differences	(6)	(9)	(15)
Closing carrying amount	**209**	**382**	**591**
As of December 31, 2023			
At cost	628	812	1,440
Accumulated depreciation and impairment losses	(419)	(430)	(849)
Carrying amount	**209**	**382**	**591**

13 Investment property continued

€ million	Right-of-use asset investment property	Company-owned investment property	Total investment property
Year ended December 29, 2024			
Additions	2	11	13
Reassessments and modifications to leases	11	—	11
Acquisitions through business combinations	—	—	—
Depreciation	(23)	(17)	(40)
Impairment losses	(2)	(1)	(4)
Impairment reversals	—	—	—
Termination of leases	(5)	—	(5)
Assets classified (to) from held for sale or sold	—	(11)	(11)
Reclassifications (to) from net investment in leases	(5)	—	(5)
Transfers (to) from right-of-use assets, property, plant and equipment and intangible assets	3	13	15
Exchange rate differences	9	16	24
Closing carrying amount	**198**	**392**	**591**
As of December 29, 2024			
At cost	955	1,039	1,994
Accumulated depreciation and impairment losses	(757)	(647)	(1,403)
Carrying amount	**198**	**392**	**591**

A significant portion of the Company's investment property comprises shopping centers containing both an Ahold Delhaize store and third-party retail units. The third-party retail units generate rental income, but are primarily of strategic importance to Ahold Delhaize in its retail operations. Ahold Delhaize recognizes the part of a shopping center leased to a third-party retailer as investment property, unless it represents an insignificant portion of the property.

The impairment losses recognized were related to The United States (2024: €3 million, 2023: €3 million) and Europe (2024: €0 million, 2023: €2 million).

The Company-owned investment property includes an amount related to assets held under financings of €16 million (December 31, 2023: €16 million). Ahold Delhaize does not have legal title to these assets. At December 29, 2024, there was no investment property pledged as security for liabilities. At December 31, 2023, company-owned investment property with a carrying amount of €15 million was pledged as security for liabilities, mainly for loans.

The fair value of investment property as of December 29, 2024, amounted to approximately €826 million (December 31, 2023: €793 million). Fair value of investment property has generally been measured using an income or market approach. Fair value for right-of-use asset investment property is the fair value of the right-of-use itself, not the fair value of the property under lease. Approximately 75% of Ahold Delhaize's fair value measurements are categorized within Level 2. The most significant inputs into this valuation approach are observable market retail yields and tenant rents to calculate the fair value. The remaining fair value measurements that are categorized within Level 3 primarily include the fair value measurements based on the Company's own valuation methods and the fair value for certain mixed-use properties and properties held for strategic purposes. For certain mixed-use properties and properties held for strategic purposes, Ahold Delhaize cannot determine the fair value of the investment property reliably. In such cases, the fair value is assumed to be equal to the carrying amount.

Rental income from investment property (both company-owned and right-of-use asset) included in the income statement in 2024 amounted to €75 million (2023: €73 million). Direct operating expenses (including repairs and maintenance but excluding depreciation expense) arising from rental-income-generating and non-rent-generating investment property in 2024 amounted to €27 million (2023: €13 million).

Accounting estimates and judgments

For more information on the accounting estimates and judgments policies for impairments, see *Note 11*.

Accounting policies

Investment property consists of land and buildings held by Ahold Delhaize to earn rental income or for capital appreciation, or both. These properties are not used by the Company in the ordinary course of business. The Company often owns (or leases) shopping centers containing an Ahold Delhaize as well as third-party retail units. In these cases, the third-party retail units generate rental income, but are primarily of strategic importance for operating purposes to Ahold Delhaize in its retail operations. The Company recognizes the part of an owned (or leased) shopping center that is leased to third-party retailers as investment property, unless it represents an insignificant portion of the property. Land and buildings leased to franchisees are not considered to be investment property, as they contribute directly to Ahold Delhaize's retail operations. Investment property is measured on the same basis as property, plant and equipment.

Right-of-use assets are separately disclosed as a line in the balance sheet, but right-of-use assets that meet the definition of investment property are included in Investment property and separately disclosed in the notes.

14 Intangible assets

€ million	Goodwill	Brand names	Software	Franchisee and affiliate relationships	Customer relationships	Other	Under development	Total
As of January 1, 2023								
At cost	7,990	3,431	2,591	653	228	345	258	15,495
Accumulated amortization and impairment losses	(69)	(103)	(1,692)	(113)	(161)	(176)	(7)	(2,321)
Carrying amount	**7,920**	**3,328**	**900**	**539**	**66**	**169**	**251**	**13,174**
Year ended December 31, 2023								
Additions	—	—	40	—	3	2	440	485
Transfers from under development	—	—	457	—	—	—	(457)	—
Acquisitions through business combinations	24	—	—	—	1	2	—	27
Amortization	—	(2)	(392)	(18)	(10)	(17)	—	(438)
Impairments	—	(1)	(14)	—	(5)	—	(1)	(21)
Impairment reversals	—	—	—	—	—	—	—	—
Assets classified to held for sale or sold	—	—	(3)	—	—	(1)	—	(3)
Other movements[1]	—	—	—	—	—	—	15	15
Exchange rate differences	(157)	(65)	(13)	—	(1)	(3)	(2)	(241)
Closing carrying amount	**7,788**	**3,259**	**976**	**522**	**55**	**153**	**246**	**12,998**
As of December 31, 2023								
At cost	7,796	3,278	2,661	653	216	299	246	15,149
Accumulated amortization and impairment losses	(8)	(19)	(1,686)	(131)	(161)	(146)	—	(2,151)
Carrying amount	**7,788**	**3,259**	**976**	**522**	**55**	**153**	**246**	**12,998**
Year ended December 29, 2024								
Additions	**—**	**—**	**41**	**—**	**1**	**7**	**482**	**531**
Transfers from under development	**—**	**—**	**546**	**—**	**—**	**2**	**(548)**	**—**
Acquisitions through business combinations	**20**	**—**	**—**	**—**	**—**	**1**	**—**	**20**
Amortization	**—**	**(2)**	**(468)**	**(18)**	**(6)**	**(14)**	**(1)**	**(509)**
Impairments	**—**	**(5)**	**(13)**	**—**	**—**	**(1)**	**(29)**	**(49)**
Impairment reversals	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Assets classified to held for sale or sold	**—**	**—**	**(3)**	**—**	**—**	**(3)**	**—**	**(6)**
Other movements[1]	**—**	**—**	**4**	**—**	**—**	**(8)**	**(2)**	**(6)**
Exchange rate differences	**283**	**123**	**24**	**—**	**1**	**5**	**5**	**440**
Closing carrying amount	**8,090**	**3,374**	**1,107**	**504**	**51**	**140**	**152**	**13,420**
As of December 29, 2024								
At cost	**8,098**	**3,401**	**3,081**	**653**	**222**	**301**	**152**	**15,909**
Accumulated amortization and impairment losses	**(8)**	**(27)**	**(1,974)**	**(149)**	**(171)**	**(160)**	**—**	**(2,489)**
Carrying amount	**8,090**	**3,374**	**1,107**	**504**	**51**	**140**	**152**	**13,420**

1. Other movements mainly includes transfers between asset classes and transfers between intangible assets and property, plant and equipment.

14 Intangible assets continued

Goodwill acquired in business combinations is allocated, at acquisition, to the CGUs or groups of CGUs expected to benefit from the business combination.

Brand names include retail brands, as well as an insignificant amount for certain own brands (referring to ranges of products). Retail brands are strong and well-established brands of supermarkets, convenience stores and online stores protected by trademarks that are renewable indefinitely in their relevant markets. There are not believed to be any legal, regulatory or contractual provisions that limit their useful lives. Ahold Delhaize brands play an important role in the Company's business strategy. Ahold Delhaize believes that there is currently no foreseeable limit to the period over which the retail brands are expected to generate net cash inflows, and, therefore, they are assessed to have an indefinite useful life.

Franchisee and affiliate relationships relate to those contractual relationships in our franchisee and affiliate businesses in Greece and Belgium, recognized in connection with the Ahold Delhaize merger. Customer relationships consist primarily of pharmacy scripts and customer lists recognized through the acquisition of bol in 2012. Other mainly includes location development rights, deed restrictions and similar assets. Intangible assets under development relate mainly to software development. Software and software development represent both costs from external purchases and internal development costs.

The carrying amounts of goodwill allocated to Ahold Delhaize's CGUs and brand names recognized from business acquisitions are as follows:

€ million		**Goodwill December 29, 2024**	Goodwill December 31, 2023	**Brand names December 29, 2024**	Brand names December 31, 2023
	Cash-generating unit				
The United States	Stop & Shop	**1,074**	1,015	**—**	—
	Food Lion	**1,148**	1,084	**1,385**	**1,309**
	The GIANT Company	**616**	582	**—**	—
	Hannaford	**1,971**	1,849	**823**	**778**
	Giant Food	**362**	342	**—**	—
Europe	Albert Heijn (the Netherlands and Belgium)	**1,767**	1,760	**—**	—
	Delhaize (Belgium and Luxembourg)	**439**	439	**786**	786
	bol (the Netherlands and Belgium)	**235**	235	**86**	91
	Albert (Czech Republic)	**183**	187	**—**	—
	Alfa Beta (Greece)	**143**	143	**136**	136
	Mega Image (Romania)	**130**	130	**83**	83
	Delhaize Serbia (Serbia)	**12**	12	**76**	76
	Etos	**8**	8	**—**	—
	Gall & Gall	**1**	1	**—**	—
Total		**8,090**	7,788	**3,374**	3,259

Goodwill impairment testing

In the 2024 annual goodwill impairment test, with the exception of Delhaize, bol and Mega Image, the recoverable amounts of the CGUs were based on value in use.

The cash flow projections used in determining recoverable amounts excluded the lease payments that are considered financing and included replacement CapEx for the right-of-use assets. The carrying values of the CGUs tested included their right-of-use assets.

Value in use is determined using discounted cash flow projections that cover a period of five years and are based on the financial plans approved by the Company's management.

Fair value represents the price that would be received for selling an asset in an orderly transaction between market participants and is generally measured using an income approach and/or a market approach. For Delhaize, bol and Mega Image, the Company used discounted cash flow projections based on the assets' highest and best use from a market participant's perspective, taking financial plans as approved by management as a base (Level 3 valuation). Except for bol, the discounted cash flow projections cover a period of five years. Due to the expected continuation of high growth in the relevant online retail markets, the Company projected cash flows for bol over a 10-year period to better reflect the growth expectations in sales, profitability and cash generation, as the business has not yet reached a steady state.

The terminal value is based on the Gordon growth formula (Free cash flows/(Weighted average cost of capital (WACC) – long-term growth)) where long-term growth was generally assumed to be nil.

The key assumptions for the goodwill impairment test relate to the WACC (hereafter: discount rate), sales growth, operating margin and growth rate (terminal value).

The discount rates are determined based on external market data and reflect specific risks relating to relevant CGUs, the key assumptions used in the cash flow projections, and the composition of the assets and liabilities included in the CGUs' carrying value. The discount rates are as follows:

	Pre-tax discount rate	**Post-tax discount rate**
The U.S. brands	8.3%-9.0%	6.5%
The brands in the Netherlands (excluding bol)	6.4%-6.5%	4.8%
Delhaize	7.6%	5.7%
bol	12.6%	10.1%
Albert (Czech Republic)	7.2%	5.7%
Alfa Beta (Greece)	7.8%	6.2%
Mega Image (Romania)	10.2%	9.0%
Delhaize Serbia (Serbia)	11.6%	8.6%

14 Intangible assets continued

The sales growth rates and operating margins used to estimate future performance are based on past performance and our experience of growth rates and operating margins achievable in Ahold Delhaize's main markets. The sales compound annual growth rates applied in the projected periods ranged between 1.1% and 7.2% for the CGUs. The average operating margins applied in the projected periods ranged between 2.0% and 6.7% for the CGUs. The terminal value to extrapolate cash flows beyond the explicit forecast period included one year of additional growth based on the long-term inflation expectations that ranged between 1.8% and 2.8% for the CGUs; generally no additional growth was assumed thereafter. The long-term growth rates are determined using the long-term inflation expectations, based on external market data.

Key assumptions relating to CGUs to which a significant amount of goodwill or intangible assets with indefinite useful lives is allocated are as follows:

	Pre-tax discount rate	Post-tax discount rate	Growth rate (terminal value)
Stop & Shop	8.3%	6.5%	2.2%
Food Lion	9.0%	6.5%	2.2%
Hannaford	8.9%	6.5%	2.2%
Albert Heijn	6.5%	4.8%	2.0%
Delhaize	7.6%	5.7%	1.9%

Cash flow projections for these CGUs reflect current macroeconomic circumstances, including increases in energy costs and inflation as well as certain cost-saving initiatives to reduce negative impacts. The discount rates applied are aligned with the current macroeconomic environment. For more information, see *Note 2*.

Additional capital investments to mitigate climate-related risks can be phased out over a reasonably long period as part of investments in the normal course of business. Transitioning to a lower-carbon economy is not expected to trigger significant adverse effects on future cash flows.

Given the macroeconomic circumstances, further reasonable negative changes in sales growth, margins and discount rates would not result in impairment of these CGUs, except for Stop & Shop.

In 2024, Stop & Shop reshaped its plans to position the business for growth. The brand focused on multi-year investments in price and the customer value proposition, including customer experience as part of its growth strategy in its markets. In addition, Stop & Shop closed 32 underperforming stores by the beginning of November 2024. The key assumptions used in the discounted cash flow projections are revenue growth and margin development. The sales growth is based on actual experience, expected uplift from price investments and value proposition, and the development of market share. The margin development is based on actual experience and management's long-term projections with the expected leverage of higher sales and cost savings.

The recoverable amount for Stop & Shop exceeds the carrying amount by slightly more than 10%. A sensitivity analysis indicates that the valuation is sensitive to changes in sales growth, operating margins and pre-tax discount rate. The recoverable amount of Stop & Shop would be equal to its carrying amount if compound average sales growth in the projection period were reduced, in absolute terms, by 1.9%, if Stop & Shop's operating margins in the projection period were reduced, in absolute terms, by 0.3%, or if the pre-tax discount rate was, in absolute terms, higher by 1.5%.

Accounting estimates and judgments

Intangible assets

For accounting estimates and judgments relating to intangible assets, see *Note 4*.

Impairments

Judgments are required to determine whether there is an indication that a CGU to which goodwill has been allocated may be impaired. Estimates and assumptions are involved in the determination of the recoverable amount of the CGUs. These include assumptions related to discount rates, cash flow projections (such as sales growth rates, operating margins and growth rates to determine terminal value) and market multiples.

Accounting policies

Goodwill and impairment of goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Company's interest in the net fair value of the identifiable assets, liabilities and assumed contingent liabilities at the date of acquisition. It is carried at cost less accumulated impairment losses. Goodwill on acquisitions of joint ventures and associates is included in the carrying amount of the investment.

For the purposes of impairment testing, goodwill is allocated to each of the CGUs (or groups of CGUs) that is expected to benefit from the synergies of a business combination. Goodwill is allocated to a CGU (or group of CGUs) representing the lowest level within the Company at which the goodwill is monitored for internal management purposes and is never larger than an operating segment before aggregation. CGUs to which goodwill has been allocated are tested for impairment annually or more frequently when there is an indication that the CGU may be impaired. Goodwill on acquisitions of joint ventures and associates is assessed for impairment as part of the investment whenever there is an indication that the investment may be impaired. An impairment loss is recognized for the amount by which the CGU's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of a CGU's fair value less costs of disposal or its value in use. An impairment loss is allocated first to reduce the carrying amount of the goodwill and then to the other assets of the CGU pro rata on the basis of the carrying amount of each asset. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On the partial or complete disposal of an operation, the goodwill attributable to that operation is included in the determination of the gain or loss on disposal.

14 Intangible assets continued

Other intangible assets

Separately acquired intangible assets and internally developed software are carried at cost less accumulated amortization and impairment losses. Intangible assets acquired in a business combination are recognized at fair value at the date of acquisition (which is regarded as their cost).

Brand names and customer, franchise and affiliate relationships acquired in business acquisitions are stated at fair value, determined using an income approach. Direct costs related to the development of software for internal use are capitalized only if the costs can be measured reliably, technical feasibility has been established, future economic benefits are probable, and the Company intends to complete development and use the software. All other costs, including all overhead, general and administrative, and training costs, are expensed as incurred.

Amortization is computed using the straight-line method based on estimated useful lives, which are as follows:

Retail brands	indefinite
Own brands	10–15 years
Software	3–10 years
Franchise and affiliate relationships	14–40 years
Customer relationships	7–25 years
Other	5 years–indefinite

The useful lives, amortization method and residual value are reviewed at each balance sheet date and adjusted, if appropriate. Brand names, intangible assets under development and other intangible assets with indefinite lives are assessed for impairment annually or whenever there is an indication that the asset may be impaired.

15 Investments in joint ventures and associates

In 1992, Ahold Delhaize partnered with Jerónimo Martins, SGPS, S.A. in the joint venture JMR – Gestão de Empresas de Retalho, SGPS, S.A. ("JMR"). Ahold Delhaize holds 49% of the shares in JMR and shares equal voting power on JMR's board of directors with Jerónimo Martins, SGPS, S.A. JMR operates food retail stores in Portugal under the brand name Pingo Doce.

Ahold Delhaize holds 51% of the shares in P.T. Lion Super Indo ("Super Indo"). Super Indo operates supermarkets in Indonesia. Although Ahold Delhaize has a 51% investment in Super Indo, the Company cannot exercise its majority voting rights mainly due to (i) a quorum requirement for the board of directors to decide on critical operating and financing activities and (ii) a requirement for unanimous affirmative decisions in the board of directors on significant and strategic investing and financing matters, such as budgets and business plans and any resolution on the allocation of profits and distribution of dividends.

Therefore, JMR and Super Indo are joint ventures and are accounted for using the equity method. There are no quoted market prices available.

Ahold Delhaize is also a partner in various smaller joint ventures and associates that are individually not material to the Company.

Changes in the carrying amount of Ahold Delhaize's interest in joint ventures and associates are as follows:

€ million	JMR 2024	Super Indo 2024	Other 2024	Total 2024
Beginning of the year	168	71	29	268
Investments in associates	—	—	8	8
Share in income (loss) of joint ventures and associates	9	13	1	23
Share in other comprehensive income (loss) of joint ventures	—	—	—	—
Dividend	(17)	(3)	(1)	(22)
Exchange rate differences	—	—	2	2
End of the year	160	81	38	279

€ million	JMR 2023	Super Indo 2023	Other 2023	Total 2023
Beginning of the year	167	64	30	262
Investments in joint ventures	—	—	—	—
Share in income (loss) of joint ventures	19	10	1	30
Share in other comprehensive income (loss) of joint ventures	—	—	—	(1)
Dividend	(17)	(2)	(2)	(22)
Exchange rate differences	—	(1)	(1)	(2)
End of the year	168	71	29	268

Share in income (loss) from continuing operations for Ahold Delhaize's interests in all individually immaterial joint ventures was a gain of €2 million (2023: a gain of €1 million) and a loss of €1 million for individually immaterial associates (2023: nil).

15 Investments in joint ventures and associates continued

Set out below is the summarized financial information for JMR and Super Indo (on a 100% basis).

€ million	JMR 2024	JMR 2023	Super Indo 2024	Super Indo 2023
Summarized statement of comprehensive income				
Net sales	**5,712**	5,471	**706**	666
Depreciation and amortization	**(214)**	(188)	**(21)**	(20)
Interest income	**—**	—	**4**	2
Interest expense	**(15)**	(3)	**—**	—
Interest accretion to lease liability	**(26)**	(22)	**(4)**	(3)
Income tax expense	**(2)**	(10)	**(1)**	(4)
Income from continuing operations	**19**	39	**25**	20
Net income	**19**	39	**25**	20
Other comprehensive income (loss)	**—**	(1)	**—**	—
Total comprehensive income	**19**	38	**25**	20

€ million	JMR December 29, 2024	JMR December 31, 2023	Super Indo December 29, 2024	Super Indo December 31, 2023
Summarized balance sheet				
Non-current assets	**2,001**	1,829	**147**	121
Current assets				
Cash and cash equivalents	**31**	94	**127**	108
Other current assets	**508**	483	**91**	78
Total current assets	**539**	577	**218**	186
Non-current liabilities				
Financial liabilities	**452**	384	**51**	46
Other liabilities	**63**	60	**7**	6
Total non-current liabilities	**515**	444	**58**	52
Current liabilities				
Financial liabilities (excluding trade payables)	**395**	200	**7**	7
Other current liabilities	**1,303**	1,419	**159**	127
Total current liabilities	**1,698**	1,619	**166**	134
Net assets	**327**	343	**141**	121

The reconciliation of the summarized financial information presented above to the carrying amount of JMR and Super Indo is as follows:

€ million	JMR 2024	JMR 2023	Super Indo 2024	Super Indo 2023
Opening net assets	**343**	340	**121**	108
Net income	**19**	39	**25**	20
Other comprehensive income (loss)	**—**	(1)	**—**	—
Dividend	**(35)**	(35)	**(6)**	(4)
Exchange rate differences	**—**	—	**1**	(2)
Closing net assets	**327**	343	**141**	121
Interest in joint venture	**49%**	49%	**51%**	51%
Closing net assets included in the carrying value	**160**	168	**72**	62
Goodwill	**—**	—	**9**	9
Carrying value	**160**	168	**81**	71

Commitments and contingent liabilities in respect of joint ventures and associates

Pingo Doce, an indirectly wholly owned subsidiary of JMR in Portugal, is involved in several proceedings, already pending in court, regarding the challenge of decisions by the Portuguese Competition Authority (AdC) on alleged breaches of the respective antitrust laws for some products sold in its stores. Following search-and-seizure actions carried out in late 2016 and early 2017 in several companies operating in the food distribution sector, AdC decided to open several inquiries. Within the scope of these inquiries, AdC issued several statements of objections for alleged anti-competitive practices against various suppliers and retailers, including Pingo Doce. Pingo Doce received 10 statements of objections for alleged anti-competitive practices, consisting of price alignment for certain products. Throughout the course of these investigations, Pingo Doce has fully cooperated with the authorities.

Up to the end of 2023, Pingo Doce was notified of decisions issued by the AdC regarding the 10 above-mentioned proceedings, imposing fines on several retailers and their suppliers, including Pingo Doce. In the case of Pingo Doce, these decisions resulted in the imposition of fines in the amount of €190 million.

Pingo Doce disagrees with these decisions, which it considers to be completely ungrounded. As such, Pingo Doce filed the respective appeals before the Competition, Regulation and Supervision Court ("Tribunal da Concorrência, Regulação e Supervisão") in accordance with the applicable deadlines. Under the terms of the applicable law, Pingo Doce also requested suspensive effect to the appeals, subject to providing a guarantee, to prevent the immediate payment of the fine. Based on the opinion of its legal counsels and economic advisors, Pingo Doce is fully convinced of the strength and merits of its position. Therefore, no provision was recognized for this imposed fine in Pingo Doce's accounts.

15 Investments in joint ventures and associates continued

In 2023, a consumer protection association filed class actions against Pingo Doce in respect of damages arising from an alleged discrepancy in prices between what is displayed on the shelf and what appears at the checkout counter in its supermarkets. The safeguarding of the legitimate interests of the consumer is always a priority for Pingo Doce, and therefore, as Pingo Doce is convinced that there is no ground for these actions, it has contested them.

In addition, our JMR joint venture is involved in several tax proceedings that challenge decisions by the Portuguese tax authorities. These tax claims are contested by our JMR joint venture. For these tax claims, JMR issued several bank guarantees for a total amount of €225 million. Ahold Delhaize's indirect share of these JMR-issued guarantees is €110 million, based on our ownership interest.

There are no other significant contingent liabilities or restrictions relating to the Company's interest in the joint ventures and associates. The commitments are presented in *Note 34*.

Accounting policies

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. Joint operations arise where Ahold Delhaize has both rights to the assets and obligations for the liabilities relating to the arrangement and, therefore, the Company accounts for its share of assets, liabilities, revenue and expenses. Joint ventures arise where Ahold Delhaize has rights to the net assets of the arrangement and, therefore, the Company equity accounts for its interest.

Associates are entities over which Ahold Delhaize has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is defined as the power to participate in the financial and operating policy decisions of the entity but not control or joint control over those policies. Associates are accounted for using the equity method.

Under the equity method, investments in joint ventures and associates are measured initially at cost and subsequently adjusted for post-acquisition changes in Ahold Delhaize's share of the net assets of the investment (net of any accumulated impairment in the value of individual investments). Where necessary, adjustments are made to the financial figures of joint ventures and associates to ensure consistency with the accounting policies of the Company.

Unrealized gains on transactions between Ahold Delhaize and its joint ventures and associates are eliminated to the extent of the Company's stake in these investments. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred.

16 Other non-current financial assets

€ million	**December 29, 2024**	December 31, 2023
Net investment in leases	**576**	538
Reinsurance contract assets	**182**	184
Loans receivable	**147**	116
Defined benefit assets	**69**	51
Derivative financial instruments	**16**	—
Investments in equity instruments	**—**	27
Other	**29**	32
Total other non-current financial assets	**1,021**	949

For more information on the Net investment in leases, see *Note 33*.

Part of the self-insured risk is ceded under a reinsurance treaty, which is a pooling arrangement between unrelated companies. At the same time, Ahold Delhaize assumes a share of the reinsurance treaty risks that is measured by Ahold Delhaize's participation percentage in the treaty. The participation percentage is the ratio of premium paid by Ahold Delhaize to the total premium paid by all treaty members. In connection with this pooling arrangement, the Company recognizes reinsurance contract assets and reinsurance contract liabilities (see also *Note 19*, *Note 23* and *Note 26*) on the balance sheet. There were no significant gains or losses related to this pooling arrangement during 2024 or 2023.

Of the non-current loans receivable, €86 million matures in between one and five years and €62 million after five years (December 31, 2023: €44 million in between one and five years and €72 million after five years). The current portion of loans receivable of €14 million (December 31, 2023: €12 million) is included in Other current financial assets (see *Note 19*).

Defined benefit assets at December 29, 2024, represents defined benefit pension plans for which the fair value of plan assets exceeds the present value of the defined benefit obligations. For more information on defined benefit plans, see *Note 24*.

Accounting policies

For more information on the accounting policies for financial assets and reinsurance contract assets, see *Note 30*.

17 Inventories

€ million	December 29, 2024	December 31, 2023
Finished products and merchandise inventories	**4,689**	4,487
Raw materials, packaging materials, technical supplies and other	**107**	97
Total inventories	**4,797**	4,583

In 2024, €2,061 million has been recognized as a write-off of inventories within cost of sales in the income statement (2023: €2,109 million). Write-offs include, among others, spoilage, damaged product, theft and product donated to food banks.

Accounting estimates and judgments

For more information on the accounting estimates and judgments policies for vendor allowances, see *Note 8*.

Accounting policies

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost consists of all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their location and condition ready for sale, net of vendor allowances attributable to inventories. For certain inventories, cost is approximated using the retail method, in which the sales value of the inventories is reduced by the appropriate percentage of gross margin. The cost of inventories is determined using either the first-in, first-out (FIFO) method or the weighted average cost method, depending on their nature or use. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated marketing, distribution and selling expenses.

Included in the value of inventory is an amount representing the estimated value of inventories that have already been sold that the Company expects to be returned for a refund by customers.

Cost of sales

For more information on the accounting policies for cost of sales, see *Note 8*.

Vendor allowances

For more information on the accounting policies for vendor allowances, see *Note 8*.

18 Receivables

€ million	December 29, 2024	December 31, 2023
Trade receivables	**1,472**	1,505
Vendor allowance receivables	**821**	674
Other receivables	**545**	420
	2,838	2,599
Provision for impairment	**(118)**	(111)
Total receivables	**2,721**	2,488

The receivable balances are presented net of accounts payable and subject to an enforceable netting arrangement between the Company and the counterparty. The total effect of netting as of December 29, 2024, is €315 million (December 31, 2023: €319 million).

At December 29, 2024, the aging analysis of receivables was as follows:

			Past due			
€ million	Total	Not past due	0–3 months	3–6 months	6–12 months	> 12 months
Trade receivables	**1,472**	**1,036**	**304**	**30**	**26**	**75**
Vendor allowance receivables	**821**	**656**	**133**	**9**	**9**	**14**
Other receivables	**545**	**363**	**84**	**19**	**20**	**59**
	2,838	**2,055**	**521**	**58**	**56**	**148**
Provision for impairment	**(118)**	**(12)**	**(11)**	**(6)**	**(20)**	**(68)**
Total receivables	**2,721**	**2,043**	**510**	**51**	**36**	**80**
Expected credit loss	**4.1%**	**0.6%**	**2.1%**	**11.1%**	**36.1%**	**45.9%**

At December 31, 2023, the aging analysis of receivables was as follows:

			Past due			
€ million	Total	Not past due	0–3 months	3–6 months	6–12 months	> 12 months
Trade receivables	1,505	1,101	284	22	25	73
Vendor allowance receivables	674	573	67	10	12	12
Other receivables	420	271	59	12	9	69
	2,599	1,945	410	44	45	154
Provision for impairment	(111)	(2)	(14)	(5)	(15)	(75)
Total receivables	2,488	1,943	396	39	31	79
Expected credit loss	4.3%	0.1%	3.5%	11.1%	32.4%	48.9%

18 Receivables continued

The concentration of credit risk with respect to receivables is limited, as the Company's customer base and vendor base are large and unrelated. The Company does not hold any significant collateral on its receivables. Management believes there is no further credit risk provision required in excess of the normal individual and collective impairment assessment, based on the aging analysis performed as of December 29, 2024. For more information about credit risk, see Note 30.

The changes in the provision for impairment were as follows:

€ million	2024	2023
Beginning of the year	**(111)**	(104)
Charged to income	**(30)**	(37)
Used	**24**	29
Exchange rate differences	**(1)**	1
End of the year	**(118)**	**(111)**

Accounting estimates and judgments

For more information on the accounting estimates and judgments policies for vendor allowances, see Note 8.

19 Other current financial assets

€ million	December 29, 2024	December 31, 2023
Derivative financial instruments – current portion	**—**	—
Net investment in leases – current portion (see Note 33)	**117**	98
Short-term deposits and similar instruments	**16**	15
Reinsurance contract assets – current portion (see Note 16)	**152**	143
Short-term loans receivable	**14**	12
Other	**24**	33
Total other current financial assets	**323**	302

As of December 29, 2024, short-term deposits and similar instruments included short-term investments with a maturity at acquisition of between three and 12 months. Of the short-term deposits and similar instruments as of December 29, 2024, €16 million was restricted (December 31, 2023: €15 million). The restricted investments are held for insurance purposes for U.S. workers' compensation and general liability programs.

At each reporting date, the Company assesses whether there is evidence that a financial asset or group of financial assets is impaired and recognizes a loss allowance for expected credit losses for financial assets measured at amortized costs. In 2024, the Company recognized net impairment charges for these financial assets of €1 million (2023: nil). The net impairments were included in Other gains (losses); see Note 9.

Accounting policies

For more information on the accounting policies for financial assets and reinsurance assets, see Note 30.

20 Cash and cash equivalents

€ million	December 29, 2024	December 31, 2023
Cash in banks and cash equivalents	**5,852**	3,128
Cash on hand	**317**	356
Total cash and cash equivalents	**6,169**	3,484

Cash and cash equivalents include all cash-on-hand balances, checks, debit and credit card receivables, short-term highly liquid cash investments, and time deposits with original maturities of three months or less. Time deposits and similar instruments with original maturities of more than three months but less than 12 months are classified as Other current financial assets. Bank overdrafts are included in short-term borrowings.

Of the cash and cash equivalents as of December 29, 2024, €12 million was restricted (December 31, 2023: €10 million).

The increase in cash and cash equivalents includes new long-term debt in the amount of €1.6 billion, partly offset by redemption of debt in the amount of €750 million.

Cash and cash equivalents include €1,961 million (December 31, 2023: €767 million) held under a notional cash pooling arrangement that was fully offset by an identical amount included under Other current financial liabilities. From an operational perspective, the balances in the cash pool are netted. However, in accordance with the guidance of IAS 32 regarding the offsetting of debit and credit balances for financial reporting purposes, certain balances have to be presented on a gross basis on the balance sheet (see Note 26 and Note 30).

Ahold Delhaize's banking arrangements allow the Company to fund outstanding checks when presented to the bank for payment. This cash management practice may result in a net cash book overdraft position, which occurs when the total issued checks exceed available cash balances within the Company's cash concentration structure. Such book overdrafts are classified in accounts payable and amounted to €185 million (December 31, 2023: €335 million). No right to offset with other bank balances exists for these book overdraft positions.

Accounting policies

For more information on the accounting policies for cash and cash equivalents, see Note 30.

21 Equity attributable to common shareholders

Shares and share capital

Authorized share capital comprises the following classes of shares:

€ million	December 29, 2024	December 31, 2023
Common shares (2024 and 2023: 1,923,515,827 of €0.01 par value each)	**19**	19
Cumulative preferred shares (2024 and 2023: 2,250,000,000 of €0.01 par value each)	**23**	23
Cumulative preferred financing shares (2024 and 2023: 326,484,173 of €0.01 par value each)	**3**	3
Total authorized share capital	**45**	45

Issued share capital

As of December 29, 2024, and December 31, 2023, the common shares comprise 100% of the issued share capital. Ahold Delhaize had no cumulative preferred shares and no cumulative preferred financing shares outstanding as of December 29, 2024, and December 31, 2023.

The holders of common shares are entitled to one vote per share and to participate in the distribution of dividends and liquidation proceeds. Such rights do not apply in respect of treasury shares that are held by the Company.

Common shares and additional paid-in capital

Changes in the number of common shares and the number of treasury shares were as follows:

	Number of common shares issued and fully paid (x 1,000)	Number of treasury shares (x 1,000)	Number of common shares outstanding (x 1,000)
Balance as of January 1, 2023	**993,725**	**16,372**	**977,353**
Share buyback		34,138	(34,138)
Cancellation of treasury shares	(41,360)	(41,360)	—
Share-based payments[1]		(2,799)	2,799
Balance as of December 31, 2023	**952,365**	**6,352**	**946,013**
Share buyback		34,660	(34,660)
Cancellation of treasury shares	(31,872)	(31,872)	—
Share-based payments[1]		(2,230)	2,230
Balance as of December 29, 2024	**920,494**	**6,910**	**913,584**

1. Represents the treasury shares used for the delivery of the shares vested during the year, related to the GRO program (see *Note 32*).

Dividends on common shares

On April 10, 2024, the General Meeting of Shareholders approved the dividend over 2023 of €1.10 per common share. The final dividend for 2023 of €0.61 per common share was paid on April 25, 2024, while the interim dividend for 2023 of €0.49 per common share was paid on August 31, 2023.

On August 7, 2024, the Company announced the interim dividend for 2024 of €0.50 per common share, which was paid on August 29, 2024. In the aggregate, in 2024, the Company paid dividends on common shares in the amount of €1,037 million.

The Management Board, with the approval of the Supervisory Board, proposes that a dividend of €1.17 per common share be paid with respect to 2024. This dividend is subject to approval by the General Meeting of Shareholders. If approved, a final dividend of €0.67 per common share will be paid on April 24, 2025. This is in addition to the interim dividend of €0.50 per common share, which was paid on August 29, 2024. The total dividend payment for the full year 2024 would, therefore, total €1.17 per common share (2023: €1.10).

The final dividend of €0.67 per common share has not been included as a liability on the consolidated balance sheet as of December 29, 2024. The payment of this dividend will not have income tax consequences for the Company.

Share buyback

On January 2, 2024, the Company commenced the €1 billion share buyback program that was announced on November 8, 2023. The program was successfully completed on December 6, 2024.

In total, 34,659,601 of the Company's own shares were repurchased at an average price of €28.85 per share. The share buyback program resulted in a net transactional fee of €0 million.

On December 30, 2024, the Company commenced the €1 billion share buyback program that was announced on November 6, 2024. The program is expected to be completed before the end of 2025.

Share-based payments

Share-based payments recognized in equity in the amount of €45 million (2023: €57 million) relate to the 2024 GRO share-based compensation expenses (see *Note 32*) and the associated current and deferred income taxes.

Cumulative preferred shares

The Company's Articles of Association provide for the possible issuance of cumulative preferred shares. The Company believes that its ability to issue this class of shares could at least delay an attempt by a potential bidder to make a hostile takeover bid, allowing the Company and its stakeholders time to discuss and respond to the offer in an orderly process.

In March 1989, the Company entered into an agreement with the Dutch foundation Stichting Continuïteit Ahold Delhaize (SCAD, previously named Stichting Ahold Continuïteit), as amended and restated in April 1994, March 1997, December 2001, December 2003 and May 2018 (the "Option Agreement"). Pursuant to the Option Agreement, SCAD has been granted an option to acquire cumulative preferred shares from the Company at any time in full or in part.

21 Equity attributable to common shareholders continued

The Option Agreement entitles SCAD, under certain circumstances, to acquire cumulative preferred shares from the Company up to a total par value that is equal to the total par value of all issued and outstanding shares of Ahold Delhaize's share capital, excluding cumulative preferred shares held by SCAD at the time of exercising the option. If the authorized share capital of the Company is amended during the term of the option, the Option Agreement provides for a corresponding change of the total par value of cumulative preferred shares under option.

SCAD is a foundation organized under the laws of the Netherlands. Its purpose under its articles is to safeguard the interests of the Company and its stakeholders and to resist, to the best of its ability, influences that might conflict with those interests by affecting the Company's continuity, strategy or identity. SCAD seeks to realize its objectives by acquiring and holding cumulative preferred shares and by exercising the rights attached to these shares, including the voting rights. The SCAD board has four members, who are appointed by the board of SCAD itself.

If the board of SCAD considers acquiring cumulative preferred shares or exercising voting rights on cumulative preferred shares, it will make an independent assessment and, pursuant to Dutch law, it must ensure that its actions are proportional and reasonable. If SCAD acquires cumulative preferred shares, it will only hold them for a limited period of time. These principles are in line with Dutch law, which only allows response measures that are proportionate, reasonable and limited in time. In the case of liquidation, the SCAD board will decide on the use of any remaining residual assets.

The holders of the cumulative preferred shares are entitled to one vote per share and a cumulative dividend expressed as a percentage of the amount called up and paid in to purchase the cumulative preferred shares. The percentage to be applied is the sum of (1) the average basic refinancing transaction interest rate as set by the European Central Bank – measured by the number of days during which that rate was in force in the financial year over which the dividend is paid – plus 2.1%, and (2) the average interest surcharge rate – measured by the number of days during which that rate was in force in the financial year over which the dividend is paid – that would be charged by the largest credit institution in the Netherlands (based on the balance sheet total as of the close of the financial year immediately preceding the financial year over which the dividend is paid). The minimum percentage to be applied is 5.75%. Subject to limited exceptions, any potential transfer of cumulative preferred shares requires the approval of the Management Board. Cumulative preferred shares can only be issued in a registered form. The Company may stipulate that only 25% of the par value will be paid upon subscription to cumulative preferred shares until payment in full is later required by the Company. SCAD would then only be entitled to a market-based interest return on its investment.

Legal reserves

In accordance with the Dutch Civil Code and statutory requirements in other countries, legal reserves have to be established in certain circumstances. Legal reserves are not available for distribution to the Company's shareholders. The currency translation reserve, cash flow hedging reserve and other reserves include non-distributable amounts. Of the total equity as per December 29, 2024, of €15,454 million, an amount of €1,669 million is non-distributable (December 31, 2023: €747 million restated out of total equity of €14,755 million). See Note 9 to the parent company financial statements for more details on the legal reserves.

Accounting policies

Equity instruments issued by the Company are recorded at the value of proceeds received. Own equity instruments that are bought back (treasury shares) are deducted from equity. When reissued or canceled, shares are removed from the treasury shares on a FIFO basis, and recorded as a reduction of the additional paid-in capital, in accordance with the Company's Articles of Association. Incremental costs that are directly attributable to issuing or buying back own equity instruments are recognized directly in equity, net of the related tax. No gain or loss is recognized in the income statement on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

22 Loans and credit facilities

The notes in the table below were either issued by or guaranteed by Ahold Delhaize, unless otherwise noted. The amortization of the purchase price allocation to the debt acquired through business combinations is allocated to the respective maturity brackets.

€ million, unless otherwise stated	ESG feature[3]		Outstanding notional redemption amount	December 29, 2024 Current portion	December 29, 2024 Non-current portion	December 29, 2024 Total	December 31, 2023 Current portion	December 31, 2023 Non-current portion	December 31, 2023 Total
EUR 750 notes 0.875%, due 2024		EUR	—	—	—	—	750	—	750
EUR 600 notes 0.250%, due 2025	✓	EUR	600	600	—	600	—	600	600
USD 16 indebtedness 8.62%, due 2025[1]		USD	1	1	—	1	13	1	15
EUR 400 notes 3M Euribor + 30bps, due 2026		EUR	400	—	400	400	—	—	—
EUR 500 notes 1.125%, due 2026		EUR	500	—	500	500	—	500	500
EUR 500 notes 1.75%, due 2027		EUR	500	—	500	500	—	500	500
USD 71 notes 8.05%, due 2027		USD	71	3	71	74	2	70	72
EUR 500 notes 3.5%, due 2028	✓	EUR	500		500	500	—	500	500
USD 500 notes 6.875%, due 2029		USD	500		457	457	—	432	432
EUR 600 notes 0.375%, due 2030	✓	EUR	600	—	600	600	—	600	600
EUR 500 notes 3.375%, due 2031	✓	EUR	500	—	500	500	—	—	—
USD 271 notes 9.00%, due 2031		USD	271	8	308	316	7	298	305
EUR 700 notes 3.875%, due 2036	✓	EUR	700	—	700	700	—	—	—
USD 470 notes 5.70%, due 2040		USD	470	3	523	527	3	498	501
Deferred financing costs				(6)	(17)	(23)	(7)	(10)	(17)
Total notes				609	5,043	5,652	768	3,989	4,758
Financing obligations[2]				21	132	153	19	144	163
Other loans				—	—	—	—	3	3
Total loans				630	5,175	5,805	787	4,137	4,924

1. The notional amount of these lease notes at the end of 2023 amounted to $16 million and was reduced in 2024 to $1 million as a result of regular bond repayments of $15 million.
2. The weighted average interest rate for the financing obligations was 5.4% at the end of 2024 (2023: 5.9%).
3. Either the bond is linked to Ahold Delhaize achieving certain sustainability targets or its proceeds are allocated to finance or refinance green and/or sustainable assets.

22 Loans and credit facilities continued

On March 4, 2024, Ahold Delhaize announced that it had successfully launched and priced a €1.6 billion multi-tranche EUR transaction. The three maturities include a €400 million two-year floating rate note (FRN) tranche, a €500 million seven-year green tranche, and a €700 million 12-year sustainability-linked tranche. The two-year tranche is priced at three-month Euribor + 30 basis points, the seven-year tranche is priced at 99.297% and carries an annual coupon of 3.375%, and the 12-year tranche is priced at 99.651% and carries an annual coupon of 3.875%. The settlement of the bond issue took place on March 11, 2024.

The Green Bond proceeds will be applied to finance or refinance, in whole or in part, new or existing eligible green projects, in accordance with the Green Finance Framework dated March 6, 2023.

The sustainability-linked tranche is linked to Ahold Delhaize achieving targets in 2030 on the following KPIs:

- 50% reduction in absolute scope 1 and 2 GHG emissions compared to the financial year ending December 30, 2018 (the scope 1 and 2 GHG emissions baseline year)
- 30.3% and 42% reduction in absolute scope 3 FLAG and E&I (non-FLAG) GHG emissions, respectively compared to the financial year ending January 3, 2021 (the scope 3 FLAG and E&I GHG emissions baseline year)
- 50% reduction of food waste compared to the financial year ending January 1, 2017 (the food waste baseline year)

The sustainability-linked feature will result in a coupon adjustment of +25 basis points if Ahold Delhaize's performance does not achieve one or more of the stated KPIs. The sustainability performance reference date is December 29, 2030. Any adjustment to the rate of interest, if applicable, shall take effect and accrue from the interest payment date immediately following March 11, 2032 (i.e., prospectively).

On March 28, 2023, Ahold Delhaize announced that it had successfully launched and priced a €500 million Green Bond, with a term of five years, maturing on April 4, 2028. The issuance was priced at 99.851% and carries an annual coupon of 3.5%. The settlement of the bond issue took place on April 4, 2023. The bond proceeds will finance and refinance Ahold Delhaize's new or existing assets with a positive measurable environmental impact in the following categories:

- Green buildings
- Renewable energy
- Energy efficiency
- Clean transportation
- Pollution prevention and control

This inaugural Green Bond reinforces the continued alignment of the Company's funding strategy to its sustainability strategy.

The fair values of financial instruments, corresponding derivatives, and the foreign exchange and interest rate risk management policies applied by Ahold Delhaize are disclosed in *Note 30*.

Credit facilities

Ahold Delhaize has access to a €1.5 billion committed, unsecured, multi-currency and syndicated revolving credit facility. In December 2022, Ahold Delhaize entered into a five-year €1.5 billion credit facility, with two one-year extension options. In 2024, the Company agreed with the lenders to exercise the second option, extending the maturity to December 2029. The Company structured the facility as a sustainability-linked loan, whereby the margin paid is based on the Company's performance on three predefined sustainability targets.

The sustainability KPIs relate to reducing Ahold Delhaize's GHG emissions within its own operations (scope 1 and 2), reducing food waste and helping customers make healthier choices. The facility also includes the opportunity to add scope 3 GHG emissions reduction performance targets by 2025. The facility contains customary covenants and is subject to a financial covenant that requires Ahold Delhaize, if its corporate rating from Standard & Poor's and Moody's is lower than BBB/Baa2, respectively, not to exceed a maximum leverage ratio of 5.5:1.

During 2024 and 2023, the Company complied with the covenants and was not required to test the financial covenant because of its credit ratings exceeding the thresholds. As of December 29, 2024, there were no outstanding borrowings under the facility (December 31, 2023: no outstanding borrowings under the facility).

On November 23, 2023, Ahold Delhaize entered into a one-year €1.2 billion committed, unsecured and syndicated bridge facility, with two six-month extension options. The facility related to the acquisition of Profi and was cancelled on March 18, 2024.

Ahold Delhaize has access to other uncommitted credit facilities to cover working capital requirements, issuance of guarantees and letters of credit. As of December 29, 2024, borrowings under these facilities were €268 million (December 31, 2023: €252 million).

23 Other non-current financial liabilities

€ million	December 29, 2024	December 31, 2023
Lease liabilities	**10,809**	10,545
Reinsurance contract liabilities	**162**	169
Other long-term financial liabilities	**103**	48
Derivative financial instruments	**22**	32
Financial guarantees	**7**	8
Total other non-current financial liabilities	**11,103**	10,801

For more information on lease liabilities, see *Note 33*.

The Company recognizes reinsurance liabilities on its balance sheet in connection with a pooling arrangement between unrelated companies (see *Note 16*).

As of December 29, 2024, Other long-term financial liabilities mainly includes a liability in the amount of €100 million related to the Dutch pension plan settlement (see *Note 24)*.

As of December 31, 2023, Other long-term financial liabilities mainly included a settlement liability relating to a 2013 agreement with the New England Teamsters & Trucking Industry Pension Fund (NETTI) to settle Stop & Shop's pension liabilities in the fund in the amount of $48 million (€43 million). This liability will be settled in 2025 and was reclassified as current as of December 29, 2024 (see *Note 26*).

Accounting policies

Financial guarantees

Financial guarantees made by Ahold Delhaize to third parties that may require the Company to incur future cash outflows if called upon to satisfy are recognized at inception as liabilities at fair value. Fair value is measured as the premium received, if any, or calculated using a scenario analysis. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the obligation or the amount initially recognized less cumulative amortization corresponding to the expiration or repayment of the underlying amount guaranteed.

Reinsurance contract liability

For more information on the accounting policies for the reinsurance contract liabilities, see *Note 30*.

24 Pensions and other post-employment benefits

€ million	December 29, 2024	December 31, 2023
Defined benefit liabilities	**193**	440
Other long-term pension plan obligations	**361**	352
Total pension and other post-employment benefits	**553**	792

Post-employment benefits are provided through a number of funded and unfunded defined benefit plans and defined contribution plans, the most significant of which are in the United States and the Netherlands. For more information on the defined benefit liabilities and the other long-term pension plan obligations as presented in the table above, see the sections titled *Defined benefit plans* and *Multi-employer plans (MEPs)*. The current portion of Other long-term pension plan obligations in the amount of €41 million is included in *Note 27* (December 31, 2023: €39 million).

The following table provides an overview of the pension and Other post-employment benefit expenses recorded in the income statement:

€ million	2024	2023
Defined benefit costs	**246**	215
Defined benefit costs – Dutch plan settlement	**227**	—
Total defined benefit costs (see section *Defined benefit plans)*	**473**	215
Defined benefit plan – Dutch plan transition costs	**50**	—
Defined contribution plans (see section *Defined contribution plans)*	**160**	155
MEPs (see section *Multi-employer plans (MEPs)*):		
Defined benefit plans	**22**	21
Defined contribution plans	**313**	294
Total pension and other post-employment benefit expenses	**1,018**	685

The following table provides an overview of the remeasurements of the defined benefit pension plans and other long-term pension plan obligations as recorded in other comprehensive income:

€ million	2024	2023
Remeasurements defined benefit pension plans[1]	**(335)**	135
Remeasurements other long-term pension plan obligations[2]	**(1)**	10
Total remeasurements pension plans in other comprehensive income	**(336)**	145

1. For a breakdown of the remeasurements of the defined benefit pension plans, see *Defined benefit plans*.
2. The long-term pension plan obligations were remeasured at a discount rate of 5.45% (2023: 5.38%).

More information on the defined benefit plans, defined contribution plans and MEPs is provided in the sections below.

24 Pensions and other post-employment benefits continued

Defined benefit plans

Ahold Delhaize has a number of defined benefit pension plans covering a substantial number of employees, former employees and retirees in the Netherlands, the United States, Belgium, Greece and Serbia.

Net assets relating to one plan are not offset against liabilities of another plan, resulting in the following presentation of the pension and other post-employment benefits on the consolidated balance sheet:

€ million	December 29, 2024	December 31, 2023
Defined benefit liabilities	**193**	440
Defined benefit assets	**(69)**	(51)
Total net defined benefit plan funded status	**122**	390

The defined benefit assets are part of the other non-current financial assets; for more information, see *Note 16*.

In the Netherlands, the Company has a career average plan covering all employees, except for bol employees, over the age of 21. The plan provides benefits to participants or beneficiaries upon retirement, death or disability. The plan's assets, which are made up of contributions from Ahold Delhaize and its employees, are managed by Stichting Ahold Delhaize Pensioen ("Ahold Delhaize Pensioen"), an independent foundation. In 2024, the Dutch plan was amended, which resulted in a change in classification from a defined benefit to a defined contribution plan with a derecognition of the net defined benefit plan position. The main changes through the plan amendment relate to the revocation of the financing agreement between the Company and the Ahold Delhaize Pension fund and agreement on a fixed pension premium (a conditional indexed average plan) with no guarantees to make an additional contribution to the pension fund in case of deficits. As a consequence of the settlement, the defined benefit plan funded status for this plan was nil as of December 29, 2024 (December 31, 2023: €240 million). Going forward, the cash contributions to the defined contribution plan will be recognized as an expense when employees have rendered service entitling them to the contributions.

In the United States, the Company maintains a funded plan covering a limited population of employees. This plan is closed to new participants. The plan provides a life annuity benefit based upon final pay to participants or beneficiaries upon retirement, death or disability. The assets of the plan, which are made up of contributions from Ahold Delhaize, are maintained with various trustees. Contributions to the plan are required under the current funding policy if the prior year-end funding ratio falls below 100% as measured using regulatory interest rates without funding relief in order to avoid variable Pension Benefit Guaranty Corporation (PBGC) premiums. In addition, the Company provides additional pension benefits for certain Company executives and life insurance and medical care benefits for certain retired employees meeting age and service requirements at its U.S. subsidiaries, all of which the Company funds as claims are incurred.

In Belgium, the Company sponsors plans for substantially all of its employees. The plans are funded by fixed monthly contributions from both the Company and employees, which are adjusted annually according to the Belgian consumer price index. Certain employees who were employed before 2005 could choose not to participate in the employee contribution part of the plans.

The plans ensure that employees receive a lump-sum payment at retirement based on the contributions made, and provide employees with death-in-service benefits. Belgian law prescribes a variable minimum guaranteed rate of return with Belgian 10-year government bonds as the underlying benchmark, and collars of 1.75% and 3.75%. The Company substantially insures these returns with external insurance companies that receive and manage the contributions to the plans. According to the relevant legislation, a shortfall only needs to be compensated by the employer at the point in time when the employee either retires or leaves the Company. As these plans have defined benefit features (when the return provided by the insurance company can be below the legally required minimum return, in which case the employer has to cover the gap with additional contributions), the Company treats these plans as defined benefit plans. In order to avoid the gap, or reduce it to a minimum, the Company opened a new cash balance plan under branch 23 rules in Belgium, as of July 1, 2017. All new employees who begin service after this date will be included in this plan.

Additionally, in Belgium, the Company maintains a plan covering Company executives that provides lump-sum benefits to participants upon death or retirement based on a formula applied to the last annual salary of the participant before his or her retirement or death. The plan is subject to the legal requirement to guarantee a minimum return on contributions. The plan's assets, which are made up of contributions, are managed through a fund that is administered by an independent insurance company, providing a minimum guaranteed return. The plan participants' contributions are defined in the terms of the plan, while the annual contributions to be paid by the Company are determined based on the funding level of the plan and are calculated based on current salaries, taking into account the legal minimum funding requirement, which is based on the vested reserves to which employees are entitled upon retirement or death. The plan mainly invests in debt securities in order to achieve the required minimum return. The Company bears any risk above the minimum guarantee given by the insurance company. There are no asset ceiling restrictions. In order to avoid returns being less than the minimum guaranteed return, or to reduce the risk to a minimum, the level of contributions at July 1, 2017, has been capped and applied under the classic branch 21 rules. Any increase in contributions after July 1, 2017, will be managed in accordance with branch 23 rules, which are expected to experience higher returns in the long term.

24 Pensions and other post-employment benefits continued

In Greece, the Company operates an unfunded defined benefit post-employment plan. This plan relates to retirement benefits prescribed by Greek law, consisting of lump-sum compensation payable in case of normal retirement or termination of employment. The amount of the indemnity is based on an employee's monthly earnings and a multiple depending on the length of service and the status of the employee. There is no legal requirement to fund these plans with contributions or other plan assets. Employees participate in the plan once they have completed a minimum service period, which is generally one year.

In Serbia, the Company has an unfunded defined benefit plan that provides a lump-sum benefit upon the employee's retirement, as prescribed by Serbian law. The benefit is based on a fixed multiple of the higher of the (i) average gross salary of the employee, (ii) average gross salary in the Company or (iii) average gross salary in the country, each determined at the time the employee retires. There is no legal requirement to fund these plans with contributions or other plan assets.

The pension plans expose the Company to actuarial risks such as: longevity risk, interest rate risk, currency risk, salary risk and investment risk. Longevity risk relates to the mortality assumptions used to value the defined benefit obligation, where an increase in participants' life expectancies will increase a plan's liability. Interest rate risk relates to the discount rate used to value the defined benefit obligation, where a decrease in the discount rate will increase a plan's liability; however, this will be partially offset by an increase in the return on a plan's investments in debt instruments. The pension plans may mitigate interest rate risk by entering into interest rate swap contracts. Currency risk relates to the fact that a plan holds investments that may not be denominated in the same currency as the plan's obligations. The pension plans may mitigate currency risk by purchasing forward currency instruments. Salary risk relates to salary increase assumptions used to value the defined benefit obligation, where an increase will result in a higher plan liability. See section *Plan assets* for more details on the asset-liability matching strategy the Company employed to manage its investment risk.

The net defined benefit costs in 2024 and 2023 were as follows:

€ million	**2024**	2023
Service cost:		
Current service cost	**216**	181
Past service cost	**(444)**	(2)
Loss on settlement	**658**	—
Net interest expense	**20**	17
Administrative cost	**18**	16
Termination benefits	**6**	4
Components of defined benefit cost recorded in the income statement	**473**	215
Remeasurements recognized:		
Return on plan assets, excluding amounts included in net interest (income) expense	**(295)**	(321)
(Gain) loss from changes in demographic assumptions	**(14)**	4
(Gain) loss from changes in financial assumptions	**(58)**	262
Experience (gains) losses	**31**	190
Components of defined benefit cost recognized in other comprehensive income	**(335)**	135
Total net defined benefit cost	**138**	350

24 Pensions and other post-employment benefits continued

The changes in the defined benefit obligations and plan assets in 2024 and 2023 were as follows:

	The Netherlands		The United States		Rest of world		Total	
€ million	2024	2023	2024	2023	2024	2023	2024	2023
Defined benefit obligations								
Beginning of the year	**5,742**	5,104	**1,386**	1,357	**252**	246	**7,380**	6,706
Current service cost	**165**	128	**40**	42	**11**	11	**216**	181
Past service cost	**(443)**	—	**(2)**	—	**1**	(1)	**(444)**	(2)
(Gain) loss on settlements	**(5,540)**	—	**(213)**	—	**—**	—	**(5,753)**	—
Interest expense	**186**	190	**77**	76	**8**	10	**271**	276
Termination benefits	**—**	—	**—**	—	**6**	4	**6**	4
Contributions by plan participants	**30**	28	**—**	—	**1**	1	**31**	29
Benefits paid	**(121)**	(112)	**(93)**	(88)	**(19)**	(32)	**(233)**	(231)
(Gain) loss from changes in demographic assumptions	**(8)**	4	**(4)**	(1)	**(2)**	—	**(14)**	4
(Gain) loss from changes in financial assumptions	**(27)**	209	**(30)**	38	**(2)**	16	**(58)**	262
Experience (gains) losses	**16**	190	**11**	2	**5**	(2)	**31**	190
Divestments	**—**	—	**—**	—	**(43)**	—	**(43)**	—
Exchange rate differences	**—**	—	**82**	(39)	**—**	—	**82**	(39)
End of the year	**—**	5,742	**1,253**	1,386	**219**	252	**1,472**	7,380
Plan assets								
Fair value of assets, beginning of the year	**5,502**	4,973	**1,272**	1,247	**215**	203	**6,989**	6,423
Interest income	**175**	183	**69**	68	**7**	8	**251**	259
Company contribution	**339**	160	**58**	64	**21**	21	**418**	245
Contributions by plan participants	**30**	28	**—**	—	**1**	1	**31**	29
Benefits paid	**(121)**	(112)	**(93)**	(88)	**(19)**	(32)	**(233)**	(231)
Settlement payments	**(6,211)**	—	**(200)**	—	**—**	—	**(6,411)**	—
Administrative cost	**(11)**	(9)	**(7)**	(6)	**—**	—	**(18)**	(16)
Return on plan assets, excluding amounts included in net interest (income) expense	**296**	278	**(8)**	28	**7**	15	**295**	321
Divestments	**—**	—	**—**	—	**(43)**	—	**(43)**	—
Exchange rate differences	**—**	—	**71**	(41)	**—**	—	**71**	(41)
Fair value of assets, end of the year	**—**	5,502	**1,162**	1,272	**188**	215	**1,350**	6,989
Funded status	**—**	(240)	**(91)**	(113)	**(31)**	(37)	**(122)**	(390)

24 Pensions and other post-employment benefits continued

The total defined benefit obligation of €1,472 million as of December 29, 2024, includes €173 million related to plans that are wholly unfunded. These plans include pension plans in Greece and Serbia and other benefits (such as life insurance and medical care) and supplemental executive retirement plans in the United States.

In 2024, the Dutch plan was amended, which resulted in a change in accounting from defined benefit to defined contribution accounting. The total net loss on settlement, as presented above, is €227 million (consisting of a gain on past service costs of €443 million offset by a net settlement loss of €671 million). In addition, an amount of €50 million has been expensed for the payment due upon transition to the new plan, resulting in a total settlement loss for the Dutch plan of €277 million. The remaining unpaid balance in the amount of €100 million is included in Other long-term financial liabilities; see Note 23.

During 2024, Ahold Delhaize purchased annuity contracts to settle benefits in the defined benefit pension plan in the United States for participants that are currently receiving monthly payments of less than $1,800. In addition, Ahold Delhaize settled the frozen accrued benefits of participants who elected to receive a lump-sum payout. These two de-risking events resulted in a settlement gain of $16 million (€15 million consisting of a gain on past service costs of €2 million and a net settlement gain of €13 million, as presented above).

The conversion to the affiliate model in Belgium resulted in a divestment of defined benefit obligations and plan assets in the amount of €43 million in 2024.

Cash contributions

From 2024 to 2025, Company contributions are expected to decrease from $62 million (€58 million) to $54 million (€52 million) for all defined benefit plans in the United States and decrease from €21 million to €14 million for all plans in the rest of the world. In 2025, the cash contributions to defined contribution plan in the Netherlands will be recognized as an expense when employees have rendered services entitling them to the contributions.

The Ahold Delhaize USA pension plan's funding ratio at year end 2024 was 108.9%, measured using regulatory interest rates allowed by the U.S. government as part of funding relief that are higher than otherwise would be allowed. Based upon this funding ratio, under the current funding policy, we do not expect to make a funding contribution to the Ahold Delhaize USA pension plan in 2025.

On July 1, 2023, the Wet toekomst pensioenen ("Wtp") relating to the new Dutch pension system came into force and by January 1, 2028, the transition to the new pension system will have to be completed. During 2024, Ahold Delhaize Pension and the Central Works Council reached an agreement on a new pension plan that will commence in 2027, as a result of the changed legislation.

Ahead of transitioning to the new Dutch pension system, the current plan was amended in 2024 and the requirement to contribute a maximum amount of €150 million over a five-year period if the funding ratio is below 105% was settled.

Actuarial assumptions

The calculations of the defined benefit obligation and net defined benefit cost are sensitive to the assumptions set out below. These assumptions require a large degree of judgment. Actual experience may differ from the assumptions made. The assumptions required to calculate the actuarial present value of benefit obligations and the net defined benefit costs are determined per plan and are as follows (expressed as weighted averages):

	The Netherlands		The United States		Rest of world	
%	**2024**	2023	**2024**	2023	**2024**	2023
Discount rate	**3.5**	3.1	**5.7**	5.4	**3.4**	3.2
Future salary increases	**2.5**	2.5	**4.3**	4.3	**3.8**	4.0
Future pension increases	**2.2**	1.9	**0.0**	0.0	**0.0**	0.0

Assumptions regarding longevity are based on published statistics and mortality tables. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 65:

	The Netherlands		The United States		Rest of world	
Years	**2024**	2023	**2024**	2023	**2024**	2023
Longevity at age 65 for current pensioners						
Male	**21.5**	21.3	**20.2**	20.3	**N/A**	N/A
Female	**23.5**	23.7	**22.1**	22.3	**N/A**	N/A
Longevity at age 65 for current members aged 50						
Male	**23.1**	22.9	**21.4**	21.5	**N/A**	N/A
Female	**25.1**	25.3	**23.2**	23.4	**N/A**	N/A

The following table summarizes how the effect on the defined benefit obligations at the end of the reporting period would have increased (decreased) as a result of a 0.5% change in the respective assumptions and a one-year increase in life expectancy.

€ million	The Netherlands	The United States	Rest of world	Total
Discount rate				
0.5% increase	**N/A**	**(49)**	**(9)**	**(57)**
0.5% decrease	**N/A**	**53**	**10**	**63**
Future salary increases				
0.5% increase	**N/A**	**—**	**2**	**2**
0.5% decrease	**N/A**	**—**	**(2)**	**(2)**
Future pension increases				
0.5% increase	**N/A**	**—**	**N/A**	**—**
0.5% decrease	**N/A**	**—**	**N/A**	**—**
Life expectancy				
One-year increase at age 65	**N/A**	**37**	**1**	**38**

The above sensitivity analyses are based on a change in each respective assumption while holding all other assumptions constant. In reality, one might expect interrelationships between the assumptions, especially between discount rate and future salary increases, as both depend to a certain extent on expected inflation rates. The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to the previous period.

24 Pensions and other post-employment benefits continued

Plan assets

The pension plan asset allocation differs per plan. The allocation of plan assets was as follows:

€ million	The Netherlands 2024	The Netherlands 2023	The United States 2024	The United States 2023	Rest of world 2024	Rest of world 2023
Equity instruments:						
Consumer goods	—	293	44	56	—	—
Financial services	—	180	18	14	—	—
Telecommunications and information	—	272	12	8	—	—
Energy and utilities	—	81	15	15	—	—
Industry	—	319	10	7	—	—
Other	—	325	153	126	28	22
Debt instruments:						
Government bonds	—	1,768	88	97	—	—
Corporate bonds (investment grade)	—	459	291	453	—	—
Corporate bonds (non-investment grade)	—	354	22	25	—	—
Other	—	5	102	82	35	31
Real estate:						
Retail	—	—	13	9	—	—
Offices	—	—	—	—	—	—
Residential	—	—	—	—	—	—
Other	—	—	52	50	—	—
Investment funds	—	1,302	164	42	—	—
Insurance contracts	—	—	—	—	125	162
Derivatives:						
Interest rate swaps	—	(524)	—	—	—	—
Forward foreign exchange contracts	—	20	—	—	—	—
Cash and cash equivalents	—	665	178	178	—	—
Other	—	(17)	1	112	—	—
Total	—	5,502	1,162	1,272	188	215

Virtually all equity and debt instruments have quoted prices in active markets. Derivatives can be classified as Level 2 instruments, and real estate and some investment funds as Level 3 instruments, based on the definitions in IFRS 13, "Fair Value Measurement." It is Ahold Delhaize Pensioen's policy to use interest rate swaps to partially hedge its exposure to interest rate risk on the pension liability. Foreign currency exposures are hedged by the use of forward foreign exchange contracts.

In the Netherlands, the pension plan no longer qualifies as a defined benefit plan; as such, the plan assets are not recorded on-balance sheet as per year end 2024.

In the United States, the plan assets are managed by external investment managers and rebalanced periodically. Pension plan assets are invested in a trust intended to comply with the Employee Retirement Income Security Act of 1974 (ERISA), as amended, the United States Tax Code, and applicable fiduciary standards. In 2020, AON was approved by the Fiduciary Committee as the pension plan's Outsourced Chief Investment Officer (OCIO). The OCIO manages the entire pension plan portfolio and acts as fiduciary under ERISA. The Fiduciary Committee monitors the OCIO's performance. The long-term investment objective for the plan's assets is to maintain an acceptable funding ratio of the plan's assets and liabilities without undue exposure to risk. In 2021, the Fiduciary Committee approved a new asset allocation approach that terminated the strategic weight to hedge funds and replaced it with high-yield debt. A revised glide path of the plan (the split between return-seeking and liability-hedging assets) was also approved. At year end 2024, the strategic targets were: 8.4% equity, 3.6% multi-asset credit and 88% liability-hedging debt securities.

In 2024 or 2023, the U.S. plans did not have any plan assets invested in Ahold Delhaize financial instruments.

The actual return on plan assets in 2024 was 2.2% for the Ahold Delhaize USA pension plan (2023: 8.0%). For the Dutch plan, the actual return on plan assets in 2023 was 9.6%.

Benefit maturities

The weighted average duration of the defined benefit obligations of the plans in the United States and the rest of world are 10.9 and 9.1 years, respectively.

The expected schedule of benefit payments for the plans is as follows:

€ million	The Netherlands	The United States	Rest of world	Total
Amount due within one year	N/A	79	8	87
Amount due between two and five years	N/A	342	54	396
Amount due between six and 10 years	N/A	478	74	552

24 Pensions and other post-employment benefits continued

Defined contribution plans

The Company operates defined contribution plans in the Netherlands, the United States, Belgium, Greece and the Czech Republic. As mentioned above, the defined contribution plans in Belgium are accounted for as defined benefit plans due to the guaranteed return elements of the plans. The largest defined contribution plans exist in the United States, where the Company sponsors profit-sharing retirement plans that include a 401(k) feature that permits participating employees to make elective deferrals of their compensation and requires the Company to make matching contributions.

During 2024 and 2023, the Company contributed €160 million and €155 million, respectively, to its defined contribution plans. These contributions were recognized as an expense in the income statement and related entirely to continuing operations in 2024 and 2023.

Multi-employer plans (MEPs)

A number of union employees in the United States are covered by MEPs based on obligations arising from collective bargaining agreements. These plans provide retirement and other benefits to participants generally based on their service to contributing employers. The benefits are paid from assets held in trust for that purpose. Trustees are appointed in equal number by employers and unions, and they are typically responsible for oversight of the investment of the assets and administration of the plan. Contribution rates and, in some instances, benefit levels are generally determined through the collective bargaining process between the participating employers and unions. At year end, none of the Company's collective bargaining agreements required an increase in the Company's total pension contributions for MEPs to meet minimum funding requirements.

Most of these plans are defined contribution plans. The plans that are defined benefit plans, on the basis of the terms of the benefits provided, are accounted for as defined contribution plans because, among other things, there is insufficient information available to account for these plans as defined benefit plans. These plans are generally flat dollar benefit plans. Ahold Delhaize is generally one of several employers participating in most of these plans and, in the event that Ahold Delhaize withdraws from a plan, its allocable share of the plan's obligations (with certain exceptions) would be based upon unfunded vested benefits in the plan at the time of such withdrawal. Ahold Delhaize's obligation to pay for its allocable share of a plan's unfunded vested benefits is called a withdrawal liability. The withdrawal liability payable by Ahold Delhaize at such time as it experiences a withdrawal from a plan is based upon the applicable statutory formula, plan computation methods and actuarial assumptions, and the amount of the plan's unfunded benefits. Ahold Delhaize does not have sufficient information to accurately determine its ratable share of plan obligations and assets following defined benefit accounting principles, and the financial statements of the MEPs are drawn up on the basis of other accounting policies than those applied by Ahold Delhaize. Consequently, these MEPs are not included in the Company's balance sheet.

The risks of participating in MEPs are different from the risks of single-employer plans. Ahold Delhaize's contributions are pooled with the contributions of other contributing employers, and are, therefore, used to provide benefits to employees of these other participating employers. If other participating employers cease to participate in the plan without paying their allocable portion of the plan's unfunded obligations, this could result in increases in the amount of the plan's unfunded benefits and, thus, Ahold Delhaize's future contributions.

Similarly, if a number of employers cease to have employees participating in the plan, Ahold Delhaize could be responsible for an increased share of the plan's deficit. If Ahold Delhaize seeks to withdraw from an MEP, it generally must obtain the agreement of the applicable unions and will likely be required to pay withdrawal liability in connection with this.

Under normal circumstances, when an MEP reaches insolvency, it must reduce all accrued benefits to the maximum level guaranteed by the United States' PBGC. MEPs pay annual insurance premiums to the PBGC for such benefit insurance.

MEP – defined benefit plans

At the end of 2024 and 2023, Ahold Delhaize participated in seven MEPs that are defined benefit plans on the basis of the terms of the benefits provided. The Company's participation in these MEPs is outlined in the tables on the next page.

Ahold Delhaize's participation percentage is an indication based on the relevant amount of its contributions during the year in relation to the total contributions made to the plan.

The estimate of the Company's net proportionate share of the plans' deficits is based on the latest available information received from these plans, such as the plans' measurement of plan assets and the use of discount rates between 6.5% and 7.5%. The estimate does not represent Ahold Delhaize's direct obligation. While it is our best estimate, based upon the information available to us, it is imprecise, and a reliable estimate of the amount of the obligation cannot be made.

The EIN/Pension plan number column provides the Employer Identification Number (EIN) and the three-digit pension plan number. As with all pension plans, multi-employer pension plans in the U.S. are regulated by the ERISA; the United States Tax Code, as amended; the Pension Protection Act of 2006; and the Multi-employer Pension Reform Act of 2014, among other legislation.

Under the Pension Protection Act of 2006, plans are categorized as "endangered" (Yellow Zone), "seriously endangered" (Orange Zone), "critical" (Red Zone), or neither endangered nor critical (Green Zone). This categorization is based primarily on three measures: the plan's funded percentage, the number of years before the plan is projected to have a minimum funding deficiency under ERISA and the number of years before the plan is projected to become insolvent. A plan is in the "Yellow Zone" if the funded percentage is less than 80% or a minimum funding deficiency is projected within seven years. If both of these triggers are reached, the plan is in the "Orange Zone." Generally, a plan is in the "Red Zone" if a funding deficiency is projected at any time in the next four years (or five years if the funded percentage is less than 65%). Plans with a funding ratio above 80% are generally designated as being in the "Green Zone." A plan in the "Red Zone" may be further categorized as "critical and declining" if the plan is projected to become insolvent within the current year or within either the next 14 years or the next 19 years, depending on the plan's ratio of inactive participants to active participants and its specific funding percentage. MEPs in endangered or critical status are required by U.S. law to develop either a funding improvement plan (FIP) or a rehabilitation plan (RP) to enhance funding through reductions in benefits, increases in contributions or both. The FIP/RP status pending/implemented column in the table below indicates plans for which an FIP or an RP is pending or has been implemented. Additional information regarding the MEPs listed in the following tables can be found on the website of the U.S. Department of Labor (*www.efast.dol.gov*).

24 Pensions and other post-employment benefits continued

€ million, except Ahold Delhaize's participation percentages	EIN / Pension plan number	ERISA zone status	FIP / RP status pending / implemented	Year of Form 5500[1]	Expiration date of collective bargaining agreement	December 29, 2024 Annual contributions	Plan deficit / (surplus)[2]	Ahold Delhaize's participation	Ahold Delhaize's proportionate share of deficit (surplus)[3]
New England Teamsters & Trucking Industry Pension	04-6372430/001	Red (Critical and declining)	Implemented	2023	March 29, 2025	**4**	**—**	**1.1%**	**—**
UFCW Local 1262 & Employers Pension Fund	22-6074414/001	Red	Implemented	2023	October 23, 2027-February 12, 2028	**6**	**125**	**31.8%**	**40**
Warehouse Employees' Union Local 730 Pension Trust Fund	52-6124754/001	Red (Critical and declining)	Implemented	2023	June 20, 2026-May 15, 2027	**5**	**131**	**85.2%**	**112**
Other plans[4]						**8**	**3,211**	**2.4%**	**(76)**
Total						**22**	**3,467**		**76**

€ million, except Ahold Delhaize's participation percentages	EIN / Pension plan number	ERISA zone status	FIP / RP status pending / implemented	Year of Form 5500[1]	Expiration date of collective bargaining agreement	December 31, 2023 Annual contributions	Plan deficit / (surplus)[2]	Ahold Delhaize's participation	Ahold Delhaize's proportionate share of deficit (surplus)[3]
New England Teamsters & Trucking Industry Pension	04-6372430/001	Red (Critical and declining)	Implemented	2022	March 29, 2025	4	—	1.8%	—
UFCW Local 1262 & Employers Pension Fund	22-6074414/001	Red	Implemented	2022	October 23, 2027-February 12, 2028	6	91	30.3%	28
Warehouse Employees' Union Local 730 Pension Trust Fund	52-6124754/001	Red (Critical and declining)	Implemented	2022	June 20, 2026-May 15, 2027	4	121	86.6%	105
Other plans[4]						7	7,007	0.4%	(30)
Total						21	7,219		103

1. Form 5500 is part of ERISA's overall reporting and disclosure framework and includes the financial statements of a MEP.
2. The deficit/(surplus) of the plans is heavily influenced by the discount rate applied by the plans, which ranges between 6.5% and 7.5%, consistent with the prior year, and by the projected assets for the funds, which changed between a decrease of 3% up to an increase of 15%. MEPs discount the liabilities at the plan's expected rate of return on assets. As a plan nearing insolvency reduces liquidity risk and expected volatility, its expected rate of return on assets declines and, as such, the discount rate will decline, resulting in an increase of the deficit within the plan. The steady liabilities combined with better market conditions have resulted in a more favorable funded status for these funds, both individually and in the aggregate.
3. Ahold Delhaize's proportionate share of deficit (surplus) is calculated by multiplying the deficit/(surplus) of each plan that the Company participates in by Ahold Delhaize's participation percentage in that plan. This proportional share of deficit/(surplus) is an indication of our share of deficit/(surplus) based on the best available information. The deficit is calculated in accordance with the accounting policies and funding assumptions applied by the relevant plan and does not represent any obligation or liability Ahold Delhaize may have in respect of the plan, which would be accounted for and measured in accordance with Ahold Delhaize's accounting policies.
4. Other plans include Teamsters Local 639 Employers Pension Plan, UFCW Local 464A Pension Fund, Bakery and Confectionery Union Pension Fund and IAM National Pension Fund, with participation percentages as of December 29, 2024, equal to 4.8%, 22.1%, 0.5% and 0.0%, respectively (December 31, 2023: 3.7%, 21.8%, 0.5% and 0.0%).

24 Pensions and other post-employment benefits continued

If the underfunded liabilities of the multi-employer pension plans are not reduced, by improved market conditions, reductions in benefits and/or collective bargaining changes, increased future payments by the Company and the other participating employers may result. However, all future increases generally will be subject to the collective bargaining process.

In 2025, the Company expects its total contributions to multi-employer defined benefit plans to be €23 million, which includes RP contribution increases where applicable. Ahold Delhaize has a risk of increased contributions and withdrawal liability (upon a withdrawal) if any of the participating employers in an underfunded MEP withdraw from the plan or become insolvent and are no longer able to meet their contribution requirements or if the MEP itself no longer has sufficient assets available to fund its short-term obligations to the participants in the plan. If and when a withdrawal liability is assessed, it may be substantially higher than the proportionate share disclosed above. Any adjustment for a withdrawal liability will be recorded when it is probable that a liability exists and the amount can be reliably estimated. Ahold Delhaize does not have a contractual agreement with any MEP that determines how a deficit will be funded, except for the Food Employers Labor Relations Association and United Food and Commercial Workers Pension Fund (“FELRA”) and the Mid-Atlantic UFCW and Participating Employers Pension Fund (“MAP”) settlement agreement for which Giant Food recorded a $609 million pension-related liability and a $211 million defined benefit obligation related to the new variable annuity single-employer plan, with a corresponding reduction in the Ahold Delhaize FELRA and MAP MEP off-balance sheet liabilities in 2020.

American Rescue Plan Act of 2021 (ARPA)

On March 11, 2021, the ARPA was signed into law. ARPA establishes a special financial assistance program administered by the PBGC and funded by transfers from the U.S. Treasury through September 30, 2030. Under this program, eligible multi-employer pension plans may apply to receive a one-time cash payment intended to be the amount required for the plan to pay all benefits through the last day of the plan year ending in 2051. The payment received under this special financial assistance program would not be considered a loan and would not need to be paid back.

Eligible plans include, among others, plans that are in “critical and declining” status in any plan year beginning in 2020, 2021 or 2022. Applications for financial assistance must be submitted no later than December 31, 2025. Each of the following plans, to which various subsidiaries of Ahold Delhaize contribute, applied for the special financial assistance in 2023:

- New England Teamsters & Trucking Industry Pension Plan
- Bakery and Confectionery Union and Industry Pension Fund
- Warehouse Employees’ Union Local 730 Pension Trust Fund

While ARPA provided financial assistance to the New England Teamsters & Trucking Industry Pension Plan on August 26, 2024, and the Bakery and Confectionery Union and Industry Pension Fund on July 22, 2024, and is expected to provide financial assistance to the Warehouse Employees’ Union Local 730 Pension Trust Fund, the expected future contributions to those multi-employer plans will not be impacted in the short term. The ongoing contribution requirements will continue to be based on the collective bargaining agreements in place. Accordingly, the special financial assistance for these three plans should not have any impact on Ahold Delhaize’s ongoing contribution obligation.

MEP – defined contribution plans

Ahold Delhaize also participates in 37 MEPs (2023: 36 MEPs) that are defined contribution plans on the basis of the terms of the benefits provided. The majority of these plans provide health and welfare benefits. The Company contributed €313 million and €294 million to multi-employer defined contribution plans during 2024 and 2023, respectively. These contributions are recognized as an expense in the consolidated income statement and related entirely to continuing operations in 2024 and 2023. These plans vary significantly in size, with contributions to the three largest plans representing 65% of total contributions (2023: 63%).

Accounting estimates and judgments

The present value of the pension obligations depends on a number of assumptions that are determined on an actuarial basis. The assumptions used in determining the net cost (income) for pensions include the discount rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. Other key assumptions include longevity and future salary and pension increases.

Management applied judgment in the determination to record discount rate-related remeasurements on the Other long-term pension plan obligations through Other comprehensive income.

Accounting policies

The net assets and net liabilities recognized on the consolidated balance sheet for defined benefit plans represent the actual surplus or deficit in Ahold Delhaize’s defined benefit plans measured as the present value of the defined benefit obligations less the fair value of plan assets. Any surplus resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the plan.

Defined benefit obligations are actuarially calculated on the balance sheet date using the projected unit credit method. The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows using market yields on high-quality corporate bonds (i.e., bonds rated AA or higher), which are denominated in the currency in which the benefits will be paid and have an average duration similar to the expected duration of the related pension liabilities.

Defined benefit costs are split into three categories:

- Service cost, past service cost, gains and losses on curtailment and settlements
- Net interest expense or income
- Remeasurement

The first category is presented as labor costs within operating earnings. Past service costs are recognized in the income statement in the period of plan amendment. Results from curtailments or settlements are recognized immediately.

Past service years within the Dutch pension plan are calculated based upon a methodology that uses the maximum past service years based on accrued benefits or a participant’s actual date of hire.

24 Pensions and other post-employment benefits continued

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset and is presented within net financial expenses.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling (if applicable), and the return on plan assets (excluding interest), are recognized immediately in the balance sheet with a charge or credit to other comprehensive income in the period in which it occurs. Remeasurements recorded in other comprehensive income are not recycled to the income statement.

Contributions to defined contribution plans are recognized as an expense when employees have rendered service entitling them to the contributions. Post-employment benefits provided through industry MEPs, managed by third parties, are generally accounted for under defined contribution criteria.

25 Provisions

The table below specifies the changes in total provisions (current and non-current):

€ million	Self-insurance program	Claims and legal disputes	Severance and termination benefits	Onerous contracts	Other	Total
As of December 31, 2023						
Current portion	319	59	46	43	26	492
Non-current portion	633	13	1	61	56	764
Carrying amount	**952**	**72**	**46**	**104**	**81**	**1,256**
Year ended December 29, 2024						
Additions charged to income	260	60	31	336	39	726
Used during the year	(249)	(25)	(52)	(79)	(32)	(436)
Released to income	(20)	(7)	(3)	(13)	(1)	(44)
Interest accretion	53	—	—	12	1	66
Effect of changes in discount rates	(6)	—	—	(9)	(2)	(18)
Transfers to/from held for sale	—	—	(1)	—	—	(1)
Other movements	—	(1)	—	—	—	(2)
Exchange rate differences	57	2	—	3	2	64
Closing carrying amount	**1,048**	**100**	**22**	**355**	**87**	**1,612**
As of December 29, 2024						
Current portion	362	87	21	74	26	569
Non-current portion	685	13	1	281	61	1,042
Carrying amount	**1,048**	**100**	**22**	**355**	**87**	**1,612**

Maturities of total provisions as of December 29, 2024, are as follows:

€ million	Self-insurance program	Claims and legal disputes	Severance and termination benefits	Onerous contracts	Other	Total
Amount due within one year	362	87	21	74	26	569
Amount due between one and five years	442	13	1	279	25	761
Amount due after five years	243	—	—	1	36	281
Total	**1,048**	**100**	**22**	**355**	**87**	**1,612**

Self-insurance program

Ahold Delhaize is self-insured for certain potential losses, mainly relating to general liability, vehicle liability, workers' compensation and property losses incurred by its subsidiaries. Some of Ahold Delhaize's self-insured losses are retained at its captive insurance companies. The captives' maximum self-insurance retention per occurrence, including defense costs, is $2 million (€2 million) for general liability, $15 million (€14 million) for commercial vehicle liability, $5 million (€5 million) for workers' compensation in the United States and an amount equivalent to the capped continued payment of wages in the Netherlands, and $25 million (€24 million) for property losses in the United States and Europe, subject to an annual aggregate of $35 million (€34 million). Part of the self-insured risk is ceded under a reinsurance treaty, which is a pooling arrangement between unrelated companies; see *Note 16*.

The measurement of the self-insurance provisions involves estimates and judgments to be made regarding claims incurred but not yet reported, timing and amount of payment of damages, and costs associated with the settlement of claims.

Claims and legal disputes

The Company is party to a number of legal proceedings arising out of its business operations. Such legal proceedings are subject to inherent uncertainties. Management, supported by internal and external legal counsel, where appropriate, determines whether it is probable that an outflow of resources will be required to settle an obligation. If this is the case, the best estimate of the outflow of resources is recognized.

Severance and termination benefits

This provision relates to payments to employees whose employment with the Company has ended, either as part of a restructuring or a voluntary separation plan. The measurement of the provision involves estimates and judgments about the population and number of employees that will ultimately be affected by the plans, estimates of salary ranges used to measure future cash flows, and assumptions of periods of service, if relevant.

Onerous contracts

Onerous contract provisions relate to unfavorable contracts where the unavoidable costs of meeting the obligations under the contracts exceed the benefits expected to be received. The judgments and estimates made in the measurement of onerous contracts relate to unavoidable future costs anticipated to be incurred. The additions charged to income in 2024 mainly relate to expected payments for the Belgium Future Plan and the closure of underperforming Stop & Shop stores.

25 Provisions continued

Other

Other provisions include loyalty programs, long-term incentives, jubilee payments, asset retirement obligations, provisions for environmental risks and supplemental medical benefits. The judgments and estimates made in the measurement of these provisions relate to the estimated costs to be incurred at an unknown future date.

The loyalty program provision of €21 million as of December 29, 2024 (December 31, 2023: €21 million), mainly relates to a third-party customer loyalty program in the Netherlands and reflects the estimated cost of benefits to which customers participating in the loyalty program are entitled. When measuring the provision for loyalty programs, management estimates the expected timing of the redemptions by customers and the expected breakage (benefits granted but never redeemed).

Accounting estimates and judgments

The recognition of provisions requires estimates and assumptions regarding the timing and the amount of outflow of resources. The main estimates are as follows:

- Self-insurance program: Estimates and assumptions include an estimate of claims incurred but not yet reported, historical loss experience, projected loss development factors, estimated changes in claim reporting patterns, claim settlement patterns, judicial decisions and legislation. It is possible that the final resolution of claims may result in significant expenditures in excess of existing reserves.
- Claims and legal disputes: Management, supported by internal and external legal counsel, where appropriate, determines whether it is probable that an outflow of resources will be required to settle an obligation. If this is the case, the best estimate of the outflow of resources is recognized.
- Severance and termination benefits: The provisions relate to separation plans and agreements and use the best estimate, based on information available to management, of the cash flows that will likely occur. The amounts that are ultimately incurred may change as the plans are executed.
- Onerous contracts: These mainly relate to unfavorable contracts and include the excess of the unavoidable costs of meeting the contractual obligations over the benefits expected to be received under such contracts.
- Loyalty programs: Estimating the cost of benefits to which customers participating in the loyalty program are entitled includes assumptions on redemption rates. These estimates and assumptions apply to all loyalty programs, irrespective of whether they are accounted for as sales deferrals or provisions for future payments made at redemption.

Accounting policies

Provisions are recognized when (i) the Company has a present (legal or constructive) obligation as a result of past events, (ii) it is probable that an outflow of resources will be required to settle the obligation, and (iii) the amount can be reliably estimated. The amount recognized is the best estimate of the expenditure required to settle the obligation. Provisions are discounted whenever the effect of the time value of money is significant.

The provision for the Company's self-insurance program is recorded based on claims filed and an estimate of claims incurred but not yet reported. The provision includes expenses incurred in the claim settlement process that can be directly associated with specific claims. Other expenses incurred in the claim settlement process are expensed when incurred. The Company's estimate of the required liability of such claims is recorded on a discounted basis, utilizing an actuarial method based upon various assumptions that include, but are not limited to, historical loss experience, projected loss development factors and actual payroll costs.

Restructuring-related provisions for severance and termination benefits are recognized when the Company has approved a detailed formal restructuring plan and the restructuring has either commenced or has been announced to those affected by it. Onerous contract provisions are measured at the amount by which the unavoidable costs to fulfill agreements exceeds the expected benefits from such agreements.

26 Other current financial liabilities

€ million	December 29, 2024	December 31, 2023
Lease liabilities – current portion	**1,444**	1,281
Bank overdrafts	**1,962**	767
Loans – current portion (see Note 22)	**630**	787
Short-term borrowings	**295**	250
Reinsurance contract liabilities – current portion (see Note 16 and Note 23)	**124**	114
Interest payable	**83**	48
Deposit liabilities	**18**	15
Derivative financial instruments	**1**	1
Other	**55**	12
Total other current financial liabilities	**4,610**	3,275

For more information on lease liabilities, see Note 33.

Bank overdrafts includes an amount of €1,961 million (December 31, 2023: €767 million) that relates to the overdraft position of a notional cash pooling arrangement. This bank overdraft is fully offset by an identical amount included under Cash and cash equivalents (see Note 20 and Note 30).

The current portion of loans mainly includes the €600 million notes, which are due in 2025 (see Note 22). The €750 million notes were repaid on maturity in 2024.

In 2024, Other included mainly the NETTI settlement liability in the amount of $49 million, which will be paid in 2025; see Note 23.

Accounting policies

For more information on the accounting policies for financial liabilities and reinsurance contract liabilities, see Note 30.

27 Other current liabilities

€ million	December 29, 2024	December 31, 2023
Accrued expenses	**1,997**	1,929
Compensated absences	**472**	509
Payroll taxes, social security and VAT	**647**	598
Deferred income	**132**	108
Gift card liabilities[1]	**286**	263
Other[2]	**50**	45
Total other current liabilities	**3,583**	3,451

1. Gift card sales for the year in the amount of €745 million and exchange rate differences of €6 million, offset by redemptions in the amount of €707 million and breakage in the amount of €22 million, resulted in an ending balance of gift card liabilities of €286 million.
2. Other mainly includes the current portion of the pension-related liability for FELRA and MAP of €41 million (December 31, 2023: €39 million). For more information, see *Note 24*.

The non-current portion of the Deferred income amounts to €57 million (December 31, 2023: €26 million), and is included in the Other non-current liabilities line of the balance sheet.

Accounting estimates and judgments

For more information on the accounting estimates and judgments policies for gift card liabilities, see *Note 7*.

28 Cash flow

Cash and cash equivalents

The following table presents the reconciliation between the cash and cash equivalents as presented in the statement of cash flows and on the balance sheet:

€ million	December 29, 2024	December 31, 2023
Cash and cash equivalents as presented in the statement of cash flows	**6,157**	3,475
Restricted cash	**12**	10
Cash and cash equivalents as presented on the balance sheet	**6,169**	3,484

Additional cash flow information

€ million	2024	2023
Non-cash investing activities		
Accounts payable at year end related to purchased non-current assets	**320**	318
Assets acquired under leases[1]	**431**	563
Reassessments and modifications to leases[2]	**899**	1,142
Acquisition of businesses (see *Note 4*)		
Total purchase consideration	**(28)**	(52)
Purchase consideration – in kind	**2**	18
Cash acquired (excluding restricted cash)	**—**	—
Acquisition of businesses, net of cash acquired	**(26)**	(34)
Divestments of businesses		
Net cash flows from divestment of subsidiaries and businesses	**21**	8
Other net cash flows related to past divestments	**—**	—
Divestment of businesses	**21**	8
Cash divested[3]	**—**	(138)
Divestment of businesses, net of cash divested	**21**	(130)
Reconciliation between results on divestments of discontinued operations and cash (paid) received		
Result on divestments of discontinued operations before income taxes	**—**	—
Result on divestment of subsidiaries and businesses (not qualified as discontinued operations)[3]	**(237)**	(238)
Net assets (liabilities) divested	**46**	306
Currency exchange differences transferred from equity	**—**	(30)
Changes in other non-current financial assets and provisions – net	**216**	(35)
Transaction costs settled / payable	**(4)**	4
Divestment of businesses	**21**	8
Cash divested[3]	**—**	(138)
Divestment of businesses, net of cash divested[3]	**21**	(130)

1. The additions to right-of-use assets (see *Note 12* and *Note 13*) include €56 million of additions through sale and leaseback transactions and €1 million of lease incentives received net of initial direct costs paid (2023: €26 million of additions through sale and leaseback transactions and €4 million of initial direct costs paid net of lease incentives received), which are excluded from the amount of non-cash investing activities.
2. The modifications and remeasurements to right-of-use assets (see *Note 12* and *Note 13*) and to net investment in leases classified within non-current and current financial assets (see *Note 16* and *Note 19*) include €1 million of initial direct costs paid net of lease incentives received (2023: €8 million of lease incentives received net of initial direct costs paid), which are excluded from the amount of non-cash investing activities.
3. Result on divestment of subsidiaries and business in 2024 included predominantly divestment of stores, mainly in connection with the Belgium Future Plan. The amount reported for 2023 included divestment of FreshDirect (a loss of €250 million) and divestment of stores (a net gain of €12 million). Divestment of business, net of cash divested from sale of FreshDirect in 2023, was a negative €144 million with cash divested of €138 million.

Other investing cash flows

Other investing cash flows in 2024 was an outflow of €16 million (2023: an outflow of €171 million). Other investing cash flows in 2023 mainly consisted of a payment related to the exercise of an option in order to settle a non-controlling interest accounted for under the anticipated acquisition method.

28 Cash flow continued

Changes in liabilities arising from financing activities for the years ended December 29, 2024, and December 31, 2023:

€ million	Loans	Lease liabilities	Short-term borrowings and bank overdrafts	Derivative assets	Derivative liabilities	Total
As of December 31, 2023	**4,924**	**11,826**	**1,017**	**—**	**32**	**17,799**
Proceeds from long-term debt[1]	**1,585**	**—**	**—**	**—**	**—**	**1,585**
Acquisitions through business combinations	**—**	**—**	**—**	**—**	**—**	**—**
Repayments of loans and lease liabilities	**(782)**	**(1,742)**	**—**	**—**	**—**	**(2,524)**
Classified (to) held for sale or sold	**—**	**—**	**—**	**—**	**—**	**—**
Changes in short-term borrowings and overdrafts	**—**	**—**	**1,217**	**—**	**—**	**1,217**
Other cash flows from derivatives	**—**	**—**	**—**	**—**	**—**	**—**
Fair value changes	**(1)**	**—**	**—**	**(16)**	**(10)**	**(27)**
Additions to lease liabilities	**—**	**494**	**—**	**—**	**—**	**494**
Reassessments and modifications to leases	**—**	**892**	**—**	**—**	**—**	**892**
Termination of leases	**—**	**(63)**	**—**	**—**	**—**	**(63)**
Amortization of fair value adjustments and interest accretion to lease liability	**(4)**	**422**	**—**	**—**	**—**	**418**
Other non-cash movements	**(3)**	**—**	**—**	**—**	**—**	**(3)**
Exchange rate differences	**86**	**425**	**23**	**—**	**1**	**535**
As of December 29, 2024	**5,805**	**12,253**	**2,256**	**(17)**	**23**	**20,321**

1 The amount is net of deferred financing costs of €15 million, of which €9 million is included in Other within financing cash flows from continuing operations in the statement of cash flows.

€ million	Loans	Lease liabilities	Short-term borrowings and bank overdrafts	Derivative assets	Derivative liabilities	Total
As of January 1, 2023	4,760	11,965	915	(2)	26	17,664
Proceeds from long-term debt[1]	494	—	—	—	—	494
Acquisitions through business combinations	—	1	—	—	—	1
Repayments of loans and lease liabilities[2,3]	(277)	(1,819)	—	—	—	(2,096)
Classified (to) held for sale or sold	(3)	(155)	—	—	—	(158)
Changes in short-term borrowings and overdrafts	—	—	97	—	—	97
Other cash flows from derivatives	—	—	—	—	—	—
Fair value changes	5	—	—	2	7	14
Additions to lease liabilities	—	608	—	—	—	608
Reassessments and modifications to leases	—	1,124	—	—	—	1,124
Termination of leases	—	(37)	—	—	—	(37)
Amortization of fair value adjustments and interest accretion to lease liability	(7)	382	—	—	—	375
Other non-cash movements	—	—	—	—	—	—
Exchange rate differences	(48)	(243)	5	—	(1)	(287)
As of December 31, 2023	4,924	11,826	1,017	—	32	17,799

1. The amount is net of deferred financing costs of €6 million, of which €3 million is included in Interest paid and €3 million is included in Other within financing cash flows from continuing operations in the statement of cash flows.
2. Repayment of loans as presented in the statement of cash flows includes a premium paid of €15 million.
3. Repayment of lease liabilities as presented in the statement of cash flows includes €4 million of lease incentives received net of initial direct costs paid.

28 Cash flow continued

Accounting policies

The Company has chosen to prepare the statement of cash flows using the indirect method, which presents cash flows from operating activities as the income from continuing operations adjusted for non-cash transactions, deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows. Cash flows in foreign currencies have been translated using weighted average periodic exchange rates. Interest paid on loans is presented as a financing activity, while interest received is presented as an investing activity. Acquisitions and divestments of businesses are presented net of cash and cash equivalents acquired or disposed of, respectively. The Company has chosen to present dividends paid to its shareholders as a financing activity.

In the cash flow statement, the Company has classified the principal portion of lease payments, as well as the interest portion, within financing activities. Lease payments are not split between interest and principal portions but are shown as one line, Repayment of lease liabilities, in the cash flow statement. Lease payments for short-term leases, lease payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability are classified as cash flows from operating activities.

The Company has classified cash flows from operating leases as operating activities. Cash flows representing the collection of principal and interest payments for finance lease receivables are classified as investing activities and disclosed using a single line in the cash flow statement, Lease payments received on lease receivables.

29 Earnings per share

The calculation of basic and diluted net income per share attributable to common shareholders is based on the following data:

	2024	2023
Net income attributable to common shareholders for the purposes of basic and diluted earnings per share (€ million)	**1,764**	1,874
Number of shares (in millions)		
Weighted average number of common shares for the purposes of basic earnings per share	**930**	962
Effect of dilutive potential common shares:		
Conditional shares from share-based compensation programs	**4**	4
Weighted average number of common shares for the purposes of diluted earnings per share	**933**	966

The calculation of the basic and diluted income from continuing operations per share attributable to common shareholders is based on the same number of shares as detailed above and the following earnings data:

€ million	2024	2023
Income from continuing operations, attributable to common shareholders for the purposes of basic and diluted earnings per share	**1,764**	1,874

Both basic and diluted income per share from discontinued operations attributable to common shareholders amounted to €0.00 (2023: €0.00), based on the income (loss) from discontinued operations attributable to common shareholders of nil (2023: nil) and the denominators detailed above.

Accounting policies

Basic net income per share is calculated by dividing net income attributable to common shareholders by the weighted average number of common shares outstanding during the year. Basic income from continuing operations per share is calculated by dividing income from continuing operations attributable to common shareholders by the weighted average number of common shares outstanding during the year.

Diluted income per share is calculated by dividing the net income/income from continuing operations attributable to shareholders by the diluted weighted average number of common shares outstanding. To determine the diluted weighted average number of common shares outstanding, the weighted average number of shares outstanding is adjusted for the conditional shares from the share-based compensation programs.

30 Financial risk management and financial instruments

Financial risk management

Ahold Delhaize is exposed to a variety of financial risks, including currency, interest rate, funding, liquidity and counterparty risks. The Company's financial risk management is centralized through its Treasury function, which operates within a regularly reviewed framework of policies and procedures. Ahold Delhaize's Management Board has overall responsibility for the establishment and oversight of the Treasury risk management framework. Ahold Delhaize's management reviews material changes to Treasury policies and receives information related to Treasury activities. The Treasury function does not operate as a profit center and manages the financial risks that arise in relation to underlying business needs.

In accordance with its Treasury policies, Ahold Delhaize uses derivative instruments solely for the purpose of hedging exposures. These exposures are mainly the result of interest rate and currency risks arising from the Company's operations and its sources of financing. Ahold Delhaize does not enter into derivative financial instruments for speculative purposes. The transaction of derivative instruments is restricted to Treasury personnel only, and Ahold Delhaize's Internal Control department reviews the Treasury internal control environment regularly.

Relationships with credit rating agencies and monitoring of key credit ratios are also managed by the Treasury department.

30 Financial risk management and financial instruments continued

Currency risk

Ahold Delhaize operates internationally and is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the U.S. dollar. Since Ahold Delhaize's subsidiaries purchase and sell primarily in local currencies, the Company's exposure to exchange rate movements in its commercial operations is limited. The Company is subject to foreign currency exchange risks due to exchange rate movements in connection with the translation of its foreign subsidiaries' income, assets and liabilities into euros for inclusion in its consolidated financial statements. Translation risk related to Ahold Delhaize's foreign subsidiaries, joint ventures and associates is not actively hedged; however, the Company aims to minimize this exposure by funding its foreign operations in their functional currency wherever feasible.

To protect the value of future foreign currency cash flows, including loan and interest payments, lease payments, dividends and firm purchase commitments, and the value of assets and liabilities denominated in foreign currency, Ahold Delhaize seeks to mitigate its foreign currency exchange exposure by borrowing in local currency and entering into various financial instruments, including forward contracts and currency swaps. It is Ahold Delhaize's policy to cover foreign exchange transaction exposure in relation to existing assets, liabilities and firm purchase commitments, provided hedging instruments are available at a reasonable cost.

Foreign currency sensitivity analysis

As of December 29, 2024, Ahold Delhaize carried out a sensitivity analysis with regard to changes in foreign exchange rates to revalue dollar-denominated cash, cash equivalents and debt in its balance sheet at year end. Assuming the euro had strengthened (weakened) by 20% against the U.S. dollar compared to the actual 2024 rate, with all other variables held constant, the hypothetical result on income before income taxes would have been an increase (decrease) of €12 million (2023: an increase (decrease) of €4 million), as a result of foreign exchange revaluation of U.S. dollar-denominated monetary assets and liabilities held by non-U.S. dollar functional currency subsidiaries.

The loss on foreign exchange recognized in the 2024 income statement related to the revaluation of unhedged leases reported in the balance sheet amounted to €5 million (2023: loss of €8 million). The strengthening (weakening) of the euro by 20% against the other currencies, with all other variables held constant, would result in a loss (gain) of €194 million (2023: €179 million).

Interest rate risk

Ahold Delhaize's outstanding debt and investment position is exposed to changes in interest rates. To manage interest rate risk, Ahold Delhaize has an interest rate management policy aiming to reduce volatility in its interest expense and maintaining a target percentage of its debt in fixed-rate instruments. As of December 29, 2024, 89% of Ahold Delhaize's long-term bonds were at fixed rates of interest (December 31, 2023: 96%). Interest rate swaps are taken into account in the percentage as of December 29, 2024, and December 31, 2023 (see *Derivatives*).

Interest rate sensitivity analysis

The total interest expense recognized in the 2024 income statement related to the variable rates of short- and long-term debt amounted to €24 million (2023: €25 million). An increase (decrease) in market interest rates by 100 basis points, with all other variables (including foreign exchange rates) held constant, would have resulted in a loss (gain) of €6 million (2023: €7 million).

The total interest income recognized in the 2024 income statement amounted to €221 million (2023: €174 million), mainly related to variable rate money market fund investments and deposits. The Company estimates that a possible increase (decrease) of euro and U.S. dollar market interest rates of 100 basis points, with all other variables (including foreign exchange rates) held constant, would have resulted in a gain of €34 million or a loss of €34 million, respectively (2023: gain of €23 million or a loss of €23 million).

The above sensitivity analyses are for illustrative purposes only, as, in practice, market rates rarely change in isolation from other factors that also affect Ahold Delhaize's financial position and results.

Supply chain financing

Ahold Delhaize has supply chain finance arrangements with third-party banks. As of December 29, 2024, the amounts due under the supply chain finance arrangements classified as trade payables totaled €1,286 million (December 31, 2023: €1,313 million). As of December 29, 2024, €1,100 million was paid by third-party banks to suppliers. For more information on the accounting policies regarding supply chain finance arrangements, see section *Accounting policies – Supply chain financing*. The terms, including the payment terms, of the trade payables that are part of the supply chain finance arrangements are not substantially different from the terms of the Company's trade payables that are not part of the supply chain arrangement. The payment due dates range from 5 to 180 days for the amounts due under the supply chain finance arrangements and 0 to 180 days for other trade payables.

Credit risk

Ahold Delhaize has no significant concentrations of credit risk. The concentration of credit risk with respect to receivables is limited, as the Company's customer base and vendor base are large and unrelated. The Company applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime-expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the numbers of past due days. The expected loss rate is calculated based on delinquency status and actual historical credit loss experience. As a result, management believes there is no further credit risk provision required over the normal individual and collective impairment, based on an aging analysis performed as of December 29, 2024. For further discussion on Ahold Delhaize's receivables, see Note 16 and Note 18.

Financial transactions are entered into predominantly with investment-grade financial institutions. The Company requires a minimum short-term rating of A1/P1 and a minimum long-term rating of A3/A- for its deposit and investment products. The Company may deviate from this requirement from time to time for operational reasons. Regarding credit risk, derivative contracts with counterparties are entered into primarily under the standard terms and conditions of the International Swaps and Derivatives Association (ISDA). With certain counterparties, Ahold Delhaize has credit support annexes in place that materially reduce the counterparty risk exposure because of a contractual exchange of cash collateral. Ahold Delhaize has policies that limit the amount of counterparty credit exposure to any single financial institution or investment vehicle and actively monitors these exposures.

Counterparty risk is measured by adding the nominal value of cash, short-term deposits and marketable securities, and the mark-to-market of derivative instruments, netted with the collateral posted, if any. As a result, the highest exposure to a single financial counterparty, excluding AAA-rated money market funds, on December 29, 2024, amounted to €262 million (December 31, 2023: €183 million).

30 Financial risk management and financial instruments continued

Offsetting of financial instruments

Ahold Delhaize has several financial assets and financial liabilities that are subject to offsetting or enforceable master netting arrangements and similar agreements.

Cash pool

The Company has implemented a cash pool system, allowing more efficient management of the daily working capital needs of the participating operating entities. The settlement mechanism of the cash pool is provided by an external financial counterparty. The cash pool system exposes the Company to a single net amount with that financial counterparty rather than the gross amount of several current accounts and bank overdraft balances with multiple financial counterparties. From an operational perspective, the balances in the cash pool are netted. However, under the guidance of IAS 32 regarding the offsetting of debit and credit balances for financial reporting purposes, these balances have to be presented on a gross basis on the balance sheet (see *Note 20* and *Note 26*).

ISDA master agreements for derivatives

The Company has entered into several ISDA master agreements in connection with its derivative transactions. In general, under such agreements, the amounts owed by each counterparty to another on the same day in respect of the same transaction payable in the same currency are aggregated into a single net amount payable by one party to the other.

Under certain circumstances, if all transactions under the ISDA master agreement are terminated, e.g., when a credit event such as payment default occurs, the termination value is assessed and only a single net amount is payable in the settlement of all transactions governed by the ISDA master agreement.

The ISDA agreements do not meet the criteria for offsetting on the balance sheet. This is because the Company does not currently have a legally enforceable right to offset recognized amounts, because the right to offset is enforceable only on the occurrence of a future event, such as a default. ISDAs are considered to be master netting arrangements for IFRS 7 disclosure purposes.

The following table shows the maximum exposure of the Company's financial assets and financial liabilities that are subject to offset or enforceable master netting arrangements and similar agreements for the year ended December 29, 2024.

€ million	Gross amounts in the balance sheet	Cash collateral received/ pledged[1]	Net exposure
Assets			
Cash and cash equivalents	2,108	1,961	147
Total	2,108	1,961	147
Liabilities			
Bank overdrafts	1,961	1,961	—
Total	1,961	1,961	—

1. Amounts not offset in the balance sheet but subject to master netting arrangements (or similar).

Liquidity risk

Ahold Delhaize views available cash balances and funds from operating activities as its primary sources of liquidity, complemented with access to external sources of funds when required. Ahold Delhaize manages short-term liquidity based on projected cash flows. As of December 29, 2024, the Company's liquidity position primarily comprised €4,224 million of cash (including short-term deposits and similar instruments and the current portion of investments in debt instruments, adjusted for cash held under a notional cash pooling arrangement), and the €1.5 billion revolving credit facility, of which nil is drawn.

Based on the current operating performance and liquidity position, the Company believes that its liquidity position will be sufficient for working capital, capital expenditures, commitments related to acquisitions, interest payments, dividends, the announced €1 billion share buyback program and scheduled debt repayments for the next 12 months. In addition, the Company has access to its revolving credit facility and to the debt capital markets based on its current credit ratings.

The following tables summarize the expected maturity profile of the Company's financial liabilities (including derivatives) as of December 29, 2024, and December 31, 2023, respectively, based on contractual undiscounted payments.

All financial liabilities held at the reporting date, for which payments are already contractually agreed, have been included. Amounts in foreign currency have been translated using the reporting date closing rate. Cash flows arising from financial instruments carrying variable interest payments have been calculated using the forward curve interest rates as of December 29, 2024, and December 31, 2023, respectively. See *Note 34* for the liquidity risk related to guarantees.

30 Financial risk management and financial instruments continued

Year ended December 29, 2024

€ million	Net carrying amount	Contractual cash flows: Within 1 year	Between 1 and 5 years	After 5 years	Total
Non-derivative financial liabilities[1]					
Notes	**(5,652)**	**(781)**	**(3,009)**	**(3,055)**	**(6,845)**
Other loans	**—**	**—**	**—**	**—**	**—**
Financing obligations	**(153)**	**(28)**	**(46)**	**—**	**(74)**
Accounts payable under supply chain finance arrangements	**(1,286)**	**(1,286)**	**—**	**—**	**(1,286)**
Accounts payable not under supply chain finance arrangements	**(7,238)**	**(7,238)**	**—**	**—**	**(7,238)**
Accounts payable	**(8,524)**	**(8,524)**	**—**	**—**	**(8,524)**
Short-term borrowings	**(2,256)**	**(2,256)**	**—**	**—**	**(2,256)**
Interest payable	**(83)**	**(83)**	**—**	**—**	**(83)**
Reinsurance contract liabilities	**(286)**	**(136)**	**(131)**	**(53)**	**(320)**
Other long-term financial liabilities	**(156)**	**(54)**	**(104)**	**—**	**(158)**
Other	**(26)**	**(18)**	**—**	**—**	**(18)**
Derivative financial liabilities					
Derivatives	**(23)**	**(1)**	**—**	**(22)**	**(23)**

1. The maturity analysis for lease liabilities is included in *Note 33*.

Year ended December 31, 2023

€ million	Net carrying amount	Contractual cash flows: Within 1 year	Between 1 and 5 years	After 5 years	Total
Non-derivative financial liabilities[1]					
Notes	(4,758)	(889)	(2,607)	(2,071)	(5,566)
Other loans	(3)	—	—	(3)	(3)
Financing obligations	(163)	(27)	(68)	(1)	(97)
Accounts payable[2]	(8,278)	(8,278)	—	—	(8,278)
Short-term borrowings	(1,017)	(1,017)	—	—	(1,017)
Interest payable	(48)	(48)	—	—	(48)
Reinsurance contract liabilities	(283)	(124)	(142)	(51)	(317)
Other long-term financial liabilities	(58)	(10)	(52)	—	(62)
Other	(24)	(15)	—	—	(15)
Derivative financial liabilities					
Derivatives	(32)	(1)	—	(32)	(32)

1. The maturity analysis for lease liabilities is included in *Note 33*.
2. Accounts payable amounts are not presented separately for amounts under supply chain finance arrangements and amounts not under supply chain finance arrangements, since the Company opted to apply the relief in the first year of application not to present comparative information for 2023 (see *Note 3)*.

30 Financial risk management and financial instruments continued

Credit ratings

Maintaining investment-grade credit ratings is a cornerstone of Ahold Delhaize's financial strategy because such ratings optimize the cost of funding and facilitate access to capital. Ahold Delhaize's current credit ratings from the solicited rating agencies are:

- Standard & Poor's: Corporate credit rating BBB+, with a stable outlook as of March 2023 (previous rating BBB assigned in September 2022).
- Moody's: Issuer credit rating Baa1, with a stable outlook as of February 2018 (previous rating Baa2 assigned in August 2015).

Capital management

The Company's primary objective to manage capital is the optimization of its debt and equity balances to sustain the development of the business, maintain its investment-grade credit ratings, and maximize shareholder value.

Ahold Delhaize may balance its capital structure in several ways, including through the payment of dividends, capital repayment, new share issues, share buybacks and the issuance or redemption of debt.

Financial instruments

Accounting classification and fair values of financial instruments

The following table presents the fair value of financial instruments, based on Ahold Delhaize's categories of financial instruments, including current portions, compared to the carrying amount at which these instruments are included on the balance sheet:

	December 29, 2024		December 31, 2023	
€ million	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at amortized cost				
Loans receivable	**162**	**162**	129	130
Trade and other (non-)current receivables	**2,767**	**2,767**	2,542	2,542
Lease receivable	**575**	**559**	529	505
Cash and cash equivalents	**6,169**	**6,169**	3,484	3,484
Short-term deposits and similar investments	**16**	**16**	15	15
	9,689	**9,673**	6,699	6,677
Financial assets at fair value through profit or loss				
Reinsurance contract assets	**334**	**334**	327	327
Investments in debt instruments	**7**	**7**	11	11
	340	**340**	338	338
Financial assets at fair value through other comprehensive income				
Investments in equity instruments	**—**	**—**	27	27
Derivative financial instruments				
Derivatives	**17**	**17**	—	—
Total financial assets	**10,046**	**10,030**	7,065	7,043

30 Financial risk management and financial instruments continued

€ million	December 29, 2024 Carrying amount	Fair value	December 31, 2023 Carrying amount	Fair value
Financial liabilities at amortized cost				
Notes	**(5,652)**	**(5,578)**	(4,758)	(4,617)
Other loans	**—**	**—**	(3)	(3)
Financing obligations	**(153)**	**(65)**	(163)	(80)
Accounts payable	**(8,524)**	**(8,524)**	(8,278)	(8,278)
Short-term borrowings	**(2,256)**	**(2,256)**	(1,017)	(1,017)
Interest payable	**(83)**	**(83)**	(48)	(48)
Other long-term financial liabilities	**(156)**	**(157)**	(58)	(59)
Other	**(26)**	**(26)**	(24)	(24)
	(16,850)	**(16,688)**	(14,349)	(14,126)
Financial liabilities at fair value through profit or loss				
Reinsurance contract liabilities	**(286)**	**(286)**	(283)	(283)
Derivative financial instruments				
Derivatives	**(23)**	**(23)**	(32)	(32)
Total financial liabilities excluding lease liabilities	**(17,159)**	**(16,997)**	(14,665)	(14,442)
Long-term lease liabilities	**(12,253)**	N/A	(11,826)	N/A
Total financial liabilities	**(29,412)**	N/A	(26,491)	N/A

Of Ahold Delhaize's categories of financial instruments, only derivatives, investments in debt and certain equity instruments and reinsurance assets (liabilities) are measured and recognized on the balance sheet at fair value. These fair value measurements are categorized within Level 2 or Level 3 of the fair value hierarchy. The Company uses inputs other than quoted prices that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

The fair value of derivative instruments is measured by using either a market or income approach (mainly present value techniques). Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates that match the maturity of the contracts. Interest rate swaps are measured at the present value of expected future cash flows. Expected future cash flows are discounted by using the applicable yield curves derived from quoted interest rates.

The fair value measurement of the virtual power purchase agreement is categorized within Level 3 of the fair value hierarchy. The Company uses unobservable input data such as the volume of generated solar power and the price curves of the respective electricity market. The fair value is calculated as the net forecasted cash in- or outflows discounted to the present value.

To the extent that no cash collateral is contractually required, the valuation of Ahold Delhaize's derivative instruments is adjusted for the credit risk of the counterparty, called Credit Valuation Adjustment (CVA), and for Ahold Delhaize's own credit risk, called Debit Valuation Adjustment (DVA). The valuation technique for the CVA/DVA calculation is based on relevant observable market inputs.

No CVA/DVA adjustments are made to the valuation of certain derivative instruments, for which both Ahold Delhaize and its counterparties are required to post or redeem cash collaterals if the value of a derivative exceeds a threshold defined in the contractual provisions. Such cash collaterals materially reduce the impact of both the counterparty and Ahold Delhaize's own non-performance risk on the value of the instrument. Ahold Delhaize posted deposits as collateral in the net amount of €24 million as of December 29, 2024 (December 31, 2023: €33 million). The counterparties have an obligation to repay the deposits to Ahold Delhaize upon settlement of the contracts.

The carrying amount of trade and other (non-)current receivables, cash and cash equivalents, accounts payable, short-term deposits and similar instruments, and other current financial assets and liabilities approximate their fair values because of the short-term nature of these instruments and, for receivables, because any expected recoverability loss is reflected in an impairment loss.

The fair values of quoted borrowings for which an active market exists are based on year-end quoted prices. The fair value of other non-derivative financial assets and liabilities that are not traded in an active market is estimated using discounted cash flow analyses based on market rates prevailing at year end.

As of December 29, 2024, short-term deposits and similar instruments (€16 million) contain short-term liquid investments that are considered part of Ahold Delhaize's cash position.

Derivatives

Fair values, notional amounts, maturities and the qualification of derivative financial instruments for accounting purposes are presented in the table below:

€ million	Maturity	December 29, 2024 Fair value Assets	Fair value Liabilities	Notional amount
Forward foreign currency contracts	After 5 years	**—**	**—**	**—**
Total cash flow hedges		**—**	**—**	**—**
Forward commodity contracts[1]	Within 1 year	**—**	**(1)**	**6**
Interest rate swaps[2]	After 5 years	**—**	**(22)**	**192**
Total fair value hedges		**—**	**(23)**	**198**
Forward foreign currency contracts	Within 1 year	**—**	**—**	**95**
Virtual power purchase agreements	After 5 years	**16**	**—**	**219**
Total derivatives – no hedge accounting treatment		**16**	**—**	**314**
Total derivative financial instruments		**17**	**(23)**	**512**

30 Financial risk management and financial instruments continued

€ million	Maturity	Assets	Fair value Liabilities	Notional amount
		December 31, 2023		
Forward foreign currency contracts	Within 1 year	—	(11)	300
Total cash flow hedges		—	(11)	300
Forward commodity contracts[1]	Within 1 year	—	(1)	8
Interest rate swaps[2]	After 5 years	—	(20)	181
Total fair value hedges		—	(21)	190
Forward foreign currency contracts	Within 1 year	—	—	66
Total derivatives – no hedge accounting treatment		—	—	66
Total derivative financial instruments		—	(32)	555

1. Hedge ineffectiveness in relation to the forward commodity contracts was negligible for 2024 and 2023.
2. Hedge ineffectiveness in relation to the interest rate swaps was negligible for 2024 and 2023.

On November 14, 2024, Ahold Delhaize announced it signed a virtual power purchase agreement with the Spanish renewable energy company BRUC to support the financing and construction of a cluster of five solar power plants in Seville, Spain. Energy generation is anticipated to commence in 2026. Ahold Delhaize will receive renewable energy certificates for a period of 15 years. The initial fair value of €15.8 million was deferred and will be released as other financial income (expense) over the contract term starting when energy generation commences. As of December 29, 2024, the fair value was €16.3 million. The unrealized change in fair value of €0.5 million is recorded in fair value gains (losses) (see *Note 9*).

Accounting policies

Financial assets

Financial assets are recognized when the Company becomes a party to the contractual provisions of a financial instrument. Financial assets are derecognized when the rights to receive cash flows from the financial assets expire, or if the Company transfers the financial asset to another party and does not retain control or substantially all risks and rewards of the asset. Purchases and sales of financial assets in the normal course of business are accounted for at settlement date (i.e., the date that the asset is delivered to or by the Company).

At initial recognition, the Company measures its financial assets at their fair value plus, in the case of a financial asset not at fair value through profit and loss (FVPL), transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Upon initial recognition, the Company classifies its financial assets as subsequently measured at either (i) amortized cost, (ii) fair value through other comprehensive income (FVOCI) or (iii) FVPL on the basis of both:

- The Company's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

Subsequent to initial recognition, financial assets are measured as described below.

Financial assets at amortized cost

Financial assets are measured at amortized cost if both (i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction cost directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, less any impairment losses.

The Company's financial assets measured at amortized cost comprise loans receivable, net investment in leases, trade and other (non-)current receivables, cash and cash equivalents, short-term deposits and similar instruments.

Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if both (i) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company also has the option to designate other financial assets at FVOCI. In such situations, the fair value movements are recognized in other comprehensive income, but any dividends earned are recognized in profit or loss.

Investments in debt instruments measured at FVOCI are recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, the asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognized through other comprehensive income are reclassified to profit or loss when the debt instrument is derecognized.

There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investments in equity instruments that are not held for trading and for which the Company made an irrevocable election at the time of initial recognition to account for the investment in equity instruments at FVOCI.

Financial assets at FVPL

When any of the above-mentioned conditions for classification of financial assets are not met, a financial asset is classified as "at fair value through profit or loss" and measured at fair value with changes in fair value recognized in profit or loss.

A financial asset measured at FVPL is recognized initially at fair value and its transaction cost is recognized in profit or loss when incurred. A gain or loss on a financial asset measured at FVPL is recognized in the income statement for the reporting period in which it arises.

The Company may, at initial recognition, irrevocably designate a financial asset as measured at FVPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

30 Financial risk management and financial instruments continued

The Company's financial instruments measured at FVPL comprise reinsurance assets, derivatives and certain investments in debt instruments.

Impairment of financial assets

At each balance sheet date, the Company assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognizes a loss allowance for expected credit losses for financial assets measured at either amortized costs or fair value through other comprehensive income. If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for the financial instrument at an amount equal to 12 months of expected credit losses. If, at the reporting date, the credit risk on a financial instrument has increased significantly since initial recognition, the Company measures the loss allowance for the financial instrument at an amount equal to the lifetime-expected credit losses. The Company always measures the loss allowance at an amount equal to lifetime-expected credit losses for trade receivables, contract assets and lease receivables.

Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument. Financial liabilities are derecognized when the Company's obligations specified in the contract expire or are discharged or canceled.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for derivatives and reinsurance liabilities. Any difference between the proceeds and redemption value is recognized in the income statement over the period of the loans and short-term borrowings using the effective interest method.

Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Derivative financial instruments

All derivative financial instruments are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Gains and losses resulting from the fair value remeasurement are recognized in the income statement as fair value gains (losses) on financial instruments, unless the derivative qualifies and is effective as a hedging instrument in a designated hedging relationship. In order for a derivative financial instrument to qualify as a hedging instrument for accounting purposes, the Company must document (i) at the inception of the transaction, the relationship between the hedging instrument and the hedged item, as well as its risk management objectives and strategy for undertaking various hedging transactions and (ii) its assessment, both at hedge inception and on an ongoing basis, of whether the derivative that is used in the hedging transaction is highly effective in offsetting changes in fair values or cash flows of hedged items. Derivatives that are designated as hedges are accounted for as either cash flow hedges or fair value hedges.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized initially in the cash flow hedging reserve, a separate component of equity. The gain or loss relating to the ineffective portion is recognized immediately in the income statement. Amounts accumulated in equity are reclassified into the income statement in the same period in which the related exposure impacts the income statement. When a cash flow hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is reclassified to the income statement when the forecasted transaction is ultimately recognized. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss existing in equity is immediately recognized in the income statement.

Fair value hedge

Fair value changes of derivative instruments that qualify for fair value hedge accounting treatment are recognized in the income statement in the periods in which they arise, together with any changes in fair value of the hedged asset or liability. If the hedging instrument no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item is amortized in the income statement over the hedged item's remaining period to maturity.

Virtual power purchase agreements

Virtual power purchase agreements are considered to be derivative financial instruments. The agreements, including the embedded renewable energy certificates, are accounted for at fair value and are included as part of the derivative assets and liabilities. The difference between the fair value on initial recognition and the transaction price is recognized in the income statement as other financial income (expense) over the life of the instrument. Gains and losses resulting from the fair value remeasurement are recognized in the income statement as fair value gains (losses) on financial instruments.

Reinsurance contract assets and liabilities

Under Ahold Delhaize's self-insurance program, part of the insurance risk is ceded under a reinsurance treaty, which is a pooling arrangement between unrelated companies. In accordance with the pooling arrangement, the Company assumes a share of the reinsurance treaty risks that is measured in relation to the percentage of Ahold Delhaize's participation in the treaty. Ahold Delhaize applies the premium allocation approach, as the reinsurance contracts have a coverage period of one year or less. Reinsurance contract assets include estimated receivable balances related to reinsurance contracts purchased by the Company. Reinsurance liabilities represent the expected insurance risks related to reinsurance contracts sold by the Company. Reinsurance contract assets and liabilities are measured on a discounted basis using accepted actuarial methods.

Supply chain financing

The supply chain financing arrangements do not expose Ahold Delhaize to additional credit risk or provide Ahold Delhaize with a significant benefit of additional financing and, accordingly, it is Ahold Delhaize's policy to classify the amounts due under supply chain finance arrangements with third-party banks as trade payables. In accordance with the Company's accounting policy, trade payables are presented as operating activities in the cash flow statement. Suppliers choose to enter into these arrangements, which provide them with the option of access to earlier payment at favorable interest rates from the bank based on Ahold Delhaize's credit rating. If suppliers do not choose early payment under these arrangements, their invoices are settled by the bank under the applicable payment terms.

31 Related party transactions

Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company considers all members of the Executive Committee and Supervisory Board to be key management personnel, as defined in IAS 24 "Related Party Disclosures." At the end of 2024, the Executive Committee consisted of the Management Board and four other members.

The total compensation of key management personnel in 2024 amounted to €22,919 thousand (2023: €29,858 thousand). This includes a true-up for the estimated additional wage tax relating to key management personnel leaving the Company due in accordance with Dutch tax laws of €(1,979) thousand (2023: €1,238 thousand).

Remuneration of the Executive Committee including Management Board

The table below specifies the remuneration of the Executive Committee, comprising the Management Board members and the former members of the Management Board, and the additional Executive Committee members who were not part of the Management Board.

	2024				2023			
€ thousand	MB members[1]	Former MB members[2]	Other ExCo	Total ExCo	MB members[1]	Former MB members[2]	Other ExCo	Total ExCo
Base salary	2,952	792	1,919	5,663	2,674	1,429	1,603	5,706
EIP[3]	3,260	875	2,118	6,253	3,168	1,246	1,900	6,314
Other[4]	926	310	1,512	2,748	817	438	642	1,897
Share-based compensation[5]	3,873	1,463	2,557	7,894	5,032	4,390	2,731	12,153
Pensions[6]	322	67	292	681	179	612	173	964
Remuneration of the members of the ExCo	**11,333**	**3,507**	**8,399**	**23,239**	11,870	8,115	7,049	27,034

1. The 2024 Management Board (MB) members include Frans Muller, Jolanda Poots-Bijl, JJ Fleeman and Claude Sarrailh. The 2023 Management Board members include Frans Muller, Jolanda Poots-Bijl, JJ Fleeman and Wouter Kolk.
2. Former Management Board members for 2024 include Wouter Kolk and Kevin Holt. Former Management Board members for 2023 include Natalie Knight and Kevin Holt.
3. The Executive Incentive Plan (EIP) represents accrued annual cash incentives to be paid in the following year based on an overall weighted EIP performance. For an explanation of the Company's Remuneration Policy, see the *Remuneration report*. The overall 2024 performance multiplier was 110.4% for Management Board and other Executive Committee (ExCo) (2023: 118.5% for Management Board and other ExCo).
4. Other mainly includes gross allowances for net pension, tax compensation (tax equalization charges or refunds for expatriates), allowances for housing expenses, relocation costs, international school fees, employer's contributions to social security plans, benefits in kind, such as company cars, tax advice, medical expenses, and the associated tax gross-up.
5. The fair value of each year's grant is determined on the grant date and expensed on a straight-line basis over the vesting period. The expense for 2024 reflects this year's portion of the share grants over the previous four years (plans 2021 to 2024). For more information on the share-based compensation expenses, see *Note 32*. The 2024 share-based compensation for former Management Board members includes €1,767 thousand for Wouter Kolk and €(304) thousand for Kevin Holt as a result of adjusted performance estimates (2023: €5,276 thousand for Kevin Holt and €(886) thousand for Natalie Knight).
6. Pension costs are the total net periodic pension costs of the applicable pension plans.

For more details on the remuneration of the individual members of the Management Board, see the *Remuneration report*.

Remuneration of the members of the Supervisory Board

The Remuneration Policy for the Supervisory Board was adopted by the General Meeting of Shareholders on April 13, 2022, and became effective retroactively as of January 1, 2022. The table below specifies the total remuneration of the members of the Supervisory Board.

	2024			2023		
€ thousand	Supervisory Board members	Former Supervisory Board members	Total Supervisory Board	Supervisory Board members	Former Supervisory Board members	Total Supervisory Board
Remuneration of the members of the Supervisory Board	**1,612**	**48**	**1,659**	1,543	43	1,586

For more details on the remuneration of the individual members of the Supervisory Board, see the *Remuneration report*.

Ahold Delhaize does not provide loans or advances to members of the Management Board or the Supervisory Board. There are no loans or advances outstanding. Ahold Delhaize does not issue guarantees to the benefit of members of the Management Board or the Supervisory Board. No such guarantees are outstanding.

Trading transactions

Ahold Delhaize has entered into arrangements with a number of its subsidiaries and affiliated companies in the course of its business. These arrangements relate to service transactions and financing agreements. Transactions were conducted at market prices.

All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash. None of the balances are secured. No expense has been recognized in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties. No guarantees have been given or received.

During 2024, the Company entered into the following transactions with unconsolidated related parties:

€ million	Transaction values for the year ending December 29, 2024	Receivables outstanding as of December 29, 2024	Payables outstanding as of December 29, 2024	Commitments as of December 29, 2024
Sale of goods and services				
Joint ventures	3	1	—	—
Associates	—	13	—	—
Total	3	14	—	—
Purchase of goods and services				
Joint ventures	191	69	—	66
Associates	3	—	—	3
Total	194	69	—	69

31 Related party transactions continued

During 2023, the Company entered into the following transactions with unconsolidated related parties:

€ million	Transaction values for the year ending December 31, 2023[1]	Receivables outstanding as of December 31, 2023[1]	Payables outstanding as of December 31, 2023	Commitments as of December 31, 2023
Sale of goods and services				
Joint ventures	—	1	—	—
Associates	—	7	—	—
Total	**—**	**8**	**—**	**—**
Purchase of goods and services				
Joint ventures	156	59	2	24
Associates	1	—	—	8
Total	**158**	**59**	**2**	**32**

1. The numbers have been restated to incorporate the transactions with the European purchasing alliances.

These unconsolidated related parties consist of:

- Joint ventures:
  - JMR, a joint venture of Ahold Delhaize in the retail business (see *Note 15*). There were no significant transactions with JMR in 2024 and 2023.
  - Super Indo, a joint venture of Ahold Delhaize in the retail business (see *Note 15*). There were no significant transactions with Super Indo in 2024 and 2023.
  - Other joint ventures, such as European purchasing alliances toward suppliers, real estate joint ventures in which Ahold Delhaize has an interest, and holding properties operated by Ahold Delhaize
- Associates:
  - Adhese, an advertising technology company in which Ahold Delhaize acquired a minority stake during 2022
  - Loyalty Management Nederland B.V., an associate of Ahold Delhaize that renders services relating to the management of customer loyalty programs to certain Ahold Delhaize subsidiaries in the Netherlands
  - Other associates, such as a collaborative venture capital fund to accelerate innovation across the grocery retail ecosystem and a European purchasing alliance toward suppliers

Furthermore, the Company's post-employment benefit plans in the Netherlands and the United States are considered related parties. For more information on these plans, see *Note 24*.

32 Share-based compensation

In 2024, Ahold Delhaize's share-based compensation program consisted of a share grant program called Global Reward Opportunity (GRO). Total 2024 GRO share-based compensation expenses were €42 million (2023: €53 million). Ahold Delhaize's share-based compensation programs are equity-settled.

The fair value of the 2024 GRO award performance shares granted in 2024 at grant date was €55 million, of which €7 million related to the Management Board members. The fair value is expensed over the vesting period of the grants, adjusted for expected annual forfeitures of 4% (2023: 4%) excluding Management Board members. For the share-based compensation expenses allocable to the individual Management Board members, see the *Remuneration report*.

GRO program

Main characteristics of performance shares granted in 2021 through 2024

The performance shares granted under this program vest on the day after the AGM in the third year of the grant, subject to certain performance conditions being met. The GRO program employs three financial measures: return on capital (RoC), underlying earnings per share growth (EPS) and total shareholder return (TSR), as well as non-financial performance measures related to sustainability targets.

The total GRO award comprises four portions of performance shares. The first 35% is linked to a three-year RoC target. Depending on performance, the number of performance shares that eventually vest may range between zero and a maximum of 150% relative to the number of performance shares granted.

For the performance shares granted in 2021, another 35% is linked to a three-year EPS growth target. For the performance shares granted after 2021, this number is 25%. The number of performance shares that vest may range between zero and a maximum of 150% relative to the number of performance shares granted, depending on the performance.

Another 15% of the total GRO award is linked to TSR (share price growth and dividends paid over the performance period), with performance at vesting benchmarked against the TSR performance of the peer group disclosed below. The number of performance shares that vest depends on the Company's relative ranking in the peer group and may range between zero and a maximum of 150%, relative to the number of performance shares granted (see table below for the vesting percentages based on Ahold Delhaize's ranking within the peer group).

For the remaining GRO share award, the performance at vesting is measured using sustainability targets related to the Company's health and sustainability ambitions. This applies to 15% of the performance shares granted in 2021 and 25% of the performance shares granted after 2021. Depending on performance, the number of performance shares that eventually vest can range between zero and a maximum of 150% relative to the number of performance shares granted.

32 Share-based compensation continued

The table below indicates the percentage of performance shares that could vest based on Ahold Delhaize's TSR ranking within the peer group, for the performance shares granted in 2021 through 2024:

2021–2024 GRO program rank	All participants
1	150%
2	125%
3	110%
4	100%
5	75%
6	50%
7–12	0%

TSR performance peer group for performance shares granted in 2021 through 2024	
Tesco	Kroger
Carrefour	Costco
Metro Cash & Carry	Target
Casino Guichard-Perrachon	Walgreens Boots Alliance
J Sainsbury	Walmart
Albertsons[1]	

1. For the 2021 GRO award, Wm Morrison was used instead of Albertsons.

Performance shares vesting in 2025

In 2025, the performance shares granted in 2022 will vest. The performance shares vesting will comprise performance shares based on the Company's RoC, EPS, TSR and sustainability performance. As of the end of 2024, Ahold Delhaize ranked fifth in the TSR peer group with respect to the 2022 grant. Based on this TSR ranking, the vesting percentage for the portion of the 2022 performance shares dependent on Ahold Delhaize's TSR performance was 75%.

At the end of each reporting period, Ahold Delhaize revises its estimates of the number of performance shares that are expected to vest based on the non-market vesting conditions (RoC, EPS and sustainability performance). Ahold Delhaize recognizes the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The final vesting percentage for the portion of the 2022 performance shares dependent on Ahold Delhaize's RoC, EPS and sustainability performance is 122%, 145% and 131%, respectively.

On April 10, 2025, a maximum of 0.3 million performance shares granted in 2022 to current and former members of the Management Board under the Ahold Delhaize GRO plan are expected to vest. Except to finance taxes and social security charges due on the vesting date, members of the Management Board cannot sell shares for a period of at least five years following the grant date, or until their date of resignation from the Management Board, if this period is shorter. Any sale of shares is subject to insider trading restrictions as applicable from time to time.

On April 10, 2025, a maximum of 1.8 million performance shares granted in 2022 to Ahold Delhaize employees under the Ahold Delhaize GRO plan are expected to vest. As of the vesting date, participants are allowed to sell all or part of the vested shares, subject to insider trading restrictions as applicable from time to time.

The Company will use treasury shares for the delivery of the vested shares.

The following table summarizes the status of the GRO program during 2024 for the Management Board members and for all other employees in the aggregate.

	Outstanding at the beginning of 2024	Granted	Performance adjustment[1]	Vested[2]	Forfeited	Outstanding at the end of 2024
Management Board members						
Shares Management Board members[3]	881,576	342,687	52,668	323,476	—	**953,455**
Other employees						
2021 grant	1,631,862	—	310,366	1,902,571	39,657	**—**
2022 grant	1,577,113	10,300	—	1,273	103,130	**1,483,010**
2023 grant	1,911,735	28,721	—	1,419	155,342	**1,783,695**
2024 grant	—	2,175,160	—	1,356	111,319	**2,062,485**
Total number of shares	6,002,286	2,556,868	363,034	2,230,095	409,448	**6,282,645**

1. Represents the adjustment to the number of performance shares granted resulting from the TSR, RoC, EPS and sustainability performance.
2. The vesting date of the 2021 grant was April 11, 2024. The share price was €27.46 on April 11, 2024.
3. For an overview of the shares outstanding for the Management Board members, see the *Remuneration report*.

Valuation model and input variables

The weighted average fair value of the 2024 GRO award performance shares granted in 2024, for all eligible participants including Management Board members, amounted to €11.37 per share for TSR performance shares and €23.91 per share for RoC performance shares, EPS performance shares and sustainability performance shares (2023: €21.24 per share for TSR performance shares and €28.00 per share for RoC performance shares, EPS performance shares and sustainability performance shares).

For the 2023 GRO award performance shares granted in 2024, the weighted average fair values were €18.18 (TSR) and €26.51 (RoC, EPS and sustainability) per share, and for the 2022 GRO award performance shares granted in 2024, the weighted average fair values were €12.36 (TSR) and €26.00 (RoC, EPS and sustainability) per share.

32 Share-based compensation continued

The fair values of the RoC, EPS and sustainability performance shares are based on the Black-Scholes model. The fair values of the TSR performance shares are determined using a Monte Carlo simulation model, which considers the likelihood of Ahold Delhaize's TSR ending at various ranks as well as the expected share price at each rank. The most important assumptions used in the valuations of the shares granted in 2024 and 2023 were as follows:

	2024	2023
Closing share price at grant date (€)	**27.27**	31.30
Risk-free interest rate	**2.7%**	2.7%
Volatility	**19.9%**	20.7%
Assumed dividend yield	**4.5%**	3.7%

Expected volatility has been determined based on historical volatilities for a period of three years.

Accounting policies

The grant date fair value of equity-settled share-based compensation plans is expensed, with a corresponding increase in equity, on a straight-line basis over the vesting periods of the grants. The cumulative expense recognized at each balance sheet date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of performance shares that will eventually vest. No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition (e.g., total shareholder return). Those are treated as vested irrespective of whether or not the market condition is ultimately satisfied, provided that all non-market conditions (e.g., continued employment) are satisfied.

33 Leases

Ahold Delhaize as lessee

Ahold Delhaize leases a significant number of its stores, as well as DCs, warehouses, offices and other assets, under lease arrangements. Leases of retail stores typically run for periods of 10 to 25 years, and warehouses and DCs for 10 to 15 years.

The Company also leases equipment, mainly IT equipment, with average contract terms of four years. The majority of these are short-term leases and/or leases of low-value assets, and the Company has elected not to recognize right-of-use assets and lease liabilities for these leases. The Company expects the expenses incurred for short-term leases and leases of low-value assets to remain broadly consistent in future years.

Right-of-use assets

See *Note 12* and *Note 13* for more information on the right-of-use assets.

Lease liabilities

The following table summarizes the expected maturity profile of the Company's lease liabilities as presented in *Note 23* (non-current portion) and *Note 26* (current portion) as of December 29, 2024, and December 31, 2023, respectively, based on the undiscounted payments.

€ million	December 29, 2024	December 31, 2023
Less than one year	**1,900**	1,694
One to five years	**6,386**	5,969
Five to 10 years	**4,254**	4,162
10 to 15 years	**1,635**	1,656
More than 15 years	**905**	1,039
Total undiscounted lease payments	**15,080**	14,520
Lease liabilities included in the balance sheet	**12,253**	11,826
Current portion (*Note 26*)	**1,444**	1,281
Non-current portion (*Note 23*)	**10,809**	10,545

General

Leases are managed by local management and, accordingly, lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The terms and conditions of real estate leases include, among others, extension and termination options as well as (additional) variable payments. A large proportion of the real estate leases also provide for lease payment increases that are based on changes in local price indices, which are generally determined annually. Lease liabilities are remeasured to reflect those revised lease payments only when there is a change in the cash flows.

The Company does not have leases with significant guaranteed residual values or purchase options.

None of Ahold Delhaize's leases impose restrictions on the Company's ability to pay dividends, incur additional debt or enter into additional leasing arrangements.

Extension and termination options

Extension and termination options are included in a large number of real estate leases across the Company. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

As of December 29, 2024, potential uncommitted future cash outflows of an estimated €40 billion (undiscounted) (2023: €38 billion) have not been included in the lease liability (and right-of-use asset) because it is not reasonably certain that the leases will be extended (or not terminated).

During the current financial year, an amount of €888 million (2023: €1,091 million) has been recorded as a net increase in the right-of-use assets due to reassessments and modifications of leases, which include, among others, the effect of exercising extension and termination options and changes in lease payments due to inflation-related increases.

33 Leases continued

The table below summarizes the rate of exercise of termination options.

	Number of contracts with termination options exercisable as of December 29, 2024	Number of contracts with termination options not exercised or not considered reasonably certain to be exercised as of December 29, 2024	Number of contracts with termination options exercised or considered reasonably certain to be exercised as of December 29, 2024
	Number of leases	Number of leases	Number of leases
Total			
Ahold Delhaize	**2,753**	**2,483**	**270**

In countries like Greece, Romania and Serbia, it is general practice to be able to terminate contracts, subject to a notice period. A large portion of the termination options listed above relates to vehicle leases in Greece, Romania and Serbia.

In Belgium, real estate leases normally have an initial term of 27 years, with a maximum duration of 45 years by tacit extension of the contract. The lessee has the right, by law, to terminate the lease every three years. In practice, contracts are therefore recorded in the real estate system as having a 27-year term with termination options every three years. These termination options are then assessed as part of the determination of the lease term, which is normally established as nine years, consistent with the investment cycle in the stores.

In other countries, limited to no termination options are in place.

Variable payments

Variable payment terms are used for a variety of reasons, including minimizing the fixed cost base for newly established stores or for reasons of margin control and operational flexibility. Variable lease payment terms vary widely across the Company:

- The majority of variable payment terms are based on a range of percentages of store sales. Percentages vary per contract and generally range between 1% and 6% of net sales of the applicable store.
- Some variable payment terms include minimum rent clauses.

Variable lease payments that depend on sales are recognized in profit or loss in the period in which the condition that triggers those payments occurs. The overall financial effect of using variable payment terms is that higher rental costs are incurred by stores with higher sales. The Company expects the amount of variable rental payments to remain broadly consistent in future years.

Commitment for leases not yet commenced

In addition to the leases included on the balance sheet, Ahold Delhaize has signed lease agreements for properties under development of which it has not yet taken possession. The future undiscounted lease payments, including non-lease components, for these agreements amount to approximately €598 million (2023: €691 million). Of this, approximately €260 million relates to an investment commitment to transform and expand the supply chain operations on the U.S. East Coast. The 2023 amount is restated for an amount of €416 million; this is now presented as a purchase commitment. See also *Note 34*.

Sale and leaseback transactions

There have been no significant sale and leaseback transactions in 2024 and 2023. The loss on sale and leaseback transactions of €2 million in 2024 and the gain of €1 million in 2023 relate to transactions in the Netherlands, the Czech Republic and Serbia.

Amounts recognized in the income statement

€ million	2024	2023
Variable lease payments not included in the measurement of lease liabilities	**(24)**	(23)
Expenses related to short-term leases	**(18)**	(33)
Expenses relating to leases of low-value assets that are not shown above as short-term leases	**(22)**	(19)
Total rent expense	**(65)**	(75)
Depreciation charge for right-of-use assets	**(1,333)**	(1,336)
Interest accretion to lease liability	**(422)**	(382)
Gains (losses) on sale and leaseback transactions	**(2)**	1
Income from subleasing right-of-use assets	**52**	63

During 2024, net impairments of €47 million (2023: €8 million) on right-of-use assets (excluding investment properties) and €2 million (2023: €2 million) on investment property right-of-use assets were recorded. The impairments in 2024 are mainly related to Stop & Shop store closures. In 2023, the impairments were mainly related to the divestment of FreshDirect. Ahold Delhaize did not apply for rent concessions and did not receive material rent concessions.

Amounts recognized in the cash flow statement

€ million	2024	2023
Total cash outflow for leases	**(1,808)**	(1,891)

The total cash outflow for leases consists of repayment of lease liabilities (both the principal and interest portion of lease payments), the cash outflows from short-term and low-value leases and variable lease payments not included in the measurement of lease liabilities.

Ahold Delhaize as lessor

Ahold Delhaize rents out its investment properties (mainly retail units in shopping centers containing an Ahold Delhaize store) and also (partially) subleases various other properties that are leased by Ahold Delhaize. Ahold Delhaize classifies these leases as operating or finance leases.

33 Leases continued

Operating leases

The following table sets out the maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

€ million	December 29, 2024	December 31, 2023
Less than one year	**148**	105
One to two years	**130**	88
Two to three years	**78**	70
Three to four years	**50**	42
Four to five years	**34**	31
More than five years	**102**	68
Total undiscounted lease payments	**543**	404

Finance leases

Net investment in leases

€ million	2024	2023
As of the beginning of the year		
Current portion	**98**	96
Non-current portion	**538**	524
Carrying amount at the beginning of the year	**636**	620
Additions	**—**	—
Interest accretion	**18**	13
Divestment of businesses	**—**	(19)
Repayments	**(125)**	(117)
Impairment losses and reversals – net	**—**	(1)
Terminations	**1**	(1)
Reassessments and modifications	**11**	43
Reclassifications (to) from right-of-use assets	**144**	104
Exchange rate differences	**8**	(5)
Closing carrying amount	**693**	636
As of the end of the year		
Current portion	**117**	98
Non-current portion	**576**	538
Carrying amount at the end of the year	**693**	636

The following table sets out the maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date:

€ million	December 29, 2024	December 31, 2023
Less than one year	**124**	107
One to two years	**114**	102
Two to three years	**92**	89
Three to four years	**79**	68
Four to five years	**64**	56
More than five years	**193**	161
Total undiscounted lease payments receivable	**666**	585
Unearned finance income	**(87)**	(52)
Total discounted lease payments receivable	**579**	533
Cumulative impairment losses	**(4)**	(4)
Lease receivable	**575**	529
Unguaranteed residual value	**118**	107
Net investment in leases	**693**	636

Lease receivables are principally for real estate. Terms range primarily from five to 12 years.

There are no significant changes in the provision for impairment.

The Company, as lessor, manages risks associated with rights retained in the underlying assets mainly by screening lessees for creditworthiness prior to entering into the lease agreement and following up on outstanding lease payments as part of debtor management. In addition, lease contracts generally include terms about rights in case of delinquency and default. Lease contracts rarely include residual value guarantees.

Amounts recognized in the income statement

€ million	2024	2023
Operating leases		
Rent income relating to fixed payments on operating leases	**159**	158
Rent income relating to variable payments on operating leases	**11**	4
Total rent income	**170**	**162**
Interest income on net investment in leases	**18**	13

No significant rent concessions were provided by Ahold Delhaize.

33 Leases continued

Accounting estimates and judgments

Where the Company is the lessee, management is required to make judgments about whether an arrangement contains a lease, the lease term and the appropriate discount rate to calculate the present value of the lease payments.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases entered into by the Company as lessee, management uses the incremental borrowing rate, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company and makes adjustments specific to the lease, for example related to term, country, currency and security. On a quarterly basis, the Company calculates incremental borrowing rates for each country, broken down into buckets of duration and underlying asset leased.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if it is reasonably certain that the lease will be extended (or not terminated) and, as such, included within lease liabilities.

For leases of stores, DCs and warehouses, the following factors are normally the most relevant:

- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors, including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and is within the lessee's control; for example, when significant investment in the store is made that has a useful life beyond the current lease term.

Where the Company is the lessor, the classification of leases as finance leases or operating leases requires judgments about the fair value of the leased asset, the economic life of the asset, whether or not to include renewal or termination options in the lease term and the appropriate discount rate to use to calculate the present value of the lease payments to be received.

Revenue recognition with respect to sale and leaseback transactions is dependent on management's judgment of whether the Company has satisfied all of its performance obligations and control of the asset is transferred to the buyer, and the determination of the fair value of the asset.

Accounting policies

Definition of a lease

Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. At inception, or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease and non-lease component on the basis of its relative stand-alone price.

The Company applies the recognition exemptions for short-term leases (less than 12 months) and leases of low-value items, defined by the Company to be below $5,000 per item (on acquisition). The payments for these exempted leases are recognized in the income statement on a straight-line basis over the lease terms.

As a lessee

The Company recognizes a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments, at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred (for example, key money and lease contract commissions), less any incentives received. The right-of-use asset for acquired leases is adjusted for any favorable or unfavorable lease rights recognized as part of the purchase price allocation. The right-of-use asset is subsequently depreciated using the straight-line method over the shorter of the lease term or the useful life of the underlying asset. In addition, the right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company has elected to separate lease and non-lease components included in lease payments for all leases. Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments
- Variable lease payments that depend on an index or a rate, which are initially measured using the index or rate at the commencement date
- Amounts expected to be payable under a residual value guarantee
- The exercise price of a purchase option that the Company is reasonably certain to exercise
- Lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early

33 Leases continued

The lease liability is measured at amortized cost using the effective interest rate method. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the income statement if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is included in Other current financial liabilities and Other non-current financial liabilities.

The Company applies judgment to determine the lease term for the lease contracts in which it is a lessee that include renewal and termination options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the value of lease liabilities and right-of-use assets recognized. See Accounting estimates and judgments for more information.

As a lessor

The Company classifies leases as finance or operating leases at lease inception based upon whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. As part of this assessment, the Company considers certain indicators, such as whether the lease is for the majority of the economic life of the asset.

Leases classified as finance leases result in the recognition of a net investment in a lease representing the Company's right to receive rent payments. The value of the net investment in a lease is the value of the future rent payments to be received and the unguaranteed residual value of the underlying asset discounted using the rate implicit in the lease.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sublease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies IFRS 15 to allocate the consideration in the contract.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of Rent income.

Sale and leaseback

Sale and leaseback transactions are defined as transactions that lead to a sale according to IFRS 15 “Revenue from Contracts with Customers.” Under IFRS 15, the seller-lessee must determine whether the transaction qualifies as a sale for which revenue is recognized (i.e., the transaction is a genuine sale, where all performance obligations are satisfied and control has transferred to the buyer-lessor), or the transaction is a collateralized borrowing. More specifically, a sale is considered as such if there is no repurchase option on the asset at the end of the lease term.

If the sale by the Company as seller-lessee qualifies as a sale, the Company derecognizes the asset and recognizes a gain (or loss) that is limited to the proportion of the total gain (or loss) relating to the rights transferred to the buyer-lessor. In addition, the Company recognizes a right-of-use asset arising from the leaseback and measures it at the proportion of the previous carrying amount of the asset relating to the right of use retained. The Company also recognizes the lease liability.

If the fair value of the consideration for the sale does not equal the fair value of the asset, or if the payments for the lease are not at market rates, adjustments are made to measure the sales proceeds at fair value as follows:

a. Any below-market terms should be accounted for as a prepayment of lease payments.

b. Any above-market terms should be accounted for as additional financing provided by the buyer-lessor.

If the sale by the Company does not qualify as a sale, the Company keeps the asset transferred on its balance sheet and recognizes a financing obligation equal to the transferred proceeds or cash received.

34 Commitments and contingencies

Investment commitments

As of December 29, 2024, Ahold Delhaize had outstanding investment commitments for property, plant and equipment and investment property, and for intangible assets of approximately €454 million and €14 million, respectively (December 31, 2023: €412 million and €15 million, respectively). These investment commitments include contractual commitments for contributions to franchisees. Ahold Delhaize's share in the capital investment commitments of its unconsolidated joint ventures JMR and Super Indo was nil as of December 29, 2024 (December 31, 2023: nil).

Purchase commitments

Ahold Delhaize enters into purchase commitments with vendors in the ordinary course of business. The Company has purchase contracts with some vendors for varying terms that require Ahold Delhaize to buy services and predetermined volumes of goods and goods not-for-resale at fixed prices. As of December 29, 2024, the Company's purchase commitments were approximately €3.8 billion (December 31, 2023: €3.6 billion). The purchase commitments include:

- $0.5 billion (€0.5 billion) commitments relating to service contracts for two new fully automated Ahold Delhaize USA frozen food facilities in the U.S. Northeast and mid-Atlantic regions (December 31, 2023: $0.5 billion (€0.5 billion)). These commitments mainly include non-lease components that were previously reported as part of the commitment for leases not yet commenced. The purchase commitment amount for 2023 was restated for this amount; for more information, see *Note 33*.
- $0.5 billion (€0.5 billion) commitments relating to supply agreements in the U.S. for renewable energy from new-build resources for long terms (greater than 10 years) (December 31, 2023: $0.3 billion (€0.3 billion)).
- $0.5 billion (€0.4 billion) commitments relating to a long-term supply agreement with Maryland-Virginia Milk Producers Cooperative for milk and milk-related products (December 31, 2023: $0.5 billion (€0.5 billion)).

34 Commitments and contingencies continued

Not included in the purchase commitments are those purchase contracts for which Ahold Delhaize has received advance vendor allowances, such as upfront signing payments in consideration of its purchase commitments. These contracts generally may be terminated without satisfying the purchase commitments upon the repayment of the unearned portions of the advance vendor allowances. The unearned portion of these advance vendor allowances is recorded as a liability on the balance sheet.

Other commitments

Commitments related to business acquisitions

As of December 29, 2024, the Company has an outstanding commitment to acquire 100% of Romanian grocery retailer Profi Rom Food SRL (Profi) from MidEuropa. The total enterprise value purchase consideration, before net debt, working capital and other closing adjustments, is estimated to be €1.3 billion and is derived from the estimated closing accounts. The actual enterprise value purchase consideration will be determined using the actual accounts after finalizing these with the seller. For more information on the acquisition of Profi, which was completed on January 3, 2025, see *Note 36*.

Contingent liabilities

Guarantees

Guarantees to third parties issued by Ahold Delhaize can be summarized as follows:

€ million	**December 29, 2024**	December 31, 2023
Lease guarantees	**499**	626
Loan guarantees	**17**	6
Corporate and buyback guarantees	**109**	35
Total	**625**	667

The amounts included in the table above are the maximum undiscounted amounts the Group could be forced to settle under the arrangement for the full guaranteed amount, if that amount is claimed by the counterparty to the guarantee. For lease guarantees, this is based on the committed lease terms as communicated to Ahold Delhaize.

Lease guarantees

Ahold Delhaize or its subsidiaries may be contingently liable for leases that have been assigned and/or transferred to third parties in connection with facility closings and dispositions. Ahold Delhaize could be required to perform the financial obligations under these leases if any of the third parties are unable to fulfill their lease obligations. The lease guarantees are based on the nominal value of future minimum lease payments of the relevant leases. The amounts of the lease guarantees set forth in the table above exclude the cost of common area maintenance and real estate taxes; such amounts may vary in time, per region and per property. Certain amounts related to these leases are recognized as a provision or a financial liability; see *Note 23* and *Note 25*.

As of December 29, 2024, the €499 million in the undiscounted lease guarantees as presented in the table above mainly relates to divestments. The following table sets out the undiscounted lease guarantees by divestment:

€ million	**December 29, 2024**	December 31, 2023
Tops divestments	**262**	252
BI-LO/Bruno's divestment	**15**	127
Sweetbay, Harveys and Reid's divestment	**59**	62
Bottom Dollar Food divestment	**67**	72
Other[1]	**95**	112
Total lease guarantees	**499**	626

1. Other mainly includes the divestment of remedy stores in the U.S. and the divestment of Bradlees.

On a discounted basis, these lease guarantees amount to €379 million and €522 million as of December 29, 2024, and December 31, 2023, respectively. If Ahold Delhaize is called upon to satisfy its obligations under the outstanding lease guarantees, it has several potential defenses to reduce the Company's gross exposure.

Corporate and buyback guarantees

Ahold Delhaize has provided corporate guarantees to certain suppliers of its affiliates in Belgium as part of the Belgium Future Plan. Ahold Delhaize would be required to perform under the guarantee if an affiliate failed to meet its financial obligations, as described in the guarantee. As of December 29, 2024, corporate guarantees were issued for an amount of €91 million (December 31, 2023: €23 million). These corporate guarantees expire in 2026.

Buyback guarantees relate to Ahold Delhaize's commitment to repurchase stores or inventory from certain franchisees at predetermined prices. The buyback guarantees reflect the maximum committed repurchase value under the guarantees. From the outstanding buyback guarantees of €18 million, an amount of €6 million expires in 2025 and €12 million expires in 2026.

Indemnifications as part of divestments of Ahold Delhaize's operations

In the relevant sales agreements, Ahold Delhaize has provided customary indemnifications, including for potential breach of representations and warranties, that often include, but are not limited to, completeness of books and records, title to assets, schedule of material contracts and arrangements, litigation, permits, labor matters, and employee benefits and taxes. These representations and warranties will generally terminate, depending on their specific features, a number of years after the date of the relevant transaction completion date.

The most significant divestment of operations is, to the extent not already covered in the guarantee section above, described below. In addition, specific, limited indemnifications exist for a number of Ahold Delhaize's smaller divestments, such as FreshDirect in 2023. The aggregate impact of claims, if any, under such indemnification provisions is not expected to be material.

Disco divestment

As part of the divestment of Disco S.A. ("Disco") in 2004, Ahold Delhaize is required to indemnify Disco and its buyers for the outcome of the Uruguayan litigation described in the *Legal proceedings* section of this Note. Ahold Delhaize's indemnification obligation relating to this litigation is not capped at a certain amount or restricted to a certain time period.

34 Commitments and contingencies continued

Taxes

Ahold Delhaize operates in a number of countries and is subject to several direct and indirect taxes, including corporate income tax, value-added tax, sales and use tax, and wage tax. Its income is subject to direct and indirect tax in differing jurisdictions where those taxes are levied on a tax base differing per tax law, jurisdiction and at differing tax rates. Significant judgment is required in determining the direct and indirect tax position. We seek to organize our affairs in a sustainable manner, taking into account the applicable regulations of the jurisdictions in which we operate.

As a result of Ahold Delhaize's multi-jurisdictional operations, it is exposed to a number of different tax risks including, but not limited to, changes in tax laws or interpretations of such tax laws. The authorities in the jurisdictions where Ahold Delhaize operates may review the Company's direct and indirect tax returns and may disagree with the positions taken in those returns. While the ultimate outcome of such reviews is not certain, Ahold Delhaize has considered the merits of its filing positions in its overall evaluation of potential tax liabilities for both direct and indirect taxes and believes it has adequate liabilities recorded in its consolidated financial statements for exposures on these matters. Based on its evaluation of the potential tax liabilities and the merits of Ahold Delhaize's filing positions, it is unlikely that potential tax exposures over and above the amounts currently recorded as liabilities in its consolidated financial statements will be material to its financial condition or future results of operations.

Legal proceedings

Ahold Delhaize and certain of its former or current subsidiaries are involved in a number of legal proceedings, which include litigation as a result of divestments, tax and employment, as well as other litigation and inquiries. The legal proceedings discussed below, whether pending, threatened or unasserted, if decided adversely or settled, may result in liability material to Ahold Delhaize's financial condition, results of operations or cash flows. Ahold Delhaize may enter into discussions regarding the settlement of these and other proceedings, and may enter into settlement agreements, if it believes settlement is in the best interest of Ahold Delhaize's shareholders. In accordance with IAS 37 "Provisions, Contingent Liabilities, and Contingent Assets," Ahold Delhaize has recognized provisions with respect to these proceedings, where appropriate, which are reflected on its balance sheet.

Albert Heijn franchising

In 2014, the Vereniging Albert Heijn Franchisenemers (an association of Albert Heijn franchisees or "VAHFR") asserted claims against Albert Heijn Franchising B.V. (an Ahold Delhaize subsidiary or "AHF") for the years 2008 through 2012, the alleged value of which exceeds €200 million in aggregate. On December 24, 2014, proceedings were initiated with respect to these discussions. On November 16, 2016, the District Court in Haarlem issued a judgment rejecting all claims of the VAHFR and the claimants. On February 13, 2017, VAHFR and 240 individual claimants filed an appeal against the judgment and, in September 2017, they asserted unquantified claims for the years 2008-2016.

On July 23, 2019, the Court of Appeal issued a judgment rejecting, except for one, all the claims of VAHFR and the claimants. On October 23, 2019, the VAHFR and the claimants filed an appeal in cassation to the Supreme Court. On June 18, 2021, the Supreme Court ruled to quash the ruling of the Court of Appeal in Amsterdam and referred the matter to the Court of Appeal in The Hague. The proceedings will continue after the VAHFR brings the matter before the court in The Hague. This ruling does not change our assessment of the merits of the case and AHF and its affiliates will continue to vigorously defend their interest in the legal proceedings.

Uruguayan litigation

Ahold Delhaize, together with Disco and Disco Ahold International Holdings N.V. ("DAIH"), is party to one lawsuit in Uruguay related to Ahold Delhaize's 2002 acquisition of Velox Retail Holdings' shares in the capital of DAIH. The two other related lawsuits in Uruguay were decided in favor of Ahold Delhaize without any further right to appeal of the plaintiffs in 2013. The damages alleged by the plaintiffs, alleged creditors of certain Uruguayan and other banks, amount to approximately $62 million (€59 million) plus interest and costs. As part of the divestment of Disco to Cencosud in 2004, Ahold Delhaize indemnified Cencosud and Disco against the outcome of these legal proceedings. The one remaining lawsuit is ongoing. Ahold Delhaize continues to believe that the plaintiffs' claims are without merit and will continue to vigorously oppose such claims.

National prescription opiate litigation

Several U.S. brands and subsidiaries of Ahold Delhaize have been sued in a number of lawsuits included in In re: National Prescription Opiate Litigation (MDL No. 2804), a multi-district litigation (MDL) matter pending in the United States District Court in the Northern District of Ohio. The MDL contains thousands of cases filed against hundreds of defendants by counties, cities, hospitals and others concerning the impact of opioid abuse. Several U.S. brands and subsidiaries of Ahold Delhaize also have been sued in a number of lawsuits pending in courts in New York, which are not part of the MDL. The MDL and New York suits name Ahold Delhaize as a defendant, as well as various subsidiaries, including American Sales Company LLC, which ceased operations prior to being named as a defendant in any MDL-related case. Although the MDL matters in which Ahold Delhaize or its subsidiaries have been named have been stayed by the court and, therefore, are not being actively litigated at this time, the court has requested status reports in many stayed cases (including those in which Ahold Delhaize and its subsidiaries have been named). The New York matters in which Ahold Delhaize or its subsidiaries have been named are also currently stayed. Ahold Delhaize and its subsidiaries continue to believe there are strong factual and legal defenses to the plaintiffs' claims. Ahold Delhaize is not currently able to predict the outcome of these claims.

Pharmacy regulatory investigation

The Ahold Delhaize USA brands are responding to a civil investigative demand (CID) from the U.S. Department of Justice (DOJ), working together with several state attorneys general, concerning a False Claims Act investigation relating to pharmacy prescription discount programs. The brands are cooperating with this investigation and communicating with the DOJ regarding the CID. As part of its cooperation, Ahold Delhaize has provided factual information, produced documents and responded to certain interrogatories. Ahold Delhaize has also raised legal arguments challenging a significant portion of the DOJ's investigation. Ahold Delhaize is not currently able to predict the timing or outcome of the investigation.

34 Commitments and contingencies continued

Other legal proceedings

In addition to the legal proceedings described previously in this Note, Ahold Delhaize and its former or current subsidiaries are parties to a number of other legal proceedings arising out of their business operations. Ahold Delhaize believes that the ultimate resolution of these other proceedings will not, in the aggregate, have a material adverse effect on Ahold Delhaize's financial position, results of operations or cash flows. Such other legal proceedings, however, are subject to inherent uncertainties and the outcome of individual matters is unpredictable. It is possible that Ahold Delhaize could be required to make expenditures, in excess of established provisions, in amounts that cannot reasonably be estimated.

Accounting estimates and judgments

For accounting estimates and judgments relating to income taxes, see *Note 10*, and for provisions and contingencies, see *Note 25*.

35 List of subsidiaries, joint ventures and associates

The following are significant subsidiaries, joint ventures and associates directly or indirectly owned by Ahold Delhaize as of December 29, 2024. Subsidiaries, joint ventures and associates not important to providing an insight into the Group as required under Dutch law are omitted from this list.

Significant subsidiaries (consolidated)		Ownership %
Retail trade Europe		
The Netherlands		
Albert Heijn B.V.*	Zaandam	100%
Albert Heijn Franchising B.V.*	Zaandam	100%
Gall & Gall B.V.*	Zaandam	100%
Etos B.V.*	Zaandam	100%
bol.com B.V.*	Utrecht	100%
Belgium		
Delhaize Le Lion / De Leeuw NV	Asse	100%
Albert Heijn België NV / SA	Antwerp	100%
Greece		
"Alfa-Beta" Vassilopoulos Single Member S.A.	Athens	100%
Serbia		
Delhaize Serbia d.o.o. Beograd	Belgrade	100%
Romania		
Mega Image SRL	Bucharest	100%
Czech Republic		
Albert Česká republika, s.r.o.	Prague	100%
Grand-Duchy of Luxembourg		
Delhaize Luxembourg S.A.	Pommerloch	100%

Significant subsidiaries (consolidated)			Ownership %
Retail trade United States			
United States			
The Stop & Shop Supermarket Company LLC	Quincy	Massachusetts	100%
Food Lion LLC	Salisbury	North Carolina	100%
The GIANT Company LLC	Carlisle	Pennsylvania	100%
Giant of Maryland LLC	Landover	Maryland	100%
Hannaford Bros. Co., LLC	Scarborough	Maine	100%
Other			
The Netherlands			
Ahold Delhaize Coffee Company B.V.*	Zaandam		100%
Ahold Europe Real Estate & Construction B.V.*	Zaandam		100%
Ahold Finance U.S.A., LLC*	Zaandam		100%

Significant subsidiaries (consolidated)			Ownership %
Ahold Delhaize Nederland B.V.*	Zaandam		100%
bol.com holding N.V.*	Utrecht		100%
Delhaize "The Lion" Nederland B.V.*	Zaandam		100%
United States			
ADUSA Commercial Holdings, Inc.	Salisbury	North Carolina	100%
ADUSA Distribution, LLC.	Salisbury	North Carolina	100%
ADUSA Supply Chain Services, LLC	Salisbury	North Carolina	100%
Ahold Delhaize USA Services, LLC	Salisbury	North Carolina	100%
Ahold Delhaize USA, Inc.	Quincy	Massachusetts	100%
Ahold Information Services, Inc.	Greenville	South Carolina	100%
Ahold Lease U.S.A., Inc.	Quincy	Massachusetts	100%
Ahold U.S.A., Inc.	Quincy	Massachusetts	100%
Delhaize America, LLC	Salisbury	North Carolina	100%
Delhaize US Holding, Inc.	Salisbury	North Carolina	100%
Guiding Stars Licensing Company, LLC	Scarborough	Maine	100%
MAC Risk Management, Inc.	Quincy	Massachusetts	100%
The MollyAnna Company	Williston	Vermont	100%
Switzerland			
Ahold Delhaize Finance Company N.V.	Geneva		100%
Ahold Delhaize International Sàrl	Geneva		100%
Ahold Delhaize Licensing Sàrl	Geneva		100%
Readel S.A.	Geneva		100%

Significant joint ventures and associates (unconsolidated)			Ownership %
JMR – Gestão de Empresas de Retalho, SGPS, S.A.	Lisbon	Portugal	49%
P.T. Lion Super Indo	Jakarta	Indonesia	51%

35 List of subsidiaries, joint ventures and associates continued

With respect to the separate financial statements of the Dutch legal entities included in the consolidation, substantially all subsidiaries availed themselves of the exemption laid down in section 403, subsection 1 of Book 2 of the Dutch Civil Code. Pursuant to section 403, Ahold Delhaize has assumed joint and several liability for the debts arising out of the legal acts of these subsidiaries. The determination of which Dutch subsidiaries of Ahold Delhaize, whether significant in the context of this Note or not, make use of the 403 exemption follows from the Dutch trade register. Each of these subsidiaries has filed Ahold Delhaize's 403 declaration with the Dutch trade register. The above significant subsidiaries that make use of the 403 exemption are marked by *.

36 Subsequent events

Acquisition of Profi

On December 4, 2024, Ahold Delhaize announced that the Romanian regulatory authorities had approved the acquisition of 100% of Romanian grocery retailer Profi Rom Food SRL (Profi) from MidEuropa. The acquisition doubles Ahold Delhaize's retail footprint in Romania, which currently operates nearly 1,000 stores under the Mega Image brand. The combination will complement and expand Ahold Delhaize's existing Romanian footprint to better serve both urban and rural areas. The strong format fit and complementary customer propositions between the Profi and Mega Image brands will allow them to better serve the Romanian consumer, driving both sales growth and profitability. The acquisition was completed on January 3, 2025.

On a provisional basis, the allocation of the fair values of the identifiable assets acquired, liabilities assumed, and the goodwill arising from the acquisition of Profi is as follows:

€ million	Provisional amount
Property, plant and equipment	460
Right-of-use assets	458
Intangible assets	281
Assets held for sale	49
Cash and cash equivalents	42
Other non-current financial liabilities	(380)
Other current financial liabilities	(80)
Deferred tax liability	(71)
Other assets and liabilities – net	(191)
Net identifiable assets acquired	**569**
Goodwill	628
Total estimated purchase consideration	**1,197**

The estimated purchase consideration is derived from the estimated closing accounts. The actual purchase price will be determined using the actual accounts after finalizing these with the seller.

The goodwill is attributable to the synergies expected from the combination of the operations and the ability to strengthen our presence in both urban and rural areas. The goodwill from the acquisition of Profi is not deductible for tax purposes.

Announced acquisition of Delfood

On January 13, 2025, Ahold Delhaize announced that its local Belgian brand Delhaize has reached an agreement with the louis delhaize Group to acquire all shares in Delfood NV. This intended acquisition concerns all of louis delhaize's points of sale as well as those supplied by Delfood, logistics services and headquarters in Belgium. Delhaize intends to expand its position in the Belgian retail market, particularly in the convenience segment. With this acquisition, the brand will strengthen its network of existing Delhaize stores. The transaction is subject to the approval of the Belgian Competition Authority (BCA) and is expected to close by the end of 2025.

parent company financial statements and notes

Parent company financial statements
Income statement

€ million	Note	52 weeks ended December 29, 2024	52 weeks ended December 31, 2023
Intercompany head office and other recharges		**60**	59
General and administrative expenses		**(261)**	(56)
Total operating expenses	2	**(261)**	(56)
Operating income (loss)		**(201)**	3
Interest expense		**(126)**	(94)
Other financial income (expense)		**(53)**	(64)
Net financial expenses		**(179)**	(158)
Loss before income taxes		**(380)**	(155)
Income taxes	5	**93**	49
Income from subsidiaries and investments in joint ventures after income taxes	7	**2,051**	1,981
Net income		**1,764**	1,874

The accompanying notes are an integral part of these parent company financial statements.

Parent company financial statements
Balance sheet

Before appropriation of current year result

€ million	Note	December 29, 2024	December 31, 2023
Assets			
Intangible assets	6	—	82
Deferred tax assets	5	23	13
Financial assets	7	23,269	23,050
Total non-current assets		23,293	23,145
Receivables	8	37	28
Prepaid expenses		1	45
Other current financial assets	14	50	—
Cash and cash equivalents		1,319	416
Total current assets		1,407	489
Total assets		24,700	23,634
Liabilities and shareholders' equity			
Issued and paid-in share capital		9	10
Additional paid-in capital		7,516	8,413
Currency translation reserve		866	173
Cash flow hedging reserve		(4)	(9)
Reserve participations		1,261	486
Accumulated deficit		4,042	3,808
Net income		1,764	1,874
Shareholders' equity	9	15,454	14,755
Provisions	10	1	1
Loans	11	7,072	6,053
Non-current liabilities	13	116	11
Total non-current liabilities		7,188	6,064
Current liabilities	12	2,057	2,814
Total liabilities and shareholders' equity		24,700	23,634

The accompanying notes are an integral part of these parent company financial statements.

Notes to the parent company financial statements

1 Significant accounting policies

Basis of preparation

Ahold Delhaize's parent company financial statements have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. In accordance with subsection 8 of section 362, Book 2 of the Dutch Civil Code, the recognition and measurement principles applied in these parent company financial statements are the same as those applied in the consolidated financial statements (see accounting policies relating to financial statement captions included in the relevant notes to the consolidated financial statements and *Note 3* to the consolidated financial statements).

Investments in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are measured at net asset value (equity method of accounting). Net asset value is based on the measurement of assets (including goodwill), provisions and liabilities, and determination of profit, as described in *Note 15* to the consolidated financial statements for investments in joint arrangements and associates. Goodwill is subsumed in the carrying amount of the net asset value if an investment in a subsidiary is acquired through the Company's intermediate subsidiary.

2 Expenses by nature

The operating expenses are specified by nature as follows:

€ million	2024	2023
Labor costs	**(228)**	(25)
Other operational expenses	**(27)**	(17)
Depreciation and amortization	**(6)**	(15)
Total expenses by nature	**(261)**	(56)

Labor costs consists of employee expenses of €223 million (2023: €15 million), other related employee costs of €1 million (2023: €3 million) and other contracted personnel expenses of €4 million (2023: €6 million).

In 2024, the labor costs included a pension settlement loss in the amount of €205 million. For more information on the settlement of the Dutch pension plan; see *Note 24* to the consolidated financial statements.

3 Employees

The average number of employees of Koninklijke Ahold Delhaize N.V. in full-time equivalents during 2024 was six (2023: six), of whom none were employed outside of the Netherlands. One Management Board member serves as board member outside of the Netherlands through an assignment agreement, but is not employed by Koninklijke Ahold Delhaize N.V.

The current number of employees of Koninklijke Ahold Delhaize N.V. consists primarily of members of the Executive Committee, including the Management Board. Salaries, social security charges and pension expenses amounted to €18 million, €0.4 million and €205 million, respectively, for 2024 (2023: expenses of €15 million, €2.0 million and €0.2 million, respectively).

For information on the parent company's defined benefit pension plan, the remuneration of the Management Board and the Supervisory Board and the parent company's share-based compensation plans, see *Note 24*, *Note 31* and *Note 32*, respectively, to the consolidated financial statements.

The net pension expense is calculated on the basis of the parent company's active employees only. Koninklijke Ahold Delhaize N.V. entered into the pension settlement agreement on behalf of all entities falling under the Dutch pension plan, see *Note 24* to the consolidated financial statements.

4 Auditor fees

Expenses for services provided by the parent company's independent auditor, KPMG Accountants N.V. (KPMG), and its member firms and affiliates to Ahold Delhaize and its subsidiaries in 2024 and in 2023, respectively, are specified as follows:

2024

€ thousand	KPMG	Member firms/affiliates	Total 2024
Audit fees	**3,697**	**4,103**	**7,800**
Audit-related fees	**1,133**	**125**	**1,258**
Tax advisory fees	**—**	**—**	**—**
Total	**4,830**	**4,228**	**9,058**

2023

€ thousand	KPMG	Member firms/affiliates	Total 2023
Audit fees	3,392	4,305	7,697
Audit-related fees	858	123	981
Tax advisory fees	—	—	—
Total	4,250	4,428	8,678

The audit fees listed above relate to the procedures applied to the Company and its consolidated group entities by accounting firms and external independent auditors as referred to in section 1, subsection 1 of the Audit Firms Supervision Act ("Wet toezicht accountantsorganisaties – Wta"), as well as by Dutch and foreign-based accounting firms, including their tax services and advisory groups. These audit fees relate to the audit of the financial statements, regardless of whether the work was performed during the financial year.

4 Auditor fees continued

Audit fees relate primarily to the audit of the consolidated financial statements, as included in *Financial statements* as set out in this Annual Report; certain procedures on our quarterly results; and services related to the statutory and regulatory filings of our subsidiaries. Other audit-related fees relate mainly to assurance services on sustainability statements and other assurance services.

5 Income taxes

The following table specifies the current and deferred tax components of income taxes in the income statement:

€ million	2024	2023
Current income taxes – the Netherlands	81	50
Deferred income taxes – the Netherlands	12	(1)
Total income taxes	**93**	49

Effective income tax rate

The following table reconciles the statutory income tax rate with the effective income tax rate in the income statement:

	2024	
	€ million	Tax rate
Loss before income taxes	(380)	
Income tax benefit at statutory tax rate	98	25.8%
Adjustments to arrive at effective income tax rate:		
Reserves, (non-)deductibles and discrete items	(6)	(1.5)%
Total income taxes (expense) benefit	**93**	**24.3%**

	2023	
	€ million	Tax rate
Loss before income taxes	(155)	
Income tax benefit at statutory tax rate	40	25.8%
Adjustments to arrive at effective income tax rate:		
Reserves, (non-)deductibles and discrete items	9	5.5%
Total income taxes (expense) benefit	49	31.3%

Deferred income tax

The significant components and annual movements of deferred income tax assets and liabilities as of December 29, 2024, and December 31, 2023, are as follows:

€ million	January 1, 2023	Recognized in income statement	Other	December 31, 2023	Recognized in income statement	Other	December 29, 2024
Derivatives and loans	11	(1)	3	13	12	(2)	23
Blended rate deferred tax fiscal unity	—	—	—	—	—	—	—
Total gross deductible temporary differences	11	(1)	3	13	12	(2)	23
Tax losses and tax credits	—	—	—	—	—	—	—
Total net deferred tax asset position	11	(1)	3	13	**12**	**(2)**	**23**
Total deferred tax liabilities	—	—	—	—	—	—	—
Net deferred tax assets	11	(1)	3	13	**12**	**(2)**	**23**

Income taxes in equity and comprehensive income

Current and deferred income taxes recognized in and transferred from equity and comprehensive income are as follows:

€ million	2024	2023
Share buyback	—	—
Derivatives and loans	(2)	3
Total	**(2)**	**2**

6 Intangible assets

€ million	Intangible assets
As of December 31, 2023	
At cost	148
Accumulated amortization and impairment losses	(66)
Carrying amount	**82**
Year ended December 29, 2024	
Additions	—
Intercompany transfers	(76)
Amortization	(6)
Closing carrying amount	**—**
As of December 29, 2024	
At cost	—
Accumulated amortization and impairment losses	—
Carrying amount	**—**

The intangible assets mainly included software and software under development, which were transferred to another company within the Group in 2024.

7 Financial assets

€ million	December 29, 2024	December 31, 2023
Investments in subsidiaries, joint ventures and associates	**22,194**	22,010
Loans receivable from subsidiaries	**1,059**	1,015
Other derivatives (see *Note 14*)	**16**	25
Total financial assets	**23,269**	23,050

Investments in subsidiaries, joint ventures and associates

€ million	2024	2023
Beginning of year	**22,010**	22,399
Share in income	**2,051**	1,981
Dividends	**(2,952)**	(1,880)
Intercompany transfers	**166**	62
Share of other comprehensive income (loss) and other changes in equity	**226**	(129)
Exchange rate differences	**693**	(424)
End of year	**22,194**	22,010

For a list of subsidiaries, joint ventures and associates, see *Note 35* to the consolidated financial statements.

Loans receivable from subsidiaries

€ million	2024	2023
Beginning of year	**1,015**	682
Intercompany transfers	**44**	333
End of year	**1,059**	1,015
Current portion	**—**	—
Non-current portion of loans	**1,059**	1,015

8 Receivables

€ million	December 29, 2024	December 31, 2023
Receivables from subsidiaries	**11**	21
Receivables from joint ventures	**—**	—
Income tax receivable	**24**	5
Other receivables	**2**	2
Total receivables	**37**	28

The current receivables are receivables that mature within one year.

9 Shareholders' equity

The shareholders' equity in the parent company financial statements equals the equity attributable to common shareholders presented in the consolidated financial statements, except that legal reserve participations and accumulated earnings (deficit) are presented separately.

The currency translation reserve, cash flow hedging reserve and reserve participations are legal reserves that are required by Dutch law. The reserve participations include the increases in net asset value of joint ventures and associates since their first inclusion, less any amounts that can be distributed without legal or other restrictions. Other reserves include the remeasurements of defined benefit plans. Until December 31, 2023, the restricted equity under the Swiss solvency test (€78 million as of December 31, 2023) was also included in other reserves. These costs represent a legal reserve. As of December 29, 2024, the restricted equity under the Swiss solvency test in the amount of €281 million is included in the reserve participations.

The movements in equity can be specified as follows:

€ million	Share capital	Additional paid-in capital	Legal reserves: Currency translation reserve	Legal reserves: Cash flow hedging reserve	Legal reserves: Reserve participations	Other reserves including retained earnings	Equity attributable to common shareholders
Balance as of January 1, 2023	**10**	**9,603**	**595**	**(1)**	**454**	**4,744**	**15,405**
Net income attributable to common shareholders	—	—	—	—	—	1,874	1,874
Other comprehensive income (loss) attributable to common shareholders	—	—	(422)	(8)	—	(109)	(539)
Total comprehensive income (loss) attributable to common shareholders	—	—	(422)	(8)	—	1,765	1,335
Dividends	—	—	—	—	—	(1,044)	(1,044)
Share buyback	—	—	—	—	—	(999)	(999)
Cancellation of treasury shares	—	(1,189)	—	—	—	1,190	—
Share-based payments	—	—	—	—	—	57	57
Other changes in reserves	—	—	—	—	31	(31)	—
Balance as of December 31, 2023	**10**	**8,413**	**173**	**(9)**	**486**	**5,682**	**14,755**
Net income attributable to common shareholders	**—**	**—**	**—**	**—**	**—**	**1,764**	**1,764**
Other comprehensive income (loss) attributable to common shareholders	**—**	**—**	**693**	**5**	**—**	**230**	**927**
Total comprehensive income (loss) attributable to common shareholders	**—**	**—**	**693**	**5**	**—**	**1,993**	**2,691**
Dividends	**—**	**—**	**—**	**—**	**—**	**(1,037)**	**(1,037)**
Share buyback	**—**	**—**	**—**	**—**	**—**	**(1,000)**	**(1,000)**
Cancellation of treasury shares	**—**	**(897)**	**—**	**—**	**—**	**898**	**—**
Share-based payments	**—**	**—**	**—**	**—**	**—**	**45**	**45**
Other changes in reserves	**—**	**—**	**—**	**—**	**308**	**(308)**	**—**
Balance as of December 29, 2024	**9**	**7,516**	**866**	**(4)**	**794**	**6,273**	**15,454**

For more information on the dividends on common shares, see *Note 21* to the consolidated financial statements. The unrestricted reserves are as follows:

€ million	**December 29, 2024**	December 31, 2023
Equity attributable to common shareholders	**15,454**	14,755
Share capital	**(9)**	(10)
Currency translation reserve	**(866)**	(173)
Subsidiaries' restrictions to transfer funds	**(794)**	(564)
Unrestricted reserves	**13,785**	14,009

10 Provisions

€ million	December 29, 2024	December 31, 2023
Provision for participations	—	—
Other provisions	1	1
Total provisions	**1**	1

As of December 29, 2024, nil is expected to be utilized within one year (December 31, 2023: nil).

11 Loans

	December 29, 2024		December 31, 2023	
€ million	Non-current	Current	Non-current	Current
EUR 750 notes 0.875%, due 2024	—	—	—	750
EUR 600 notes 0.250%, due 2025	—	600	600	—
EUR 400 notes 3M Euribor + 30bps, due 2026	400	—	—	—
EUR 500 notes 1.125%, due 2026	500	—	500	—
EUR 500 notes 1.75%, due 2027	500	—	500	—
EUR 500 notes 3.5%, due 2028	500	—	500	—
EUR 600 notes 0.375%, due 2030	600	—	600	—
EUR 500 notes 3.375%, due 2031	500	—	—	—
EUR 700 notes 3.875%, due 2036	700	—	—	—
USD 470 notes 5.70%, due 2040	523	3	498	3
Long-term loans from subsidiaries	2,864	—	2,864	438
Other loans	—	—	—	—
Deferred financing costs	(16)	(6)	(9)	(7)
Total loans	**7,072**	**598**	6,053	1,184

For more information on the external loans, see *Note 22* to the consolidated financial statements. The interest and maturity dates for the long-term loans from subsidiaries are as follows:

	December 29, 2024		December 31, 2023	
€ million	Non-current	Current	Non-current	Current
Loan 0.4680%, due 2024	—	—	—	438
Loan 0.5010%, due 2026	391	—	391	—
Loan 2.898%, due 2027	125	—	125	—
Loan 2.208%, due 2027	171	—	171	—
Loan 0.2811%, due 2028	200	—	200	—
Loan 0.7656%, due 2028	700	—	700	—
Loan 6.875%, due 2029	458	—	458	—
Loan 2.109%, due 2029	300	—	300	—
Loan 3.394%, due 2031	520	—	520	—
Total loans from subsidiaries	2,864	—	2,864	438

12 Current liabilities

€ million	December 29, 2024	December 31, 2023
Short-term borrowings from subsidiaries	1,333	1,487
Loans – current portion	598	1,184
Bank debt and lines of credit	16	—
Income tax payable	—	—
Payables to subsidiaries	19	38
Interest payable	70	36
Other current liabilities	21	69
Total current liabilities	**2,057**	2,814

The current liabilities are liabilities that mature within one year.

13 Non-current liabilities

€ million	December 29, 2024	December 31, 2023
Other long-term financial liabilities	100	—
Deferred income	16	—
Other derivatives intercompany	—	11
Total non-current liabilities	**116**	11

Other long-term financial liabilities include the unpaid balance of the Dutch pension settlement in 2024; see *Note 24* to the consolidated financial statement.

Deferred income includes the day-one fair value of the virtual power purchase agreement entered into in 2024; see *Note 30* to the consolidated financial statement.

14 Derivatives

The parent company regularly enters into derivative contracts with banks to hedge foreign currency and interest exposures of the parent company or its subsidiaries. Derivative contracts that are entered into to hedge exposures of subsidiaries are generally mirrored with intercompany derivative contracts with the subsidiaries that are exposed to the hedged risks on substantially identical terms as the external derivative contracts. In these parent company financial statements, the external derivative contracts and the intercompany derivative contracts are presented separately on the balance sheet. In situations where the external derivative contract qualifies for hedge accounting treatment in the consolidated financial statements, the external derivative contract and the intercompany derivative contract are presented as Hedging derivatives external and Hedging derivatives intercompany, respectively. In situations where the external derivative contract does not qualify for hedge accounting treatment in the consolidated financial statements, the external derivative contract and the intercompany derivative contract are presented as Other derivatives external and Other derivatives intercompany, respectively.

Fair value movements of external derivative contracts that were entered into to hedge the exposures of subsidiaries are recorded directly in income, where they effectively offset the fair value movements of the mirroring intercompany derivatives that are also recorded directly in income. Details of these derivative contracts, other financial instruments and the parent company's risk management strategies are included in *Note 30* to the consolidated financial statements and in the tables presented below.

Non-current derivatives – assets

€ million	2024	2023
Beginning of year	25	38
Fair value changes	(9)	(13)
End of year	**16**	25

Current derivatives – assets

€ million	2024	2023
Beginning of year	—	—
Fair value changes	50	—
End of year	**50**	—

Non-current derivatives – liabilities

€ million	2024	2023
Beginning of year	11	—
Fair value changes	(11)	11
End of year	**—**	11

Current derivatives – liabilities

There were no current derivative liabilities in 2024 and 2023.

15 Related party transactions

Koninklijke Ahold Delhaize N.V. has entered into arrangements with a number of its subsidiaries and affiliated companies in the course of its business. These arrangements relate to service transactions and financing agreements and were conducted at market prices.

16 Commitments and contingencies

Koninklijke Ahold Delhaize N.V., as the parent company, is party to a cross-guarantee agreement dated May 21, 2007, as amended from time to time, with Delhaize Le Lion/De Leeuw NV, Delhaize US Holding, Inc. and certain of the subsidiaries of Delhaize US Holding, Inc., under which each party guarantees fully and unconditionally, jointly and severally, the financial indebtedness of the other parties to the agreement.

The parent company acts as a guarantor for the outstanding commitment to acquire 100% of Profi Rom Food SRL (Profi), as disclosed in *Note 34* to the consolidated financial statements.

Notes and loans issued by certain subsidiaries are guaranteed by the parent company, as disclosed in *Note 22* to the consolidated financial statements.

The parent company also guarantees certain lease obligations and other obligations of subsidiaries. Guarantees issued by the parent company regarding the financial obligations of third parties and non-consolidated entities, other than under the cross-guarantee mentioned above, amount to €347 million as of December 29, 2024 (December 31, 2023: €466 million).

In addition, the Company has provided a guarantee as of July 30, 2010, for Ahold Finance U.S.A., LLC's outstanding current obligations to third parties.

The parent company has also provided a guarantee as of December 31, 2020, for Giant Food relating to the FELRA and MAP settlement agreement. The parent company guarantees Giant Food's obligation to pay any amounts that are necessary to satisfy the funding commitment solely to the extent Giant fails to satisfy such liabilities when due. The guarantee will be limited to the present value of the PBGC insolvency benefits payable to eligible Giant participants and eligible non-Giant participants under the new single-employer plan as of December 31, 2020.

The parent company has provided customary indemnifications, including for potential breach of representations and warranties made in agreements of asset disposals. Guarantees and legal proceedings are further disclosed in *Note 34* to the consolidated financial statements. Under its financing agreement with Ahold Delhaize Pensioen, Koninklijke Ahold Delhaize N.V. is liable for the pension contributions.

The parent company forms a fiscal unity with Ahold Delhaize's major Dutch subsidiaries for Dutch corporate income tax and Dutch VAT purposes and, for that reason, it is jointly and severally liable for the Dutch corporate income tax liabilities and Dutch VAT liabilities of the whole fiscal unity. Assumptions of liability pursuant to section 403, Book 2 of the Dutch Civil Code are disclosed in *Note 35* to the consolidated financial statements.

17 Distribution of profit

If approved by the General Meeting of Shareholders, a final dividend of €0.67 per common share will be paid on April 24, 2025. This is in addition to the interim dividend of €0.50 per share, which was paid on August 29, 2024. The total dividend payment for the full year 2024 would, therefore, total €1.17 per share (2023: €1.10).

18 Subsequent events

For information regarding subsequent events, see *Note 36* to the consolidated financial statements.

Zaandam, the Netherlands

February 25, 2025

Management Board

Frans Muller

Jolanda Poots-Bijl

JJ Fleeman

Claude Sarrailh

Supervisory Board

Peter Agnefjäll (Chair)

Bill McEwan (Vice Chair)

Robert Jan van de Kraats

Pauline van der Meer Mohr

Helen Weir

Katie Doyle

Laura Miller

Frank van Zanten

Jan Zijderveld

Julia Vander Ploeg