

Quarterly Report

For the Second Quarter and Year-to-Date ended
November 2, 2024

QUARTERLY REPORT TO SHAREHOLDERS

Empire Company Limited (“Empire” or the “Company”) is a Canadian company headquartered in Stellarton, Nova Scotia. Empire’s key businesses are food retailing and related real estate. With approximately \$30.8 billion in annual sales and \$16.9 billion in assets, Empire and its subsidiaries, franchisees and affiliates employ approximately 128,000 people.

The Company operates and reports on two business segments: (i) Food retailing and (ii) Investments and other operations. Empire’s food retailing segment is carried out through its wholly-owned subsidiary, Sobeys Inc. (“Sobeys”), which as of November 2, 2024, owns, affiliates or franchises more than 1,600 stores in all 10 provinces under retail banners that include Sobeys, Safeway, IGA, Foodland, FreshCo, Thrifty Foods, Farm Boy, Longo’s and Lawtons Drugs, and operates grocery e-commerce under banners Voilà, IGA.net and ThriftyFoods.com, and more than 350 retail fuel locations. Investments and other operations segment, which as of November 2, 2024, included: (i) a 41.5% equity accounted interest in Crombie Real Estate Investment Trust (“Crombie REIT”), an Ontario registered, unincorporated, open-ended real estate investment trust. Crombie REIT is one of the country’s leading national retail property landlords with a strategy to own, operate and develop a portfolio of high-quality grocery and drug store anchored shopping centres, freestanding stores and mixed-use developments primarily in Canada’s top urban and suburban markets; and ii) various equity accounted interests in real estate partnerships (collectively referred to as “Genstar”). Genstar is a residential property developer with operations in select markets in Ontario, Western Canada and the United States.

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Copies of this report are available on the Company’s website (www.empireco.ca) or by contacting Investor Relations at (902) 752-8371. A copy has also been filed on SEDAR+.

The Company provided additional details concerning its second quarter results in a conference call held on Thursday, December 12, 2024. Replay of the call is available on the Company’s website (www.empireco.ca).

Forward-Looking Statements

This document contains forward-looking statements which are presented for the purpose of assisting the reader to contextualize the Company’s financial position and understand management’s expectations regarding the Company’s strategic priorities, objectives and plans. These forward-looking statements may not be appropriate for other purposes. Forward-looking statements are identified by words or phrases such as “anticipates”, “expects”, “believes”, “estimates”, “intends”, “could”, “may”, “plans”, “predicts”, “projects”, “will”, “would”, “foresees” and other similar expressions or the negative of these terms.

For additional information and a caution on the use of forward-looking information, see the section in the Management’s Discussion and Analysis (“MD&A”) entitled “Forward-Looking Information”.

LETTER TO SHAREHOLDERS

Empire Reports Fiscal 2025 Second Quarter Results

Second Quarter Summary:

- Earnings per share (“EPS”) and adjusted EPS⁽¹⁾ of \$0.73
- Prior year EPS and adjusted EPS of \$0.72 and \$0.71, respectively
- Same-store sales, excluding fuel, increased by 1.8%

Stellarton, NS – Empire Company Limited (“Empire” or the “Company”) (TSX: EMP.A) today announced its financial results for the second quarter ended November 2, 2024. For the quarter, the Company recorded net earnings of \$173.4 million (\$0.73 per share) compared to \$181.1 million (\$0.72 per share) last year. For the quarter, the Company recorded adjusted net earnings of \$173.4 million (\$0.73 per share) compared to \$178.3 million (\$0.71 per share) last year.

“We delivered another solid quarter, driven by focused execution in all areas of our business and a gradually improving economic and consumer environment,” said Michael Medline, President & CEO, Empire.

(1) Adjusted Metrics include adjusted operating income, adjusted earnings before interest, taxes, depreciation and amortization (“EBITDA”), adjusted net earnings, and adjusted EPS. The Company is excluding from its Adjusted Metrics: costs incurred to plan and implement strategies to optimize the organization and improve efficiencies, and insurance recoveries related to the Cybersecurity Event (as defined under the heading “Adjusted Impacts on Net Earnings”), both of which occurred in the second quarter of fiscal 2024. See “Non-GAAP Financial Measures & Financial Metrics” section of this Quarterly Report.

Sincerely,

(Signed) “*Michael Medline*”

Michael Medline
President and Chief Executive Officer
December 12, 2024



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SECOND QUARTER AND YEAR-TO-DATE ENDED NOVEMBER 2, 2024**

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is Management's Discussion and Analysis ("MD&A") of the consolidated financial results of Empire Company Limited ("Empire" or the "Company") (TSX: EMP.A) and its subsidiaries, including wholly-owned Sobeys Inc. ("Sobeys") for the quarter and year-to-date ended November 2, 2024 compared to the quarter and year-to-date ended November 4, 2023. The MD&A should be read in conjunction with the Company's unaudited Interim Condensed Consolidated Financial Statements and notes thereto for the quarter and year-to-date ended November 2, 2024 and the audited annual Consolidated Financial Statements and the related MD&A for the fiscal year ended May 4, 2024. Additional information about the Company can be found on SEDAR+ at www.sedarplus.ca or on the Company's website at www.empireco.ca.

The unaudited Interim Condensed Consolidated Financial Statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim financial reporting" as issued by the International Accounting Standards Board ("IASB") and are reported in Canadian dollars. The unaudited Interim Condensed Consolidated Financial Statements should be read in conjunction with the Company's Annual Consolidated Financial Statements for the year ended May 4, 2024, which have been prepared in accordance with International Financial Reporting Standards as issued by the IASB ("IFRS Accounting Standards"). The unaudited Interim Condensed Consolidated Financial Statements include the accounts of Empire and its subsidiaries and structured entities which the Company is required to consolidate.

The information contained in this MD&A is current to December 11, 2024 unless otherwise noted. There have been no material changes to disclosures as contained in the "Critical Accounting Estimates", "Contingencies" or "Risk Management" sections of the Company's MD&A for the fiscal year ended May 4, 2024 other than as noted in this MD&A.

FORWARD-LOOKING INFORMATION

This document contains forward-looking statements which are presented for the purpose of assisting the reader to contextualize the Company's financial position and understand management's expectations regarding the Company's strategic priorities, objectives and plans. These forward-looking statements may not be appropriate for other purposes. Forward-looking statements are identified by words or phrases such as "anticipates", "expects", "believes", "estimates", "intends", "could", "may", "plans", "predicts", "projects", "will", "would", "foresees" and other similar expressions or the negative of these terms.

These forward-looking statements include, but are not limited to, the following items:

- The Company's aim to increase total adjusted earnings per share ("EPS") through net earnings growth and share repurchases, as well as its intention to continue improving sales, gross margin (excluding fuel) and adjusted earnings before interest, taxes, depreciation, and amortization ("EBITDA") margin, all of which could be impacted by several factors including a prolonged unfavourable macro-economic environment and unforeseen business challenges, as well as the factors identified in the "Risk Management" section of the fiscal 2024 annual MD&A;
- The Company's plans to further grow and enhance the Own Brands portfolio, which may be impacted by future operating costs and customer response;
- The Company's plan to invest \$700 million capital in its network in fiscal 2025, including new store expansions and renovations and renovate approximately 20% to 25% of the network between fiscal 2024 and fiscal 2026 which could be impacted by cost of materials, availability of contractors, operating results, and other macro-economic impacts;
- The Company's expectation that it will meet targeted growth of FreshCo, which may be impacted by customer response, availability of contractors, operating results, and other macro-economic impacts;
- The Company's expectation that it will continue its e-commerce expansion with Voilà and that actions are expected to have a significant, positive impact on Voilà's profitability in fiscal 2025 and 2026 and its ability to gain access to a larger segment of the grocery e-commerce market, which may be impacted by future operating and capital costs, customer response and the performance of its technology provider, Ocado Group plc ("Ocado");

- The Company's expectation that the *Scene+* program will accelerate engagement by focusing on scaling personalization, which may be impacted by customer response, *Scene+* app usage and the pace at which personalized offers are rolled out;
- The Company's expectation that it will continue to focus on driving efficiency and cost effectiveness initiatives including the ability to successfully pursue other e-commerce cost saving initiatives which could be impacted by supplier relationships, labour relations, successfully implementing operational efficiencies and other macro-economic impacts;
- The Company's expectation that Other income plus Share of earnings from investments, at equity will in aggregate, be in a range of \$135 million to \$155 million in fiscal 2025, which assumes completion of pending real estate transactions by the Company and Share of earnings from investments, at equity being consistent with historical values adjusted for significant transactions and may be impacted by the timing and terms of completion of real estate-related transactions and actual results from Crombie Real Estate Investment Trust ("Crombie REIT") and Real estate partnerships;
- The Company's expectations regarding the amount and timing of costs relating to the completion of the future Customer Fulfilment Centre ("CFC"), which may be impacted by supply of materials and equipment, construction schedules and capacity of construction contractors;
- The Company's expectation of the impacts of cost inflationary pressures, which may be impacted by supplier relationships and negotiations and the macro-economic environment;
- The Company's expectation of contributions to its registered defined benefit plans, which could be impacted by fluctuations in capital markets;
- The Company's expectation that its cash and cash equivalents on hand, together with unutilized aggregate credit facilities and cash generated from operating activities will enable the Company to fund future capital investments, pension plan contributions, working capital, current funded debt obligations and ongoing business requirements, and its belief that it has sufficient funding in place to meet these requirements and other short and long-term obligations, all of which could be impacted by changes in the macro-economic environment and operating results; and
- The Company's plans to purchase for cancellation Non-Voting Class A shares ("Class A shares") under the normal course issuer bid, which may be impacted by market and macro-economic conditions, availability of sellers, changes in laws and regulations, and operating results.

By its nature, forward-looking information requires the Company to make assumptions and is subject to inherent risks, uncertainties and other factors which may cause actual results to differ materially from forward-looking statements made. For more information on risks, uncertainties and assumptions that may impact the Company's forward-looking statements, please refer to the Company's materials filed with the Canadian securities regulatory authorities, including the "Risk Management" section of the fiscal 2024 annual MD&A.

Although the Company believes the predictions, forecasts, expectations or conclusions reflected in the forward-looking information are reasonable, it can provide no assurance that such matters will prove correct. Readers are urged to consider the risks, uncertainties and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such forward-looking information. The forward-looking information in this document reflects the Company's current expectations and is subject to change. The Company does not undertake to update any forward-looking statements that may be made by or on behalf of the Company other than as required by applicable securities laws.

OVERVIEW OF THE BUSINESS

Empire's key businesses and financial results are segmented into two reportable segments: (i) Food retailing; and (ii) Investments and other operations. With approximately \$30.8 billion in annual sales and \$16.9 billion in assets, Empire and its subsidiaries, franchisees and affiliates employ approximately 128,000 people.

Empire's Food retailing segment is carried out through Sobeys, a wholly-owned subsidiary. Proudly Canadian, with headquarters in Stellarton, Nova Scotia, Sobeys has been serving the food shopping needs of Canadians since 1907. Sobeys owns, affiliates or franchises more than 1,600 stores in all 10 provinces under retail banners that include Sobeys, Safeway, IGA, Foodland, FreshCo, Thrifty Foods, Farm Boy, Longo's and Lawtons Drugs, operates grocery e-commerce under the banners Voilà, Voilà par IGA and ThriftyFoods.com, and operates and/or supplies more than 350 retail fuel locations.

Company Priorities

The Company is continuing to enhance data capabilities and deepen the understanding of customers, allowing the Company to effectively capture emerging trends. The Company aims to grow total adjusted EPS over the long-term through net earnings growth and share repurchases. The Company intends to continue improving sales, gross margin (excluding fuel) and adjusted EBITDA margin by focusing on priorities such as:

Continued Focus on Stores:

Over recent years, the Company has accelerated investments in renovations, conversions, and new stores along with store processes, communications, training, technology and tools. Investing in the store network will remain a priority, demonstrated by a sustained emphasis on renovations and continued new store expansion. The Own Brands program enhancement will remain a priority through increased distribution, shelf placement and product innovation.

The Company intends to invest capital in its store network and is on track with its plan to renovate approximately 20% to 25% of the network between fiscal 2024 and fiscal 2026. This capital investment includes important sustainability initiatives such as refrigeration system upgrades and other energy efficiency initiatives.

Enhanced Focus on Digital and Data:

The focus on digital and data will include continued e-commerce expansion, personalization and loyalty through Scene+ (see "Business Updates – E-Commerce" and "Business Updates – Scene+" for more information), improved space productivity and the continued improvement of promotional optimization. Space productivity will further enhance the customer experience by improving store layouts, optimizing category and product adjacencies and tailoring product assortment for each store. The advanced analytics tools built for promotional optimization will continue to be refined through the partnership between the advanced analytics team and category merchants. Enhancing digital and data capabilities will allow the Company to deliver the best personalized experiences to elevate its in-store and e-commerce experience for its customers.

Efficiency and Cost Control:

The Company has significantly improved its efficiency and cost effectiveness through sourcing efficiencies, optimizing supply chain productivity and improving systems and processes. The Company will continue to focus on driving efficiency and cost effectiveness through initiatives related to sourcing of goods not for resale, supply chain productivity and the organizational structure. The Company has implemented several cost savings initiatives in the Voilà business, including pausing the opening of its fourth CFC and ending its mutual exclusivity with Ocado and continues to pursue other cost saving initiatives.

Business Updates

E-Commerce

Voilà, the Company's online delivery business, has three active CFCs located in Toronto, Montreal and Calgary. In the fourth quarter of fiscal 2024, the Company decided to pause the opening of its fourth CFC in Vancouver, British Columbia to focus efforts on driving volume and performance in its three active CFCs. Construction of the external building for the fourth CFC has been substantially completed with the internal work related to the grid build and robot commissioning not yet started. Once e-commerce penetration rates in Canada increase, the Company will be in a position to make a decision quickly on when it will proceed with the opening of its fourth CFC.

The Company has also taken actions to decrease costs and increase its flexibility to serve customers, including ending its mutual exclusivity agreement with Ocado before it was originally estimated to end. This resulted in a non-cash pre-tax charge related to ending the exclusivity of \$11.9 million during the first quarter of fiscal 2025. On October 24, 2024, the Company announced partnerships with Instacart and Uber Eats, providing customers with new ways to shop its stores online. These new partnerships complement Voilà by providing a full suite of delivery options across the Company's banners in Ontario (Sobeys, Farm Boy, Longo's and FreshCo). Subsequently, on December 5, 2024, the Company expanded these partnerships to Western Canada across various banners (Sobeys, FreshCo, IGA West, Thrifty Foods, and Safeway) and also to Foodland in Ontario, with additional rollouts across the rest of Canada to follow.

The actions that the Company is taking as outlined above are expected to have a significant, positive impact on Voilà's profitability in fiscal 2025 and 2026. Voilà's future earnings will primarily be impacted by sales volume, with strong margins, operational efficiencies and cost discipline serving as important drivers to manage financial performance. While the market penetration of Voilà continues to be strong, the size and growth of the Canadian grocery e-commerce market is smaller than anticipated, resulting in higher net earnings dilution than originally estimated.

In the quarter ended November 2, 2024, the Company's e-commerce platforms Voilà (including curbside pickup), IGA.net, ThriftyFoods.com and the new partnerships with Instacart and Uber Eats, generated a combined sales increase of 12.2% compared to the same quarter in the prior year. The increase is primarily driven by the continued sales momentum of Voilà.

Scene+

Along with Scotiabank and Cineplex, Empire is a co-owner of Scene+, one of Canada's leading loyalty programs. Scene+ has been rewarding customers in almost all of the Company's banners since launching in fiscal 2023. In that time, Scene+ has grown from 10 million to over 15 million members, while offering a breadth of rewards categories to its members, providing a strategic marketing and promotional tool for the Company.

The Company's key priority with Scene+ is to accelerate program engagement by focusing on personalization. By using machine learning and artificial intelligence algorithms, personalization recommendations will be improved, delivering the right message to the right customer at the right time, through the right channels.

FreshCo

Since fiscal 2018, the Company has been expanding its FreshCo discount format to Western Canada and its significant growth has been driven by store conversions and regional expansion. The value proposition and strong multicultural assortment, along with the addition of the Scene+ loyalty program, has supported the growth and expansion of the discount format. As at December 11, 2024, FreshCo has 48 stores operating in Western Canada and the Company expects to achieve its original targeted growth of converting up to 25% of 255 Safeway and Sobeys Full-Service format stores in Western Canada over the next several years.

Sustainable Business Reporting

Environmental, Social and Governance (“ESG”) has deep roots in the Company’s history, and the principles of ESG have been a part of the organization since the Company started over 117 years ago.

The Company published its 2024 Sustainable Business Report in August 2024, highlighting significant advancements in achieving its ESG objectives. This year's report demonstrates continued progress across the three pillars of its ESG framework: People, Planet, and Products. Notable achievements include; reducing greenhouse gas emissions in Scope 1 and 2 by 27% as part of the Company's science-based climate targets, donating over 30 million pounds of surplus food to local charities through partnerships with Second Harvest, raising and donating nearly \$23 million to support health and wellness, and further embedding Diversity, Equity and Inclusion (“DE&I”) initiatives with 91% of Directors and above setting DE&I performance and accountability goals.

In fiscal 2024, the Company also initiated work to establish Scope 3 specific targets for GHG emissions related to the forestry, land and agriculture (FLAG) sector in accordance with science-based target initiatives guidance. Additionally, the newly established Sustainable Business Council continues to play a critical role in overseeing the Company's sustainability initiatives and ensuring the accuracy of carbon emissions reporting for both internal and external stakeholders.

The Company remains focused on several key initiatives as part of its ongoing ESG journey, including expanding carbon reduction projects to meet Scope 1 and 2 climate targets, eliminating avoidable and hard-to-recycle plastics, fostering a fair, equitable, and inclusive environment, and integrating sustainable business mandates within performance management goals. These efforts underscore the Company's commitment to sustainability and its role in driving positive change for its stakeholders, business, and shareholders.

Other Items

Western Canada Fuel Sale

On December 13, 2022, the Company signed a definitive agreement between a wholly-owned subsidiary of Sobeys and Canadian Mobility Services Limited, a wholly-owned subsidiary of Shell Canada, to sell all 56 retail fuel sites in Western Canada for approximately \$100.0 million. Following regulatory review and approval, the sale (“Western Canada Fuel Sale”) was completed in the first quarter of fiscal 2024.

OUTLOOK

Management aims to grow total adjusted EPS over the long-term through net earnings and share purchases. The Company intends to continue improving sales, gross margin (excluding fuel) and adjusted EBITDA margin by focusing on priorities such as; a continued focus on stores (investing in renovations, new store expansion, and Own Brands program enhancement), an expanded focus on digital and data (through key strategic initiatives including Voilà, *Scene+*, personalization, space productivity and promotional optimization), and driving efficiency and cost effectiveness through initiatives related to sourcing of goods not for resale, supply chain productivity and the organizational structure.

For fiscal 2025, capital spend is expected to be approximately \$700 million, with approximately half of this investment allocated to renovations and new store expansion, 25% allocated to IT and business development projects and the remainder allocated to central kitchens, logistics, sustainability and e-commerce. The Company is on track with its plan to renovate approximately 20% to 25% of the network between fiscal 2024 and fiscal 2026.

During fiscal 2025, the Company expects aggregate pre-tax earnings from Other income plus Share of earnings from investments, at equity (both found in the Company's Consolidated Statements of Earnings), to be in the range of \$135 million and \$155 million (2024 - \$140.1 million, excluding the gain of \$90.8 million on the Western Canada Fuel Sale).

In the quarter ended November 2, 2024, the Company's internal food inflation is below the Consumer Price Index for food purchased from stores. The Company is focused on supplier relationships and negotiations to ensure competitive pricing for customers. The Company continues to be well positioned to pursue long-term growth despite the impacts of global economic uncertainties.

SUMMARY RESULTS – SECOND QUARTER

(\$ in millions, except per share amounts)	13 Weeks Ended				26 Weeks Ended			
	Nov. 2, 2024	Nov. 4, 2023	\$ Change	% Change	Nov. 2, 2024	Nov. 4, 2023	\$ Change	% Change
Sales	\$ 7,777.8	\$ 7,751.2	\$ 26.6	0.3%	\$ 15,914.7	\$ 15,826.7	\$ 88.0	0.6%
Gross profit ⁽¹⁾	2,064.0	2,003.5	60.5	3.0%	4,190.3	4,078.0	112.3	2.8%
Operating income	319.1	312.4	6.7	2.1%	688.2	768.9	(80.7)	(10.5)%
Adjusted operating income ⁽²⁾	319.1	308.6	10.5	3.4%	702.3	683.5	18.8	2.8%
EBITDA ⁽¹⁾	600.7	580.4	20.3	3.5%	1,245.7	1,303.4	(57.7)	(4.4)%
Adjusted EBITDA ⁽²⁾	600.7	576.6	24.1	4.2%	1,259.8	1,218.0	41.8	3.4%
Finance costs, net	74.0	69.5	4.5	6.5%	146.7	138.5	8.2	5.9%
Income tax expense	63.2	54.2	9.0	16.6%	131.0	160.9	(29.9)	(18.6)%
Non-controlling interest	8.5	7.6	0.9	11.8%	29.3	27.4	1.9	6.9%
Net earnings ⁽³⁾	173.4	181.1	(7.7)	(4.3)%	381.2	442.1	(60.9)	(13.8)%
Adjusted net earnings ⁽²⁾⁽³⁾	173.4	178.3	(4.9)	(2.7)%	392.1	374.5	17.6	4.7%

Basic earnings per share

Net earnings ⁽³⁾	\$ 0.73	\$ 0.73	\$ 1.59	\$ 1.76
Adjusted net earnings ⁽²⁾⁽³⁾	\$ 0.73	\$ 0.72	\$ 1.63	\$ 1.49
Basic weighted average number of shares outstanding (in millions)	238.5	249.3	240.4	250.6

Diluted earnings per share

Net earnings ⁽³⁾	\$ 0.73	\$ 0.72	\$ 1.58	\$ 1.76
Adjusted net earnings ⁽²⁾⁽³⁾	\$ 0.73	\$ 0.71	\$ 1.63	\$ 1.49
Diluted weighted average number of shares outstanding (in millions)	239.1	249.9	240.9	251.1
Dividend per share	\$ 0.2000	\$ 0.1825	\$ 0.4000	\$ 0.3650

	13 Weeks Ended		26 Weeks Ended	
	Nov. 2, 2024	Nov. 4, 2023	Nov. 2, 2024	Nov. 4, 2023
Gross margin ⁽¹⁾	26.5%	25.8%	26.3%	25.8%
EBITDA margin ⁽¹⁾	7.7%	7.5%	7.8%	8.2%
Adjusted EBITDA margin ⁽²⁾	7.7%	7.4%	7.9%	7.7%
Same-store sales ⁽¹⁾ growth	1.1%	2.2%	0.7%	1.7%
Same-store sales growth, excluding fuel	1.8%	2.0%	1.5%	3.0%
Effective income tax rate	25.8%	22.3%	24.2%	25.5%

(1) See "Non-GAAP Financial Measures & Financial Metrics" section of this MD&A.

(2) See "Non-GAAP Financial Measures & Financial Metrics" section of this MD&A for a description of the types of costs and recoveries included.

(3) Attributable to owners of the Company.

Food Retailing

The following is a review of Empire's Food retailing segment's financial performance for the quarter and year-to-date ended:

(\$ in millions)	13 Weeks Ended				26 Weeks Ended			
	Nov. 2, 2024	Nov. 4, 2023	\$ Change	% Change	Nov. 2, 2024	Nov. 4, 2023	\$ Change	% Change
Sales	\$ 7,777.8	\$ 7,751.2	\$ 26.6	0.3%	\$ 15,914.7	\$ 15,826.7	\$ 88.0	0.6%
Gross profit	2,064.0	2,003.5	60.5	3.0%	4,190.3	4,078.0	112.3	2.8%
Operating income	290.6	301.6	(11.0)	(3.6)%	648.5	750.7	(102.2)	(13.6)%
Adjusted operating income ⁽¹⁾	290.6	297.8	(7.2)	(2.4)%	662.6	665.3	(2.7)	(0.4)%
EBITDA ⁽¹⁾	572.2	569.4	2.8	0.5%	1,206.0	1,284.8	(78.8)	(6.1)%
Adjusted EBITDA ⁽¹⁾	572.2	565.6	6.6	1.2%	1,220.1	1,199.4	20.7	1.7%
Net earnings ⁽²⁾	151.1	174.3	(23.2)	(13.3)%	348.2	445.4	(97.2)	(21.8)%
Adjusted net earnings ⁽¹⁾⁽²⁾	151.1	171.5	(20.4)	(11.9)%	359.1	377.8	(18.7)	(4.9)%

(1) See "Non-GAAP Financial Measures & Financial Metrics" section of this MD&A for a reconciliation of the adjusted metrics presented in this table.

(2) Attributable to owners of the Company.

Empire Company Limited Operating Results

Sales

Sales for the quarter and year-to-date ended November 2, 2024 increased by 0.3% and 0.6%, respectively, primarily driven by positive growth across the business. This increase was offset by lower fuel sales driven by both lower fuel prices and lower volume compared to the prior year and the Western Canada Fuel Sale in the first quarter of fiscal 2024.

Gross Profit

Gross profit for the quarter and year-to-date ended November 2, 2024 increased by 3.0% and 2.8%, respectively, primarily driven by higher sales, strong performance and operational discipline and business expansion (Farm Boy, FreshCo and Voilà).

Gross margin for the quarter ended November 2, 2024 increased to 26.5% from 25.8% in the prior year primarily as a result of disciplined execution and targeted efficiencies in our stores and the mix impact of lower fuel sales.

Gross margin for the year-to-date ended November 2, 2024 increased to 26.3% from 25.8% in the prior year. Gross margin increased primarily as a result of strong execution in Full-Service banners from several targeted initiatives aimed at closely managing shrink and inventory and improving promotional mix, lower distribution costs driven primarily by efficiency initiatives in supply chain and the mix impact of lower fuel sales partially driven by the Western Canada Fuel Sale in the first quarter of fiscal 2024.

Excluding the mix impact of fuel sales, gross margin for the quarter and year-to-date ended November 2, 2024 was 48 basis points and 47 basis points higher than in the prior year, respectively.

Operating Income

(\$ in millions)	13 Weeks Ended			\$	26 Weeks Ended			\$
	Nov. 2, 2024	Nov. 4, 2023	Change		Nov. 2, 2024	Nov. 4, 2023	Change	
Food retailing	\$ 290.6	\$ 301.6	\$ (11.0)	\$	\$ 648.5	\$ 750.7	\$ (102.2)	\$
Investments and other operations:								
Crombie REIT	31.2	12.2	19.0		44.0	21.1	22.9	
Real estate partnerships	1.9	2.8	(0.9)		5.4	3.9	1.5	
Other operations, net of corporate expenses	(4.6)	(4.2)	(0.4)		(9.7)	(6.8)	(2.9)	
	28.5	10.8	17.7		39.7	18.2	21.5	
Operating income	\$ 319.1	\$ 312.4	\$ 6.7	\$	\$ 688.2	\$ 768.9	\$ (80.7)	\$
Adjustments:								
E-commerce Exclusivity ⁽¹⁾	-	-	-		11.9	-	11.9	
Restructuring ⁽¹⁾	-	16.8	(16.8)		2.2	26.5	(24.3)	
Cybersecurity Event ⁽¹⁾	-	(20.6)	20.6		-	(21.1)	21.1	
Western Canada Fuel Sale ⁽¹⁾	-	-	-		-	(90.8)	90.8	
	-	(3.8)	3.8		14.1	(85.4)	99.5	
Adjusted operating income ⁽¹⁾	\$ 319.1	\$ 308.6	\$ 10.5	\$	\$ 702.3	\$ 683.5	\$ 18.8	\$

(1) See "Non-GAAP Financial Measures & Financial Metrics" section of this MD&A for a description of the types of costs and recoveries included.

For the quarter ended November 2, 2024, operating income from the Food retailing segment decreased slightly mainly due to higher selling and administrative expenses in the current year, partially offset by higher sales and gross profit. Selling and administrative expenses increased mainly due to investments in the store network, tools, technology and projects to support our strategic initiatives, including depreciation and amortization, higher retail labour costs driven by wage rate increases and continued investment in business expansion (Farm Boy, FreshCo and Voilà).

For the year-to-date ended November 2, 2024, operating income from the Food retailing segment decreased mainly due to higher selling and administrative expenses and a decrease in other income (driven by the gain from the Western Canada Fuel Sale in the prior year), partially offset by higher sales and gross profit in the current year. Selling and administrative expenses increased mainly due to higher investments in the store network, tools, technology and projects to support our strategic initiatives, including depreciation and amortization, and an increase in compensation expense primarily driven by retail labour costs.

Operating income from the Investments and other operations segment for the quarter and year-to-date ended November 2, 2024 increased primarily as a result of higher equity earnings from Crombie REIT driven by a remeasurement gain on a property in the current year.

EBITDA

(\$ in millions)	13 Weeks Ended			\$	26 Weeks Ended			\$
	Nov. 2, 2024	Nov. 4, 2023	Change		Nov. 2, 2024	Nov. 4, 2023	Change	
EBITDA ⁽¹⁾	\$ 600.7	\$ 580.4	\$ 20.3	\$	\$ 1,245.7	\$ 1,303.4	\$ (57.7)	\$
Adjustments:								
E-commerce Exclusivity ⁽²⁾	-	-	-		11.9	-	11.9	
Restructuring ⁽²⁾	-	16.8	(16.8)		2.2	26.5	(24.3)	
Cybersecurity Event ⁽²⁾	-	(20.6)	20.6		-	(21.1)	21.1	
Western Canada Fuel Sale ⁽²⁾	-	-	-		-	(90.8)	90.8	
	-	(3.8)	3.8		14.1	(85.4)	99.5	
Adjusted EBITDA ⁽²⁾	\$ 600.7	\$ 576.6	\$ 24.1	\$	\$ 1,259.8	\$ 1,218.0	\$ 41.8	\$

(1) See "Non-GAAP Financial Measures & Financial Metrics" section of this MD&A.

(2) See "Non-GAAP Financial Measures & Financial Metrics" section of this MD&A for a description of the types of costs and recoveries included.

For the quarter ended November 2, 2024, EBITDA increased to \$600.7 million from \$580.4 million in the prior year mainly as a result of the same factors affecting operating income (excluding the increase in depreciation and amortization of \$13.6 million). Adjusted EBITDA margin increased to 7.7% from 7.4% in the prior year.

For the year-to-date ended November 2, 2024, EBITDA decreased to \$1,245.7 million from \$1,303.4 million in the prior year mainly as a result of the same factors affecting operating income (excluding the increase in depreciation and amortization of \$23.0 million). Adjusted EBITDA margin increased to 7.9% from 7.7% in the prior year.

Finance Costs

For the quarter and year-to-date ended November 2, 2024, net finance costs increased by 6.5% and 5.9%, respectively as a result of higher interest expense on lease liabilities offset by a decrease in interest expense on other financial liabilities at amortized cost.

Income Taxes

The effective income tax rate for the quarter ended November 2, 2024 was 25.8% compared to 22.3% in the same quarter last year. The effective tax rate was slightly lower than the statutory rate primarily due to non-taxable capital items. The effective tax rate in the same quarter last year was lower than the statutory rate primarily due to non-taxable capital items and the benefits of investment tax credits.

Year-to-date, the effective income tax rate was 24.2%, compared to 25.5% in the prior year. The effective tax rate for the current year is lower than the statutory rate primarily due to non-taxable capital items and the revaluation of tax estimates, not all of which are recurring. For the prior year, the effective tax rate was lower than the statutory rate due to non-taxable capital items, the benefits of investment tax credits and consolidated structured entities which are taxed at lower rates, partially offset by adjustments for book and tax differences.

Net Earnings

(\$ in millions, except per share amounts)	13 Weeks Ended			\$	26 Weeks Ended			\$
	Nov. 2, 2024	Nov. 4, 2023	Change		Nov. 2, 2024	Nov. 4, 2023	Change	
Net earnings ⁽¹⁾	\$ 173.4	\$ 181.1	\$ (7.7)	\$	\$ 381.2	\$ 442.1	\$ (60.9)	\$
EPS (fully diluted)	\$ 0.73	\$ 0.72	\$ 0.01	\$	\$ 1.58	\$ 1.76	\$ (0.18)	\$
Adjustments ⁽²⁾ (net of income taxes):								
E-commerce Exclusivity ⁽³⁾	-	-	-		8.8	-	8.8	
Restructuring ⁽³⁾	-	12.4	(12.4)		2.1	19.5	(17.4)	
Cybersecurity Event ⁽³⁾	-	(15.2)	15.2		-	(15.6)	15.6	
Western Canada Fuel Sale ⁽³⁾	-	-	-		-	(71.5)	71.5	
	-	(2.8)	2.8		10.9	(67.6)	78.5	
Adjusted net earnings ⁽¹⁾⁽³⁾	\$ 173.4	\$ 178.3	\$ (4.9)	\$	\$ 392.1	\$ 374.5	\$ 17.6	\$
Adjusted EPS ⁽¹⁾⁽³⁾ (fully diluted)	\$ 0.73	\$ 0.71	\$ 0.02	\$	\$ 1.63	\$ 1.49	\$ 0.14	\$
Diluted weighted average number of shares outstanding (in millions)	239.1	249.9	(10.8)		240.9	251.1	(10.2)	

(1) Attributable to owners of the Company.

(2) Total adjustments for the quarter and year-to-date are net of income taxes of \$ nil and \$3.8 million (2024 - \$1.0 million and \$17.8 million).

(3) See "Non-GAAP Financial Measures & Financial Metrics" section of this MD&A for a description of the types of costs and recoveries included.

Adjusted Impacts on Net Earnings

The Company has taken actions in its e-commerce business to decrease costs and increase its flexibility to serve customers, including ending its mutual exclusivity agreement with Ocado, slightly before it was originally estimated to end. In the first quarter of fiscal 2025, the Company incurred a non-cash charge related to ending the exclusivity, with an impact to net earnings of (\$8.8) million.

In the first quarter of fiscal 2024, Empire began to pursue strategies to optimize its organization, improve efficiencies and reduce costs including changes to its leadership team and organizational structure and the voluntary buyout of certain unionized employees (the "Restructuring"). The impact to net earnings for the quarter and year-to-date ended November 2, 2024 was \$ nil and (\$2.1) million (November 4, 2023 - (\$12.4) million and (\$19.5) million), respectively.

On November 4, 2022, Empire experienced IT system issues related to a Cybersecurity Event. The Company included in its Adjusted Metrics an adjustment for direct costs such as inventory shrink, hardware and software restoration costs, legal and professional fees, and labour costs, net of insurance recoveries. The impact to net earnings for the quarter and year-to-date ended November 4, 2023 was \$15.2 million and \$15.6 million, respectively.

On July 30, 2023, Empire completed the sale of its Western Fuel Business to Canadian Mobility Services Limited, a wholly-owned subsidiary of Shell Canada. The sale of all 56 retail fuel sites in Western Canada was completed for approximately \$100.0 million, which resulted in a pre-tax gain of \$90.8 million. The impact to net earnings for the year-to-date ended November 4, 2023 was \$71.5 million.

Investments and Other Operations

(\$ in millions)	13 Weeks Ended			\$	26 Weeks Ended			\$
	Nov. 2, 2024	Nov. 4, 2023	Change		Nov. 2, 2024	Nov. 4, 2023	Change	
Crombie REIT	\$ 31.2	\$ 12.2	\$ 19.0	\$	\$ 44.0	\$ 21.1	\$ 22.9	\$
Real estate partnerships	1.9	2.8	(0.9)		5.4	3.9	1.5	
Other operations, net of corporate expenses	(4.6)	(4.2)	(0.4)		(9.7)	(6.8)	(2.9)	
	\$ 28.5	\$ 10.8	\$ 17.7	\$	\$ 39.7	\$ 18.2	\$ 21.5	\$

For the quarter and year-to-date ended November 2, 2024, income from Investments and other operations increased primarily as a result of higher equity earnings from Crombie REIT driven by a remeasurement gain on a property in the current year.

QUARTERLY RESULTS OF OPERATIONS

	Fiscal 2025			Fiscal 2024			Fiscal 2023		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	
(\$ in millions, except	(13 Weeks)	(13 Weeks)	(13 Weeks)	(13 Weeks)	(13 Weeks)	(13 Weeks)	(13 Weeks)	(13 Weeks)	
per share amounts)	Nov. 2, 2024	Aug. 3, 2024	May 4, 2024	Feb. 3, 2024	Nov. 4, 2023	Aug. 5, 2023	May 6, 2023	Feb. 4, 2023	
Sales	\$ 7,777.8	\$ 8,136.9	\$ 7,411.5	\$ 7,494.4	\$ 7,751.2	\$ 8,075.5	\$ 7,408.4	\$ 7,489.3	
Operating income	319.1	369.1	291.3	250.6	312.4	456.5	321.6	232.8	
Adjusted operating income ⁽¹⁾	319.1	371.3	297.7	275.9	308.6	374.9	328.1	285.4	
EBITDA ⁽²⁾	600.7	645.0	556.6	521.5	580.4	723.0	592.3	492.5	
Adjusted EBITDA ⁽¹⁾⁽²⁾	600.7	647.2	563.0	546.8	576.6	641.4	598.8	545.1	
Net earnings ⁽³⁾	173.4	207.8	148.9	134.2	181.1	261.0	182.9	125.7	
Adjusted net earnings ⁽¹⁾⁽³⁾	173.4	209.9	154.0	153.1	178.3	196.2	184.9	164.8	
Per share information, basic									
Net earnings ⁽³⁾	\$ 0.73	\$ 0.86	\$ 0.61	\$ 0.54	\$ 0.73	\$ 1.04	\$ 0.72	\$ 0.49	
Adjusted net earnings ⁽¹⁾⁽³⁾	\$ 0.73	\$ 0.90	\$ 0.63	\$ 0.62	\$ 0.72	\$ 0.78	\$ 0.73	\$ 0.64	
Basic weighted average number of shares outstanding (in millions)	238.5	241.9	243.4	246.3	249.3	251.7	254.9	257.9	
Per share information, diluted									
Net earnings ⁽³⁾	\$ 0.73	\$ 0.86	\$ 0.61	\$ 0.54	\$ 0.72	\$ 1.03	\$ 0.72	\$ 0.49	
Adjusted net earnings ⁽¹⁾⁽³⁾	\$ 0.73	\$ 0.90	\$ 0.63	\$ 0.62	\$ 0.71	\$ 0.78	\$ 0.72	\$ 0.64	
Diluted weighted average number of shares outstanding (in millions)	239.1	242.3	243.7	246.8	249.9	252.2	255.4	258.4	

- (1) See "Non-GAAP Financial Measures & Financial Metrics" section of this MD&A for a reconciliation of the adjusted metrics presented in this table.
- (2) EBITDA is reconciled to net earnings for the current and comparable period in the "Non-GAAP Financial Measures & Financial Metrics" section of this MD&A.
- (3) Attributable to owners of the Company.

Sales during fiscal 2024 and the first quarter of fiscal 2025 were reduced by the Western Canada Fuel sale which occurred in the first quarter of fiscal 2024.

Sales are affected by macro-economic factors impacting food retail prices, including fluctuations in inflation. Results are affected by seasonality, in particular during the summer months and over the holidays when retail sales trend higher and can result in stronger operating results. Sales, operating income, EBITDA and net earnings have all been influenced by the Company's strategic investment activities, the competitive environment, cost management initiatives, food prices and general industry trends, adjusted items, as well as other risk factors as outlined in the "Risk Management" section of the fiscal 2024 annual MD&A.

LIQUIDITY AND CAPITAL RESOURCES

The table below highlights significant cash flow components for the relevant periods. For additional detail, please refer to the Condensed Consolidated Statements of Cash Flows in the Company's unaudited Interim Condensed Consolidated Financial Statements for the quarter ended November 2, 2024.

	13 Weeks Ended		26 Weeks Ended	
(\$ in millions)	Nov. 2, 2024	Nov. 4, 2023	Nov. 2, 2024	Nov. 4, 2023
Cash flows from operating activities	\$ 387.1	\$ 260.8	\$ 903.6	\$ 849.0
Cash flows used in investing activities	(97.1)	(126.5)	(242.6)	(191.0)
Cash flows used in financing activities	(315.2)	(229.0)	(632.9)	(642.6)
(Decrease) increase in cash and cash equivalents	\$ (25.2)	\$ (94.7)	\$ 28.1	\$ 15.4

Operating Activities

Cash flows from operating activities for the quarter ended November 2, 2024 increased versus prior year primarily as a result of favourable working capital changes in the current year. The working capital changes are impacted primarily by changes in accounts payable and accrued liabilities compared to the prior year.

Cash flows from operating activities for the year-to-date ended November 2, 2024 increased versus prior year primarily as a result of favourable working capital changes partially offset by lower net earnings in the current year. The working capital changes are impacted primarily by changes in accounts payable and accrued liabilities compared to the prior year.

Investing Activities

The table below outlines details of investing activities of the Company for the relevant periods:

(\$ in millions)	13 Weeks Ended		26 Weeks Ended	
	Nov. 2, 2024	Nov. 4, 2023	Nov. 2, 2024	Nov. 4, 2023
Increase in equity investments	\$ (13.1)	\$ -	\$ (14.4)	\$ (2.9)
Acquisitions of property, equipment, investment property and intangibles	(144.4)	(155.0)	(367.2)	(329.7)
Proceeds on disposal of assets ⁽¹⁾ and lease modifications and terminations	27.0	15.7	108.9	121.3
Leases and other receivables, net	4.8	(1.5)	6.2	(8.1)
Other assets	10.0	(3.9)	(7.8)	(8.0)
Other liabilities	(2.0)	(4.6)	(0.8)	(5.0)
Business acquisitions	(4.5)	(0.3)	(14.9)	(4.3)
Payments received for finance subleases	24.6	22.7	46.4	45.0
Interest received	0.5	0.4	1.0	0.7
Cash flows used in investing activities	\$ (97.1)	\$ (126.5)	\$ (242.6)	\$ (191.0)

(1) Proceeds on disposal of assets include property, equipment and investment property.

Cash used in investing activities for the quarter ended November 2, 2024 decreased versus prior year primarily due to an increase in proceeds on disposal of assets and other assets partially offset by an increase in equity investments in the current year.

For the year-to-date ended November 2, 2024, cash used in investing activities increased versus prior year primarily due to higher capital investments, lower proceeds on lease modifications and terminations partially offset by an increase in equity investments and leases and other receivables in the current year.

Capital Expenditures

The Company invested \$149.2 million and \$300.8 million in capital expenditures⁽¹⁾ for the quarter and year-to-date ended November 2, 2024 (November 4, 2023 – \$134.6 million and \$258.2 million), respectively including renovations and construction of new stores, investments in advanced analytics technology and other technology systems, FreshCo stores in Western Canada and Voilà CFCs.

In fiscal 2025, capital expenditures are expected to be approximately \$700 million, with approximately 50% of this investment allocated to store renovations and new store expansion, 25% on IT projects and business development projects and the remainder on central kitchens, logistics, sustainability and e-commerce. The Company is on track to renovate approximately 20% to 25% of the network between fiscal 2024 and fiscal 2026.

(1) Capital expenditures are calculated on an accrual basis and includes acquisitions of property, equipment and investment properties, and additions to intangibles.

Store Network Activity and Square Footage

The table below outlines details of investments by Sobeys in its store network:

# of stores	13 Weeks Ended		26 Weeks Ended	
	Nov. 2, 2024	Nov. 4, 2023	Nov. 2, 2024	Nov. 4, 2023
Opened/relocated/acquired ⁽¹⁾	2	3	13	10
Expanded	-	1	-	1
Rebanned/redeveloped	-	1	-	4
Closed ⁽¹⁾⁽²⁾	19	17	26	26
Opened - FreshCo ⁽³⁾	-	2	1	3
Opened - Farm Boy	1	-	2	-
Closed - pending conversion to Farm Boy	-	-	1	-

(1) Total impact excluding the opened Farm Boy and FreshCo sites as part of ongoing expansion.

(2) This number does not include 38 Safeway co-located fuel sites or 17 co-branded convenience fuel locations which were sold in the first quarter of fiscal 2024.

(3) Specific to converted Western Canada FreshCo stores, net of Safeway and Sobeys closures.

The following table shows changes in Sobeys' square footage:

Square feet (in thousands)	13 Weeks Ended	
	Nov. 2, 2024	Nov. 4, 2023
Opened	67	24
Expanded	-	7
Closed - pending conversion	-	(48)
Closed	(205)	(53)
Net change before the impact of the expansion of Farm Boy and FreshCo	(138)	(70)
Opened - FreshCo ⁽¹⁾	-	85
Opened - Farm Boy	30	-
Net change	(108)	15

(1) Specific to converted Western Canada FreshCo stores, net of Safeway and Sobeys closures.

At November 2, 2024, Sobeys' retail space totalled 42.9 million square feet, consistent with the 42.9 million square feet at November 4, 2023. The prior year square footage was increased by 0.8 million to reflect a correction in reporting.

Financing Activities

Cash used in financing activities for the quarter ended November 2, 2024 increased versus prior year mainly due to a decrease in advances on revolving credit facilities, a higher volume of repurchases of Class A shares and a decrease in issuance of long-term debt in the current year.

Year-to-date, cash used in financing activities decreased slightly versus prior year primarily due to an increase in advances on non-revolving credit facilities, offset by a decrease in advances of revolving credit facilities in the current year.

Free Cash Flow

Management uses free cash flow as a measure to assess the amount of cash available for debt repayment, dividend payments and other investing and financing activities.

(\$ in millions)	13 Weeks Ended			\$	26 Weeks Ended			\$
	Nov. 2, 2024	Nov. 4, 2023	Change		Nov. 2, 2024	Nov. 4, 2023	Change	
Cash flows from operating activities	\$ 387.1	\$ 260.8	\$ 126.3	\$	903.6	\$ 849.0	\$ 54.6	
Add: proceeds on disposal of assets ⁽¹⁾ and lease modifications and terminations	27.0	15.7	11.3		108.9	121.3	(12.4)	
Less: interest paid	(15.2)	(15.7)	0.5		(26.7)	(26.7)	-	
payments of lease liabilities, net of received for finance subleases	(178.6)	(167.7)	(10.9)		(356.3)	(336.0)	(20.3)	
acquisitions of property, equipment, investment property and intangibles	(144.4)	(155.0)	10.6		(367.2)	(329.7)	(37.5)	
Free cash flow ⁽²⁾	\$ 75.9	\$ (61.9)	\$ 137.8	\$	262.3	\$ 277.9	\$ (15.6)	

(1) Proceeds on disposal of assets include property, equipment and investment property.

(2) See "Non-GAAP Financial Measures & Financial Metrics" section of this MD&A.

Free cash flow for the quarter ended November 2, 2024 increased versus prior year primarily as a result of an increase in cash flows from operating activities.

For the year-to-date ended November 2, 2024, free cash flow decreased slightly versus prior year primarily as a result of an increase in capital investments, offset by an increase in cashflows from operating activities.

Employee Future Benefit Obligations

For the quarter and year-to-date ended November 2, 2024, the Company contributed \$5.6 million and \$10.1 million (November 4, 2023 – \$2.0 million and \$4.5 million), respectively to its registered defined benefit plans. The Company expects to contribute approximately \$17.2 million to these plans in fiscal 2025.

CONSOLIDATED FINANCIAL CONDITION

Key Financial Condition Measures

(\$ in millions, except per share and ratio calculations)	Nov. 2, 2024	May 4, 2024	Nov. 4, 2023
Shareholders' equity, net of non-controlling interest	\$ 5,403.9	\$ 5,341.1	\$ 5,367.4
Book value per common share ⁽¹⁾	\$ 22.66	\$ 21.54	\$ 21.53
Long-term debt, including current portion	\$ 1,204.0	\$ 1,095.4	\$ 1,092.9
Long-term lease liabilities, including current portion	\$ 6,320.0	\$ 6,264.5	\$ 6,088.8
Funded debt to total capital ⁽¹⁾	58.2%	57.9%	57.2%
Funded debt to adjusted EBITDA ⁽¹⁾⁽²⁾	3.2x	3.2x	2.9x
Adjusted EBITDA to interest expense ⁽¹⁾⁽³⁾	8.2x	8.3x	8.9x
Trailing four-quarter adjusted EBITDA	\$ 2,369.6	\$ 2,327.8	\$ 2,447.3
Trailing four-quarter interest expense	\$ 290.2	\$ 281.2	\$ 273.5
Current assets to current liabilities	0.8x	0.8x	0.8x
Total assets	\$ 16,865.8	\$ 16,790.3	\$ 16,445.1
Total non-current financial liabilities	\$ 7,499.6	\$ 7,430.4	\$ 7,231.9

(1) See "Non-GAAP Financial Measures & Financial Metrics" section of this MD&A.

(2) Calculation uses trailing four-quarter adjusted EBITDA.

(3) Calculation uses trailing four-quarter adjusted EBITDA and interest expense.

Sobeys' credit rating remained unchanged from the prior quarter. The following table shows Sobeys' credit ratings as at December 11, 2024:

Rating Agency	Credit Rating (Issuer rating)	Trend/Outlook
Morningstar DBRS	BBB	Stable
S&P Global	BBB-	Stable

The amended and restated credit agreements for both Empire and Sobeys, dated November 3, 2022, were amended on June 24, 2024 for updated Canadian Overnight Repo Rate Average ("CORRA"). On June 28, 2024, CORRA replaced Canadian Dollar Offered Rate ("CDOR") and any maturing Bankers' Acceptances after this date were converted to CORRA loans. The use of CORRA rates has not resulted in a material difference in the Company's cost of borrowing under the Empire and Sobeys credit facilities compared to CDOR.

On June 21, 2024, Sobeys established a senior, unsecured non-revolving term credit facility for \$120.0 million with a maturity date of June 20, 2025. Interest payable on this facility fluctuates with changes in the Canadian prime rate or CORRA. The facility was fully utilized on June 21, 2024, with the proceeds used to refinance amounts owing under its existing credit facility. As of November 2, 2024, the outstanding amount of the facility was \$120.0 million.

Sobeys acquired Longo's existing \$75.0 million demand operating line of credit. On July 20, 2023, Longo's amended this line of credit agreement from \$75.0 million to \$100.0 million. As of November 2, 2024, the outstanding amount of the facility was \$70.5 million (November 4, 2023 - \$51.4 million). Interest payable on this facility fluctuates with changes in the Canadian prime rate.

Empire has a \$150.0 million senior, unsecured revolving term credit facility with a maturity date of November 4, 2027. As of November 2, 2024, the outstanding amount of the credit facility was \$29.1 million (November 4, 2023 – \$69.1 million). Interest payable on this facility fluctuates with changes in the Canadian prime rate, bankers' acceptance rates or CORRA.

Sobeys has a \$650.0 million senior, unsecured revolving term credit facility with a maturity date of November 4, 2027. As of November 2, 2024, the outstanding amount of the facility was \$390.0 million (November 4, 2023 – \$365.4 million) and Sobeys has issued \$53.4 million in letters of credit against the facility (November 4, 2023 – \$56.5 million). Interest payable on this facility fluctuates with changes in the Canadian prime rate, bankers' acceptance rates or CORRA.

The Company believes its cash and cash equivalents on hand as of November 2, 2024, together with approximately \$357.0 million in unutilized, aggregate credit facilities and cash generated from operating activities will enable the Company to fund future capital investments, pension plan contributions, working capital, current funded debt obligations and ongoing business requirements. The Company also believes it has sufficient funding in place to meet these requirements and other short and long-term financial obligations. The Company mitigates potential liquidity risk by ensuring its sources of funds are diversified by term to maturity and source of credit.

Shareholders' Equity

The Company's share capital was comprised of the following:

	Number of Shares	
	Nov. 2, 2024	Nov. 4, 2023
Authorized		
2002 Preferred shares, par value of \$25 each, issuable in series	991,980,000	991,980,000
Non-Voting Class A shares, without par value	728,651,828	739,579,149
Class B common shares, without par value, voting	122,400,000	122,400,000

Issued and outstanding (\$ in millions)	Number of Shares		Share Capital	
	Nov. 2, 2024	Nov. 4, 2023	Nov. 2, 2024	Nov. 4, 2023
Non-Voting Class A shares	138,839,826	149,615,377	\$ 1,709.1	\$ 1,842.6
Class B common shares	98,138,079	98,138,079	7.3	7.3
Shares held in trust	(38,280)	(43,629)	(1.3)	(1.3)
Total			\$ 1,715.1	\$ 1,848.6

The Company's share capital is shown in the table below:

(Number of shares)	13 Weeks Ended	
	Nov. 2, 2024	Nov. 4, 2023
Non-Voting Class A shares		
Issued and outstanding, beginning of period	141,676,553	152,333,662
Issued during period	94,273	23,859
Purchased for cancellation	(2,931,000)	(2,742,144)
Issued and outstanding, end of period	138,839,826	149,615,377
Shares held in trust, beginning of period	(38,199)	(47,961)
Issued for future settlement of equity settled plans	-	4,385
Purchased for future settlement of equity settled plans	(81)	(53)
Shares held in trust, end of period	(38,280)	(43,629)
Issued and outstanding, net of shares held in trust, end of period	138,801,546	149,571,748
Class B common shares		
Issued and outstanding, beginning and end of period	98,138,079	98,138,079

During the quarter and year-to-date ended November 2, 2024, the Company paid common dividends of \$47.5 million and \$95.6 million (November 4, 2023 - \$45.3 million and \$91.1 million), respectively to its common shareholders. This represents a payment of \$0.2000 and \$0.4000 per share (November 4, 2023 – \$0.1825 and \$0.3650 per share) for common shareholders.

As at December 10, 2024 the Company had Non-Voting Class A and Class B common shares outstanding of 138,362,168 and 98,138,079, respectively. Options to acquire 4,389,553 Non-Voting Class A shares were outstanding as of November 2, 2024 (November 4, 2023 – 4,471,226). As at December 10, 2024, options to acquire 4,371,911 Non-Voting Class A shares were outstanding (December 12, 2023 – 4,826,235).

Normal Course Issuer Bid (“NCIB”)

Under the NCIB with the Toronto Stock Exchange (“TSX”) from July 2, 2023 to July 1, 2024, the Company purchased 10,004,868 (July 1, 2023 – 10,500,000) Class A shares at a weighted average price of \$35.31 (July 1, 2023 – \$36.18) for a total consideration of \$353.2 million (July 1, 2023 - \$379.9 million).

On June 19, 2024, the Company renewed its NCIB by filing a notice of intention with the TSX to purchase for cancellation up to 12,800,000 Class A shares representing approximately 9.9% of the public float of 129,904,937 Class A shares outstanding as of June 18, 2024. The Company intends to repurchase approximately \$400.0 million of Class A shares in fiscal 2025. The purchases will be made through the facilities of the TSX and/or any alternative Canadian trading systems to the extent they are eligible. The price that the Company will pay for any such shares will be the market price at the time of acquisition. The Company believes that repurchasing shares at the prevailing market prices from time to time is a worthwhile use of funds and in the best interest of the Company and its shareholders. Purchases were eligible to commence on July 2, 2024 and will terminate not later than July 1, 2025. As of November 2, 2024, the Company purchased 4,228,000 Class A shares (November 4, 2023 - 3,305,547) under this filing at a weighted average price of \$37.90 (November 4, 2023 - \$37.04) for a total consideration of \$160.2 million (November 4, 2023 - \$122.5 million).

Shares purchased are shown in the table below:

(\$ in millions, except per share amounts)	13 Weeks Ended		26 Weeks Ended	
	Nov. 2, 2024	Nov. 4, 2023	Nov. 2, 2024	Nov. 4, 2023
Number of shares	2,931,000	2,742,144	5,206,975	5,580,972
Weighted average price per share	\$ 38.70	\$ 37.14	\$ 37.04	\$ 36.17
Cash consideration paid	\$ 113.5	\$ 101.9	\$ 192.9	\$ 201.9

The Company engages in an automatic share purchase plan with its designated broker allowing the purchases of Class A shares for cancellation under its NCIB program during the black-out periods.

On June 20, 2024, the Canadian government enacted new legislation, implementing a 2.0% tax on repurchases of equity. The tax, effective January 1, 2024, applies to the net value of shares repurchased by any Canadian corporation whose shares are listed on a designated stock exchange. As a result, the Company has recognized \$6.4 million as a charge to retained earnings on the Interim Condensed Consolidated Balance Sheets for the repurchase of shares.

Including purchases made subsequent to the end of the quarter, as at December 6, 2024 the Company has purchased 5,689,375 Class A shares in fiscal 2025 (December 12, 2023 – 6,666,571) at a weighted average price of \$37.38 (December 12, 2023 - \$36.45) for a total consideration of \$212.7 million (December 12, 2023 - \$243.0 million).

ACCOUNTING STANDARDS AND POLICIES

The unaudited Interim Condensed Consolidated Financial Statements were prepared using the same accounting policies as disclosed in the Company’s annual Consolidated Financial Statements for the year ended May 4, 2024, with the exception of the following:

Changes to Accounting Standards Adopted During Fiscal 2025

Amendments to IAS 1 Presentation of financial statements (“IAS 1”)

In October 2022, the IASB issued Non-current Liabilities with Covenants (Amendments to IAS 1) to clarify that covenants to be complied with after the reporting date for an entity’s right to defer settlement of a liability does not affect the classification of the liability as current or non-current at the reporting date. These narrow-scope amendments aim to improve information an entity provides with regards to the covenants through additional disclosures. These amendments became effective for the Company on May 5, 2024. The adoption of these amendments did not have a material impact on the Company’s Interim Condensed Consolidated Financial Statements.

In January 2020, the IASB issued Classification of Liabilities as Current or Non-Current (Amendments to IAS 1). The narrow-scope amendment affects only the presentation of liabilities on the balance sheet and not the amount or timing of recognition. Specifically, it clarifies:

- classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- that “settlement” refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

These amendments became effective for the Company on May 5, 2024. The adoption of these amendments did not have a material impact on the Company’s Interim Condensed Consolidated Financial Statements.

Amendments to IFRS 16 Leases (“IFRS 16”)

In September 2022, the IASB issued narrow-scope amendments to IFRS 16. These amendments clarify how a seller-lessee subsequently measures the lease liability that arises from a sale and leaseback transaction, the seller-lessee determines “lease payments” and “revised lease payments” in a way that does not result in the seller-lessee recognizing any amount of the gain or loss that relates to the right of use it retains. These amendments only apply to sale and leaseback transactions for which the lease payments include variable lease payments that do not depend on an index or a rate. The amendment became effective for the Company on May 5, 2024. The adoption of these amendments had no impact on the Company’s Interim Condensed Consolidated Financial Statements.

Standards, Amendments and Interpretations Issued but not yet Adopted

IFRS 18 Presentation and disclosure in financial statements (“IFRS 18”)

In April 2024, the IASB issued IFRS 18 which replaces IAS 1. IFRS 18 introduces new requirements to improve the reporting of financial performance and give investors a better basis for analyzing and comparing companies. Specifically, it introduces:

- three defined categories for income and expenses (operating, investing and financing) and requiring companies to provide new defined subtotals, including operating profit;
- enhanced transparency of management-defined performance measures requiring companies to disclose explanations of those company-specific measures related to the statement of earnings; and
- enhanced guidance on how companies group information in the financial statements, including guidance on whether information is included in the financial statements or is included in the notes.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Company is assessing the potential impact of this new standard.

IFRS 9 Financial Instruments (“IFRS 9”) and IFRS 7 Financial Instruments: Disclosures (“IFRS 7”)

In May 2024, IASB issued limited amendments to IFRS 9 and IFRS 7. These amendments provide clarity on the timing of recognition and derecognition of financial assets and liabilities, the assessment of contractual cash flow characteristics, and the resulting classification and disclosure of financial assets with environmental, social, and governance linked or other contingent features. Additionally, the amendments clarify that a financial liability is derecognized on the settlement date, with the accounting policy choice to derecognize financial liability settled using an electronic payment system before the settlement date, provided specific conditions are met. Additional disclosures are required for financial instruments with contingent features and investments in equity instruments designated at fair value through other comprehensive income with these amendments.

These amendments are effective for annual reporting periods beginning on or after January 1, 2026. Early adoption is permitted, with an option to early adopt only the amendments to the classification of financial assets. The Company is assessing the potential impact of these amendments.

Critical Accounting Estimates

Critical accounting estimates used by the Company’s management are discussed in detail in the fiscal 2024 annual MD&A.

Internal Control Over Financial Reporting

Management of the Company, which includes the President & Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining disclosure controls and procedures and Internal Control over Financial Reporting (“ICFR”), as those terms are defined in National Instrument 52-109, “Certification of Disclosure in Issuers’ Annual and Interim Filings”. The control framework management used to design and assess the effectiveness of ICFR is “Internal Control Integrated Framework (2013)” published by the Committee of Sponsoring Organizations of the Treadway Commission.

There have been no changes in the Company’s ICFR during the quarter ending November 2, 2024 that have materially affected, or are reasonably likely to materially affect, the Company’s ICFR.

RELATED PARTY TRANSACTIONS

The Company enters into related party transactions with Crombie REIT, including ongoing leases and property management agreements. As at November 2, 2024, the Company holds a 41.5% (November 4, 2023 – 41.5%) ownership interest in Crombie REIT and accounts for its investment using the equity method.

Crombie REIT has instituted a distribution reinvestment plan (“DRIP”) whereby Canadian resident REIT unitholders may elect to automatically have their distributions reinvested in additional REIT units. The Company has enrolled in the DRIP to maintain its economic and voting interest in Crombie REIT.

During the quarter ended November 2, 2024, Sobeys, through a wholly-owned subsidiary, sold and leased back one property to Crombie REIT for a total cash consideration of \$2.4 million resulting in a pre-tax gain of \$ nil.

During the quarter ended November 4, 2023, Sobeys, through wholly-owned subsidiaries, engaged in lease modification transactions with Crombie REIT. The lease modifications give Crombie REIT the right to terminate leases on certain properties for redevelopment in the future. These transactions resulted in pre-tax gains of \$34.3 million and have been recognized in other income on the unaudited Interim Condensed Consolidated Statements of Earnings.

During the quarter ended August 5, 2023, Sobeys entered into an agreement with Crombie REIT to reassign certain subleases with third parties directly to Crombie REIT in exchange for a fee. This transaction resulted in pre-tax income of \$16.4 million and has been recognized in other income on the unaudited Interim Condensed Consolidated Statements of Earnings.

CONTINGENCIES

Contingencies related to the Company’s legal proceedings are discussed in detail in the fiscal 2024 annual MD&A.

RISK MANAGEMENT

Risk and uncertainties related to economic and industry factors and the Company’s management of risk are discussed in detail in the fiscal 2024 annual MD&A.

DESIGNATION FOR ELIGIBLE DIVIDENDS

“Eligible dividends” receive favourable treatment for income tax purposes. To be considered an eligible dividend, a dividend must be designated as such at the time of payment.

Empire has, in accordance with the administrative position of CRA, included the appropriate language on its website to designate the dividends paid by Empire as eligible dividends unless otherwise designated.

NON-GAAP FINANCIAL MEASURES & FINANCIAL METRICS

There are measures and metrics included in this MD&A that do not have a standardized meaning under generally accepted accounting principles (“GAAP”) and therefore may not be comparable to similarly titled measures and metrics presented by other publicly traded companies. Management believes that certain of these measures and metrics, including gross profit and EBITDA, are important indicators of the Company’s ability to generate liquidity through operating cash flow to fund future working capital requirements, service outstanding debt and fund future capital expenditures and uses these metrics for these purposes.

In addition, management presents adjusted measures and metrics, including operating income, EBITDA and net earnings in an effort to provide investors and analysts with a more comparable year-over-year performance metric than the basic measure by excluding certain items. These items may impact the analysis of trends in performance and affect the comparability of the Company’s core financial results. By excluding these items, management is not implying they are non-recurring.

Financial Measures

The intent of non-GAAP financial measures is to provide additional useful information to management, investors and analysts. Non-GAAP financial measures should not be considered in isolation or used as a substitute for measures of performance prepared in accordance with GAAP. The Company’s definitions of the non-GAAP terms included in this MD&A are as follows:

- The E-commerce Exclusivity adjustment includes the impact of the early termination of the mutual exclusivity agreement with Ocado, resulting in a non-cash charge related to the impairment of an intangible asset.
- The Restructuring adjustment includes costs incurred to plan and implement strategies to optimize the organization and improve efficiencies, including severance, professional fees and voluntary labour buyouts.
- The Cybersecurity Event adjustment includes the impact of incremental direct costs such as inventory shrink, hardware and software restoration costs, legal and professional fees, labour costs and insurance recoveries. Management believes that the Cybersecurity Event adjustment results in a useful economic representation of the underlying business on a comparative basis. The adjustment does not include management’s estimate of the full financial impact of the Cybersecurity Event, as it excludes the net earnings impacts related to the estimated decline in sales and operational effectiveness from impacts such as the temporary loss of advanced planning, promotion and fresh item management tools, the temporary closure of pharmacies, and customers’ temporary inability to redeem gift cards and loyalty points.
- The Western Canada Fuel Sale adjustment includes the impact of the gain on sale which is comprised of the purchase price less the write off of tangible assets and goodwill, legal and professional fees as well as lease termination impacts.
- The Grocery Gateway Integration adjustment includes the impact of the asset write-off related to the Grocery Gateway name and facility assets, severance, IT project costs and other costs.
- Gross profit is calculated as sales less cost of sales. Management believes cost of sales is a useful metric to monitor profitability on a product-level basis. Gross profit represents a supplementary metric to assess underlying operating performance and profitability.
- Adjusted operating income is operating income excluding certain items to better analyze trends in performance. These items are excluded to allow for better period over period comparison of ongoing operating results. Adjusted operating income is reconciled to operating income in its respective subsection of the “Summary Results – Second Quarter” section.
- EBITDA is calculated as net earnings before finance costs (net of finance income), income tax expense, depreciation and amortization of intangibles. Management believes EBITDA represents a supplementary metric to assess profitability and measure the Company’s underlying ability to generate liquidity through operating cash flows.

The following table reconciles net earnings to EBITDA on a consolidated basis and for the Food retailing segment:

13 Weeks Ended						
November 2, 2024				November 4, 2023		
(\$ in millions)	Food retailing	Investment and other operations	Total	Food retailing	Investment and other operations	Total
Net earnings	\$ 162.1	\$ 19.8	\$ 181.9	\$ 181.9	\$ 6.8	\$ 188.7
Income tax expense	55.6	7.6	63.2	52.0	2.2	54.2
Finance costs, net	72.9	1.1	74.0	67.7	1.8	69.5
Operating income	290.6	28.5	319.1	301.6	10.8	312.4
Depreciation	252.5	-	252.5	238.1	0.2	238.3
Amortization of intangibles	29.1	-	29.1	29.7	-	29.7
EBITDA	\$ 572.2	\$ 28.5	\$ 600.7	\$ 569.4	\$ 11.0	\$ 580.4

26 Weeks Ended						
November 2, 2024				November 4, 2023		
(\$ in millions)	Food retailing	Investment and other operations	Total	Food retailing	Investment and other operations	Total
Net earnings	\$ 380.0	\$ 30.5	\$ 410.5	\$ 472.8	\$ (3.3)	\$ 469.5
Income tax expense	123.9	7.1	131.0	142.7	18.2	160.9
Finance costs, net	144.6	2.1	146.7	135.2	3.3	138.5
Operating income	648.5	39.7	688.2	750.7	18.2	768.9
Depreciation	498.1	-	498.1	473.7	0.4	474.1
Amortization of intangibles	59.4	-	59.4	60.4	-	60.4
EBITDA	\$ 1,206.0	\$ 39.7	\$ 1,245.7	\$ 1,284.8	\$ 18.6	\$ 1,303.4

- Adjusted EBITDA is EBITDA excluding certain items to better analyze trends in performance. These items are excluded to allow for better period over period comparison of ongoing operating results. Adjusted EBITDA is reconciled to EBITDA in its respective subsection of the “Summary Results – Second Quarter” section.
- Management calculates interest expense as interest expense on financial liabilities measured at amortized cost and interest expense on lease liabilities. Management believes that interest expense represents a true measure of the Company's debt service expense, without the offsetting finance income.

The following table reconciles finance costs, net to interest expense:

(\$ in millions)	13 Weeks Ended		26 Weeks Ended	
	Nov. 2, 2024	Nov. 4, 2023	Nov. 2, 2024	Nov. 4, 2023
Finance costs, net	\$ 74.0	\$ 69.5	\$ 146.7	\$ 138.5
Plus: finance income, excluding interest income on lease receivables	3.0	1.6	4.8	2.8
Less: pension finance costs, net	(2.1)	(1.9)	(4.0)	(3.8)
Less: accretion expense on provisions	(0.5)	(0.2)	(1.4)	(0.4)
Interest expense	\$ 74.4	\$ 69.0	\$ 146.1	\$ 137.1

- Adjusted net earnings is net earnings, net of non-controlling interest, excluding certain items to better analyze trends in performance. These items are excluded to allow for better period over period comparison of ongoing operating results. Adjusted net earnings is reconciled in its respective subsection of the “Summary Results – Second Quarter” section.
- Adjusted EPS (fully diluted) is calculated as adjusted net earnings divided by diluted weighted average number of shares outstanding.

- Free cash flow is calculated as cash flows from operating activities, plus proceeds on disposal of property, equipment and investment property and lease modifications and terminations, less acquisitions of property, equipment, investment property and intangibles, interest paid and payments of lease liabilities, net of payments received from finance subleases. Management uses free cash flow as a measure to assess the amount of cash available for debt repayment, dividend payments and other investing and financing activities. Free cash flow is reconciled to GAAP measures as reported on the Annual Consolidated Statements of Cash Flows, and is presented in the “Free Cash Flow” section of this MD&A.
- Funded debt is all interest-bearing debt, which includes bank loans, bankers’ acceptances, long-term debt and long-term lease liabilities. Management believes that funded debt represents the most relevant indicator of the Company’s total financial obligations on which interest payments are made.
- Total capital is calculated as funded debt plus shareholders’ equity, net of non-controlling interest.

The following table reconciles the Company’s funded debt and total capital to GAAP measures:

(\$ in millions)	Nov. 2, 2024	May. 4, 2024	Nov. 4, 2023
Long-term debt due within one year	\$ 210.7	\$ 113.5	\$ 109.5
Long-term debt	993.3	981.9	983.4
Lease liabilities due within one year	585.6	585.4	581.9
Long-term lease liabilities	5,734.4	5,679.1	5,506.9
Funded debt	\$ 7,524.0	\$ 7,359.9	\$ 7,181.7
Total shareholders’ equity, net of non-controlling interest	5,403.9	5,341.1	5,367.4
Total capital	\$ 12,927.9	\$ 12,701.0	\$ 12,549.1

Food Retailing Segment Adjustments Reconciliation

The following tables adjust Empire’s Food retailing segment operating income, EBITDA, and net earnings, net of non-controlling interest, for certain items to better analyze trends in performance. These items are excluded to allow for better period over period comparison of ongoing operating results.

(\$ in millions)	13 Weeks Ended		\$	26 Weeks Ended		\$
	Nov. 2, 2024	Nov. 4, 2023		Nov. 2, 2024	Nov. 4, 2023	
Operating income	\$ 290.6	\$ 301.6	\$ (11.0)	\$ 648.5	\$ 750.7	\$ (102.2)
Adjustments:						
E-commerce Exclusivity	-	-	-	11.9	-	11.9
Restructuring	-	16.8	(16.8)	2.2	26.5	(24.3)
Cybersecurity Event	-	(20.6)	20.6	-	(21.1)	21.1
Western Canada Fuel Sale	-	-	-	-	(90.8)	90.8
Adjusted operating income	\$ 290.6	\$ 297.8	\$ (7.2)	\$ 662.6	\$ 665.3	\$ (2.7)

(\$ in millions)	13 Weeks Ended		\$	26 Weeks Ended		\$
	Nov. 2, 2024	Nov. 4, 2023		Nov. 2, 2024	Nov. 4, 2023	
EBITDA	\$ 572.2	\$ 569.4	\$ 2.8	\$ 1,206.0	\$ 1,284.8	\$ (78.8)
Adjustments:						
E-commerce Exclusivity	-	-	-	11.9	-	11.9
Restructuring	-	16.8	(16.8)	2.2	26.5	(24.3)
Cybersecurity Event	-	(20.6)	20.6	-	(21.1)	21.1
Western Canada Fuel Sale	-	-	-	-	(90.8)	90.8
Adjusted EBITDA	\$ 572.2	\$ 565.6	\$ 6.6	\$ 1,220.1	\$ 1,199.4	\$ 20.7

(\$ in millions)	13 Weeks Ended		\$	26 Weeks Ended		\$
	Nov. 2, 2024	Nov. 4, 2023		Nov. 2, 2024	Nov. 4, 2023	
Net earnings	\$ 151.1	\$ 174.3	\$ (23.2)	\$ 348.2	\$ 445.4	\$ (97.2)
Adjustments:						
E-commerce Exclusivity	-	-	-	8.8	-	8.8
Restructuring	-	12.4	(12.4)	2.1	19.5	(17.4)
Cybersecurity Event	-	(15.2)	15.2	-	(15.6)	15.6
Western Canada Fuel Sale	-	-	-	-	(71.5)	71.5
Adjusted net earnings	\$ 151.1	\$ 171.5	\$ (20.4)	\$ 359.1	\$ 377.8	\$ (18.7)

Quarterly Results of Operations Adjustments Reconciliation

The following tables adjust Empire's operating income, EBITDA, and net earnings, net of non-controlling interest, for certain items to better analyze trends in performance. These items are excluded to allow for better period over period comparison of ongoing operating results.

	Fiscal 2025			Fiscal 2024			Fiscal 2023		
	Q2 (13 Weeks)	Q1 (13 Weeks)	Q4 (13 Weeks)	Q3 (13 Weeks)	Q2 (13 Weeks)	Q1 (13 Weeks)	Q4 (13 Weeks)	Q3 (13 Weeks)	
(in millions)	Nov. 2, 2024	Aug. 3, 2024	May 4, 2024	Feb. 3, 2024	Nov. 4, 2023	Aug. 5, 2023	May 6, 2023	Feb. 4, 2023	
Operating income	\$ 319.1	\$ 369.1	\$ 291.3	\$ 250.6	\$ 312.4	\$ 456.5	\$ 321.6	\$ 232.8	
Adjustments:									
E-commerce Exclusivity	-	11.9	-	-	-	-	-	-	
Restructuring	-	2.2	20.5	25.2	16.8	9.7	-	-	
Cybersecurity Event	-	-	(14.1)	0.1	(20.6)	(0.5)	(6.8)	52.6	
Western Canada Fuel Sale	-	-	-	-	-	(90.8)	-	-	
Grocery Gateway Integration	-	-	-	-	-	-	13.3	-	
	-	14.1	6.4	25.3	(3.8)	(81.6)	6.5	52.6	
Adjusted operating income	\$ 319.1	\$ 383.2	\$ 297.7	\$ 275.9	\$ 308.6	\$ 374.9	\$ 328.1	\$ 285.4	
Operating income	\$ 285.0	\$ 369.1	\$ 291.3	\$ 250.6	\$ 312.4	\$ 456.5	\$ 321.6	\$ 232.8	
Depreciation	234.9	245.6	235.3	240.4	238.3	235.8	237.0	229.6	
Amortization of intangibles	30.0	30.3	30.0	30.5	29.7	30.7	33.7	30.1	
EBITDA	\$ 549.9	\$ 645.0	\$ 556.6	\$ 521.5	\$ 580.4	\$ 723.0	\$ 592.3	\$ 492.5	
Adjustments:									
E-commerce Exclusivity	-	11.9	-	-	-	-	-	-	
Restructuring	-	2.2	20.5	25.2	16.8	9.7	-	-	
Cybersecurity Event	-	-	(14.1)	0.1	(20.6)	(0.5)	(6.8)	52.6	
Western Canada Fuel Sale	-	-	-	-	-	(90.8)	-	-	
Grocery Gateway Integration	-	-	-	-	-	-	13.3	-	
	-	14.1	6.4	25.3	(3.8)	(81.6)	6.5	52.6	
Adjusted EBITDA	\$ 549.9	\$ 659.1	\$ 563.0	\$ 546.8	\$ 576.6	\$ 641.4	\$ 598.8	\$ 545.1	
Net earnings	\$ 173.4	\$ 207.8	\$ 148.9	\$ 134.2	\$ 181.1	\$ 261.0	\$ 182.9	\$ 125.7	
Adjustments:									
E-commerce Exclusivity	-	8.8	-	-	-	-	-	-	
Restructuring	-	2.1	15.5	18.8	12.4	7.1	-	-	
Cybersecurity Event	-	-	(10.4)	0.1	(15.2)	(0.4)	(5.0)	39.1	
Western Canada Fuel Sale	-	-	-	-	-	(71.5)	-	-	
Grocery Gateway Integration	-	-	-	-	-	-	7.0	-	
	-	10.9	5.1	18.9	(2.8)	(64.8)	2.0	39.1	
Adjusted net earnings	\$ 173.4	\$ 218.7	\$ 154.0	\$ 153.1	\$ 178.3	\$ 196.2	\$ 184.9	\$ 164.8	

Financial Metrics

The intent of the following non-GAAP financial metrics is to provide additional useful information to investors and analysts. Management uses financial metrics for decision-making, internal reporting, budgeting and forecasting. The Company's definitions of the metrics included in this MD&A are as follows:

- Same-store sales are sales from stores in the same location in both reporting periods. Management believes same-store sales represents a supplementary metric to assess sales trends as it removes the effect of the opening and closure of stores.
- Same-store sales, excluding fuel are sales from stores in the same location in both reporting periods excluding the fuel sales from stores in the same location in both reporting periods. Management believes same-store sales, excluding fuel represents a supplementary metric to assess sales trends as it removes the effect of the opening and closure of stores and the volatility of fuel prices.
- Gross margin is gross profit divided by sales. Management believes that gross margin is an important indicator of profitability and can help management, analysts and investors assess the competitive landscape and promotional environment of the industry in which the Company operates. An increasing percentage indicates lower cost of sales as a percentage of sales.
- EBITDA margin is EBITDA divided by sales. Management believes that EBITDA margin is an important indicator of performance and can help management, analysts and investors assess the competitive landscape, promotional environment and cost structure of the industry in which the Company operates. An increasing percentage indicates higher EBITDA as a percentage of sales.

- Adjusted EBITDA margin is adjusted EBITDA divided by sales. Management believes that adjusted EBITDA margin is an important indicator of performance and can help management, analysts and investors assess the competitive landscape, promotional environment and cost structure of the industry in which the Company operates. An increasing percentage indicates higher adjusted EBITDA as a percentage of sales.
- Funded debt to total capital ratio is funded debt divided by total capital. Management believes that the funded debt to total capital ratio represents a measure upon which the Company's changing capital structure can be analyzed over time. An increasing ratio would indicate that the Company is using an increasing amount of debt in its capital structure.
- Funded debt to adjusted EBITDA ratio is funded debt divided by trailing four-quarter adjusted EBITDA. Management uses this ratio to partially assess the financial condition of the Company. An increasing ratio would indicate that the Company is utilizing more debt per dollar of adjusted EBITDA generated.
- Adjusted EBITDA to interest expense ratio is trailing four-quarter adjusted EBITDA divided by trailing four-quarter interest expense. Management uses this ratio to partially assess the coverage of its interest expense on financial obligations. An increasing ratio would indicate that the Company is generating more adjusted EBITDA per dollar of interest expense, resulting in greater interest coverage.
- Book value per common share is shareholders' equity, net of non-controlling interest, divided by total common shares outstanding.

The following table shows the calculation of Empire's book value per common share:

(\$ in millions, except per share information)	Nov. 2, 2024	May. 4, 2024	Nov. 4, 2023
Shareholders' equity, net of non-controlling interest	\$ 5,403.9	\$ 5,341.1	\$ 5,367.4
Shares outstanding (basic)	238.5	248.0	249.3
Book value per common share	\$ 22.66	\$ 21.54	\$ 21.53

Additional financial information relating to Empire, including the Company's Annual Information Form, can be found on the Company's website www.empireco.ca or on the SEDAR+ website for Canadian regulatory filings at www.sedarplus.ca.

Approved by Board of Directors: December 11, 2024
Stellarton, Nova Scotia, Canada

Empire Company Limited
Condensed Consolidated Balance Sheets
As At
Unaudited (in millions of Canadian dollars)

	November 2 2024	May 4 2024	November 4 2023
ASSETS			
Current			
Cash and cash equivalents	\$ 287.7	\$ 259.6	\$ 236.7
Receivables	664.7	677.8	710.2
Inventories (Note 4)	1,840.8	1,771.7	1,798.7
Prepaid expenses	167.2	162.3	159.0
Leases and other receivables	96.3	115.2	96.1
Income taxes receivable	53.7	69.7	94.0
Assets held for sale	-	47.3	1.2
	3,110.4	3,103.6	3,095.9
Leases and other receivables	616.4	600.9	582.9
Investments, at equity (Note 5)	718.7	688.1	693.8
Other assets	46.7	39.4	34.1
Property and equipment	3,582.7	3,565.1	3,314.5
Right-of-use assets	4,918.6	4,917.7	4,762.0
Investment property	156.1	157.9	165.1
Intangibles	1,331.4	1,348.4	1,365.0
Goodwill	2,066.1	2,064.2	2,060.4
Deferred tax assets	318.7	305.0	371.4
	\$ 16,865.8	\$ 16,790.3	\$ 16,445.1
LIABILITIES			
Current			
Accounts payable and accrued liabilities	\$ 2,910.7	\$ 3,034.7	\$ 2,853.9
Income taxes payable	80.0	103.7	56.3
Provisions	48.1	54.0	34.3
Long-term debt due within one year (Note 6)	210.7	113.5	109.5
Lease liabilities due within one year	585.6	585.4	581.9
Other liabilities due within one year	-	-	75.0
	3,835.1	3,891.3	3,710.9
Provisions	43.2	48.1	43.3
Long-term debt (Note 6)	993.3	981.9	983.4
Long-term lease liabilities	5,734.4	5,679.1	5,506.9
Other long-term liabilities	299.2	295.4	275.9
Employee future benefits	165.1	160.3	143.5
Deferred tax liabilities	264.4	265.6	278.9
	11,334.7	11,321.7	10,942.8
SHAREHOLDERS' EQUITY			
Capital stock (Note 7)	1,715.1	1,779.3	1,848.6
Contributed surplus	35.8	56.2	47.7
Retained earnings	3,629.5	3,484.5	3,450.3
Accumulated other comprehensive income	23.5	21.1	20.8
	5,403.9	5,341.1	5,367.4
Non-controlling interest	127.2	127.5	134.9
	5,531.1	5,468.6	5,502.3
	\$ 16,865.8	\$ 16,790.3	\$ 16,445.1

See accompanying notes to the Interim Condensed Consolidated Financial Statements.

On Behalf of the Board

(signed) "James Dickson"
Director

(signed) "Michael Medline"
Director

Empire Company Limited
Condensed Consolidated Statements of Earnings
Unaudited (in millions of Canadian dollars,
except per share amounts)

	13 Weeks Ended		26 Weeks Ended	
	November 2 2024	November 4 2023	November 2 2024	November 4 2023
Sales	\$ 7,777.8	\$ 7,751.2	\$ 15,914.7	\$ 15,826.7
Other income (Note 8)	18.4	43.9	60.1	157.1
Share of earnings from investments, at equity	31.2	14.2	47.1	23.9
Operating expenses				
Cost of sales	5,713.8	5,747.7	11,724.4	11,748.7
Selling and administrative expenses	1,794.5	1,749.2	3,609.3	3,490.1
Operating income	319.1	312.4	688.2	768.9
Finance costs, net (Note 9)	74.0	69.5	146.7	138.5
Earnings before income taxes	245.1	242.9	541.5	630.4
Income tax expense	63.2	54.2	131.0	160.9
Net earnings	\$ 181.9	\$ 188.7	\$ 410.5	\$ 469.5
Earnings for the period attributable to:				
Non-controlling interest	\$ 8.5	\$ 7.6	\$ 29.3	\$ 27.4
Owners of the Company	173.4	181.1	381.2	442.1
	\$ 181.9	\$ 188.7	\$ 410.5	\$ 469.5
Earnings per share (Note 10)				
Basic	\$ 0.73	\$ 0.73	\$ 1.59	\$ 1.76
Diluted	\$ 0.73	\$ 0.72	\$ 1.58	\$ 1.76
Weighted average number of common shares outstanding, in millions (Note 10)				
Basic	238.5	249.3	240.4	250.6
Diluted	239.1	249.9	240.9	251.1

See accompanying notes to the Interim Condensed Consolidated Financial Statements.

Empire Company Limited Condensed Consolidated Statements of Comprehensive Income Unaudited (in millions of Canadian dollars)	13 Weeks Ended		26 Weeks Ended	
	November 2	November 4	November 2	November 4
	2024	2023	2024	2023
Net earnings	\$ 181.9	\$ 188.7	\$ 410.5	\$ 469.5
Other comprehensive (loss) income, net				
Items that will be reclassified subsequently to net earnings				
Unrealized gains on derivatives designated as cash flow hedges (net of tax - Note 11)	0.4	0.6	3.4	0.2
Share of other comprehensive (loss) income of investments, at equity (net of tax - Note 11)	(0.8)	0.2	(1.0)	0.8
Exchange differences on translation of foreign operations (net of tax - Note 11)	-	0.2	-	0.2
Items that will not be reclassified subsequently to net earnings				
Actuarial (losses) gains on defined benefit plans (net of tax - Note 11)	(0.2)	8.6	(8.9)	16.3
Total other comprehensive (loss) income	(0.6)	9.6	(6.5)	17.5
Total comprehensive income	\$ 181.3	\$ 198.3	\$ 404.0	\$ 487.0
Total comprehensive income for the period attributable to:				
Non-controlling interest	\$ 8.5	\$ 7.6	\$ 29.3	\$ 27.4
Owners of the Company	172.8	190.7	374.7	459.6
	\$ 181.3	\$ 198.3	\$ 404.0	\$ 487.0

See accompanying notes to the Interim Condensed Consolidated Financial Statements.

Empire Company Limited
Condensed Consolidated Statements of Changes
in Shareholders' Equity
Unaudited (in millions of Canadian dollars)

	Capital Stock	Contributed Surplus	Accumulated Other Comprehensive Income	Retained Earnings	Total Attributable to Owners of the Company	Non- controlling Interest	Total Equity
Balance at May 6, 2023	\$ 1,914.7	\$ 50.1	\$ 19.6	\$ 3,216.0	\$ 5,200.4	\$ 136.3	\$ 5,336.7
Dividends paid	-	-	-	(91.1)	(91.1)	(0.5)	(91.6)
Dividends paid to non-controlling interest	-	-	-	(0.5)	(0.5)	0.5	-
Equity based compensation, net	0.6	(2.4)	-	-	(1.8)	-	(1.8)
Repurchase of common shares (Note 7)	(66.2)	-	-	(135.7)	(201.9)	-	(201.9)
Shares held in trust, net	(0.5)	-	-	-	(0.5)	-	(0.5)
Capital transactions with structured entities	-	-	-	-	-	(21.9)	(21.9)
Revaluation of put options	-	-	-	3.2	3.2	(6.9)	(3.7)
Transactions with owners	(66.1)	(2.4)	-	(224.1)	(292.6)	(28.8)	(321.4)
Net earnings	-	-	-	442.1	442.1	27.4	469.5
Other comprehensive income	-	-	1.2	16.3	17.5	-	17.5
Total comprehensive income for the period	-	-	1.2	458.4	459.6	27.4	487.0
Balance at November 4, 2023	\$ 1,848.6	\$ 47.7	\$ 20.8	\$ 3,450.3	\$ 5,367.4	\$ 134.9	\$ 5,502.3
Balance at May 4, 2024	\$ 1,779.3	\$ 56.2	\$ 21.1	\$ 3,484.5	\$ 5,341.1	\$ 127.5	\$ 5,468.6
Dividends paid	-	-	-	(95.6)	(95.6)	(1.0)	(96.6)
Dividends paid to non-controlling interest	-	-	-	(1.0)	(1.0)	1.0	-
Equity based compensation, net	1.8	(20.4)	-	-	(18.6)	-	(18.6)
Repurchase of common shares (Note 7)	(66.1)	-	-	(126.8)	(192.9)	-	(192.9)
Tax on repurchase of common shares (Note 7)	-	-	-	(6.4)	(6.4)	-	(6.4)
Shares held in trust, net	0.1	-	-	-	0.1	-	0.1
Capital transactions with structured entities	-	-	-	-	-	(22.5)	(22.5)
Revaluation of put options	-	-	-	2.5	2.5	(7.1)	(4.6)
Transactions with owners	(64.2)	(20.4)	-	(227.3)	(311.9)	(29.6)	(341.5)
Net earnings	-	-	-	381.2	381.2	29.3	410.5
Other comprehensive income (loss)	-	-	2.4	(8.9)	(6.5)	-	(6.5)
Total comprehensive income for the period	-	-	2.4	372.3	374.7	29.3	404.0
Balance at November 2, 2024	\$ 1,715.1	\$ 35.8	\$ 23.5	\$ 3,629.5	\$ 5,403.9	\$ 127.2	\$ 5,531.1

See accompanying notes to the Interim Condensed Consolidated Financial Statements.

Empire Company Limited Condensed Consolidated Statements of Cash Flows Unaudited (in millions of Canadian dollars)	13 Weeks Ended		26 Weeks Ended	
	November 2	November 4	November 2	November 4
	2024	2023	2024	2023
Operations				
Net earnings	\$ 181.9	\$ 188.7	\$ 410.5	\$ 469.5
Adjustments for:				
Depreciation	252.5	238.3	498.1	474.1
Income tax expense	63.2	54.2	131.0	160.9
Finance costs, net (Note 9)	74.0	69.5	146.7	138.5
Amortization of intangibles	29.1	29.7	59.4	60.4
Net gains on disposal of net assets (Note 8)	(14.6)	(0.7)	(53.6)	(93.4)
Net (gains) losses on lease modifications and terminations	(0.1)	(39.0)	1.1	(39.0)
Impairment losses of non-financial assets, net	-	0.1	12.0	-
Impairment losses of long-lived assets	3.0	-	3.0	-
Amortization of deferred items	0.2	0.2	0.4	0.5
Equity (earnings) losses of other entities, net of distributions received	(17.3)	2.7	(16.8)	11.7
Employee future benefits	(1.9)	(0.6)	(7.1)	(1.2)
(Decrease) increase in long-term provisions	(1.3)	4.7	(6.4)	0.2
Equity based compensation	2.8	4.3	10.0	5.4
Net change in non-cash working capital (Note 13)	(144.0)	(231.8)	(126.9)	(206.4)
Income taxes paid, net	(40.4)	(59.5)	(157.8)	(132.2)
Cash flows from operating activities	<u>387.1</u>	<u>260.8</u>	<u>903.6</u>	<u>849.0</u>
Investment				
Increase in equity investments	(13.1)	-	(14.4)	(2.9)
Property, equipment and investment property purchases	(120.8)	(128.2)	(319.0)	(280.6)
Intangible purchases	(23.6)	(26.8)	(48.2)	(49.1)
Proceeds on disposal of assets	27.0	2.1	108.9	107.7
Proceeds on lease modifications and terminations	-	13.6	-	13.6
Leases and other receivables, net	4.8	(1.5)	6.2	(8.1)
Other assets	10.0	(3.9)	(7.8)	(8.0)
Other liabilities	(2.0)	(4.6)	(0.8)	(5.0)
Business acquisitions (Note 14)	(4.5)	(0.3)	(14.9)	(4.3)
Payments received for finance subleases	24.6	22.7	46.4	45.0
Interest received	0.5	0.4	1.0	0.7
Cash flows used in investing activities	<u>(97.1)</u>	<u>(126.5)</u>	<u>(242.6)</u>	<u>(191.0)</u>
Financing				
Issuance of long-term debt	23.5	32.5	62.8	66.9
Advance on non-revolving credit facility	-	-	120.0	-
Repayments of long-term debt	(22.1)	(16.6)	(76.5)	(65.1)
Advances on revolving credit facilities, net	74.9	119.0	2.2	78.7
Interest paid	(15.2)	(15.7)	(26.7)	(26.7)
Payments of lease liabilities (principal portion)	(138.0)	(132.2)	(274.9)	(264.6)
Payments of lease liabilities (interest portion)	(65.2)	(58.2)	(127.8)	(116.4)
Repurchase of common shares (Note 7)	(113.5)	(101.9)	(192.9)	(201.9)
Dividends paid	(48.0)	(45.8)	(96.6)	(91.6)
Non-controlling interest	(11.6)	(10.1)	(22.5)	(21.9)
Cash flows used in financing activities	<u>(315.2)</u>	<u>(229.0)</u>	<u>(632.9)</u>	<u>(642.6)</u>
(Decrease) increase in cash and cash equivalents	<u>(25.2)</u>	<u>(94.7)</u>	<u>28.1</u>	<u>15.4</u>
Cash and cash equivalents, beginning of period	<u>312.9</u>	<u>331.4</u>	<u>259.6</u>	<u>221.3</u>
Cash and cash equivalents, end of period	<u>\$ 287.7</u>	<u>\$ 236.7</u>	<u>\$ 287.7</u>	<u>\$ 236.7</u>

See accompanying notes to the Interim Condensed Consolidated Financial Statements.

1. Reporting entity

Empire Company Limited ("Empire" or the "Company") is a Canadian company whose key businesses are food retailing and related real estate. The Company is incorporated in Canada and the address of its registered office of business is 115 King Street, Stellarton, Nova Scotia, B0K 1S0, Canada. The Interim Condensed Consolidated Financial Statements for the period ended November 2, 2024 include the accounts of Empire, all subsidiary companies, including 100% owned Sobeys Inc. ("Sobeys"), and certain enterprises considered structured entities where control is achieved on a basis other than through ownership of a majority of voting rights. Investments in which the Company has significant influence and its joint ventures are accounted for using the equity method. As at November 2, 2024, the Company's business operations were conducted through its two reportable segments: Food retailing and Investments and other operations, as further described in Note 12, Segmented information. The Company's Food retailing business is affected by seasonality and the timing of holidays. The Company's fiscal year ends on the first Saturday in May.

2. Basis of preparation

Statement of compliance

The Interim Condensed Consolidated Financial Statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and note disclosures normally included in the annual Consolidated Financial Statements have been omitted or condensed. The Interim Condensed Consolidated Financial Statements should be read in conjunction with the Company's annual audited Consolidated Financial Statements for the year ended May 4, 2024, which have been prepared in accordance with International Financial Reporting Standards as issued by the IASB ("IFRS Accounting Standards").

The Interim Condensed Consolidated Financial Statements were authorized for issue by the Board of Directors on December 11, 2024.

Use of estimates, judgments and assumptions

The preparation of the Interim Condensed Consolidated Financial Statements requires management to make estimates, judgments and assumptions that affect the amounts reported on the Interim Condensed Consolidated Financial Statements and accompanying notes. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Estimates, judgments and assumptions that could have a significant impact on the amounts recognized in the Interim Condensed Consolidated Financial Statements are summarized in the Company's annual audited Consolidated Financial Statements for the year ended May 4, 2024 and remain unchanged for the period ended November 2, 2024.

3. Summary of material accounting policy information

These Interim Condensed Consolidated Financial Statements were prepared using the same accounting policies as disclosed in the Company's annual audited Consolidated Financial Statements for the year ended May 4, 2024, with the exception of the following:

Changes to accounting standards adopted during fiscal 2025

Amendments to IAS 1 Presentation of financial statements ("IAS 1")

In October 2022, the IASB issued Non-current Liabilities with Covenants (Amendments to IAS 1) to clarify that covenants to be complied with after the reporting date for an entity's right to defer settlement of a liability does not affect the classification of the liability as current or non-current at the reporting date. These narrow-scope amendments aim to improve information an entity provides with regards to the covenants through additional disclosures. These amendments became effective for the Company on May 5, 2024. The adoption of these amendments did not have a material impact on the Company's Interim Condensed Consolidated Financial Statements.

Empire Company Limited
Notes to the Interim Condensed Consolidated Financial Statements
November 2, 2024
Unaudited (in millions of Canadian dollars, except share and per share amounts)

In January 2020, the IASB issued Classification of Liabilities as Current or Non-Current (Amendments to IAS 1). The narrow-scope amendment affects only the presentation of liabilities on the balance sheet and not the amount or timing of recognition. Specifically, it clarifies:

- classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- that “settlement” refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

These amendments became effective for the Company on May 5, 2024. The adoption of these amendments did not have a material impact on the Company’s Interim Condensed Consolidated Financial Statements.

Amendments to IFRS 16 Leases (“IFRS 16”)

In September 2022, the IASB issued narrow-scope amendments to IFRS 16. These amendments clarify how a seller-lessee subsequently measures the lease liability that arises from a sale and leaseback transaction, the seller-lessee determines “lease payments” and “revised lease payments” in a way that does not result in the seller-lessee recognizing any amount of the gain or loss that relates to the right of use it retains. These amendments only apply to sale and leaseback transactions for which the lease payments include variable lease payments that do not depend on an index or a rate. The amendment became effective for the Company on May 5, 2024. The adoption of these amendments had no impact on the Company’s Interim Condensed Consolidated Financial Statements.

Standards, amendments and interpretations issued but not yet adopted

IFRS 18 Presentation and disclosure in financial statements (“IFRS 18”)

In April 2024, the IASB issued IFRS 18 which replaces IAS 1. IFRS 18 introduces new requirements to improve the reporting of financial performance and give investors a better basis for analyzing and comparing companies. Specifically, it introduces:

- three defined categories for income and expenses (operating, investing and financing) and requiring companies to provide new defined subtotals, including operating profit;
- enhanced transparency of management-defined performance measures requiring companies to disclose explanations of those company-specific measures related to the Statement of Earnings; and
- enhanced guidance on how companies group information in the financial statements, including guidance on whether information is included in the financial statements or is included in the notes.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Company is assessing the potential impact of this new standard.

IFRS 9 Financial Instruments (“IFRS 9”) and IFRS 7 Financial Instruments: Disclosures (“IFRS 7”)

In May 2024, IASB issued limited amendments to IFRS 9 and IFRS 7. These amendments provide clarity on the timing of recognition and derecognition of financial assets and liabilities, the assessment of contractual cash flow characteristics, and the resulting classification and disclosure of financial assets with environmental, social, and governance linked or other contingent features. Additionally, the amendments clarify that a financial liability is derecognized on the settlement date, with the accounting policy choice to derecognize financial liability settled using an electronic payment system before the settlement date, provided specific conditions are met. Additional disclosures are required for financial instruments with contingent features and investments in equity instruments designated at fair value through other comprehensive income with these amendments.

These amendments are effective for annual reporting periods beginning on or after January 1, 2026. Early adoption is permitted, with an option to early adopt only the amendments to the classification of financial assets. The Company is assessing the potential impact of these amendments.

4. Inventories

The cost of inventories recognized as an expense during the period and year-to-date ended November 2, 2024 was \$5,713.8 and \$11,724.4 (November 4, 2023 - \$5,747.7 and \$11,748.7) respectively. The Company recorded an expense for the period and year-to-date ended November 2, 2024 of \$0.2 and \$2.8 (November 4, 2023 - \$0.1 and \$2.4) respectively for write-down of inventories below cost to net realizable value for inventories on hand.

Empire Company Limited
Notes to the Interim Condensed Consolidated Financial Statements
November 2, 2024
Unaudited (in millions of Canadian dollars, except share and per share amounts)

5. Investments, at equity

	November 2 2024	November 4 2023
Crombie Real Estate Investment Trust ("Crombie REIT")	\$ 634.8	\$ 623.4
Real estate partnerships	59.5	63.4
Other investments and joint ventures	24.4	7.0
Total	\$ 718.7	\$ 693.8

The fair value of the investment in Crombie REIT, which is based on a published price quoted on the Toronto Stock Exchange ("TSX"), is as follows:

	November 2 2024	November 4 2023
Crombie REIT	\$ 1,112.6	\$ 1,021.4

The real estate partnerships and other investments and joint ventures are not listed on a public stock exchange and hence published price quotes are not available.

6. Long-term debt

The following table reconciles the changes in cash flows from financing activities for long-term debt:

	13 Weeks Ended		26 Weeks Ended	
	November 2 2024	November 4 2023	November 2 2024	November 4 2023
Opening balance	\$ 1,127.7	\$ 958.0	\$ 1,095.4	\$ 1,012.3
Issuance of debt	23.5	32.5	62.8	66.9
Advance on non-revolving credit facility	-	-	120.0	-
Repayments of long-term debt	(22.1)	(16.6)	(76.5)	(65.1)
Advances on revolving credit facilities, net	74.9	119.0	2.2	78.7
Total cash flow from long-term debt financing activities	76.3	134.9	108.5	80.5
Deferred financing costs	-	-	0.1	0.1
Closing balance	\$ 1,204.0	\$ 1,092.9	\$ 1,204.0	\$ 1,092.9
 Current	 \$ 210.7		 \$ 109.5	
Non-current	993.3		983.4	
Total	\$ 1,204.0		\$ 1,092.9	

Sobeys' amended and restated senior, unsecured revolving term credit agreement dated November 3, 2022, in the amount of \$650.0, with a maturity date of November 4, 2027, was amended on June 24, 2024 for updated Canadian Overnight Repo Rate Average ("CORRA"). As of November 2, 2024, the outstanding amount of this facility was \$390.0 (November 4, 2023 - \$365.4) and the Company has issued \$53.4 (November 4, 2023 - \$56.5) in letters of credit against the facility. Interest payable on this facility fluctuates with changes in the Canadian prime rate, bankers' acceptance rates or CORRA.

The Company's amended and restated senior, unsecured revolving term credit agreement dated November 3, 2022, in the amount of \$150.0, with a maturity date of November 4, 2027, was amended on June 24, 2024 for updated CORRA. As of November 2, 2024, the outstanding amount of this facility was \$29.1 (November 4, 2023 - \$69.1). Interest payable on this facility fluctuates with changes in the Canadian prime rate, bankers' acceptance rates or CORRA.

Pursuant to an agreement dated June 21, 2024, Sobeys entered into a senior, unsecured non-revolving term credit agreement in the amount of \$120.0, with a maturity date of June 20, 2025. As of November 2, 2024, the outstanding amount of this facility was \$120.0. Interest payable on this facility fluctuates with changes in the Canadian prime rate or CORRA.

Empire Company Limited
Notes to the Interim Condensed Consolidated Financial Statements
November 2, 2024
Unaudited (in millions of Canadian dollars, except share and per share amounts)

Sobeys acquired Longo's existing \$75.0 demand operating line of credit. On July 20, 2023, Longo's amended this line of credit agreement from \$75.0 to \$100.0. As of November 2, 2024, the outstanding amount of this facility was \$70.5 (November 4, 2023 - \$51.4). Interest payable on this facility fluctuates with changes in the Canadian prime rate.

7. Capital stock

Under the normal course issuer bid ("NCIB") with the TSX from July 2, 2023 to July 1, 2024, the Company purchased 10,004,868 (July 1, 2023 - 10,500,000) Non-Voting Class A shares at a weighted average price of \$35.31 (July 1, 2023 - \$36.18) for total consideration of \$353.2 (July 1, 2023 - \$379.9).

On June 19, 2024, the Company renewed its NCIB by filing notice of intention with the TSX to purchase for cancellation up to 12,800,000 Non-Voting Class A shares representing approximately 9.9% of the public float of Non-Voting Class A shares outstanding. The purchases will be made through the facilities of the TSX and/or any alternative Canadian trading systems to the extent they are eligible. The price the Company will pay for any such shares will be the market price at the time of acquisition. Purchases were eligible to commence on July 2, 2024 and will terminate not later than July 1, 2025. As of November 2, 2024, the Company purchased 4,228,000 Non-Voting Class A shares (November 4, 2023 - 3,305,547) under this filing at a weighted average price of \$37.90 (November 4, 2023 - \$37.04) for a total consideration of \$160.2 (November 4, 2023 - \$122.5).

The following table reflects shares purchased under the NCIB:

	13 Weeks Ended		26 Weeks Ended	
	November 2 2024	November 4 2023	November 2 2024	November 4 2023
Number of shares	2,931,000	2,742,144	5,206,975	5,580,972
Weighted average price	\$ 38.70	\$ 37.14	\$ 37.04	\$ 36.17
Reduction of share capital	\$ 37.5	\$ 34.9	\$ 66.1	\$ 66.2
Premium charged to retained earnings	76.0	67.0	126.8	135.7
Cash consideration paid	\$ 113.5	\$ 101.9	\$ 192.9	\$ 201.9

The Company engages in an automatic share purchase plan with its designated broker allowing the purchases of Non-Voting Class A shares for cancellation under its NCIB program during trading black-out periods.

On June 20, 2024, the Canadian government enacted new legislation, implementing a 2.0% tax on repurchases of equity. The tax, effective January 1, 2024, applies to the net value of shares repurchased by any Canadian corporation whose shares are listed on a designated stock exchange. As a result, the Company has recognized \$6.4 as a charge to retained earnings on the Interim Condensed Consolidated Balance Sheets for the repurchase of shares.

Subsequent to the period ended November 2, 2024, the Company purchased for cancellation 482,400 Non-Voting Class A shares at a weighted average price of \$41.11 for a total consideration of \$19.8.

Empire Company Limited
Notes to the Interim Condensed Consolidated Financial Statements
November 2, 2024
Unaudited (in millions of Canadian dollars, except share and per share amounts)

The Company's issued and outstanding shares are as follows:

	Number of Shares		Share Capital	
	13 Weeks Ended		13 Weeks Ended	
	November 2 2024	November 4 2023	November 2 2024	November 4 2023
Balance, beginning of period, Non-Voting Class A shares	141,676,553	152,333,662	\$ 1,745.6	\$ 1,877.0
Repurchase of common shares	(2,931,000)	(2,742,144)	(37.5)	(34.9)
Issuance of shares for stock-based compensation	94,273	23,859	1.0	0.5
Balance, end of period, Non-Voting Class A shares	138,839,826	149,615,377	\$ 1,709.1	\$ 1,842.6
Class B common shares, without par value	98,138,079	98,138,079	\$ 7.3	\$ 7.3
Shares held in trust	(38,280)	(43,629)	(1.3)	(1.3)
Total capital stock			\$ 1,715.1	\$ 1,848.6

	Number of Shares		Share Capital	
	26 Weeks Ended		26 Weeks Ended	
	November 2 2024	November 4 2023	November 2 2024	November 4 2023
Balance, beginning of period, Non-Voting Class A shares	143,932,071	155,164,908	\$ 1,773.4	\$ 1,908.2
Repurchase of common shares	(5,206,975)	(5,580,972)	(66.1)	(66.2)
Issuance of shares for stock-based compensation	114,730	31,441	1.8	0.6
Balance, end of period, Non-Voting Class A shares	138,839,826	149,615,377	\$ 1,709.1	\$ 1,842.6
Class B common shares, without par value	98,138,079	98,138,079	\$ 7.3	\$ 7.3
Shares held in trust	(38,280)	(43,629)	(1.3)	(1.3)
Total capital stock			\$ 1,715.1	\$ 1,848.6

8. Other income

	13 Weeks Ended		26 Weeks Ended	
	November 2 2024	November 4 2023	November 2 2024	November 4 2023
Net gains on disposal of net assets	\$ 14.6	\$ 0.7	\$ 53.6	\$ 93.4
Lease income from owned property	3.7	4.1	7.6	8.1
Net gains (losses) on lease modifications and terminations	0.1	39.0	(1.1)	39.0
Other (Note 17)	-	0.1	-	16.6
Total	\$ 18.4	\$ 43.9	\$ 60.1	\$ 157.1

During the period ended August 3, 2024, Sobeys sold and leased back a property from a third party. Total proceeds from the transaction were \$90.0, of which \$79.0 was received in cash, resulting in a pre-tax gain of \$39.3.

During the period ended August 5, 2023, Empire completed the sale of its 56 retail fuel sites in Western Canada between a wholly owned subsidiary of Sobeys and Canadian Mobility Services Limited, a wholly owned subsidiary of Shell Canada. Total proceeds from this transaction were \$100.0, resulting in a pre-tax gain of \$90.8.

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9. Finance costs, net

	13 Weeks Ended		26 Weeks Ended	
	November 2 2024	November 4 2023	November 2 2024	November 4 2023
Finance income				
Interest income on lease receivables	\$ 5.8	\$ 5.5	\$ 11.7	\$ 11.0
Fair value gains on forward contracts	2.0	1.2	2.9	2.0
Interest income from cash and cash equivalents	0.5	0.4	1.0	0.7
Accretion income on leases and other receivables	0.5	-	0.9	0.1
Total finance income	8.8	7.1	16.5	13.8
Finance costs				
Interest expense on lease liabilities	65.2	58.2	127.8	116.4
Interest expense on other financial liabilities at amortized cost	15.0	16.3	30.0	31.7
Pension finance costs, net	2.1	1.9	4.0	3.8
Accretion expense on provisions	0.5	0.2	1.4	0.4
Total finance costs	82.8	76.6	163.2	152.3
Finance costs, net	\$ 74.0	\$ 69.5	\$ 146.7	\$ 138.5

10. Earnings per share

Basic earnings per share and diluted earnings per share were calculated using the following number of shares:

	13 Weeks Ended		26 Weeks Ended	
	November 2 2024	November 4 2023	November 2 2024	November 4 2023
Weighted average number of shares - basic	238,528,924	249,320,794	240,380,039	250,597,074
Shares deemed to be issued for no consideration in respect of stock-based payments	646,512	542,629	495,469	516,268
Weighted average number of shares - diluted	239,175,436	249,863,423	240,875,508	251,113,342

Earnings per share

Earnings attributable to Owners of the Company	\$ 173.4	\$ 181.1	\$ 381.2	\$ 442.1
Basic weighted average number of shares outstanding (in millions)	238.5	249.3	240.4	250.6
Basic earnings per share	\$ 0.73	\$ 0.73	\$ 1.59	\$ 1.76
Diluted weighted average number of shares outstanding (in millions)	239.1	249.9	240.9	251.1
Diluted earnings per share	\$ 0.73	\$ 0.72	\$ 1.58	\$ 1.76

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11. Income taxes recognized in other comprehensive (loss) income

Income tax (benefit) expense recognized in other comprehensive (loss) income is as follows:

	13 Weeks Ended		26 Weeks Ended	
	November 2 2024	November 4 2023	November 2 2024	November 4 2023
Unrealized gains on derivatives designated as cash flow hedges	\$ 0.1	\$ 0.2	\$ 1.2	\$ 0.1
Share of other comprehensive (loss) income of investments, at equity	(0.3)	0.1	(0.4)	0.3
Exchange differences on translation of foreign operations	-	0.1	-	0.1
Actuarial (losses) gains on defined benefit plans	(0.1)	2.9	(3.0)	5.6
Total	\$ (0.3)	\$ 3.3	\$ (2.2)	\$ 6.1

12. Segmented information

The Company's reportable segments are Food retailing and Investments and other operations. The Food retailing segment is comprised of three operating segments: Sobeys National, Farm Boy and Longo's. These operating segments have been aggregated into one reportable segment, Food retailing, as they all share similar economic characteristics such as product offerings, customer base and distribution methods. The Investments and other operations segment principally consists of investments in Crombie REIT, real estate partnerships and various other corporate operations.

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

All inter-segment transfers are carried out at arm's length prices. The measurement policies the Company uses for segment reporting under IFRS 8, "Operating segments", are the same as those used on its Consolidated Financial Statements.

No asymmetrical allocations of income, expense or assets have been applied between segments.

All sales are generated by the Food retailing segment. Management assesses performance based on operating income generated by each of the Company's business segments which is summarized as follows:

	13 Weeks Ended		26 Weeks Ended	
	November 2 2024	November 4 2023	November 2 2024	November 4 2023
Segmented operating income				
Food retailing	\$ 290.6	\$ 301.6	\$ 648.5	\$ 750.7
Investments and other operations				
Crombie REIT	31.2	12.2	44.0	21.1
Real estate partnerships	1.9	2.8	5.4	3.9
Other operations, net of corporate expenses	(4.6)	(4.2)	(9.7)	(6.8)
	28.5	10.8	39.7	18.2
Total	\$ 319.1	\$ 312.4	\$ 688.2	\$ 768.9

Segment operating income can be reconciled to the Company's earnings before income taxes as follows:

	13 Weeks Ended		26 Weeks Ended	
	November 2 2024	November 4 2023	November 2 2024	November 4 2023
Total operating income	\$ 319.1	\$ 312.4	\$ 688.2	\$ 768.9
Finance costs, net	74.0	69.5	146.7	138.5
Earnings before income taxes	\$ 245.1	\$ 242.9	\$ 541.5	\$ 630.4

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	November 2 2024	November 4 2023
Total assets by segment		
Food retailing	\$ 16,088.0	\$ 15,656.6
Investments and other operations	777.8	788.5
Total	\$ 16,865.8	\$ 16,445.1

13. Supplementary cash flow information

Net change in non-cash working capital includes the following:

	13 Weeks Ended		26 Weeks Ended	
	November 2 2024	November 4 2023	November 2 2024	November 4 2023
Receivables	\$ (41.0)	\$ (32.1)	\$ 13.1	\$ (26.8)
Inventories	(30.1)	(20.6)	(64.3)	(52.6)
Prepaid expenses	18.3	7.2	(4.9)	(28.0)
Accounts payable and accrued liabilities	(98.8)	(211.2)	(50.9)	(110.5)
Other	7.6	24.9	(19.9)	11.5
Net change in non-cash working capital	\$ (144.0)	\$ (231.8)	\$ (126.9)	\$ (206.4)

14. Business acquisitions

During the period ended November 2, 2024, the Company completed the acquisitions of certain franchise and non-franchise stores. The results of these acquisitions have been included in the financial results of the Company since their acquisition dates and were accounted for through the use of the acquisition method.

The following table represents the amount of identifiable assets and liabilities resulting from these acquisitions for the year-to-date ended:

	November 2 2024	November 4 2023
Assumed cash	\$ 0.2	\$ -
Inventories	4.8	2.8
Property, equipment and investment property	5.0	0.6
Goodwill	6.1	0.9
Accounts payable and accrued liabilities	(1.1)	-
Provisions	(0.1)	-
Total consideration	\$ 14.9	\$ 4.3

From the date of acquisition, the businesses acquired contributed sales of \$26.9 and \$38.9 (November 4, 2023 - \$5.3 and \$7.6) and net earnings (loss) of \$0.5 and \$0.7 (November 4, 2023 - \$(0.1) and \$(0.2)) for the period and year-to-date ended November 2, 2024 respectively, which are included in the Interim Condensed Consolidated Financial Statements.

Goodwill recorded on the acquisitions of franchise and non-franchise stores and other businesses relates to the acquired work force and customer base of the existing store location, along with the synergies expected from combining efforts of the acquired stores with existing stores. The estimated fair value of identifiable net assets and goodwill acquired have been determined provisionally and are subject to adjustment pending the finalization of the valuations and related accounting.

15. Financial instruments

The carrying amount of the Company's financial instruments approximates their fair values with the following exception:

	November 2 2024	May 4 2024	November 4 2023
Long-term debt			
Total carrying amount	\$ 1,204.0	\$ 1,095.4	\$ 1,092.9
Total fair value	\$ 1,260.3	\$ 1,132.5	\$ 1,112.3

The fair value of the non-controlling interest put liabilities associated with certain acquisitions is equivalent to the present value of the non-controlling interest buyout price which is based on the estimated future earnings of these entities at a predetermined date. The fair value of the non-controlling interest put liability associated with the acquisition of Longo's was determined through a statistical simulation, which is based on the estimated future earnings of Longo's at a predetermined date. The fair value of these options is classified as Level 3 within the three-level hierarchy of IFRS 13, "Fair value measurement". There are many inputs used to calculate the fair value, the most sensitive of which is EBITDA.

As part of the Farm Boy acquisition, members of the Farm Boy senior management team (the "Stakeholders"), retained a combined 12% interest in Farm Boy, resulting in a non-controlling interest. The parties entered into put and call options such that the Stakeholders could put, and Sobeys could call, the remaining 12% at any time after five years following the acquisition date. Since the date of acquisition, the Company recorded a financial put liability based on the present value of the amount payable on exercise of the put option in accordance with IFRS 9 "Financial instruments". On January 6, 2024, the Company received formal notice from the Stakeholders exercising their put options. During the year ended May 4, 2024, the Company acquired the remaining 12% non-controlling interest in Farm Boy for \$77.1 and the put option liability was settled in cash.

16. Stock-based compensation

Performance share unit plan

The Company awards performance share units ("PSUs") to certain employees. The number of PSUs that vest under an award is predominantly dependent on service over time and the achievement of specific performance measures. During the period ended August 3, 2024, the PSUs accounting changed from equity-settled to cash-settled as employees were given the option to choose between cash or share settled upon vesting, which results in a cash-settled liability. Upon vesting, each employee is entitled to receive cash or Non-Voting Class A shares equal to the number of their vested PSUs. During the period ended November 2, 2024, the Company granted 590,100 (November 4, 2023 - 384,430) PSUs. At November 2, 2024, there were 1,189,879 (November 4, 2023 - 995,817) PSUs outstanding and the total carrying amount of the liability was \$13.8 (November 4, 2023 - \$ nil). The compensation expense for the period and year-to-date ended November 2, 2024 related to PSUs was \$1.3 and \$4.8 (November 4, 2023 - \$3.1 and \$2.5) respectively.

Stock option plan

During the year-to-date ended November 2, 2024, the Company granted nil (November 4, 2023 - 441,609) options under the stock option plan for employees of the Company whereby options are granted to purchase Non-Voting Class A shares. The compensation expense for the period and year-to-date ended November 2, 2024 related to the issuance of options was \$1.5 and \$5.2 (November 4, 2023 - \$1.2 and \$2.9) respectively.

Deferred stock unit plans

Deferred stock units ("DSU") issued to employees under the Executive DSU Plan, vest dependent on time and the achievement of specific performance measures. During the year-to-date ended November 2, 2024, the Company granted 219,697 (November 4, 2023 - 142,471) DSUs. At November 2, 2024, there were 1,848,735 (November 4, 2023 - 1,877,555) DSUs outstanding and the total carrying amount of the liability was \$61.8 (November 4, 2023 - \$68.1). The compensation expense for the period and year-to-date ended November 2, 2024 related to DSUs was \$5.7 and \$12.0 (November 4, 2023 - \$7.1 and \$5.5) respectively.

Members of the Board of Directors may elect to receive all or any portion of their fees in DSUs in lieu of cash. The number of DSUs received is determined by the market value of the Company's Non-Voting Class A shares on each directors' or employees' fee payment date. During the year-to-date ended November 2, 2024, the Company granted 28,633 (November 4, 2023 - 27,576) DSUs. At November 2, 2024, there were 510,212 (November 4, 2023 - 514,347) DSUs outstanding and the total carrying amount of the liability was \$19.9 (November 4, 2023 - \$20.4). During the period and year-to-date ended November 2, 2024, the compensation expense recorded was \$1.8 and \$4.4 (November 4, 2023 - \$2.8 and \$3.3) respectively.

Under both DSU plans, vested DSUs cannot be redeemed until the employee has left the Company or the holder is no longer a director of the Company. The redemption value of a DSU equals the market value of an Empire Non-Voting Class A share at the time of redemption. On an ongoing basis, the Company values the DSU obligation at the current market value of a corresponding number of Non-Voting Class A shares and records any increase or decrease in the DSU obligation as selling and administrative expenses.

17. Related party transactions

The Company enters into related party transactions with Crombie REIT, including ongoing leases and property management agreements. As at November 2, 2024, the Company holds a 41.5% (November 4, 2023 - 41.5%) ownership interest in Crombie REIT and accounts for its investment using the equity method.

Crombie REIT has instituted a distribution reinvestment plan ("DRIP") whereby Canadian resident REIT unitholders may elect to automatically have their distributions reinvested in additional REIT units. The Company has enrolled in the DRIP to maintain its economic and voting interest in Crombie REIT.

During the period ended November 2, 2024, Sobeys, through a wholly-owned subsidiary, sold and leased back one property to Crombie REIT for a total cash consideration of \$2.4 resulting in a pre-tax gain of \$ nil.

During the period ended November 4, 2023, Sobeys, through wholly-owned subsidiaries, engaged in lease modification transactions with Crombie REIT. The lease modifications give Crombie REIT the right to terminate leases on certain properties for redevelopment in the future. These transactions resulted in pre-tax gains of \$34.3 and have been recognized in other income on the Interim Condensed Consolidated Statements of Earnings.

During the period ended August 5, 2023, Sobeys entered into an agreement with Crombie REIT to reassign certain subleases with third parties directly to Crombie REIT in exchange for a fee. This transaction resulted in pre-tax income of \$16.4 and has been recognized in other income on the Interim Condensed Consolidated Statements of Earnings.

18. Employee future benefits

During the period and year-to-date ended November 2, 2024, the net employee future benefits expense reported in net earnings was \$13.5 and \$26.7 (November 4, 2023 - \$12.1 and \$24.4) respectively. Actuarial (losses) gains before taxes on defined benefit pension plans for the period and year-to-date ended November 2, 2024 were \$(0.3) and \$(11.9) (November 4, 2023 - \$11.5 and \$21.9) respectively. These (losses) gains have been recognized in other comprehensive (loss) income, net.

SHAREHOLDER AND INVESTOR INFORMATION

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Investor Relations and Inquiries

Shareholders, analysts and investors should direct their financial inquiries or requests to:

E-mail: investor.relations@empireco.ca

Communication regarding investor records including changes of address or ownership, lost certificates or tax forms, should be directed to the Company's transfer agent and registrar, TSX Trust Company.

Transfer Agent

TSX Trust Company
Investor Correspondence
P.O. Box 700, Station B
Montreal, Québec
H3B 3K3
Telephone: 1-800-387-0825
E-mail: shareholderinquiries@tmx.com

Multiple Mailings

If you have more than one account, you may receive a separate mailing for each. If this occurs, please contact TSX Trust Company at 1-800-387-0825 to eliminate the multiple mailings.

Dividend Record and Payment Dates for Fiscal 2025

Record Date	Payment Date
July 15, 2024	July 31, 2024
October 15, 2024	October 31, 2024
January 15, 2025	January 31, 2025
April 15, 2025	April 30, 2025

Outstanding Shares

As at December 10, 2024

Non-Voting Class A shares	138,362,168
Class B common shares, voting	98,138,079

Stock Exchange Listing

The Toronto Stock Exchange

Stock Symbol

Non-Voting Class A shares – EMP.A

Solicitors

Stewart McKelvey
Halifax, Nova Scotia

Auditor

PricewaterhouseCoopers, LLP
Halifax, Nova Scotia

