



**Interim Condensed Consolidated Financial Statements**

**November 1, 2025**



# Interim Condensed Consolidated Financial Statements

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<b>Condensed Consolidated Balance Sheets</b>		<b>November 1</b>	<b>May 3</b>	<b>November 2</b>
<b>Unaudited (in millions of Canadian dollars)</b>	<b>Note</b>	<b>2025</b>	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents		\$ 254	\$ 285	\$ 288
Receivables		725	668	665
Inventories	4	1,987	1,833	1,841
Prepaid expenses		180	173	167
Lease and other receivables		145	121	96
Income taxes receivable		61	54	54
Assets held for sale		17	-	-
<b>Total current assets</b>		<b>3,369</b>	<b>3,134</b>	<b>3,111</b>
<b>Non-current assets</b>				
Lease and other receivables		551	636	616
Investments, at equity	5	732	720	718
Other assets		46	44	46
Property and equipment		3,714	3,675	3,582
Right-of-use assets		4,936	4,964	4,918
Investment property		143	162	156
Intangibles		1,357	1,359	1,331
Goodwill		2,056	2,055	2,066
Deferred tax assets		299	270	319
<b>Total assets</b>		<b>\$ 17,203</b>	<b>\$ 17,019</b>	<b>\$ 16,863</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable and accrued liabilities		\$ 3,017	\$ 3,122	\$ 2,909
Income taxes payable		84	73	81
Provisions		51	46	48
Long-term debt due within one year	6	215	225	211
Lease liabilities due within one year		556	597	586
Other liabilities due within one year		31	33	-
<b>Total current liabilities</b>		<b>3,954</b>	<b>4,096</b>	<b>3,835</b>
<b>Non-current liabilities</b>				
Provisions		32	34	43
Long-term debt	6	1,054	857	993
Long-term lease liabilities		5,785	5,785	5,734
Other long-term liabilities		301	279	299
Employee future benefits		171	162	165
Deferred tax liabilities		272	262	263
<b>Total liabilities</b>		<b>11,569</b>	<b>11,475</b>	<b>11,332</b>
<b>EQUITY</b>				
<b>Equity attributable to Owners of the Company</b>				
Capital stock	7	1,634	1,660	1,715
Contributed surplus		25	30	36
Retained earnings		3,818	3,697	3,630
Accumulated other comprehensive income		20	23	23
<b>Total equity attributable to Owners of the Company</b>		<b>5,497</b>	<b>5,410</b>	<b>5,404</b>
Non-controlling interest		137	134	127
<b>Total equity</b>		<b>5,634</b>	<b>5,544</b>	<b>5,531</b>
<b>Total liabilities and equity</b>		<b>\$ 17,203</b>	<b>\$ 17,019</b>	<b>\$ 16,863</b>

See accompanying notes to the Interim Condensed Consolidated Financial Statements.

On Behalf of the Board  
(signed) "James Dickson"  
Director

(signed) "Pierre St-Laurent"  
Director

<b>Condensed Consolidated Statements of Earnings</b>			<b>November 1 2025 13 Weeks</b>	<b>November 2 2024 13 Weeks</b>	<b>November 1 2025 26 Weeks</b>	<b>November 2 2024 26 Weeks</b>
<b>Unaudited (in millions of Canadian dollars, except per share amounts)</b>		<b>Note</b>				
Sales	8		\$ 7,995	\$ 7,778	\$ 16,253	\$ 15,915
Other income	9		4	18	20	60
Share of earnings from investments, at equity			14	31	31	47
Operating expenses						
Cost of sales			5,848	5,713	11,871	11,724
Selling and administrative expenses			1,870	1,795	3,756	3,610
Operating income			295	319	677	688
Finance costs, net	10		64	74	135	147
Earnings before income taxes			231	245	542	541
Income tax expense			61	64	142	131
<b>Net earnings</b>			<b>\$ 170</b>	<b>\$ 181</b>	<b>\$ 400</b>	<b>\$ 410</b>
<b>Earnings for the period attributable to:</b>						
Owners of the Company			\$ 159	\$ 173	\$ 371	\$ 381
Non-controlling interest			11	8	29	29
			<b>\$ 170</b>	<b>\$ 181</b>	<b>\$ 400</b>	<b>\$ 410</b>
Earnings per share	11					
Basic			\$ 0.69	\$ 0.73	\$ 1.60	\$ 1.59
Diluted			\$ 0.69	\$ 0.73	\$ 1.60	\$ 1.58
Weighted average number of common shares outstanding, in millions	11					
Basic			230.8	238.5	231.7	240.4
Diluted			231.4	239.1	232.5	240.9

See accompanying notes to the Interim Condensed Consolidated Financial Statements.

<b>Condensed Consolidated Statements of Comprehensive Income</b>		<b>November 1 2025 13 Weeks</b>	<b>November 2 2024 13 Weeks</b>	<b>November 1 2025 26 Weeks</b>	<b>November 2 2024 26 Weeks</b>
<b>Unaudited (in millions of Canadian dollars)</b>	<b>Note</b>				
Net earnings		\$ 170	\$ 181	\$ 400	\$ 410
Other comprehensive loss, net					
Items that will be reclassified subsequently to net earnings					
Unrealized (losses) gains on derivatives designated as cash flow hedges (net of tax)	12	(1)	-	(3)	3
Share of other comprehensive losses of investments, at equity (net of tax)	12	-	(1)	-	(1)
Items that will not be reclassified subsequently to net earnings					
Actuarial (losses) gains on defined benefit plans (net of tax)	12	(1)	1	(8)	(8)
Total other comprehensive loss, net		(2)	-	(11)	(6)
<b>Total comprehensive income</b>		<b>\$ 168</b>	<b>\$ 181</b>	<b>\$ 389</b>	<b>\$ 404</b>
<b>Total comprehensive income for the period attributable to:</b>					
Owners of the Company		\$ 157	\$ 173	\$ 360	\$ 375
Non-controlling interest		11	8	29	29
		<b>\$ 168</b>	<b>\$ 181</b>	<b>\$ 389</b>	<b>\$ 404</b>

See accompanying notes to the Interim Condensed Consolidated Financial Statements.

**Condensed Consolidated Statements of Changes in Shareholders' Equity**  
**Unaudited (in millions of Canadian dollars)**

	Note	Attributable to Owners of the Company					Non-controlling Interest	Total Equity
		Capital Stock	Contributed Surplus	Accumulated Other Comprehensive Income	Retained Earnings	Total Attributable to Owners of the Company		
<b>Balance at May 3, 2025</b>		\$ 1,660	\$ 30	\$ 23	\$ 3,697	\$ 5,410	\$ 134	\$ 5,544
Net earnings		-	-	-	371	371	29	400
Other comprehensive loss		-	-	(3)	(8)	(11)	-	(11)
<b>Total comprehensive (loss) income for the period</b>		-	-	(3)	363	360	29	389
Dividends paid		-	-	-	(101)	(101)	(1)	(102)
Dividends paid to non-controlling interest		-	-	-	(1)	(1)	1	-
Equity based compensation, net		7	(5)	-	-	2	-	2
Repurchase of common shares	7	(33)	-	-	(117)	(150)	-	(150)
Tax on repurchase of common shares	7	-	-	-	(3)	(3)	-	(3)
Capital transactions with structured entities		-	-	-	-	-	(21)	(21)
Revaluation of put options		-	-	-	(20)	(20)	(5)	(25)
<b>Transactions with owners</b>		(26)	(5)	-	(242)	(273)	(26)	(299)
<b>Balance at November 1, 2025</b>		\$ 1,634	\$ 25	\$ 20	\$ 3,818	\$ 5,497	\$ 137	\$ 5,634

	Note	Attributable to Owners of the Company					Non-controlling Interest	Total Equity
		Capital Stock	Contributed Surplus	Accumulated Other Comprehensive Income	Retained Earnings	Total Attributable to Owners of the Company		
<b>Balance at May 4, 2024</b>		\$ 1,779	\$ 56	\$ 21	\$ 3,485	\$ 5,341	\$ 128	\$ 5,469
Net earnings		-	-	-	381	381	29	410
Other comprehensive income (loss)		-	-	2	(8)	(6)	-	(6)
<b>Total comprehensive income for the period</b>		-	-	2	373	375	29	404
Dividends paid		-	-	-	(96)	(96)	(1)	(97)
Dividends paid to non-controlling interest		-	-	-	(1)	(1)	1	-
Equity based compensation, net		2	(20)	-	-	(18)	-	(18)
Repurchase of common shares	7	(66)	-	-	(127)	(193)	-	(193)
Tax on repurchase of common shares	7	-	-	-	(6)	(6)	-	(6)
Capital transactions with structured entities		-	-	-	-	-	(23)	(23)
Revaluation of put options		-	-	-	2	2	(7)	(5)
<b>Transactions with owners</b>		(64)	(20)	-	(228)	(312)	(30)	(342)
<b>Balance at November 2, 2024</b>		\$ 1,715	\$ 36	\$ 23	\$ 3,630	\$ 5,404	\$ 127	\$ 5,531

See accompanying notes to the Interim Condensed Consolidated Financial Statements.

<b>Condensed Consolidated Statements of Cash Flows</b>		<b>November 1 2025 13 Weeks</b>	<b>November 2 2024 13 Weeks</b>	<b>November 1 2025 26 Weeks</b>	<b>November 2 2024 26 Weeks</b>
<b>Unaudited (in millions of Canadian dollars)</b>	<b>Note</b>				
<b>Operations</b>					
Net earnings		\$ 170	\$ 181	\$ 400	\$ 410
Adjustments for:					
Depreciation		259	253	517	499
Income tax expense		61	64	142	131
Finance costs, net	10	64	74	135	147
Amortization of intangibles		29	29	60	59
Net gains on disposal of net assets	9	-	(14)	(2)	(53)
Net (gains) losses on lease modifications and terminations	9	-	-	(10)	1
Impairment (reversals) losses of non-financial assets, net		(3)	-	-	12
Impairment losses of long-lived assets		-	3	-	3
Equity (loss) earnings of other entities, net of distributions received		-	(18)	3	(17)
Employee future benefits		-	(2)	(2)	(7)
Decrease in long-term provisions		(2)	(1)	(3)	(6)
Equity based compensation		4	3	5	10
Net change in non-cash working capital	13	(117)	(145)	(259)	(126)
Income taxes paid, net		(61)	(41)	(156)	(158)
Cash flows from operating activities		404	386	830	905
<b>Investment</b>					
Increase in equity investments		(7)	(13)	(15)	(14)
Property, equipment and investment property purchases		(168)	(119)	(327)	(318)
Intangible purchases		(36)	(23)	(70)	(48)
Proceeds on disposal of assets		10	26	17	108
Proceeds on lease modifications and terminations		-	-	16	-
Leases and other receivables, net		24	5	15	6
Other assets		1	10	(5)	(8)
Other liabilities		(5)	(2)	(5)	(1)
Business acquisitions	14	(3)	(5)	(5)	(15)
Payments received for finance subleases		22	24	45	46
Interest received		1	-	2	1
Cash flows used in investing activities		(161)	(97)	(332)	(243)
<b>Financing</b>					
Issuance of long-term debt		328	23	370	63
Advance on non-revolving credit facility		-	-	-	120
Repayments of long-term debt		(28)	(22)	(74)	(76)
(Repayments) advances on revolving credit facilities, net		(306)	76	(109)	1
Interest paid		(18)	(15)	(29)	(27)
Payments of lease liabilities (principal portion)		(145)	(138)	(286)	(275)
Payments of lease liabilities (interest portion)		(64)	(65)	(128)	(128)
Repurchase of common shares	7	(70)	(113)	(150)	(193)
Dividends paid		(51)	(49)	(102)	(97)
Non-controlling interest		(7)	(11)	(21)	(22)
Cash flows used in financing activities		(361)	(314)	(529)	(634)
(Decrease) increase in cash and cash equivalents		(118)	(25)	(31)	28
Cash and cash equivalents, beginning of period		372	313	285	260
Cash and cash equivalents, end of period		\$ 254	\$ 288	\$ 254	\$ 288

See accompanying notes to the Interim Condensed Consolidated Financial Statements.

## Note 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 1, 2025 include the accounts of Empire, all subsidiary companies, including 100% owned Sobeys Inc. ("Sobeys"), Sobeys Capital Incorporated and Farm Boy, 51% owned Longo's and certain enterprises considered structured entities ("SEs"), 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 1, 2025, the Company's business operations were conducted through its two reportable segments: Food retailing and Investments and other operations, as further described in Note 8, 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.

## Note 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 3, 2025, 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 10, 2025.

### 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 3, 2025 and remain unchanged for the period ended November 1, 2025.

## Note 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 3, 2025.

### Standards, amendments and interpretations issued but not yet adopted

#### *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.



*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.

## Note 4 Inventories

The cost of inventories recognized as an expense during the period and year-to-date ended November 1, 2025 was \$5,848 million and \$11,871 million (November 2, 2024 - \$5,713 million and \$11,724 million) respectively. The Company recorded an expense for the period and year-to-date ended November 1, 2025 of \$ nil and \$3 million (November 2, 2024 - \$ nil and \$3 million) respectively for write-down of inventories below cost to net realizable value for inventories on hand.

## Note 5 Investments, at equity

<i>(in millions of Canadian dollars)</i>	<b>November 1 2025</b>	<b>May 3 2025</b>	<b>November 2 2024</b>
<b>Investment in associates and joint ventures</b>			
Crombie Real Estate Investment Trust ("Crombie REIT")	\$ 635	\$ 633	\$ 635
Real estate partnerships	58	62	59
Other investments and joint ventures	39	25	24
<b>Total</b>	<b>\$ 732</b>	<b>\$ 720</b>	<b>\$ 718</b>

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:

<i>(in millions of Canadian dollars)</i>	<b>November 1 2025</b>	<b>May 3 2025</b>	<b>November 2 2024</b>
Crombie REIT	\$ 1,154	\$ 1,148	\$ 1,113

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.

## Note 6 Long-term debt

<i>(in millions of Canadian dollars)</i>	<b>November 1 2025</b>	<b>May 3 2025</b>	<b>November 2 2024</b>
First mortgage loan, interest rate 5.11%, due 2033	\$ 3	\$ 3	\$ 4
Medium term notes, Series D, interest rate 6.06% due October 29, 2035	175	175	175
Medium term notes, Series E, interest rate 5.79% due October 6, 2036	125	125	125
Medium term notes, Series F, interest rate 6.64%, due June 7, 2040	150	150	150
Senior unsecured notes, Series 2025-1, interest rate 3.10%, due October 30, 2028	300	-	-
Notes payable and other debt primarily at interest rates fluctuating with the prime rate, due 2026 - 2036 (May 3, 2025 due 2025 - 2036, November 2, 2024 due 2025 - 2036)	160	162	143
Credit facility, due on demand, interest rate fluctuates with the Canadian prime rate	69	82	71
Credit facility, due June 19, 2026, floating interest tied to the Canadian prime rate or CORRA	120	120	120
Credit facilities, expiring November 4, 2027, floating interest tied to Canadian prime rate, bankers' acceptance rates or CORRA	170	268	418
	<b>1,272</b>	<b>1,085</b>	<b>1,206</b>
Interest payable on credit facilities	-	(1)	-
Unamortized transactions costs	(3)	(2)	(2)
	<b>1,269</b>	<b>1,082</b>	<b>1,204</b>
Less amount due within one year	<b>215</b>	<b>225</b>	<b>211</b>
	<b>\$ 1,054</b>	<b>\$ 857</b>	<b>\$ 993</b>

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

<i>(in millions of Canadian dollars)</i>	<b>November 1 2025 13 Weeks</b>	<b>November 2 2024 13 Weeks</b>	<b>November 1 2025 26 Weeks</b>	<b>November 2 2024 26 Weeks</b>
Opening balance	\$ 1,275	\$ 1,127	\$ 1,082	\$ 1,096
Issuance of long-term debt	328	23	370	63
Advance on non-revolving credit facility	-	-	-	120
Repayments of long-term debt	(28)	(22)	(74)	(76)
(Repayments) advances on revolving credit facilities, net	(306)	76	(109)	1
Total cash flows (used in) from long-term debt financing activities	<b>(6)</b>	<b>77</b>	<b>187</b>	<b>108</b>
Closing balance	<b>\$ 1,269</b>	<b>\$ 1,204</b>	<b>\$ 1,269</b>	<b>\$ 1,204</b>
Current			<b>\$ 215</b>	<b>\$ 211</b>
Non-current			<b>1,054</b>	<b>993</b>
Total			<b>\$ 1,269</b>	<b>\$ 1,204</b>

Pursuant to an agreement dated October 30, 2025, Sobeys issued through private placement Series 2025-1 senior unsecured notes ("the Notes"), bearing interest at a fixed rate of 3.10%, due October 30, 2028. Interest is payable semi-annually beginning April 2026. As of November 1, 2025, the outstanding amount of the Notes was \$300 million. The Notes are redeemable at Sobeys' option, in whole or in part, at any time. The redemption price will equal the greater of the Canada Yield Price or par value, plus accrued and unpaid interest to the redemption date.

Pursuant to an agreement dated June 21, 2024, Sobeys entered into a senior unsecured non-revolving term credit agreement in the amount of \$120 million, with a maturity date of June 20, 2025. On June 18, 2025, Sobeys amended this facility by extending its maturity date to June 19, 2026. As of November 1, 2025, the outstanding amount of this facility was \$120 million (November 2, 2024 - \$120 million). Interest payable on this facility fluctuates with changes in the Canadian prime rate or Canadian Overnight Repo Rate Average ("CORRA").

Sobeys' amended and restated senior, unsecured revolving term credit agreement dated November 3, 2022, in the amount of \$650 million, with a maturity date of November 4, 2027, was amended on June 24, 2024 for updated CORRA. As of November 1, 2025, the outstanding amount of this facility was \$142 million (November 2, 2024 - \$390 million) and the Company has issued \$73 million (November 2, 2024 - \$53 million) 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 million, with a maturity date of November 4, 2027, was amended on June 24, 2024 for updated CORRA. As of November 1, 2025, the outstanding amount of this facility was \$28 million (November 2, 2024 - \$29 million). Interest payable on this facility fluctuates with changes in the Canadian prime rate, bankers' acceptance rates or CORRA.

Sobeys, through its acquisition of Longo's, has an operating line of credit which was amended from \$100 million to \$115 million on March 25, 2025. As of November 1, 2025, the outstanding amount of the facility was \$69 million (November 2, 2024 - \$71 million). Interest payable on this facility fluctuates with changes in the Canadian prime rate.

## Note 7 Capital stock

Under the normal course issuer bid ("NCIB") with the TSX from July 2, 2024 to July 1, 2025, the Company purchased 9,956,481 (July 1, 2024 - 10,004,868) Non-Voting Class A shares at a weighted average price of \$42.34 (July 1, 2024 - \$35.31) for total consideration of \$422 million (July 1, 2024 - \$353 million).

On June 18, 2025, the Company renewed its NCIB by filing notice of intention with the TSX to purchase for cancellation up to 11,500,000 Non-Voting Class A shares representing approximately 9.6% 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, 2025 and terminate no later than July 1, 2026. As of November 1, 2025, the Company purchased 1,802,135 Non-Voting Class A shares (November 2, 2024 - 4,228,000) under this filing at a weighted average price of \$53.21 (November 2, 2024 - \$37.90) for a total consideration of \$96 million (November 2, 2024 - \$160 million).

The following table reflects shares repurchased under the NCIB:

<i>(in millions of Canadian dollars, except per share amounts)</i>	<b>November 1 2025 13 Weeks</b>	<b>November 2 2024 13 Weeks</b>	<b>November 1 2025 26 Weeks</b>	<b>November 2 2024 26 Weeks</b>
Number of shares	<b>1,339,135</b>	2,931,000	<b>2,849,577</b>	5,206,975
Weighted average price per share	<b>\$ 52.28</b>	\$ 38.70	<b>\$ 52.65</b>	\$ 37.04
Reduction of share capital	<b>\$ 15</b>	\$ 37	<b>\$ 33</b>	\$ 66
Premium charged to retained earnings	<b>55</b>	76	<b>117</b>	127
Cash consideration paid	<b>\$ 70</b>	\$ 113	<b>\$ 150</b>	\$ 193

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.

For the period ended November 1, 2025, the Company has recognized tax on the repurchase of equity of \$3 million (November 2, 2024 - \$6 million) as a charge to retained earnings on the Interim Condensed Consolidated Balance Sheets.

Subsequent to the period ended November 1, 2025 through to the date of authorization of issuance of December 10, 2025, the Company purchased for cancellation 895,500 Non-Voting Class A shares at a weighted average price of \$50.45 for a total consideration of \$45 million.

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

	Number of Shares		Share Capital	
	November 1 2025 13 Weeks	November 2 2024 13 Weeks	November 1 2025 13 Weeks	November 2 2024 13 Weeks
<i>(in millions of Canadian dollars)</i>				
<b>Issued and outstanding</b>				
Balance, beginning of period, Non-Voting Class A shares	133,321,755	141,676,553	\$ 1,643	\$ 1,745
Repurchase of common shares	(1,339,135)	(2,931,000)	(15)	(37)
Issuance of shares for stock-based compensation	25,404	94,273	-	1
Balance, end of period, Non-Voting Class A shares	132,008,024	138,839,826	\$ 1,628	\$ 1,709
Class B common shares, without par value	98,138,079	98,138,079	\$ 7	\$ 7
Shares held in trust	(20,980)	(38,280)	(1)	(1)
Total capital stock			\$ 1,634	\$ 1,715

	Number of Shares		Share Capital	
	November 1 2025 26 Weeks	November 2 2024 26 Weeks	November 1 2025 26 Weeks	November 2 2024 26 Weeks
<i>(in millions of Canadian dollars)</i>				
<b>Issued and outstanding</b>				
Balance, beginning of period, Non-Voting Class A shares	134,488,019	143,932,071	\$ 1,654	\$ 1,773
Repurchase of common shares	(2,849,577)	(5,206,975)	(33)	(66)
Issuance of shares for stock-based compensation	369,582	114,730	7	2
Balance, end of period, Non-Voting Class A shares	132,008,024	138,839,826	\$ 1,628	\$ 1,709
Class B common shares, without par value	98,138,079	98,138,079	\$ 7	\$ 7
Shares held in trust	(20,980)	(38,280)	(1)	(1)
Total capital stock			\$ 1,634	\$ 1,715

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

	Number of Shares			Share Capital		
	November 1 2025	May 3 2025	November 2 2024	November 1 2025	May 3 2025	November 2 2024
<i>(in millions of Canadian dollars)</i>						
Non-Voting Class A shares	132,008,024	134,488,019	138,839,826	\$ 1,628	\$ 1,654	\$ 1,709
Class B common shares	98,138,079	98,138,079	98,138,079	7	7	7
Shares held in trust	(20,980)	(38,341)	(38,280)	(1)	(1)	(1)
Total capital stock				\$ 1,634	\$ 1,660	\$ 1,715

## Note 8 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. Food retailing consists of corporate and franchisee-owned retail food stores, and includes convenience and fuel stores, retail pharmacy stores and in-store pharmacies, providing customers offerings in fresh and non-fresh grocery, fuel, pharmacy, health and beauty care and general merchandise. 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 and cost of sales are generated by the Food retailing segment. The Company's sales, by type of goods, are reconciled to total sales below:

	November 1 2025 13 Weeks	November 2 2024 13 Weeks	November 1 2025 26 Weeks	November 2 2024 26 Weeks
<i>(in millions of Canadian dollars)</i>				
Food sales	\$ 7,540	\$ 7,294	\$ 15,331	\$ 14,890
Fuel sales	455	484	922	1,025
Sales	\$ 7,995	\$ 7,778	\$ 16,253	\$ 15,915

Management assesses performance based on operating income where income attributable to the Investments and other operations segment is generated through its Share of earnings from investments, at equity which is disclosed separately on the Consolidated Statements of Earnings. Other income and Selling and administrative expenses which are also disclosed separately on the Interim Condensed Consolidated Statements of Earnings, are primarily attributable to the Food retailing segment. Significant components of selling and administrative expenses are depreciation and amortization, and employee benefits expenses. Depreciation and amortization are disclosed on the Interim Condensed Consolidated Statements of Cash Flows. Costs of sales is disclosed on the Interim Condensed Consolidated Statements of Earnings and in Note 4.

Operating income generated by each of the Company's business segments is summarized as follows:

	November 1 2025 13 Weeks	November 2 2024 13 Weeks	November 1 2025 26 Weeks	November 2 2024 26 Weeks
<i>(in millions of Canadian dollars)</i>				
<b>Segment operating income</b>				
Food retailing	\$ 278	\$ 291	\$ 647	\$ 649
Investments and other operations				
Crombie REIT	13	31	28	44
Real estate partnerships	2	2	4	5
Other operations, net of corporate expenses	2	(5)	(2)	(10)
	17	28	30	39
Total	\$ 295	\$ 319	\$ 677	\$ 688

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

	November 1 2025 13 Weeks	November 2 2024 13 Weeks	November 1 2025 26 Weeks	November 2 2024 26 Weeks
<i>(in millions of Canadian dollars)</i>				
Total segment operating income	\$ 295	\$ 319	\$ 677	\$ 688
Finance costs, net	64	74	135	147
Earnings before income taxes	\$ 231	\$ 245	\$ 542	\$ 541

	November 1 2025	May 3 2025	November 2 2024
<i>(in millions of Canadian dollars)</i>			
<b>Total assets by segment</b>			
Food retailing	\$ 16,419	\$ 16,234	\$ 16,085
Investments and other operations	784	785	778
Total	\$ 17,203	\$ 17,019	\$ 16,863

## Note 9 Other income

	November 1 2025 13 Weeks	November 2 2024 13 Weeks	November 1 2025 26 Weeks	November 2 2024 26 Weeks
<i>(in millions of Canadian dollars)</i>				
Net gains (losses) on lease modifications and terminations	\$ -	\$ -	\$ 10	\$ (1)
Lease income from owned property	4	4	8	8
Net gains on disposal of net assets	-	14	2	53
Total other income	\$ 4	\$ 18	\$ 20	\$ 60

During the period ended August 3, 2024, the Company sold and leased back a property from a third party. Total proceeds from the transaction were \$90 million, of which \$79 million was received in cash, resulting in a pre-tax gain of \$39 million.

## Note 10 Finance costs, net

		November 1 2025 13 Weeks	November 2 2024 13 Weeks	November 1 2025 26 Weeks	November 2 2024 26 Weeks
<i>(in millions of Canadian dollars)</i>	<b>Note</b>				
<b>Finance income</b>					
Interest income on lease receivables		\$ 5	\$ 6	\$ 11	\$ 12
Interest income on long-term receivables	15	8	-	8	-
Fair value gains on forward contracts		3	2	5	3
Interest income from cash and cash equivalents		1	-	2	1
Accretion income on leases and other receivables		-	-	1	-
Total finance income		17	8	27	16
<b>Finance costs</b>					
Interest expense on lease liabilities		64	65	128	128
Interest expense on other financial liabilities at amortized cost		15	15	29	30
Pension finance costs, net		2	2	4	4
Accretion expense on provisions		-	-	1	1
Total finance costs		81	82	162	163
Finance costs, net		\$ 64	\$ 74	\$ 135	\$ 147

## Note 11 Earnings per share

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

	November 1 2025 13 Weeks	November 2 2024 13 Weeks	November 1 2025 26 Weeks	November 2 2024 26 Weeks
<i>(in millions of Canadian dollars, except share amounts)</i>				
Weighted average number of shares - basic	230,790,168	238,528,924	231,667,579	240,380,039
Shares deemed to be issued for no consideration in respect of stock-based payments	654,118	646,512	828,476	495,469
Weighted average number of shares - diluted	231,444,286	239,175,436	232,496,055	240,875,508
<b>Earnings per share</b>				
Earnings attributable to Owners of the Company	\$ 159	\$ 173	\$ 371	\$ 381
Basic weighted average number of shares outstanding (in millions)	230.8	238.5	231.7	240.4
Basic earnings per share	\$ 0.69	\$ 0.73	\$ 1.60	\$ 1.59
Diluted weighted average number of shares outstanding (in millions)	231.4	239.1	232.5	240.9
Diluted earnings per share	\$ 0.69	\$ 0.73	\$ 1.60	\$ 1.58

## Note 12 Income taxes recognized in other comprehensive loss

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

	November 1 2025 13 Weeks	November 2 2024 13 Weeks	November 1 2025 26 Weeks	November 2 2024 26 Weeks
<i>(in millions of Canadian dollars)</i>				
Unrealized (losses) gains on derivatives designated as cash flow hedges	\$ (1)	\$ -	\$ (1)	\$ 1
Actuarial losses on defined benefit plans	(1)	-	(3)	(3)
Total	\$ (2)	\$ -	\$ (4)	\$ (2)

## Note 13 Supplementary cash flow information

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

	November 1 2025 13 Weeks	November 2 2024 13 Weeks	November 1 2025 26 Weeks	November 2 2024 26 Weeks
<i>(in millions of Canadian dollars)</i>				
Receivables	\$ (39)	\$ (41)	\$ (50)	\$ 13
Inventories	(116)	(30)	(152)	(64)
Prepaid expenses	19	18	(7)	(5)
Accounts payable and accrued liabilities	18	(100)	(60)	(52)
Other	1	8	10	(18)
Net change in non-cash working capital	\$ (117)	\$ (145)	\$ (259)	\$ (126)

## Note 14 Business acquisitions

The Company completes 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 amounts of identifiable assets and liabilities resulting from these acquisitions for the year-to-date ended:

	November 1 2025	November 2 2024
<i>(in millions of Canadian dollars)</i>		
Inventories	\$ 2	\$ 5
Property, equipment and investment property	2	5
Goodwill	1	6
Accounts payable and accrued liabilities	-	(1)
Total consideration	\$ 5	\$ 15

From the date of acquisition, the businesses acquired contributed sales of \$8 million and \$12 million (November 2, 2024 - \$27 million and \$39 million) and net earnings of \$ nil and \$ nil (November 2, 2024 - \$1 million and \$1 million) for the period and year-to-date ended November 1, 2025 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 the 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.



## Note 15 Contingencies

On June 21, 2005, Sobeys received a notice of reassessment from Canada Revenue Agency ("CRA") for fiscal years 1999 and 2000 related to Lumsden Brothers Limited, a wholesale subsidiary of Sobeys, and the Goods and Service Tax ("GST"). The reassessment related to GST on sales of tobacco products to eligible Indigenous peoples. CRA asserted that Sobeys was obliged to collect GST on sales of tobacco products to eligible Indigenous peoples. The total tax, interest and penalties in the reassessment was \$14 million. Sobeys reviewed this matter, received legal advice, and believed it was not required to collect GST. During fiscal 2006, Sobeys filed a Notice of Objection with CRA. Sobeys had deposited with CRA funds equal to the total tax, interest and penalties in the reassessment and had recorded this amount as an other long-term receivable from CRA pending resolution of the matter. During the year ended May 4, 2024, the court ruled in favour of Sobeys, however the Crown filed Notice of Appeal and the hearing was held in May 2024. In October 2025, the Federal Court of Appeal ruled in favour of Sobeys and dismissed the Crown's appeal. For the period ended November 1, 2025, Sobeys recorded a recovery of \$8 million related to the interest earned on the amounts deposited with CRA, net of costs associated with settling the matter, which has been recognized in finance costs, net on the Interim Condensed Consolidated Statements of Earnings. Sobeys reclassified the \$14 million deposit from other long-term receivable to accounts receivable.

## Note 16 Financial instruments

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

<i>(in millions of Canadian dollars)</i>	<b>November 1 2025</b>	<b>May 3 2025</b>	<b>November 2 2024</b>
<b>Long-term debt</b>			
Total carrying amount	\$ 1,269	\$ 1,082	\$ 1,204
Total fair value	\$ 1,341	\$ 1,135	\$ 1,260

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.

## Note 17 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 year-to-date ended November 1, 2025, newly granted PSUs do not have the option for cash settlement, and therefore are accounted for as equity-settled awards. Upon vesting, each employee is entitled to receive Non-Voting Class A shares equal to the number of their vested PSUs. During the year-to-date ended November 1, 2025, the Company granted 389,336 equity-settled PSUs. The weighted average fair value of \$48.75 per PSU issued during the year-to-date ended November 1, 2025 was determined using Black-Scholes model with the following weighted average assumption:

Share price	\$ 50.77
Expected life	2.61 years
Risk-free interest rate	2.66%
Expected volatility	20.02%
Dividend yield	1.55%

During the prior year-to-date ended November 2, 2024, the Company granted 590,100 cash-settled PSUs. PSUs granted prior to May 3, 2025 continue to give holders the option to cash settle, which results in a cash settled liability. Upon vesting, each employee is entitled to receive cash or Non-Voting Class A shares equal to their vested PSUs. At November 1, 2025, the total carrying amount of the cash and equity liability was \$32 million (November 2, 2024 - \$14 million).

At November 1, 2025, there were 1,356,087 (November 2, 2024 - 1,189,879) PSUs outstanding. The compensation expense for the period and year-to-date ended November 1, 2025 related to equity-settled PSUs was \$3 million and \$4 million (November 2, 2024 - \$ nil and \$ nil) respectively. The compensation (recovery) expense for the period and year-to-date ended November 1, 2025 related to cash-settled PSUs was \$(3) million and \$4 million (November 2, 2024 - \$2 million and \$5 million) respectively.

### Stock option plan

During the year-to-date ended November 1, 2025, the Company granted nil (November 2, 2024 - nil) 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 1, 2025 related to the issuance of options was \$1 million and \$1 million (November 2, 2024 - \$1 million and \$5 million) respectively.

### Deferred stock unit plans

Deferred stock units ("DSUs") 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 1, 2025, the Company granted 94,217 (November 2, 2024 - 219,697) DSUs. At November 1, 2025, there were 1,516,372 (November 2, 2024 - 1,848,735) DSUs outstanding and the total carrying amount of the liability was \$67 million (November 2, 2024 - \$62 million). The compensation (recovery) expense for the period and year-to-date ended November 1, 2025 related to DSUs was \$(10) million and \$(1) million (November 2, 2024 - \$6 million and \$12 million) 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 1, 2025, the Company granted 26,338 (November 2, 2024 - 28,633) DSUs. At November 1, 2025, there were 561,994 (November 2, 2024 - 510,212) DSUs outstanding and the total carrying amount of the liability was \$27 million (November 2, 2024 - \$20 million). During the period and year-to-date ended November 1, 2025, the compensation (recovery) expense recorded was \$(4) million and \$(1) million (November 2, 2024 - \$1 million and \$4 million) 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.

## Note 18 Related party transactions

The Company enters into related party transactions with Crombie REIT and key management personnel, including ongoing leases and property management agreements. As at November 1, 2025, the Company holds a 41.5% (November 2, 2024 - 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 August 2, 2025, Sobeys through wholly-owned subsidiaries, engaged in a lease modification transaction with Crombie REIT. The lease modification gives Crombie REIT the right to terminate the lease on the property for redevelopment in the future. Proceeds from this transaction were \$16 million which resulted in pre-tax income of \$10 million and has been recognized in other income on the Interim Condensed Consolidated Statements of Earnings.

## Note 19 Employee future benefits

During the period and year-to-date ended November 1, 2025, the net employee future benefits expense reported in net earnings was \$15 million and \$28 million (November 2, 2024 - \$14 million and \$27 million) respectively. Actuarial (losses) gains before taxes on defined benefit pension plans for the period and year-to-date ended November 1, 2025 were \$(2) million and \$(11) million (November 2, 2024 - \$1 million and \$(11) million) respectively. These (losses) gains have been recognized in other comprehensive loss, net.