

# empire

COMPANY LIMITED

**Interim Condensed Consolidated Financial Statements**

**January 31, 2026**



# Interim Condensed Consolidated Financial Statements

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<b>Condensed Consolidated Balance Sheets</b>		<b>January 31</b>	<b>May 3</b>	<b>February 1</b>
<b>Unaudited (in millions of Canadian dollars)</b>		<b>2026</b>	<b>2025</b>	<b>2025</b>
	<b>Note</b>			
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents		\$ 329	\$ 285	\$ 191
Receivables		741	668	655
Inventories	4	1,885	1,833	1,765
Prepaid expenses		163	173	140
Lease and other receivables		111	121	94
Income taxes receivable		73	54	54
Assets held for sale	22	33	-	-
<b>Total current assets</b>		<b>3,335</b>	<b>3,134</b>	<b>2,899</b>
<b>Non-current assets</b>				
Lease and other receivables		551	636	608
Investments, at equity	5	733	720	708
Other assets		26	44	45
Property and equipment	6	3,566	3,675	3,609
Right-of-use assets	6	4,852	4,964	5,035
Investment property		135	162	156
Intangibles	6	1,319	1,359	1,346
Goodwill		2,056	2,055	2,058
Deferred tax assets		500	270	288
<b>Total assets</b>		<b>\$ 17,073</b>	<b>\$ 17,019</b>	<b>\$ 16,752</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable and accrued liabilities		\$ 2,996	\$ 3,122	\$ 2,786
Income taxes payable		103	73	77
Provisions	7	193	46	44
Long-term debt due within one year	8	202	225	213
Lease liabilities due within one year		620	597	566
Other liabilities due within one year		49	33	-
<b>Total current liabilities</b>		<b>4,163</b>	<b>4,096</b>	<b>3,686</b>
<b>Non-current liabilities</b>				
Provisions	7	32	34	41
Long-term debt	8	1,058	857	917
Long-term lease liabilities		6,029	5,785	5,853
Other long-term liabilities		290	279	306
Employee future benefits		173	162	169
Deferred tax liabilities		281	262	269
<b>Total liabilities</b>		<b>12,026</b>	<b>11,475</b>	<b>11,241</b>
<b>EQUITY</b>				
<b>Equity attributable to Owners of the Company</b>				
Capital stock	9	1,601	1,660	1,685
Contributed surplus		26	30	34
Retained earnings		3,260	3,697	3,636
Accumulated other comprehensive income		17	23	22
<b>Total equity attributable to Owners of the Company</b>		<b>4,904</b>	<b>5,410</b>	<b>5,377</b>
Non-controlling interest		143	134	134
<b>Total equity</b>		<b>5,047</b>	<b>5,544</b>	<b>5,511</b>
<b>Total liabilities and equity</b>		<b>\$ 17,073</b>	<b>\$ 17,019</b>	<b>\$ 16,752</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 (Loss) Earnings</b>		<b>January 31 2026</b>	<b>February 1 2025</b>	<b>January 31 2026</b>	<b>February 1 2025</b>
<b>Unaudited (in millions of Canadian dollars, except per share amounts)</b>		<b>13 Weeks</b>	<b>13 Weeks</b>	<b>39 Weeks</b>	<b>39 Weeks</b>
	<b>Note</b>				
Sales	10	\$ 7,890	\$ 7,725	\$ 24,143	\$ 23,640
Other income	11	8	4	28	64
Share of earnings from investments, at equity		21	10	52	57
Operating expenses					
Cost of sales		5,760	5,643	17,631	17,367
Selling and administrative expenses		1,851	1,808	5,607	5,418
Impairment losses of long-lived assets and related charges	6	746	-	746	-
Operating (loss) income		(438)	288	239	976
Finance costs, net	12	70	72	205	219
(Loss) earnings before income taxes		(508)	216	34	757
Income tax (recovery) expense		(133)	58	9	189
<b>Net (loss) earnings</b>		<b>\$ (375)</b>	<b>\$ 158</b>	<b>\$ 25</b>	<b>\$ 568</b>
<b>(Loss) earnings for the period attributable to:</b>					
Owners of the Company		\$ (385)	\$ 146	\$ (14)	\$ 527
Non-controlling interest		10	12	39	41
		<b>\$ (375)</b>	<b>\$ 158</b>	<b>\$ 25</b>	<b>\$ 568</b>
(Loss) earnings per share	13				
Basic		\$ (1.68)	\$ 0.62	\$ (0.06)	\$ 2.20
Diluted		\$ (1.68)	\$ 0.62	\$ (0.06)	\$ 2.20
Weighted average number of common shares outstanding, in millions	13				
Basic		228.8	236.4	230.8	239.2
Diluted		228.8	237.2	230.8	239.8

See accompanying notes to the Interim Condensed Consolidated Financial Statements.

<b>Condensed Consolidated Statements of Comprehensive (Loss) Income</b>		<b>January 31 2026 13 Weeks</b>	<b>February 1 2025 13 Weeks</b>	<b>January 31 2026 39 Weeks</b>	<b>February 1 2025 39 Weeks</b>
<b>Unaudited (in millions of Canadian dollars)</b>	<b>Note</b>				
Net (loss) earnings		\$ (375)	\$ 158	\$ 25	\$ 568
Other comprehensive loss, net					
Items that will be reclassified subsequently to net (loss) earnings					
Unrealized (losses) gains on derivatives designated as cash flow hedges (net of tax)	14	(3)	(1)	(6)	2
Share of other comprehensive losses of investments, at equity (net of tax)		-	-	-	(1)
Items that will not be reclassified subsequently to net earnings					
Actuarial losses on defined benefit plans (net of tax)	14	(2)	(7)	(10)	(15)
<b>Total other comprehensive loss, net</b>		<b>(5)</b>	<b>(8)</b>	<b>(16)</b>	<b>(14)</b>
<b>Total comprehensive (loss) income</b>		<b>\$ (380)</b>	<b>\$ 150</b>	<b>\$ 9</b>	<b>\$ 554</b>
<b>Total comprehensive (loss) income for the period attributable to:</b>					
Owners of the Company		\$ (390)	\$ 138	\$ (30)	\$ 513
Non-controlling interest		10	12	39	41
		<b>\$ (380)</b>	<b>\$ 150</b>	<b>\$ 9</b>	<b>\$ 554</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					Total Attributable to Owners of the Company	Non- controlling Interest	Total Equity
		Capital Stock	Contributed Surplus	Accumulated Other Comprehensive Income	Retained Earnings				
<b>Balance at May 3, 2025</b>		\$ 1,660	\$ 30	\$ 23	\$ 3,697	\$ 5,410	\$ 134	\$ 5,544	
Net (loss) earnings		-	-	-	(14)	(14)	39	25	
Other comprehensive loss		-	-	(6)	(10)	(16)	-	(16)	
<b>Total comprehensive (loss) income for the period</b>		-	-	(6)	(24)	(30)	39	9	
Dividends paid		-	-	-	(152)	(152)	(1)	(153)	
Dividends paid to non-controlling interest		-	-	-	(1)	(1)	1	-	
Equity based compensation, net		11	(4)	-	-	7	-	7	
Repurchase of common shares	9	(70)	-	-	(230)	(300)	-	(300)	
Tax on repurchase of common shares	9	-	-	-	(6)	(6)	-	(6)	
Capital transactions with structured entities		-	-	-	-	-	(21)	(21)	
Revaluation of put options		-	-	-	(24)	(24)	(9)	(33)	
<b>Transactions with owners</b>		(59)	(4)	-	(413)	(476)	(30)	(506)	
<b>Balance at January 31, 2026</b>		\$ 1,601	\$ 26	\$ 17	\$ 3,260	\$ 4,904	\$ 143	\$ 5,047	

	Note	Attributable to Owners of the Company					Total Attributable to Owners of the Company	Non- controlling Interest	Total Equity
		Capital Stock	Contributed Surplus	Accumulated Other Comprehensive Income	Retained Earnings				
<b>Balance at May 4, 2024</b>		\$ 1,779	\$ 56	\$ 21	\$ 3,485	\$ 5,341	\$ 128	\$ 5,469	
Net earnings		-	-	-	527	527	41	568	
Other comprehensive income (loss)		-	-	1	(15)	(14)	-	(14)	
<b>Total comprehensive income for the period</b>		-	-	1	512	513	41	554	
Dividends paid		-	-	-	(143)	(143)	(1)	(144)	
Dividends paid to non-controlling interest		-	-	-	(1)	(1)	1	-	
Equity based compensation, net		4	(22)	-	-	(18)	-	(18)	
Repurchase of common shares	9	(98)	-	-	(202)	(300)	-	(300)	
Tax on repurchase of common shares	9	-	-	-	(8)	(8)	-	(8)	
Capital transactions with structured entities		-	-	-	-	-	(26)	(26)	
Revaluation of put options		-	-	-	(7)	(7)	(9)	(16)	
<b>Transactions with owners</b>		(94)	(22)	-	(361)	(477)	(35)	(512)	
<b>Balance at February 1, 2025</b>		\$ 1,685	\$ 34	\$ 22	\$ 3,636	\$ 5,377	\$ 134	\$ 5,511	

See accompanying notes to the Interim Condensed Consolidated Financial Statements.

<b>Condensed Consolidated Statements of Cash Flows</b>		<b>January 31 2026</b>	<b>February 1 2025</b>	<b>January 31 2026</b>	<b>February 1 2025</b>
<b>Unaudited (in millions of Canadian dollars)</b>	<b>Note</b>	<b>13 Weeks</b>	<b>13 Weeks</b>	<b>39 Weeks</b>	<b>39 Weeks</b>
<b>Operations</b>					
Net (loss) earnings		\$ (375)	\$ 158	\$ 25	\$ 568
Adjustments for:					
Depreciation		264	248	781	747
Income tax (recovery) expense		(133)	58	9	189
Finance costs, net	12	70	72	205	219
Amortization of intangibles		30	28	90	87
Net gains on disposal of net assets	11	(3)	-	(5)	(53)
Net gains on lease modifications and terminations	11	(2)	(1)	(12)	-
Impairment losses of non-financial assets, net		-	-	-	12
Impairment losses of long-lived assets and related charges	6	746	-	746	3
Amortization of deferred items		-	2	-	2
Equity earnings (losses) of other entities, net of distributions received		2	11	5	(6)
Employee future benefits		1	(4)	(1)	(11)
Decrease in long-term provisions		-	(3)	(3)	(9)
Equity based compensation		4	6	9	16
Net change in non-cash working capital	15	61	(12)	(198)	(138)
Income taxes paid, net		(54)	(26)	(210)	(184)
<b>Cash flows from operating activities</b>		<b>611</b>	<b>537</b>	<b>1,441</b>	<b>1,442</b>
<b>Investment</b>					
Increase in equity investments		(3)	(1)	(18)	(15)
Property, equipment and investment property purchases		(182)	(164)	(509)	(482)
Intangible purchases		(29)	(47)	(99)	(95)
Proceeds on disposal of assets		24	13	41	121
Proceeds on lease modifications and terminations		-	-	16	-
Leases and other receivables, net		5	(7)	20	(1)
Other assets		(2)	(1)	(7)	(9)
Other liabilities		(2)	(5)	(7)	(6)
Business acquisitions	16	(1)	-	(6)	(15)
Payments received for finance subleases		14	23	59	69
Interest received		-	1	2	2
<b>Cash flows used in investing activities</b>		<b>(176)</b>	<b>(188)</b>	<b>(508)</b>	<b>(431)</b>
<b>Financing</b>					
Issuance of long-term debt		11	16	381	79
Advance on non-revolving credit facility		-	-	-	120
Repayments of long-term debt		(4)	(6)	(78)	(82)
Repayments on revolving credit facilities, net		(16)	(84)	(125)	(83)
Interest paid		(10)	(13)	(39)	(40)
Payments of lease liabilities (principal portion)		(76)	(137)	(362)	(412)
Payments of lease liabilities (interest portion)		(64)	(65)	(192)	(193)
Repurchase of common shares	9	(150)	(107)	(300)	(300)
Dividends paid		(51)	(47)	(153)	(144)
Non-controlling interest		-	(3)	(21)	(25)
<b>Cash flows used in financing activities</b>		<b>(360)</b>	<b>(446)</b>	<b>(889)</b>	<b>(1,080)</b>
Increase (decrease) in cash and cash equivalents		75	(97)	44	(69)
Cash and cash equivalents, beginning of period		254	288	285	260
<b>Cash and cash equivalents, end of period</b>		<b>\$ 329</b>	<b>\$ 191</b>	<b>\$ 329</b>	<b>\$ 191</b>

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 January 31, 2026 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 January 31, 2026, the Company’s business operations were conducted through its two reportable segments: Food retailing and Investments and other operations, as further described in Note 10, 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 March 11, 2026.

### 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 January 31, 2026 with the exception of the following:

During the period ended January 31, 2026, the Company determined there were indicators of impairment related to its customer fulfillment centres (“CFC”), resulting in significant estimation and judgment to determine the recoverable amounts for each CFC, which the Company has determined to be a cash generating unit (“CGU”). When measuring expected future cash flows, management makes key assumptions primarily related to estimated sublease income using market rates, lease terms, likelihood of extension of the sublease and discount rate. The Company recorded non-cash asset impairment and related charges totalling \$746 million for the period ended January 31, 2026, as a result of the rationalization and financial performance of its e-commerce network (Note 6).

## 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 January 31, 2026 was \$5,760 million and \$17,631 million (February 1, 2025 - \$5,643 million and \$17,367 million) respectively. The Company recorded an expense for the period and year-to-date ended January 31, 2026 of \$ nil and \$3 million (February 1, 2025 - \$ 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>January 31 2026</b>	<b>May 3 2025</b>	<b>February 1 2025</b>
<b>Investment in associates and joint ventures</b>			
Crombie Real Estate Investment Trust ("Crombie REIT")	\$ 632	633 \$	631
Real estate partnerships	66	62	62
Other investments and joint ventures	35	25	15
<b>Total</b>	<b>\$ 733</b>	<b>\$ 720</b>	<b>\$ 708</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>January 31 2026</b>	<b>May 3 2025</b>	<b>February 1 2025</b>
Crombie REIT	\$ 1,209	\$ 1,148	\$ 1,027

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 Asset impairment and related charges

During the period ended January 31, 2026, the Company performed an assessment of expected financial performance across its e-commerce network, which showed lower than expected forecasted cash flows. Management considered this to be an indicator of impairment and as a result, the Company separately tested the recoverability of each CFC as they each represent a distinct CGU being the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities. The assets of the CFCs primarily include right-of-use assets ("ROU") and the related leasehold improvements, equipment and software. The impairment testing indicated the carrying value of the assets exceeded the sum of the discounted cash flows expected to result from the use and eventual disposal of the assets. Management will reassess the recoverable amount of the facilities if circumstances change significantly.

The recoverable amount is the higher of value-in-use ("VIU") and fair value less costs of disposal ("FVLCD"). The recoverable amount of each CGU was determined using a discounted cash flow method, either with the recoverable amounts for VIU calculations using cash flows from the Company's latest internal forecasts or for FVLCD based on the expected cash flows from sublease arrangements for each of these facilities. Impairment resulted from recoverable amounts using FVLCD calculations (Level 3 fair value measurement), where the fair value of leased assets was determined using a discounted cash flow approach. Key assumptions included estimated market rental rates, estimated decommissioning costs, and pre-tax discount rates ranging from 7.0% to 7.75%.

During the period ended January 31, 2026 the Company recognized an impairment loss and related costs of \$746 million, which was recognized in the food retailing segment and has been recorded in Impairment losses of long-lived assets and related charges on the Interim Condensed Consolidated Statements of (Loss) Earnings. These costs include impairment of ROU, property and equipment, and intangibles, and direct costs associated with the planned closure of the Calgary CFC including severance costs, one-time cash contract termination payments and decommissioning costs. The total carrying amount of the CGUs prior to impairment was \$724 million, while the estimated recoverable amount was \$126 million. This resulted in an impairment loss of \$409 million to ROU, including \$55 million in decommissioning costs, \$206 million to property and equipment and \$39 million to intangibles.

As a result of management's assessment of the future performance of certain assets in the e-commerce network, the Company made the decision in the period ended January 31, 2026, to wind-down the Calgary CFC and its support facility in Edmonton, and the development of the Vancouver CFC continues to be on hold.

The planned closure of the Calgary CFC and the continued pause on development of the Vancouver CFC did not meet the criteria for classification as a discontinued operation under IFRS 5, "Non-current assets held for sale and discontinued operations", as these sites did not represent a separate major line of business or geographical area of operations.

## Note 7 Provisions

<b>January 31, 2026</b>				
<i>(in millions of Canadian dollars)</i>				
	<b>Legal</b>	<b>Environmental</b>	<b>Restructuring</b>	<b>Total</b>
Opening balance	\$ 8	\$ 27	\$ 45	\$ 80
Provisions made	6	-	177	183
Provisions used	(6)	(1)	(25)	(32)
Provisions reversed	(1)	-	(6)	(7)
Change due to discounting	-	1	-	1
Closing balance	\$ 7	\$ 27	\$ 191	\$ 225
Current	\$ 7	\$ -	\$ 186	\$ 193
Non-current	-	27	5	32
Total	\$ 7	\$ 27	\$ 191	\$ 225

### Restructuring

During the period ended January 31, 2026, restructuring provisions of \$147 million related to the e-commerce review and closure of the Calgary CFC, including one-time contract termination fees and severance costs of \$92 million and decommissioning costs of \$55 million (Note 6).

## Note 8 Long-term debt

<i>(in millions of Canadian dollars)</i>	January 31 2026	May 3 2025	February 1 2025
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, February 1, 2025 due 2025 - 2036)	166	162	152
Credit facility, due on demand, interest rate fluctuates with the Canadian prime rate	53	82	72
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	171	268	335
	<b>1,263</b>	<b>1,085</b>	<b>1,133</b>
Interest payable on credit facilities	-	(1)	(1)
Unamortized transactions costs	(3)	(2)	(2)
	<b>1,260</b>	<b>1,082</b>	<b>1,130</b>
Less amount due within one year	<b>202</b>	<b>225</b>	<b>213</b>
	<b>\$ 1,058</b>	<b>\$ 857</b>	<b>\$ 917</b>

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

<i>(in millions of Canadian dollars)</i>	January 31 2026 13 Weeks	February 1 2025 13 Weeks	January 31 2026 39 Weeks	February 1 2025 39 Weeks
Opening balance	\$ 1,269	\$ 1,204	\$ 1,082	\$ 1,096
Issuance of long-term debt	11	16	381	79
Advance on non-revolving credit facility	-	-	-	120
Repayments of long-term debt	(4)	(6)	(78)	(82)
Repayments on revolving credit facilities, net	(16)	(84)	(125)	(83)
Total cash flows (used in) from long-term debt financing activities	<b>(9)</b>	<b>(74)</b>	<b>178</b>	<b>34</b>
Closing balance	<b>\$ 1,260</b>	<b>\$ 1,130</b>	<b>\$ 1,260</b>	<b>\$ 1,130</b>
Current			<b>\$ 202</b>	<b>\$ 213</b>
Non-current			<b>1,058</b>	<b>917</b>
Total			<b>\$ 1,260</b>	<b>\$ 1,130</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 January 31, 2026, 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 January 31, 2026, the outstanding amount of this facility was \$120 million (February 1, 2025 - \$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 January 31, 2026, the outstanding amount of this facility was \$86 million (February 1, 2025 - \$300 million) and the Company has issued \$73 million (February 1, 2025 - \$55 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 January 31, 2026, the outstanding amount of this facility was \$85 million (February 1, 2025 - \$32 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 January 31, 2026, the outstanding amount of the facility was \$53 million (February 1, 2025 - \$73 million). Interest payable on this facility fluctuates with changes in the Canadian prime rate.

## Note 9 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 January 31, 2026, the Company purchased 4,903,677 Non-Voting Class A shares (February 1, 2025 - 6,712,371) under this filing at a weighted average price of \$50.15 (February 1, 2025 - \$39.84) for a total consideration of \$246 million (February 1, 2025 - \$267 million).

The following table reflects shares repurchased under the NCIB:

<i>(in millions of Canadian dollars, except per share amounts)</i>	<b>January 31 2026 13 Weeks</b>	<b>February 1 2025 13 Weeks</b>	<b>January 31 2026 39 Weeks</b>	<b>February 1 2025 39 Weeks</b>
Number of shares	<b>3,101,542</b>	2,484,371	<b>5,951,119</b>	7,691,346
Weighted average price per share	<b>\$ 48.37</b>	\$ 43.16	<b>\$ 50.42</b>	\$ 39.01
Reduction of share capital	<b>\$ 37</b>	\$ 32	<b>\$ 70</b>	\$ 98
Premium charged to retained earnings	<b>113</b>	75	<b>230</b>	202
Cash consideration paid	<b>\$ 150</b>	\$ 107	<b>\$ 300</b>	\$ 300

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 and year-to-date ended January 31, 2026, the Company has recognized tax on the repurchase of equity of \$3 million and \$6 million (February 1, 2025 - \$2 million and \$8 million) respectively, as a charge to retained earnings on the Interim Condensed Consolidated Balance Sheets.

Subsequent to the period ended January 31, 2026 through to the date of authorization of issuance of March 11, 2026, the Company purchased for cancellation 621,100 Non-Voting Class A shares at a weighted average price of \$48.02 for a total consideration of \$30 million.

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

	Number of Shares		Share Capital	
	January 31 2026 13 Weeks	February 1 2025 13 Weeks	January 31 2026 13 Weeks	February 1 2025 13 Weeks
<i>(in millions of Canadian dollars)</i>				
<b>Issued and outstanding</b>				
Balance, beginning of period, Non-Voting Class A shares	132,008,024	138,839,826	\$ 1,628	\$ 1,709
Repurchase of common shares	(3,101,542)	(2,484,371)	(37)	(32)
Issuance of shares for stock-based compensation	169,066	135,412	4	2
Balance, end of period, Non-Voting Class A shares	129,075,548	136,490,867	\$ 1,595	\$ 1,679
Class B common shares, without par value	98,138,079	98,138,079	\$ 7	\$ 7
Shares held in trust	(16,302)	(38,280)	(1)	(1)
Total capital stock			\$ 1,601	\$ 1,685

	Number of Shares		Share Capital	
	January 31 2026 39 Weeks	February 1 2025 39 Weeks	January 31 2026 39 Weeks	February 1 2025 39 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	(5,951,119)	(7,691,346)	(70)	(98)
Issuance of shares for stock-based compensation	538,648	250,142	11	4
Balance, end of period, Non-Voting Class A shares	129,075,548	136,490,867	\$ 1,595	\$ 1,679
Class B common shares, without par value	98,138,079	98,138,079	\$ 7	\$ 7
Shares held in trust	(16,302)	(38,280)	(1)	(1)
Total capital stock			\$ 1,601	\$ 1,685

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

	Number of Shares			Share Capital		
	January 31 2026	May 3 2025	February 1 2025	January 31 2026	May 3 2025	February 1 2025
<i>(in millions of Canadian dollars)</i>						
Non-Voting Class A shares	129,075,548	134,488,019	136,490,867	\$ 1,595	\$ 1,654	\$ 1,679
Class B common shares	98,138,079	98,138,079	98,138,079	7	7	7
Shares held in trust	(16,302)	(38,341)	(38,280)	(1)	(1)	(1)
Total capital stock				\$ 1,601	\$ 1,660	\$ 1,685

## Note 10 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:

	January 31 2026 13 Weeks	February 1 2025 13 Weeks	January 31 2026 39 Weeks	February 1 2025 39 Weeks
<i>(in millions of Canadian dollars)</i>				
Food sales	\$ 7,477	\$ 7,259	\$ 22,808	\$ 22,149
Fuel sales	413	466	1,335	1,491
Sales	\$ 7,890	\$ 7,725	\$ 24,143	\$ 23,640

Management assesses performance based on operating (loss) 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 Interim Condensed Consolidated Statements of (Loss) Earnings. Other income, Selling and administrative expenses and Impairment losses of long-lived assets and related charges which are also disclosed separately on the Interim Condensed Consolidated Statements of (Loss) 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 (Loss) Earnings and in Note 4.

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

	January 31 2026 13 Weeks	February 1 2025 13 Weeks	January 31 2026 39 Weeks	February 1 2025 39 Weeks
<i>(in millions of Canadian dollars)</i>				
<b>Segment operating (loss) income</b>				
Food retailing	\$ (461)	\$ 278	\$ 186	\$ 927
Investments and other operations				
Crombie REIT	10	10	38	54
Real estate partnerships	18	10	22	15
Other operations, net of corporate expenses	(5)	(10)	(7)	(20)
	23	10	53	49
Total	\$ (438)	\$ 288	\$ 239	\$ 976

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

	January 31 2026 13 Weeks	February 1 2025 13 Weeks	January 31 2026 39 Weeks	February 1 2025 39 Weeks
<i>(in millions of Canadian dollars)</i>				
Total segment operating (loss) income	\$ (438)	\$ 288	\$ 239	\$ 976
Finance costs, net	70	72	205	219
(Loss) earnings before income taxes	\$ (508)	\$ 216	\$ 34	\$ 757

	January 31 2026	May 3 2025	February 1 2025
<i>(in millions of Canadian dollars)</i>			
<b>Total assets by segment</b>			
Food retailing	\$ 16,281	\$ 16,234	\$ 15,979
Investments and other operations	792	785	773
Total	\$ 17,073	\$ 17,019	\$ 16,752

## Note 11 Other income

	January 31 2026 13 Weeks	February 1 2025 13 Weeks	January 31 2026 39 Weeks	February 1 2025 39 Weeks
<i>(in millions of Canadian dollars)</i>				
Net gains on lease modifications and terminations	\$ 2	\$ 1	\$ 12	\$ -
Lease income from owned property	3	3	11	11
Net gains on disposal of net assets	3	-	5	53
Total other income	\$ 8	\$ 4	\$ 28	\$ 64

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 12 Finance costs, net

<i>(in millions of Canadian dollars)</i>	Note	January 31 2026 13 Weeks	February 1 2025 13 Weeks	January 31 2026 39 Weeks	February 1 2025 39 Weeks
<b>Finance income</b>					
Interest income on lease receivables		\$ 5	\$ 6	\$ 16	\$ 18
Interest income on long-term receivables	17	1	-	9	-
Fair value gains on forward contracts		3	2	8	5
Accretion income on leases and other receivables		1	1	2	1
Interest income from cash and cash equivalents		-	1	2	2
<b>Total finance income</b>		<b>10</b>	<b>10</b>	<b>37</b>	<b>26</b>
<b>Finance costs</b>					
Interest expense on lease liabilities		64	65	192	193
Interest expense on other financial liabilities at amortized cost		14	14	43	44
Pension finance costs, net		2	2	6	6
Accretion expense on provisions		-	1	1	2
<b>Total finance costs</b>		<b>80</b>	<b>82</b>	<b>242</b>	<b>245</b>
<b>Finance costs, net</b>		<b>\$ 70</b>	<b>\$ 72</b>	<b>\$ 205</b>	<b>\$ 219</b>

## Note 13 Earnings per share

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

<i>(in millions of Canadian dollars, except share amounts)</i>	January 31 2026 13 Weeks	February 1 2025 13 Weeks	January 31 2026 39 Weeks	February 1 2025 39 Weeks
Weighted average number of shares - basic	228,842,549	236,392,392	230,802,575	239,151,013
Shares deemed to be issued for no consideration in respect of stock-based payments	488,965	790,348	714,345	610,513
<b>Weighted average number of shares - diluted</b>	<b>229,331,514</b>	<b>237,182,740</b>	<b>231,516,920</b>	<b>239,761,526</b>
<b>(Loss) earnings per share</b>				
(Loss) earnings attributable to Owners of the Company	\$ (385)	\$ 146	\$ (14)	\$ 527
Basic weighted average number of shares outstanding (in millions)	228.8	236.4	230.8	239.2
Basic (loss) earnings per share	\$ (1.68)	\$ 0.62	\$ (0.06)	\$ 2.20
Diluted weighted average number of shares outstanding (in millions) <sup>(1)</sup>	228.8	237.2	230.8	239.8
Diluted (loss) earnings per share	\$ (1.68)	\$ 0.62	\$ (0.06)	\$ 2.20

(1) For the period and year-to-date ended January 31, 2026, basic and diluted loss per share are the same as the effect of the potentially dilutive shares would have been anti-dilutive.

## Note 14 Income taxes recognized in other comprehensive loss

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

<i>(in millions of Canadian dollars)</i>	January 31 2026 13 Weeks	February 1 2025 13 Weeks	January 31 2026 39 Weeks	February 1 2025 39 Weeks
Unrealized (losses) gains on derivatives designated as cash flow hedges	\$ (1)	\$ -	\$ (2)	\$ 1
Actuarial losses on defined benefit plans	-	(2)	(3)	(5)
<b>Total</b>	<b>\$ (1)</b>	<b>\$ (2)</b>	<b>\$ (5)</b>	<b>\$ (4)</b>

## Note 15 Supplementary cash flow information

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

<i>(in millions of Canadian dollars)</i>	January 31 2026 13 Weeks	February 1 2025 13 Weeks	January 31 2026 39 Weeks	February 1 2025 39 Weeks
Receivables	\$ (14)	\$ 10	\$ (64)	\$ 23
Inventories	103	76	(49)	12
Prepaid expenses	17	27	10	22
Accounts payable and accrued liabilities	(57)	(115)	(117)	(167)
Other	12	(10)	22	(28)
<b>Net change in non-cash working capital</b>	<b>\$ 61</b>	<b>\$ (12)</b>	<b>\$ (198)</b>	<b>\$ (138)</b>

## Note 16 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:

<i>(in millions of Canadian dollars)</i>	January 31 2026	February 1 2025
Inventories	\$ 3	\$ 5
Property, equipment and investment property	2	5
Goodwill	1	6
Accounts payable and accrued liabilities	-	(1)
<b>Total consideration</b>	<b>\$ 6</b>	<b>\$ 15</b>

From the date of acquisition, the businesses acquired contributed sales of \$10 million and \$22 million (February 1, 2025 - \$26 million and \$65 million) and net earnings of \$ nil and \$ nil (February 1, 2025 - \$ nil and \$ nil) for the period and year-to-date ended January 31, 2026 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 17 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 and year-to-date ended January 31, 2026, Sobeys recorded a recovery of \$1 million and \$9 million respectively, 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 (Loss) Earnings. During the period ended January 31, 2026, the amounts receivable were collected.

## Note 18 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>	January 31 2026	May 3 2025	February 1 2025
<b>Long-term debt</b>			
Total carrying amount	\$ 1,260	\$ 1,082	\$ 1,130
Total fair value	\$ 1,326	\$ 1,135	\$ 1,196

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 19 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 January 31, 2026, 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 January 31, 2026, the Company granted 410,938 equity-settled PSUs. The weighted average fair value of \$48.75 per PSU issued during the year-to-date ended January 31, 2026 was determined using Black-Scholes model with the following weighted average assumption:

Share price	\$ 50.76
Expected life	2.60 years
Risk-free interest rate	2.66%
Expected volatility	20.03%
Dividend yield	1.56%

During the prior year-to-date ended February 1, 2025, the Company granted 603,751 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 January 31, 2026, the total carrying amount of the cash and equity liability was \$34 million (February 1, 2025 - \$19 million).

At January 31, 2026, there were 1,353,312 (February 1, 2025 - 1,196,917) PSUs outstanding. The compensation expense for the period and year-to-date ended January 31, 2026 related to equity-settled PSUs was \$4 million and \$8 million (February 1, 2025 - \$ nil and \$ nil) respectively. The compensation expense for the period and year-to-date ended January 31, 2026 related to cash-settled PSUs was \$2 million and \$6 million (February 1, 2025 - \$5 million and \$10 million) respectively.

### Stock option plan

During the year-to-date ended January 31, 2026, the Company granted nil (February 1, 2025 - 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 January 31, 2026 related to the issuance of options was \$ nil and \$1 million (February 1, 2025 - \$1 million and \$6 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 January 31, 2026, the Company granted 199,254 (February 1, 2025 - 224,304) DSUs. At January 31, 2026, there were 1,268,417 (February 1, 2025 - 1,738,087) DSUs outstanding and the total carrying amount of the liability was \$49 million (February 1, 2025 - \$66 million). The compensation (recovery) expense for the period and year-to-date ended January 31, 2026 related to DSUs was \$(1) million and \$(2) million (February 1, 2025 - \$8 million and \$20 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 January 31, 2026, the Company granted 42,284 (February 1, 2025 - 42,556) DSUs. At January 31, 2026, there were 577,940 (February 1, 2025 - 524,135) DSUs outstanding and the total carrying amount of the liability was \$26 million (February 1, 2025 - \$22 million). During the period and year-to-date ended January 31, 2026, the compensation (recovery) expense recorded was \$(1) million and \$(2) million (February 1, 2025 - \$3 million and \$7 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 20 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 January 31, 2026, the Company holds a 41.5% (February 1, 2025 - 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 (Loss) Earnings.

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 million resulting in a pre-tax gain of \$ nil.

## Note 21 Employee future benefits

During the period and year-to-date ended January 31, 2026, the net employee future benefits expense reported in net earnings was \$13 million and \$41 million (February 1, 2025 - \$13 million and \$40 million) respectively. Actuarial losses before taxes on defined benefit pension plans for the period and year-to-date ended January 31, 2026 were \$(2) million and \$(13) million (February 1, 2025 - \$(9) million and \$(20) million) respectively. These losses have been recognized in other comprehensive loss, net.

## Note 22 Subsequent event

On February 17, 2026, Sobeys, through a wholly-owned subsidiary, sold and leased back a property from Crombie REIT. Total proceeds from the transaction were \$115 million, resulting in a pre-tax gain of approximately \$22 million subject to closing costs and related adjustments.