



FOR IMMEDIATE RELEASE

March 12, 2026

Empire Reports Fiscal 2026 Third Quarter Results

- Sales of \$7,890 million, an increase of 2.1%
- Food sales increased by 3.0%; Same-store sales⁽¹⁾ growth - food increased by 2.0%
- (Loss) Earnings per share ("EPS") of \$(1.68) and adjusted EPS⁽¹⁾⁽²⁾ of \$0.72
- Prior year EPS and adjusted EPS of \$0.62
- As part of the Company's e-commerce update, recognized impairment charges of \$746 million
 - Expects immediate benefits of approximately \$95 million to annualized operating income
 - Benefits are expected to begin in the fourth quarter of fiscal 2026 and reach run-rate in fiscal 2027

Stellarton, NS. March 12, 2026 / CNW / – Empire Company Limited ("Empire" or the "Company") (TSX: EMP.A) today announced its financial results for the third quarter ended January 31, 2026. For the quarter, the Company recorded net (loss) earnings of \$(385) million (\$(1.68) per share) compared to \$146 million (\$0.62 per share) last year. For the quarter, the Company recorded adjusted net earnings of \$164 million (\$0.72 per share) compared to \$146 million (\$0.62 per share) last year, an increase of 12.3% (or 16.1% per share).

"We delivered a solid third quarter, with adjusted EPS growth of 16%, driven by strong Full-Service performance and healthy results across all of our formats," said Pierre St-Laurent, President & CEO, Empire. "Our performance reflects that customers are realizing value across our banners, with meaningful opportunity ahead to build on this momentum and deliver long-term growth."

Company Priorities

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

- Continued Focus on Stores
- Enhanced Focus on Digital and Data
- Efficiency and Cost Control

For additional information, please see the "Overview of the Business - Company Priorities" section of the third quarter Fiscal 2026 MD&A.

(1) See "Non-GAAP Financial Measures & Financial Metrics" section of the third quarter fiscal 2026 MD&A.

(2) Adjusted Metrics include adjusted operating income, adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA"), adjusted net earnings, and adjusted EPS. The Company is excluding from its Adjusted Metrics: impairment losses and related costs ("E-commerce Impairment") as a result of actions taken following the Company's e-commerce review in the third quarter of fiscal 2026.

SUMMARY RESULTS - THIRD QUARTER

Comparative amounts have been rounded to the nearest million to conform with current year presentation.

<i>(in millions of Canadian dollars, except per share amounts)</i>	Jan 31, 2026	Feb 1, 2025	\$ Change	Jan 31, 2026	Feb 1, 2025	\$ Change
	13 Weeks	13 Weeks		39 Weeks	39 Weeks	
Sales	\$ 7,890	\$ 7,725	\$ 165	\$ 24,143	\$ 23,640	\$ 503
Gross profit	2,130	2,082	48	6,512	6,273	239
Operating (loss) income	(438)	288	(726)	239	976	(737)
Adjusted operating income ⁽¹⁾	308	288	20	985	990	(5)
EBITDA ⁽²⁾	(144)	564	(708)	1,110	1,810	(700)
Adjusted EBITDA ⁽¹⁾	602	564	38	1,856	1,824	32
Net (loss) earnings ⁽³⁾	(385)	146	(531)	(14)	527	(541)
Adjusted net earnings ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	164	146	18	535	538	(3)
Diluted earnings per share						
EPS ⁽³⁾⁽⁵⁾	\$ (1.68)	\$ 0.62	\$ (2.30)	\$ (0.06)	\$ 2.20	\$ (2.26)
Adjusted EPS ⁽¹⁾⁽³⁾⁽⁴⁾	\$ 0.72	\$ 0.62	\$ 0.10	\$ 2.31	\$ 2.24	\$ 0.07
Diluted weighted average number of shares outstanding (in millions)						
	229.3	237.2	(7.9)	231.5	239.8	(8.3)
Dividend per share	\$ 0.22	\$ 0.20	\$ 0.02	\$ 0.66	\$ 0.60	\$ 0.06

	Jan 31, 2026	Feb 1, 2025	Jan 31, 2026	Feb 1, 2025
	13 Weeks	13 Weeks	39 Weeks	39 Weeks
Gross margin ⁽²⁾	27.0 %	27.0 %	27.0 %	26.5 %
EBITDA margin ⁽²⁾	(1.8)%	7.3 %	4.6 %	7.7 %
Adjusted EBITDA margin ⁽¹⁾	7.6 %	7.3 %	7.7 %	7.7 %
Same-store sales ⁽²⁾ growth	1.2 %	2.5 %	1.3 %	1.4 %
Same-store sales ⁽²⁾ growth - food	2.0 %	2.6 %	2.1 %	1.9 %
Same-store sales ⁽²⁾ (decline) growth - fuel	(10.9)%	0.8 %	(10.1)%	(3.0)%
Effective income tax rate	26.2 %	26.9 %	26.5 %	25.0 %

(1) See "Non-GAAP Financial Measures & Financial Metrics" section of the third quarter fiscal 2026 MD&A for a description of the types of costs and recoveries included.

(2) See "Non-GAAP Financial Measures & Financial Metrics" section of the third quarter fiscal 2026 MD&A.

(3) Attributable to owners of the Company.

(4) See "Adjusted Impacts on Net (Loss) Earnings" section of this News Release.

(5) Due to a net loss in the quarter and year-to-date ended January 31, 2026, diluted and basic loss per share are the same, as the inclusion of additional shares would have been anti-dilutive.

FINANCIAL PERFORMANCE BY SEGMENT

Food Retailing

The following is a review of Empire's Food retailing segment's financial performance, comprising the consolidated results of Sobeys for the quarter and year-to-date ended January 31, 2026.

The following financial information is Sobeys' contribution to Empire as the amounts are net of consolidated adjustments.

<i>(in millions of Canadian dollars)</i>	Jan 31, 2026 13 Weeks	Feb 1, 2025 13 Weeks	\$ Change	Jan 31, 2026 39 Weeks	Feb 1, 2025 39 Weeks	\$ Change
Sales	\$ 7,890	\$ 7,725	\$ 165	\$ 24,143	\$ 23,640	\$ 503
Gross profit	2,130	2,082	48	6,512	6,273	239
Operating (loss) income	(461)	278	(739)	186	927	(741)
Adjusted operating income ⁽¹⁾	285	278	7	932	941	(9)
EBITDA ⁽¹⁾	(167)	554	(721)	1,057	1,761	(704)
Adjusted EBITDA ⁽¹⁾	579	554	25	1,803	1,775	28
Net (loss) earnings ⁽²⁾	(400)	142	(542)	(47)	490	(537)
Adjusted net earnings ⁽¹⁾⁽²⁾	149	142	7	502	501	1

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

(2) Attributable to owners of the Company.

The following table provides a breakdown of the Company's total sales for the Food retailing segment:

<i>(in millions of Canadian dollars)</i>	Jan 31, 2026 13 Weeks	Feb 1, 2025 13 Weeks	\$ Change	% Change	Jan 31, 2026 39 Weeks	Feb 1, 2025 39 Weeks	\$ Change	% Change
Food sales	\$ 7,477	\$ 7,259	\$ 218	3.0 %	\$ 22,808	\$ 22,149	\$ 659	3.0 %
Fuel sales	413	466	(53)	(11.4)%	1,335	1,491	(156)	(10.5)%

Investments and Other Operations

The following table provides a summary of operating income in the Investments and Other Operations segment:

<i>(in millions of Canadian dollars)</i>	Jan 31, 2026 13 Weeks	Feb 1, 2025 13 Weeks	\$ Change	Jan 31, 2026 39 Weeks	Feb 1, 2025 39 Weeks	\$ Change
Crombie REIT ⁽¹⁾	\$ 10	\$ 10	\$ -	\$ 38	\$ 54	\$ (16)
Real estate partnerships	18	10	8	22	15	7
Other operations, net of corporate expenses	(5)	(10)	5	(7)	(20)	13
Operating income	\$ 23	\$ 10	\$ 13	\$ 53	\$ 49	\$ 4

(1) Crombie Real Estate Investment Trust ("Crombie REIT").

Empire Company Limited Operating Results

Sales

Food sales for the quarter ended January 31, 2026 increased by 3.0%, primarily driven by positive growth across the business, particularly in the Full-Service banners, the Company's national wholesale distribution network, and in the Discount banner.

Fuel sales for the quarter ended January 31, 2026 decreased by 11.4%, primarily driven by lower fuel prices due to the removal of the government carbon tax.

Gross Profit

Gross profit for the quarter ended January 31, 2026 increased by 2.3%, primarily driven by higher food sales, strong performance and operational discipline in Full-Service and Discount banners.

Gross margin for the quarter ended January 31, 2026 remained consistent from prior year at 27.0%.

Excluding the mix impact of fuel sales, gross margin for the quarter ended January 31, 2026 was 25 basis points lower, driven by the mix impact of higher wholesale distribution sales. Excluding the mix impact of fuel sales, the gross margin for the year-to-date ended January 31, 2026 was 18 basis points higher than in the prior year which is consistent with the Company's medium term growth expectations of 10-20 basis points.

Operating (Loss) Income

<i>(in millions of Canadian dollars)</i>	Jan 31, 2026	Feb 1, 2025	\$ Change	Jan 31, 2026	Feb 1, 2025	\$ Change
	13 Weeks	13 Weeks		39 Weeks	39 Weeks	
Food retailing	\$ (461)	\$ 278	\$ (739)	\$ 186	\$ 927	\$ (741)
Investments and other operations:						
Crombie REIT	10	10	-	38	54	(16)
Real estate partnerships	18	10	8	22	15	7
Other operations, net of corporate expenses	(5)	(10)	5	(7)	(20)	13
	23	10	13	53	49	4
Operating (loss) income	\$ (438)	\$ 288	\$ (726)	\$ 239	\$ 976	\$ (737)
Adjustments:						
E-commerce Impairment ⁽¹⁾	746	-	746	746	-	746
E-commerce Exclusivity ⁽¹⁾	-	-	-	-	12	(12)
Restructuring ⁽¹⁾	-	-	-	-	2	(2)
	746	-	746	746	14	732
Adjusted operating income ⁽²⁾	\$ 308	\$ 288	\$ 20	\$ 985	\$ 990	\$ (5)

(1) See "Non-GAAP Financial Measures & Financial Metrics" section of the third quarter fiscal 2026 MD&A for a description of the types of costs and recoveries included.

(2) See "Non-GAAP Financial Measures & Financial Metrics" section of the third quarter fiscal 2026 MD&A.

For the quarter ended January 31, 2026, operating (loss) income from the Food retailing segment decreased mainly due to the E-commerce Impairment, higher selling and administrative expenses and an increase in depreciation and amortization, partially offset by higher sales and gross profit.

For the quarter ended January 31, 2026, operating (loss) income from the Investments and other operations segment increased primarily as a result of higher equity earnings from real estate partnerships driven by higher property sales and the Company's investment in Scene+, as the prior year had elevated costs driven by an increased level of member participation and loyalty program points redemptions.

EBITDA

<i>(in millions of Canadian dollars)</i>	Jan 31, 2026	Feb 1, 2025	\$ Change	Jan 31, 2026	Feb 1, 2025	\$ Change
	13 Weeks	13 Weeks		39 Weeks	39 Weeks	
EBITDA ⁽¹⁾	\$ (144)	\$ 564	\$ (708)	\$ 1,110	\$ 1,810	\$ (700)
Adjustments:						
E-commerce Impairment ⁽²⁾	746	-	746	746	-	746
E-commerce Exclusivity ⁽²⁾	-	-	-	-	12	(12)
Restructuring ⁽²⁾	-	-	-	-	2	(2)
	746	-	746	746	14	732
Adjusted EBITDA ⁽¹⁾⁽²⁾	\$ 602	\$ 564	\$ 38	\$ 1,856	\$ 1,824	\$ 32

(1) See "Non-GAAP Financial Measures & Financial Metrics" section of the third quarter fiscal 2026 MD&A.

(2) See "Non-GAAP Financial Measures & Financial Metrics" section of the third quarter fiscal 2026 MD&A for a description of the types of costs and recoveries included.

For the quarter ended January 31, 2026, EBITDA decreased to \$(144) million from \$564 million in the prior year mainly as a result of the E-commerce Impairment and an increase in selling and administrative expenses. Selling and administrative expenses increased mainly due to the continued investment in business expansion (FreshCo and Farm Boy) and investments in stores, tools, technology, and projects. Adjusted EBITDA margin increased to 7.6% (February 1, 2025 - 7.3%).

Depreciation and Amortization

For the quarter ended January 31, 2026, depreciation and amortization increased to \$294 million from \$276 million from the prior year mainly as a result of new lease agreements and higher right-of-use assets ("ROU") depreciation.

Income Taxes

For the quarter ended January 31, 2026, the effective income tax rate was 26.2% compared to 26.9% in the same quarter in the prior year. The effective tax rate was slightly lower than the statutory rate primarily due to the revaluation of tax estimates, not all of which are recurring. The effective tax rate in the same quarter last year was higher than the statutory rate due to the revaluation of tax estimates, not all of which were recurring.

Net (Loss) Earnings

<i>(in millions of Canadian dollars, except per share amounts)</i>	Jan 31, 2026	Feb 1, 2025	\$ Change	Jan 31, 2026	Feb 1, 2025	\$ Change
	13 Weeks	13 Weeks		39 Weeks	39 Weeks	
Net (loss) earnings ⁽¹⁾	\$ (385)	\$ 146	\$ (531)	\$ (14)	\$ 527	\$ (541)
EPS (fully diluted) ⁽²⁾	\$ (1.68)	\$ 0.62	\$ (2.30)	\$ (0.06)	\$ 2.20	\$ (2.26)
Adjustments ⁽³⁾ (net of income taxes):						
E-commerce Impairment ⁽⁴⁾	549	-	549	549	-	549
E-commerce Exclusivity ⁽⁴⁾	-	-	-	-	9	(9)
Restructuring ⁽⁴⁾	-	-	-	-	2	(2)
	549	-	549	549	11	538
Adjusted net earnings ⁽¹⁾⁽⁵⁾⁽⁶⁾	\$ 164	\$ 146	\$ 18	\$ 535	\$ 538	\$ (3)
Adjusted EPS ⁽¹⁾⁽⁴⁾ (fully diluted)	\$ 0.72	\$ 0.62	\$ 0.10	\$ 2.31	\$ 2.24	\$ 0.07
Diluted weighted average number of shares outstanding (in millions)	229.3	237.2	(7.9)	231.5	239.8	(8.3)

(1) Attributable to owners of the Company.

(2) Due to a net loss in the quarter and year-to-date ended January 31, 2026, diluted and basic loss per share are the same, as the inclusion of additional shares would have been anti-dilutive.

(3) Total adjustments for the quarter and year to date are net of income taxes of \$197 million and \$197 million (February 1, 2025 - \$ nil and \$4 million), respectively.

(4) See "Non-GAAP Financial Measures & Financial Metrics" section of the third quarter fiscal 2026 MD&A for a description of the types of costs and recoveries included.

(5) See "Non-GAAP Financial Measures & Financial Metrics" section of the third quarter fiscal 2026 MD&A.

(6) See "Adjusted Impacts on Net (Loss) Earnings" section of this News Release.

Adjusted Impacts on Net (Loss) Earnings

In the third quarter of fiscal 2026, the Company recognized an E-commerce Impairment related to its e-commerce network following an assessment of its expected financial performance. Following this assessment, the Company made a decision to immediately wind-down and close the Calgary Customer Fulfilment Centre ("CFC") and its support facility in Edmonton and continue to pause on development of the Vancouver CFC. These costs include impairment of ROU, property and equipment and intangibles, and direct costs associated with the closure of the CFC including severance costs, one-time cash contract termination payments, and decommissioning costs. As a result, the impact to net (loss) earnings during the quarter and year-to-date ended January 31, 2026, was \$(549) million.

Capital Expenditures

The Company invested \$239 million in capital expenditures⁽¹⁾ for the quarter ended January 31, 2026 (February 1, 2025 - \$187 million) including renovations and construction of new stores, investments in advanced analytics technology and other technology systems.

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

Free Cash Flow

<i>(in millions of Canadian dollars)</i>	Jan 31, 2026	Feb 1, 2025	\$ Change	Jan 31, 2026	Feb 1, 2025	\$ Change
	13 Weeks	13 Weeks		39 Weeks	39 Weeks	
Cash flows from operating activities	\$ 611	\$ 537	\$ 74	\$ 1,441	\$ 1,442	\$ (1)
Add:						
Proceeds on disposal of assets ⁽¹⁾ and lease modifications and terminations	24	13	11	57	121	(64)
Less:						
Interest paid	(10)	(13)	3	(39)	(40)	1
Payments of lease liabilities, net of payments received for finance subleases	(126)	(179)	53	(495)	(536)	41
Acquisitions of property, equipment, investment property and intangibles	(211)	(211)	-	(608)	(577)	(31)
Free cash flow ⁽²⁾	\$ 288	\$ 147	\$ 141	\$ 356	\$ 410	\$ (54)

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

(2) See "Non-GAAP Financial Measures & Financial Metrics" section of the third quarter fiscal 2026 MD&A.

For the quarter ended January 31, 2026, free cash flow increased versus prior year primarily as a result of higher cash flows from operating activities, driven by changes in accounts payable and accrued liabilities and inventory compared to the prior year and lower payments of lease liabilities, net of payments received for finance subleases.

Normal Course Issuer Bid ("NCIB")

The Company intends to repurchase up to \$400 million of Non-Voting Class A shares in fiscal 2026. Shares purchased are shown in the table below:

<i>(in millions of Canadian dollars, except per share amounts)</i>	Jan 31, 2026	Feb 1, 2025	Jan 31, 2026	Feb 1, 2025
	13 Weeks	13 Weeks	39 Weeks	39 Weeks
Number of shares	3,101,542	2,484,371	5,951,119	7,691,346
Weighted average price per share	\$ 48.37	\$ 43.16	\$ 50.42	\$ 39.01
Cash consideration paid	\$ 150	\$ 107	\$ 300	\$ 300

For the quarter 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 unaudited Interim Condensed Consolidated Balance Sheets.

Fiscal year-to-date, as at March 10, 2026, the Company has purchased for cancellation 6,572,219 Non-Voting Class A shares (March 7, 2025 - 8,613,421) at weighted average price of \$50.19 (March 7, 2025 - \$39.48) for a total consideration of \$330 million (March 7, 2025 - \$340 million).

BUSINESS UPDATES

E-commerce

During the quarter ended January 31, 2026, the Company performed an assessment of expected financial performance across its e-commerce network. Following its review, the Company provided an e-commerce update on January 28, 2026 focused on delivering immediate e-commerce earnings improvement while expanding its third-party delivery partnerships. Key elements of this update included the immediate wind-down and closure of the Calgary CFC and its support facility in Edmonton which had not achieved expected financial or operational expectations, and the continued pause on development of the Vancouver CFC, as well as the expansion of its third-party delivery partnerships through a new collaboration with DoorDash.

During the quarter ended January 31, 2026 the Company recognized an E-commerce Impairment 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 closure of the CFC including severance costs, one-time cash contract termination payments, and decommissioning costs. The total carrying amount of the cash generating units 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.

The Company will continue to leverage its Toronto and Montreal CFCs to support the e-commerce strategy in these areas with high density demand, with an emphasis on driving sales growth, and improving productivity and profitability. The Company's announcement of a new partnership with DoorDash expands the use of third-party delivery services to provide additional ways for customers to shop its stores online, and enhances its overall e-commerce offerings. This new partnership, along with the existing partnerships with Instacart and Uber Eats announced in fiscal 2025, complement Voilà by providing a full suite of delivery options for our customers across the marketplace platforms at many of the Company's banners such as Sobeys, Farm Boy, Longo's, FreshCo, Safeway, IGA, Foodland and Lawtons Drugs nationwide. The rollout of DoorDash is expected to be complete by the end of fiscal 2026.

The Company has taken actions to decrease costs and increase its flexibility to serve customers, including ending its mutual exclusivity agreement with Ocado before it was originally estimated to end. This resulted in a non-cash pre-tax charge related to ending the exclusivity of \$12 million during the first quarter of fiscal 2025. The Company continues to work closely with Ocado, and continues to evaluate the e-commerce financial performance, remaining focused on pursuing strategic options to reduce costs and improve overall profitability. The Company expects an overall improvement in its e-commerce financial performance with annualized benefits of approximately \$95 million, of which \$15 million are expected to be realized in the fourth quarter of fiscal 2026, largely driven by a reduction of operational losses from its Calgary CFC and reduction in future depreciation. Of this \$95 million, approximately one-third was identified to be reinvested in accelerating growth engines. Voilà's future earnings will primarily be impacted by sales volume, with strong margins, operational efficiencies and cost discipline also serving as important drivers to manage financial performance.

In the quarter ended January 31, 2026, the Company's e-commerce platforms Voilà (including curbside pickup), IGA.net, ThriftyFoods.com and partnerships with Instacart and Uber Eats, generated a combined sales increase of 10.3% compared to the same quarter in the prior year. The increase is primarily driven by growth in third-party partnership sales and continued sales growth for Voilà.

Scene+

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

The *Scene+* program continues to expand their reward partners, broadening customer reach and strengthening the program's overall offering through increased earning and redemption opportunities. In the third quarter of fiscal 2026, Shell Canada Limited announced that it is joining the *Scene+* loyalty rewards program which launched in Alberta on March 3, 2026, and expects to expand nationwide on May 26, 2026. Upon completion of the rollout, members will be able to earn and redeem *Scene+* points at more than 1,400 Shell locations across Canada, including over 300 locations owned or supported by the Company in Quebec and the Atlantic regions.

Subsequent to the quarter ended January 31, 2026, on February 25, 2026, Tangerine Bank announced the launch of its first rewards based credit card, powered by *Scene+*. When the rollout begins in Spring 2026, it will give Tangerine clients the ability to earn and redeem points at various rewards partners, including the Company's banners, Sobeys, IGA, Safeway, Foodland, FreshCo and Voilà.

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

Technology Platform

The Company is currently implementing a significant transformation of its core business systems by migrating the legacy Enterprise Resource Planning ("ERP") system to a modern national SAP S/4HANA platform. This implementation is a strategic investment aimed at centralizing the Company's ERP system to streamline financial reporting, procurement, and supply chain operations. The upgraded system will provide improved real-time data visibility, improved automation, and enhanced analytics capabilities, supporting more agile decision-making across the organization. The project is progressing according to plan, with full deployment expected to be phased across the Company over the next two fiscal years.

FreshCo

Since fiscal 2018, the Company has been expanding its FreshCo discount banner to Western Canada and its significant growth has been driven by store conversions and regional expansion. The value proposition and strong multicultural assortment, along with the addition of the *Scene+* loyalty program, has supported the growth and expansion of the Discount banner.

As at March 11, 2026, FreshCo has 51 stores operating in Western Canada and expects to open an additional two stores by the end of fiscal 2026. The Company expects to have opened 65 FreshCo stores in Western Canada over the next several years.

OUTLOOK

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

The outcome of the Company's e-commerce review is expected to improve overall e-commerce financial performance with improvements in annualized operating income of approximately \$95 million starting in the fourth quarter of fiscal 2026 and continuing into fiscal 2027 and beyond. The Company is intensifying its focus on increasing customer engagement, cost discipline, operational efficiencies and accelerating execution.

For fiscal 2026, capital spend is expected to be approximately \$850 million, with approximately half of this investment allocated to renovations and new store expansion (including a 1.1% increase in store footprint expansion from new stores), 25% allocated to IT and business development projects and the remainder allocated to logistics and sustainability. By the end of fiscal 2026, the Company expects to complete the network renovations of approximately 20% to 25%, which began in fiscal 2024.

During fiscal 2026, the Company expects aggregate pre-tax earnings from Other income plus Share of earnings from investments, at equity (both found in the Company's Consolidated Statements of (Loss) Earnings), to be in the range of \$120 million to \$140 million (fiscal 2025 - \$158 million).

In the quarter ended January 31, 2026, the Company's internal food inflation continued to be below the Consumer Price Index for food purchased from stores and was largely in line with internal food inflation from the quarter ended November 1, 2025. The Company is focused on supplier relationships and negotiations to ensure competitive pricing for customers. The Company continues to be well positioned to pursue long-term growth despite the impacts of global economic uncertainties.

Continued uncertainty related to the timing and extent of imposition of future tariffs by the United States government and the risk of potential retaliatory tariffs by the Canadian government could create volatility in the Canadian economy, including higher future costs for importing goods, potentially contributing to higher inflation if increased costs are passed to Canadian consumers. The timing and duration of increased tariffs create financial uncertainty for Canadian companies, and may lead to potential job losses, reduced economic activity, and weakening confidence in the future, and could disrupt supplier relationships and the supply chain, and this may increase the volatility in the Company's operational results. The Company remains focused on promoting local and Canadian products and seeking alternate sources of supply outside of the United States.

Dividend Declaration

The Board of Directors declared a quarterly dividend of \$0.22 per share on both the Class A shares and the Class B common shares that will be payable on April 30, 2026 to shareholders of record on April 15, 2026. These dividends are eligible dividends as defined for the purposes of the Income Tax Act (Canada) and applicable provincial legislation.

Related Party Transactions

Subsequent to the quarter ended January 31, 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.

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 a 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 quarter 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 Statement of (Loss) Earnings. During the quarter ended January 31, 2026, the amounts receivable were collected.

FORWARD-LOOKING INFORMATION

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

Specific forward-looking statements in this document include, but are not limited to, the Company's expectation that Other income plus Share of earnings from investments, at equity will in aggregate, be in a range of \$120 million to \$140 million in fiscal 2026, which assumes completion of pending real estate transactions by the Company and Share of earnings from investments, at equity being consistent with historical values adjusted for significant transactions and may be impacted by the timing and terms of completion of real estate-related transactions and actual results from Crombie REIT and Real estate partners. Other forward-looking statements relate to (i) the Company's aim to increase total EPS and continue to improve sales and gross margin (excluding fuel) and adjusted EBITDA margin, (ii) the Company's plans to grow and enhance the Own Brands Portfolio, (iii) capital expenditures, (iv) implementation of ERP system, (v) the company's expectation that it will meet targeted store growth of FreshCo, (vi) the Company's expectation that it will improve overall e-commerce financial performance including the amount and timing of improvements in annualized operating income of approximately \$95 million, (vii) the Company's expectation regarding timing of the launch of DoorDash, (viii) the Company's expectation to reinvest approximately one-third of the \$95 million annualized e-commerce benefits into accelerating growth engines, (ix) the Company's expectation that the *Scene+* program will accelerate engagement, (x) the Company's expectation that it will continue to focus on driving efficiency and cost effectiveness initiatives, (xi) the Company's expectation regarding its ability to ensure competitive pricing for customers and pursue long-term growth, (xii) impacts of tariffs, (xiii) the company's expectation regarding medium term growth expectations of 10-20 basis points for gross margin excluding fuel, and (xiv) the Company's plans to purchase for cancellation Class A shares under the NCIB.

For more information on the forward-looking statements, see the "Forward-Looking Information" section of the third quarter fiscal 2026 MD&A.

By its nature, forward-looking information requires the Company to make assumptions and is subject to inherent risks, uncertainties and other factors which may cause actual results to differ materially from forward-looking statements made. For more information on risks, uncertainties and assumptions that may impact the Company's forward-looking statements, please refer to the Company's materials filed with the Canadian securities regulatory authorities, including the "Risk Management" section of the fiscal 2025 annual MD&A.

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

NON-GAAP FINANCIAL MEASURES & FINANCIAL METRICS

There are measures and metrics included in this News Release that do not have a standardized meaning under generally accepted accounting principles ("GAAP") and therefore may not be comparable to similarly titled measures and metrics presented by other publicly traded companies. For Empire's definition of the non-GAAP terms included in this News Release, as well as an explanation of how the non-GAAP financial measures provide useful information to investors and additional purposes for which management uses the non-GAAP financial measures, please refer to the Company's materials filed with the Canadian securities regulatory authorities, including the "Non-GAAP Financial Measures & Financial Metrics" section of the interim MD&A for the third quarter and Year-to-Date Ended January 31, 2026.

The following table reconciles gross profit on a consolidated basis:

<i>(in millions of Canadian dollars)</i>	Jan 31, 2026 13 Weeks	Feb 1, 2025 13 Weeks	Jan 31, 2026 39 Weeks	Feb 1, 2025 39 Weeks
Sales	\$ 7,890	\$ 7,725	\$ 24,143	\$ 23,640
Cost of sales	5,760	5,643	17,631	17,367
Gross profit	\$ 2,130	\$ 2,082	\$ 6,512	\$ 6,273

The following tables reconciles net (loss) earnings to EBITDA on a consolidated basis and for the Food retailing segment:

	January 31, 2026 13 Weeks			February 1, 2025 13 Weeks		
<i>(in millions of Canadian dollars)</i>	Food retailing	Investment and other operations	Total	Food retailing	Investment and other operations	Total
Net (loss) earnings	\$ (391)	\$ 16	\$ (375)	\$ 150	\$ 8	\$ 158
Income tax expense	(139)	6	(133)	57	1	58
Finance costs, net	69	1	70	71	1	72
Operating (loss) income	(461)	23	(438)	278	10	288
Depreciation	264	-	264	248	-	248
Amortization of intangibles	30	-	30	28	-	28
EBITDA	\$ (167)	\$ 23	\$ (144)	\$ 554	\$ 10	\$ 564

	January 31, 2026 39 Weeks			February 1, 2025 39 Weeks		
<i>(in millions of Canadian dollars)</i>	Food retailing	Investment and other operations	Total	Food retailing	Investment and other operations	Total
Net (loss) earnings	\$ (8)	\$ 33	\$ 25	\$ 530	\$ 38	\$ 568
Income tax expense	(8)	17	9	181	8	189
Finance costs, net	202	3	205	216	3	219
Operating income	186	53	239	927	49	976
Depreciation	781	-	781	747	-	747
Amortization of intangibles	90	-	90	87	-	87
EBITDA	\$ 1,057	\$ 53	\$ 1,110	\$ 1,761	\$ 49	\$ 1,810

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

<i>(in millions of Canadian dollars)</i>	Jan 31, 2026 13 Weeks	Feb 1, 2025 13 Weeks	May 3, 2025 39 Weeks	Feb 1, 2025 39 Weeks
Finance costs, net	\$ 70	\$ 72	\$ 205	\$ 219
Plus: finance income, excluding interest income on lease receivables	5	4	21	8
Less: pension finance costs, net	(2)	(2)	(6)	(6)
Less: accretion expense on provisions	-	(1)	(1)	(2)
Interest expense	\$ 73	\$ 73	\$ 219	\$ 219

CONFERENCE CALL INFORMATION

The Company will hold an analyst call on Thursday, March 12, 2026 beginning at 8:00 a.m. (Eastern Daylight Time) during which senior management will discuss the Company's financial results for the third quarter of fiscal 2026. To instantly join the conference call by phone, please use the following URL to easily register yourself and be connected into the conference call automatically: <https://empportal.ink/4rmLf17>. You can also be entered to the call by an Operator by dialing (888) 699-1199 outside the Toronto area or (416) 945-7677 from within the Toronto area.

To secure a line, please call 10 minutes prior to the conference call; you will be placed on hold until the conference call begins. The media and investing public may access this conference call via a listen mode only. You may also listen to a live audiocast of the conference call by visiting the "Quick Links" section of the Company's website located at www.empireco.ca, and then navigating to the "Empire Company Limited Quarterly Results Call" link.

The replay will be available by dialing (888) 660-6345 and entering access code 97974 until midnight March 26, 2026, or on the Company's website for 90 days following the conference call.

ABOUT EMPIRE

Empire Company Limited (TSX: EMP.A) is a Canadian company headquartered in Stellarton, Nova Scotia. Empire's key businesses are food retailing, through wholly-owned subsidiary Sobeys Inc., and related real estate. With approximately \$32 billion in annual sales and \$17 billion in assets, Empire and its subsidiaries, franchisees and affiliates employ approximately 129,000 people.

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

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