

FOR IMMEDIATE RELEASE
June 9, 2020

Empire progresses FreshCo discount expansion, announcing first two Alberta locations and four new Manitoba locations

- 28 FreshCo locations in Western Canada confirmed to date
 - 16 FreshCo stores open across British Columbia and Manitoba
 - Two FreshCo stores to open in B.C. in June 2020
 - Four FreshCo stores in Saskatchewan to open in Summer 2020
 - One Chalo! FreshCo in Alberta announced today
 - One store in Alberta announced today for conversion to FreshCo
 - Four stores in Manitoba announced today for conversion to FreshCo
- \$4 million in store closure costs to be expensed in the first quarter of fiscal 2021

Stellarton, N.S. – Today Empire Company Limited (“Empire” or the “Company”) (TSX: EMP.A) announced the next six locations for the expansion of its FreshCo discount banner in Western Canada, including the first FreshCo locations in Alberta. With this announcement, the Company has now confirmed 28 of approximately 65 locations in Western Canada. In fiscal 2018, the Company announced plans to convert approximately 25% of its underperforming Safeway and Sobeys locations to FreshCo over a five-year period.

“Breaking ground in Alberta is a significant milestone in our Western Canadian expansion. We have now opened or planned locations in every province in Western Canada,” said Mike Venton, General Manager, Discount. “Our FreshCo expansion into Western Canada is more relevant than ever before, as economic realities continue to shift. We are seeing a strong appetite for discount grocery options as the brand continues to resonate with the Western Canadian shopper.”

Since the first FreshCo opened in April 2019, the Company has opened 14 FreshCo stores in B.C. and two in Manitoba. By the end of the second quarter of fiscal 2021, the Company plans to open two additional FreshCo stores in B.C. and four in Saskatchewan.

The Company will work with the union that represents impacted employees in Manitoba to ensure that all terms of the collective agreements are met. Options will be provided, including the opportunity to work at Safeway stores within the network or the new FreshCo locations.

The two Alberta FreshCo store locations announced today are both located in Edmonton, in Heritage and Tamarack. The Tamarack location is a new construction site and the store is planned to open in Spring 2021. The Sobeys store in Heritage will close for renovation in Fall 2020 with plans to open as FreshCo in Spring 2021.

The four future Manitoba FreshCo store locations announced today are: Sargent, Niakwa Village, Pembina & McGillivray and Henderson & Bronx. The Safeway locations will all close in Fall 2020 with plans to open as FreshCo in Spring 2021.

Store closure costs of the Safeway and Sobeys stores that will be converted to FreshCo will be charged to earnings in the first quarter of fiscal 2021 and are estimated to be approximately \$4 million before tax.

Click [here](#) for a full list of the 28 FreshCo store locations confirmed to date.

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 \$26 billion in annual sales and \$14.0 billion in assets, Empire and its subsidiaries, franchisees and affiliates employ approximately 123,000 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.sedar.com.

FORWARD-LOOKING INFORMATION

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

- The FreshCo expansion in Western Canada, including the Company's expectations regarding future operating results and profitability, the amount and timing of expenses, and the number, location, feasibility and timing of conversions, and staff increases all of which may be impacted by the impact of COVID-19 on construction schedules and permits, the economic environment, health and safety of employees, and labour relations.

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 2019 annual MD&A. For additional disclosure on the recent outbreak of coronavirus COVID-19, please refer to the "Risk Management" section of Empire's MD&A for the third quarter ended February 1, 2020.

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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.

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