

FOR IMMEDIATE RELEASE  
January 25, 2021

## **Empire reaches half-way mark in Western Canada discount expansion plans with announcement of seven new FreshCo stores**

- Seven new locations for FreshCo discount banner
- 37 FreshCo locations in Western Canada confirmed to date (1.4 million gross square feet)
  - 22 stores now open across British Columbia, Saskatchewan and Manitoba
  - Four stores in Manitoba and two in Alberta to open in Spring 2021
  - One store in Saskatchewan to open in Summer 2021
  - One store in Alberta to open in Winter 2021/2022
  - Six stores in Alberta announced today for conversion to FreshCo
  - One store in Northern Ontario announced today for conversion to FreshCo
- \$11.7 million in store closure costs to be expensed in the third quarter of fiscal 2021

Stellarton, N.S. – Today Empire Company Limited (“Empire” or the “Company”) (TSX: EMP.A) announced the next seven locations for the expansion of its FreshCo discount banner, six in Alberta and one in Northern Ontario. With this announcement, the Company has now confirmed 37 of approximately 65 locations in Western Canada. In December 2017, the Company announced plans to convert approximately 25 per cent of its Safeway and Sobeys locations to FreshCo over a five-year period.

Empire is on track with the Project Horizon commitment to open 10 to 15 FreshCo stores in fiscal 2021.

“Empire’s discount network has grown 23 per cent since we opened our first store in the West only two years ago,” said Mike Venton, General Manager, Discount. “We are committed to delivering market share growth through Project Horizon; Alberta is ripe with opportunity for Empire to compete with a strong discount offering. We are now more than half way through our FreshCo expansion in Western Canada.”

Since April 2019, the Company has opened 16 FreshCo stores in B.C., two in Manitoba and four in Saskatchewan. By the end of fiscal 2022, the Company plans to have these 37 FreshCo stores open in Western Canada.

The six Alberta FreshCo store conversions announced today are: Brentwood in Calgary; Millbourne Mall in Edmonton; Saddle Ridge in Calgary; Coliseum in Edmonton; Palisades Square in Edmonton; and Gateway Village Mall in St. Albert. Closures of the respective Safeway stores will start in the first quarter of fiscal 2022, and open as FreshCo stores starting at the end of the second quarter of fiscal 2022.

In Northern Ontario, the Safeway store in Thunder Bay will close in the first quarter of fiscal 2022 and re-open as a FreshCo store in the second quarter of fiscal 2022.

The Company will work with the unions representing affected Safeway employees in Alberta and Northern Ontario to ensure all terms of the collective agreements are met. We will also work with the respective unions to provide options to impacted employees, including the opportunity to work at Safeway stores within the network or in the new FreshCo locations.

Store closure and conversion costs are estimated to be approximately \$11.7 million before tax and will be charged to earnings in the third quarter of fiscal 2021.

Click [here](#) for a full list of the 37 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 \$27.7 billion in annual sales and \$14.6 billion in assets, Empire and its subsidiaries, franchisees and affiliates employ approximately 127,000 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](http://www.empireco.ca) or on SEDAR at [www.sedar.com](http://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, the projected number of store openings, and location, feasibility and timing of construction and conversions, all of which may be impacted by the novel coronavirus ("COVID-19"), construction schedules and permits, the economic environment 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 2020 annual Management's Discussion and Analysis.

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.

For further information, please contact:

**Media Contact**

Karen White-Boswell  
Director, External Communications and Public Affairs  
Sobeys Inc.  
(416) 779-2319

**Investor Contact**

Katie Brine  
Director Finance, Investor Relations  
Sobeys Inc.  
(905) 238-7124 ext. 2092