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INTERIM REPORT

12-week period ended December 20, 2025

1st Quarter 2026

HIGHLIGHTS

2026 FIRST QUARTER

- **Sales of $5,285.8 million, up 3.3%**
- **Food same-store sales(1) up 1.6% and up 1.9% when adjusting for the Christmas shift(3)**
- **Pharmacy same-store sales(1) up 3.9%**
- **Net earnings of $226.3 million, down 12.8% and adjusted net earnings(1) of $248.7 million, up 1.3%**
- **Fully diluted net earnings per share of $1.05, down 9.5% and adjusted fully diluted net earnings per share(1) of $1.16, up 5.5%**
- **Earnings adjusted for the negative impact of $15.9 million ($21.6 million before taxes) for the direct costs related to the temporary shutdown of our frozen food distribution centre in Toronto**
- **Declared dividend of $0.4075 per share, up 10.1% versus last year**

(1) This measurement is presented for information purpose only. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measurements presented by other public companies. See table in section "Operating Results" and section on "Non-GAAP and Other Financial Measurements"

(2) See section on "Forward-looking Information"

(3) This measure aims at adjusting the same-store-sales(1) for the 12-week period ending December 20, 2025 with that ending December 21, 2024.

REPORT TO SHAREHOLDERS

Dear Shareholders,

I am pleased to present our interim report for the first quarter of Fiscal 2026 ended December 20, 2025.

Sales in the first quarter of Fiscal 2026 ended on December 20, 2025 were $5,285.8 million, up 3.3% versus the first quarter of the prior year which ended on December 21, 2024. Sales were negatively impacted by the transfer of one significant pre-Christmas shopping day to the second quarter this year and by the temporary shutdown of our frozen food distribution centre in Toronto.

Food same-store sales[1] were up 1.6% in the first quarter of Fiscal 2026 (2025 — 1.0%) and up 1.9% when adjusting for the Christmas shift[3]. Online food sales[1] were up 25.8% versus last year (2025 — 18.6%). Our food basket inflation was below the reported CPI of 4.1% for food purchased from stores. Pharmacy same-store sales[1] were up 3.9% (2025 — 5.1%), with a 5.1% increase in prescription drugs[1] and a 1.3% increase in front-store sales[1], primarily driven by health and beauty and partially offset by a delayed cough and cold season. When adjusting for the Christmas shift[3], front-store sales[1] were up 1.7%.

First quarter net earnings were $226.3 million in Fiscal 2026 compared with $259.5 million in 2025 and fully diluted net earnings per share were $1.05 compared with $1.16 in 2025, down 12.8% and 9.5% respectively. Adjusted net earnings[1] for the first quarter of Fiscal 2026 totalled $248.7 million compared with $245.4 million for the corresponding quarter of 2025, and adjusted fully diluted net earnings per share[1] for the first quarter of Fiscal 2026 were $1.16, versus $1.10 in 2025, up 1.3% and 5.5% respectively. The first quarters of 2026 and 2025 included an adjustment for the after-tax amortization of intangible assets recorded in connection with the Jean Coutu Group acquisition. The first quarter of 2026 also included direct costs of $21.6 million, or $15.9 million net of taxes, related to the temporary shutdown of our frozen distribution centre in Toronto, while the first quarter of 2025 included a $20.6 million adjustment regarding the favorable resolution of an income tax position related to prior years.

On January 26, 2026, the Board of Directors declared a quarterly dividend of $0.4075 per share, an increase of 10.1% versus last year's quarterly dividend.

We delivered sales and earnings per share growth in a challenging operating environment, marked by the temporary closure of our freezer in Toronto and persistent food inflation. We are pleased with our new discount store openings and our growing market share in a very competitive market. Our teams are committed to provide the best value possible to our customers and we are confident that our diversified business model, sustained investments in our retail networks and strong execution will continue to deliver long term growth for our shareholders[2].

Eric La Flèche
President and Chief Executive Officer

January 27, 2026

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (MD&A) sets out the financial position and consolidated results of METRO INC. (the Corporation) on December 20, 2025 for the 12-week period then ended. It should be read in conjunction with the unaudited interim condensed consolidated financial statements and accompanying notes in this interim report.

The unaudited interim condensed consolidated financial statements for the 12-week period ended December 20, 2025 have been prepared by management in accordance with IAS 34 *Interim Financial Reporting*. They should be read in conjunction with the audited annual consolidated financial statements and accompanying notes and the MD&A presented in the Corporation's 2025 Annual Report. Unless otherwise stated, the interim report is based on information as at January 16, 2026.

Additional information, including the Certification of Interim Filings for the quarter ended December 20, 2025 signed by the President and Chief Executive Officer and the Executive Vice President, Chief Financial Officer and Treasurer, will also be available on the SEDAR website at: www.sedarplus.ca.

OPERATING RESULTS

SALES

Sales in the first quarter of Fiscal 2026 ended on December 20, 2025 were $5,285.8 million, up 3.3% versus the first quarter of the prior year which ended on December 21, 2024. Sales were negatively impacted by the transfer of one significant pre-Christmas shopping day to the second quarter this year and by the temporary shutdown of our frozen food distribution centre in Toronto.

Food same-store sales[(1)] were up 1.6% in the first quarter of Fiscal 2026 (2025 — 1.0%) and up 1.9% when adjusting for the Christmas shift[(3)]. Online food sales[(1)] were up 25.8% versus last year (2025 — 18.6%). Our food basket inflation was below the reported CPI of 4.1% for food purchased from stores. Pharmacy same-store sales[(1)] were up 3.9% (2025 — 5.1%), with a 5.1% increase in prescription drugs[(1)] and a 1.3% increase in front-store sales[(1)], primarily driven by health and beauty and partially offset by a delayed cough and cold season. When adjusting for the Christmas shift[(3)], front-store sales[(1)] were up 1.7%.

OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION

This earnings measurement excludes financial costs, taxes, depreciation and amortization.

Operating income before depreciation and amortization for the first quarter of Fiscal 2026 totalled $482.6 million, or 9.1% of sales, an increase of 0.2% versus the corresponding quarter of Fiscal 2025. The first quarter of 2026 included direct costs of $21.6 million related to the temporary shutdown of our frozen food distribution centre in Toronto.

Gross margin[(1)] for the first quarter of Fiscal 2026 was 19.7% which is the same percentage as the corresponding quarter of 2025.

Operating expenses as a percentage of sales for the first quarter of Fiscal 2026 were 10.5% versus 10.3% for the corresponding quarter of 2025. Operating expenses as a percentage of sales of the first quarter of Fiscal 2026 were unfavourably impacted by $20.8 million of direct costs related to the temporary shutdown of our frozen food distribution centre in Toronto. Excluding these costs, operating expenses as a percentage of sales for the first quarter of Fiscal 2026 would have been 10.2%.

The asset disposals recognized in the first quarter of 2026 resulted in losses of $1.2 million, including $0.8 million attributable to the mechanical issue at our frozen food distribution centre in Toronto. In the first quarter of 2025, asset disposals had generated gains of $1.7 million.

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DEPRECIATION AND AMORTIZATION

Total depreciation and amortization expense for the first quarter of Fiscal 2026 was $143.6 million versus $133.6 million for the corresponding quarter of 2025. The increase in depreciation and amortization expense is mainly due to the increase in the retail investments, including right-of-use assets, and the commissioning of investments in our supply chain, including some automation technology in the Pharmacy division.

NET FINANCIAL COSTS

Net financial costs for the first quarter of Fiscal 2026 were $37.3 million compared with $30.7 million in the corresponding quarter of 2025. The increase in financial costs is mainly due to the recording in 2025 of interest receivable of $4.2 million regarding the resolution of a tax position related to prior years, and higher interest expense on net debt.

INCOME TAXES

The income tax expense of $75.4 million for the first quarter of Fiscal 2026 represented an effective tax rate of 25.0% compared with an income tax expense of $57.7 million and an effective tax rate of 18.2% for the first quarter of Fiscal 2025. The increase in the effective tax rate in 2026 is mainly attributable to the resolution of an income tax position related to prior years of $20.6 million in the first quarter of fiscal 2025 and a provincial tax holiday on a large investment project of $4.9 million for the first quarter of Fiscal 2026 compared with $6.1 million for the corresponding quarter of 2025.

NET EARNINGS AND ADJUSTED NET EARNINGS[1]

Net earnings for the first quarter of Fiscal 2026 were $226.3 million compared with $259.5 million for the corresponding quarter of 2025, while fully diluted net earnings per share were $1.05 compared with $1.16 in 2025, down 12.8% and 9.5% respectively. Excluding the specific items shown in the table below, adjusted net earnings[1] for the first quarter of Fiscal 2026 totalled $248.7 million compared with $245.4 million for the corresponding quarter of 2025, and adjusted fully diluted net earnings per share[1] for the first quarter of Fiscal 2026 were $1.16, versus $1.10 in 2025, up 1.3% and 5.5% respectively.

Net earnings and fully diluted net earnings per share (EPS) adjustments[1]

	12 weeks / Fiscal Year					
	2026		2025		Change (%)	
	Net earnings (Millions of dollars)	**Fully diluted EPS (Dollars)**	Net earnings (Millions of dollars)	Fully diluted EPS (Dollars)	Net earnings	Fully diluted EPS
Per financial statements	**226.3**	**1.05**	259.5	1.16	(12.8)	(9.5)
Direct costs due to the freezer issue, net of taxes of $5.7	**15.9**		—			
Amortization of intangible assets acquired in connection with the Jean Coutu Group acquisition, net of taxes of $2.4	**6.5**		6.5			
Favourable resolution of a tax position in respect of prior years	**—**		(20.6)			
Adjusted measures[1]	**248.7**	**1.16**	245.4	1.10	1.3	5.5

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QUARTERLY HIGHLIGHTS

(Millions of dollars, unless otherwise indicated)	**2026**	2025	2024	Change *(%)*
Sales				
Q1[4]	**5,285.8**	5,117.1	—	3.3
Q4[4]	—	5,108.7	4,938.4	3.4
Q3[5]	—	6,871.0	6,651.8	3.3
Q2[4]	—	4,909.9	4,655.5	5.5
Net earnings				
Q1[4]	**226.3**	259.5	—	(12.8)
Q4[4]	—	217.0	219.9	(1.3)
Q3[5]	—	323.0	296.2	9.0
Q2[4]	—	220.0	187.1	17.6
Adjusted net earnings[1]				
Q1[4]	**248.7**	245.4	—	1.3
Q4[4]	—	246.0	226.5	8.6
Q3[5]	—	331.8	305.0	8.8
Q2[4]	—	226.6	206.4	9.8
Fully diluted net earnings per share ***(Dollars)***				
Q1[4]	**1.05**	1.16	—	(9.5)
Q4[4]	—	1.00	0.98	2.0
Q3[5]	—	1.48	1.31	13.0
Q2[4]	—	0.99	0.83	19.3
Adjusted fully diluted net earnings per share[1] ***(Dollars)***				
Q1[4]	**1.16**	1.10	—	5.5
Q4[4]	—	1.13	1.02	10.8
Q3[5]	—	1.52	1.35	12.6
Q2[4]	—	1.02	0.91	12.1

[4] 12 weeks
[5] 16 weeks

Sales in the first quarter of Fiscal 2026 ended on December 20, 2025 were $5,285.8 million, up 3.3% versus the first quarter of the prior year which ended on December 21, 2024. Sales were negatively impacted by the transfer of one significant pre-Christmas shopping day to the second quarter this year and by the temporary shutdown of our frozen food distribution centre in Toronto. Food same-store sales[1] were up 1.6% in the first quarter of Fiscal 2026 (2025 — 1.0%) and up 1.9% when adjusting for the Christmas shift[3]. Online food sales[1] were up 25.8% versus last year (2025 — 18.6%). Our food basket inflation was below the reported CPI of 4.1% for food purchased from stores. Pharmacy same-store sales[1] were up 3.9% (2025 — 5.1%), with a 5.1% increase in prescription drugs[1] and a 1.3% increase in front-store sales[1], primarily driven by health and beauty and partially offset by a delayed cough and cold season. When adjusting for the Christmas shift[3], front-store sales[1] were up 1.7%.

Sales in the fourth quarter of Fiscal 2025 ended on September 27, 2025 were $5,108.7 million, up 3.4% versus the fourth quarter of the prior year, driven by higher sales in our discount and pharmacy retail networks. Food same-store sales[1] were up 1.6% in the fourth quarter of Fiscal 2025 (2024 — 2.2%). Online food sales[1] were up 19.8% versus last year (2024 — 27.6%). Our food basket inflation was below the reported CPI of 3.4% for food purchased from stores. Pharmacy same-store sales[1] were up 4.8% (2024 — 5.7%), with a 5.5% increase in prescription drugs[1] and a 2.9% increase in front-store sales[1], primarily driven by over-the-counter products, cosmetics, and health and beauty.

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Sales in the third quarter of Fiscal 2025 ended on July 5, 2025 were $6,871.0 million, up 3.3% versus the third quarter of the prior year which ended on July 6, 2024, driven by higher sales in our retail network. Food same-store sales[(1)] were up 1.9% in the third quarter of Fiscal 2025 (2024 — 2.4%). Online food sales[(1)] were up 14.4% versus last year (2024 — 34.3%). Our food basket inflation was generally in line with the reported CPI for food purchased from stores. Pharmacy same-store sales[(1)] were up 5.5% (2024 — 5.2%), with a 6.2% increase in prescription drugs[(1)] and a 4.0% increase in front-store sales[(1)], primarily driven by over-the-counter products, cosmetics, and health and beauty.

Sales in the second quarter of Fiscal 2025 ended on March 15, 2025 were $4,909.9 million, up 5.5% versus the second quarter of the prior year which ended on March 16, 2024. Sales were positively impacted by the transfer of two significant pre-Christmas shopping days to the second quarter this year. Food same-store sales[(1)] were up 5.3% in the second quarter of Fiscal 2025 and up 3.9% when adjusting for the Christmas shift. Online food sales[(1)] were up 26.2% versus last year. When adjusting for the sales tax holiday, our food basket inflation was slightly lower than the reported CPI for food purchased from stores. Pharmacy same-store sales[(1)] were up 7.0% with a 7.8% increase in prescription drugs[(1)] and a 5.3% increase in front-store sales[(1)]. When adjusting for the Christmas shift, the increase in front-store sales was 3.7%.

Net earnings for the first quarter of Fiscal 2026 were $226.3 million compared with $259.5 million for the corresponding quarter of 2025, while fully diluted net earnings per share were $1.05 compared with $1.16 in 2025, down 12.8% and 9.5% respectively. Adjusted net earnings[(1)] for the first quarter of Fiscal 2026 totalled $248.7 million compared with $245.4 million for the corresponding quarter of 2025, and adjusted fully diluted net earnings per share[(1)] for the first quarter of Fiscal 2026 were $1.16, versus $1.10 in 2025, up 1.3% and 5.5% respectively. The first quarters of 2026 and 2025 included an adjustment for the pre-tax amortization of intangible assets acquired in connection with the Jean Coutu Group acquisition of $8.9 million, as well as the income taxes relating to this item. The first quarter of 2026 also included direct costs of $21.6 million, or $15.9 million net of taxes, related to the temporary shutdown of our frozen distribution centre in Toronto, while the first quarter of 2025 included a $20.6 million adjustment regarding the favorable resolution of an income tax position related to prior years.

Net earnings for the fourth quarter of Fiscal 2025 were $217.0 million compared with $219.9 million for the corresponding quarter of 2024, while fully diluted net earnings per share were $1.00 compared with $0.98 in 2024, down 1.3% and up 2.0% respectively. Adjusted net earnings[(1)] for the fourth quarter of Fiscal 2025 totalled $246.0 million compared with $226.5 million for the corresponding quarter of 2024, and adjusted fully diluted net earnings per share[(1)] for the fourth quarter of Fiscal 2025 were $1.13, versus $1.02 in 2024, up 8.6% and 10.8% respectively. The fourth quarters of 2025 and 2024 included an adjustment for the pre-tax amortization of intangible assets acquired in connection with the Jean Coutu Group acquisition of $8.9 million, as well as the income taxes relating to this item. The fourth quarter of 2025 also included inventories write-down and other direct costs of $30.6 million, or $22.5 million net of the related taxes, related to the temporary shutdown of our frozen distribution centre in Toronto.

Net earnings for the third quarter of Fiscal 2025 were $323.0 million compared with $296.2 million for the corresponding quarter of 2024, while fully diluted net earnings per share were $1.48 compared with $1.31 in 2024, up 9.0% and 13.0% respectively. Adjusted net earnings[(1)] for the third quarter of Fiscal 2025 totalled $331.8 million compared with $305.0 million for the corresponding quarter of 2024, and adjusted fully diluted net earnings per share[(1)] for third quarter of Fiscal 2025 were $1.52, versus $1.35 in 2024, up 8.8% and 12.6% respectively. The third quarters of 2025 and 2024 included an adjustment for the pre-tax amortization of intangible assets acquired in connection with the Jean Coutu Group acquisition of $11.9 million, as well as the income taxes relating to this item.

Net earnings for the second quarter of Fiscal 2025 were $220.0 million compared with $187.1 million for the corresponding quarter of 2024, while fully diluted net earnings per share were $0.99 compared with $0.83 in 2024, up 17.6% and 19.3% respectively. Adjusted net earnings[(1)] for the second quarter of Fiscal 2025 totalled $226.6 million compared with $206.4 million for the corresponding quarter of 2024, and adjusted fully diluted net earnings per share[(1)] for second quarter of Fiscal 2025 were $1.02, versus $0.91 in 2024, up 9.8% and 12.1% respectively. The second quarters of 2025 and 2024 included an adjustment for the pre-tax amortization of intangible assets acquired in connection with the Jean Coutu Group acquisition of $8.9 million, as well as the income taxes relating to this item. The second quarter of 2024 also included a loss on the impairment of a loyalty program of $20.8 million and a gain on disposal of an investment in an associate of $7.0 million, as well as the income taxes relating to these items.

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(2) See section on "Forward-looking Information"

(3) This measure aims at adjusting the same-store-sales[(1)] for the 12-week period ending December 20, 2025 with that ending December 21, 2024.

(Millions of dollars)	**2026** Q1	2025 Q4	2025 Q3	2025 Q2	2025 Q1	2024 Q4	2024 Q3	2024 Q2
Net earnings	**226.3**	217.0	323.0	220.0	259.5	219.9	296.2	187.1
Inventories write-down and other direct costs due to the freezer issue, net of taxes	**15.9**	22.5	—	—	—	—	—	—
Loss on impairment of a loyalty program, net of taxes	**—**	—	—	—	—	—	—	18.1
Gain on disposal of an investment in an associate, net of taxes	**—**	—	—	—	—	—	—	(5.4)
Amortization of intangible assets acquired in connection with the Jean Coutu Group acquisition, net of taxes	**6.5**	6.5	8.8	6.6	6.5	6.6	8.8	6.6
Favourable resolution of a tax position in respect of prior years	**—**	—	—	—	(20.6)	—	—	—
Adjusted net earnings[1]	**248.7**	246.0	331.8	226.6	245.4	226.5	305.0	206.4

(Dollars)	**2026** Q1	2025 Q4	2025 Q3	2025 Q2	2025 Q1	2024 Q4	2024 Q3	2024 Q2
Fully diluted net earnings per share	**1.05**	1.00	1.48	0.99	1.16	0.98	1.31	0.83
Adjustments impact	**0.11**	0.13	0.04	0.03	(0.06)	0.04	0.04	0.08
Adjusted fully diluted net earnings per share[1]	**1.16**	1.13	1.52	1.02	1.10	1.02	1.35	0.91

CASH POSITION

OPERATING ACTIVITIES

In the first quarter of Fiscal 2026, operating activities generated cash inflows of $117.8 million compared with $165.9 million in the corresponding quarter of 2025. The decrease is mainly due to changes in non-cash working capital items during the quarter compared to last year.

INVESTING ACTIVITIES

Investing activities required cash outflows of $38.1 million in the first quarter of Fiscal 2026 compared with $56.8 million for the corresponding quarter of 2025. This difference stemmed mainly from lower investments in tangible and intangible assets and goodwill of $27.4 million in 2026.

During the first quarter of Fiscal 2026, we and our retailers opened 3 stores, carried out major expansions and renovations of 3 stores, and 1 store was closed, for a net increase of 88,600 square feet or 0.4% of our food retail network.

FINANCING ACTIVITIES

In the first quarter of 2026, financing activities required cash outflows of $129.1 million compared with $138.5 million in the corresponding quarter of 2025. The variation is mainly due to a favourable variation in net debt of $72.9 million during the quarter compared to last year, partly offset by higher share repurchases of $50.2 million in 2026.

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FINANCIAL POSITION

We do not anticipate[2] any liquidity risk and consider our financial position at the end of the first quarter of 2026 as very solid. We had an unused authorized revolving credit facility of $246.2 million.

At the end of the first quarter of 2026, the main elements of our debt were as follows:

	Interest Rate	Maturity	Notional *(Millions of dollars)*
Revolving Credit Facility	Rates fluctuate with changes in bankers' acceptance rates	December 11, 2030	353.8
Series G Notes	3.39% fixed nominal rate	December 6, 2027	450.0
Series L Notes	4.00% fixed nominal rate	November 27, 2029	500.0
Series K Notes	4.66% fixed nominal rate	February 7, 2033	300.0
Series B Notes	5.97% fixed nominal rate	October 15, 2035	400.0
Series D Notes	5.03% fixed nominal rate	December 1, 2044	300.0
Series H Notes	4.27% fixed nominal rate	December 4, 2047	450.0
Series I Notes	3.41% fixed nominal rate	February 28, 2050	400.0

On November 27, 2024, the Corporation issued through a private placement Series L unsecured senior notes in the aggregate principal amount of $500.0 million, bearing interest at a fixed nominal rate of 3.998%, maturing on November 27, 2029. In anticipation of this issuance, on November 22, 2024, the Corporation entered into a bond forward contract designated as cash flow hedge on a portion of a highly probable future debt issuance in the amount of $100.0 million that effectively locked-in a 5-year fixed underlying Government of Canada yield of 3.351%. The effective part of the loss on the hedging instrument was recognized in Other Comprehensive Income. Following the Series L notes issuance, the amounts accumulated in equity will be reclassified to net financial costs on a linear basis over the life of the debt.

On December 2, 2024, the Corporation redeemed all of the Series J notes, bearing interest at a fixed nominal rate of 1.92%, in the amount of $300.0 million that matured on the same day.

CAPITAL STOCK, STOCK OPTIONS AND PERFORMANCE SHARE UNITS

	As at December 20, 2025	As at September 27, 2025
Number of Common Shares outstanding *(Thousands)*	**213,152**	214,748
Stock options:		
Number outstanding *(Thousands)*	**2,165**	1,969
Exercise prices *(Dollars)*	**47.51 to 102.08**	47.51 to 102.08
Weighted average exercise price *(Dollars)*	**73.16**	69.65
Performance share units:		
Number outstanding *(Thousands)*	**549**	551

NORMAL COURSE ISSUER BID PROGRAM

Under the current normal course issuer bid program, the Corporation may repurchase up to 10,000,000 of its Common Shares between November 27, 2025 and November 26, 2026. As at January 16, 2026, the Corporation has repurchased 1,000,000 Common Shares at an average price of $98.72, for a total consideration of $98.7 million.

DIVIDENDS

On January 26, 2026, the Board of Directors declared a quarterly dividend of $0.4075 per share, an increase of 10.1% versus last year's quarterly dividend.

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SHARE TRADING

The value of METRO shares remained in the $90.73 to $101.30 range over the first quarter of Fiscal 2026. During this period, a total of 33.6 million shares were traded on the Toronto Stock Exchange. The closing price on January 16, 2026 was $97.57 compared with $92.20 at the end of Fiscal 2025.

NEW ACCOUNTING STANDARD

ACCOUNTING STANDARD ISSUED BUT NOT YET EFFECTIVE

Presentation and Disclosures in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 *Presentation of Financial Statements*, and consequential amendments to several other standards. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, with prescribed subtotals for each new category. It also requires disclosure of management-defined performance measures which will now form part of the audited financial statements.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Corporation is currently working to identify all impacts the amendments will have on the consolidated financial statements and notes to the consolidated financial statements.

CONTINGENCIES

In the normal course of business, various proceedings and claims are instituted against the Corporation. The Corporation contests the validity of these claims and proceedings and at this stage, the Corporation does not believe[2] that these matters will have a material effect on the Corporation's financial position or on consolidated earnings. However, since any litigation involves uncertainty, it is not possible to predict the outcome of these claims or the amount of potential losses. No accruals or provisions for contingent losses have been recognized in the Corporation's annual consolidated financial statements.

In May 2019, two (2) proposed class actions relating to opioids were filed in Ontario and in Quebec by opioid end users against a large group of defendants including, in Quebec, a subsidiary of the Corporation, Pro Doc Ltée ("Pro Doc"), and, in Ontario, Pro Doc and The Jean Coutu Group (PJC) Inc. ("Jean Coutu Group"). In December 2023, the Ontario Superior Court of Justice dismissed the Ontario class action against Pro Doc, Jean Coutu Group and the distributor defendants. As plaintiff did not appeal the decision, this decision is therefore final. In April 2024, the Quebec Superior Court authorized the Québec class action, the authorization process being merely a procedural step and the judgment in no way decides the case on the merits. For the sole purpose of avoiding the costs and inconvenience of this class action, Pro Doc and its insurers have agreed to settle the Québec class action out of court, without any admission and while continuing to deny any allegation of fault or liability. The settlement agreement was approved by the Quebec Superior Court on December 22, 2025.

In August 2018, the Province of British Columbia filed a proposed class action against numerous manufacturers and distributors of opioids, including subsidiaries of the Corporation, Pro Doc and Jean Coutu Group. The Province of British Columbia seeks damages (unquantified) on behalf of all federal, provincial and territorial governments and agencies for expenses allegedly incurred in paying for opioid prescriptions and other healthcare costs that would be related to opioid addiction and abuse. In January 2025, the Court certified the class action against all defendants, the certification process being merely a procedural step and the judgment in no way decides the case on the merits. That decision is under appeal.

In February 2020, a proposed class action relating to opioids was filed in British Columbia by opioid end users against a large group of defendants including subsidiaries of the Corporation, Pro Doc and Jean Coutu Group. In April 2021, a proposed class action relating to opioids was filed in Alberta by the City of Grande Prairie (Alberta) and the City of Brantford (Ontario). That proposed class action, amended in late November 2024, is made against multiple defendants, including the Corporation, Pro Doc and Jean Coutu Group. In September 2021, multiple defendants,

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(2) See section on "Forward-looking Information"

(3) This measure aims at adjusting the same-store-sales[1] for the 12-week period ending December 20, 2025 with that ending December 21, 2024.

including Pro Doc and Jean Coutu Group, were served with a proposed class action relating to opioids and filed by the Peter Ballantyne Cree Nation and the Lac La Ronge Indian Band, in Saskatchewan. The allegations in these proposed class actions are similar to the allegations contained in the proposed class action filed by the Province of British Columbia in 2018. They include allegations of breach of the *Competition Act*, of fraudulent misrepresentation and deceit, and negligence. The City of Grande Prairie, on its behalf and on behalf of all Canadian municipalities and local governments, seeks damages which are unquantified in relation to public safety, social service, and criminal justice costs allegedly incurred due to the opioid crisis. The Peter Ballantyne Cree Nation and the Lac La Ronge Indian Band are attempting a similar recourse, claiming unquantified damages from multiple defendants on their own behalf and on behalf of all Indigenous, First Nations, Inuit and Metis communities and governments in Canada. The Corporation believes[2] these proceedings are without merits and that, in certain cases, there is no jurisdiction. No provisions for contingent losses have been recognized in the Corporation's annual financial statements.

In 2017, the Canadian Competition Bureau began an investigation into the supply and sale of commercial bread which involves certain Canadian suppliers and retailers, including the Corporation. Based on the information available to date, the Corporation does not believe that it or any of its employees have violated the *Competition Act*. Proposed class-action lawsuits have also been filed against the Corporation, suppliers and other retailers. On December 19, 2019, the Quebec Superior Court granted the application for authorization to institute one of these class actions, the authorization process being merely a procedural step and the judgment in no way decides the case on the merits. On December 31, 2021, the Ontario Superior Court of Justice partially certified another of these class actions. The Corporation is contesting all these actions at the certification stage and on the merits. No provisions for contingent losses have been recognized in the Corporation's annual consolidated financial statements.

During the 2016 fiscal year, an application for authorization to institute a class action was served on Jean Coutu Group by Sopropharm, an association incorporated under the *Professional Syndicates Act* of which certain franchised drugstore owners of the Jean Coutu Group are members. The application seeks to have the class action authorized in the form of a declaratory action seeking amongst others (i) to set aside certain contractual provisions of the Jean Coutu Group's standard franchise agreements, including the clause providing for the payment of royalties on sales of medication by franchised establishments; (ii) to restore certain benefits; and (iii) to reduce certain contractual obligations. On November 1, 2018, the Quebec Superior Court granted the application for authorization to institute a class action, the authorization process being merely a procedural step and the judgment in no way decides the case on the merits. The Corporation contests this action on the merits. No provisions for contingent losses have been recognized in the Corporation's annual consolidated financial statements.

FORWARD-LOOKING INFORMATION

We have used, throughout this report, different statements that could, within the context of regulations issued by the Canadian Securities Administrators, be construed as being forward-looking information. In general, any statement contained herein that does not constitute a historical fact may be deemed a forward-looking statement. Expressions such as "anticipate", "continue", "believe", "plan" and other similar expressions are generally indicative of forward-looking statements. The forward-looking statements contained herein are based upon certain assumptions regarding the Canadian food and pharmaceutical industries, the general economy, our annual budget, as well as our 2026 action plan.

These forward-looking statements do not provide any guarantees as to the future performance of the Corporation and are subject to potential risks, known and unknown, as well as uncertainties that could cause the outcome to differ significantly. Risk factors that could cause actual results or events to differ materially from our expectations as expressed in, or implied by, our forward-looking statements are described and discussed under the "Risk Management" section in our Annual Report 2025.

We believe these statements to be reasonable and pertinent as at the date of publication of this report and represent our expectations. The Corporation does not intend to update any forward-looking statement contained herein, except as required by applicable law.

(1) This measurement is presented for information purpose only. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measurements presented by other public companies. See table in section "Operating Results" and section on "Non-GAAP and Other Financial Measurements"

(2) See section on "Forward-looking Information"

(3) This measure aims at adjusting the same-store-sales[1] for the 12-week period ending December 20, 2025 with that ending December 21, 2024.

NON-GAAP AND OTHER FINANCIAL MEASUREMENTS

In addition to the International Financial Reporting Standards (IFRS) measurements provided, we have included certain non-GAAP and other financial measurements. These measurements are presented for information purposes only. They do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measurements presented by other public companies.

National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure sets out specific disclosure requirements for non-GAAP financial measures, non-GAAP ratios, and other financial measures, which are capital management measures, supplementary financial measures, and total of segments measures, as defined in the Instrument (together the “specified financial measures”).

The specified financial measures we disclose in our documents made available to the public are presented by measurement categories below.

NON-GAAP FINANCIAL MEASURES

Adjusted earnings before net financial costs and income taxes is a non-GAAP financial measurement that, with respect to its composition, is adjusted to exclude net financial costs and special items from the composition of the most directly comparable financial measure disclosed in our consolidated financial statements, which is earnings before income taxes. Special items may include acquisition and restructuring charges, gains or losses on the disposal of investments, and amortization and impairment losses of intangible assets resulting from a business acquisition.

Adjusted net earnings is a non-GAAP financial measurement that, with respect to its composition, is adjusted to exclude special items from the composition of the most directly comparable financial measure disclosed in our consolidated financial statements, which is net earnings. Special items may include acquisition and restructuring charges, gains or losses on the disposal of investments, amortization and impairment losses of intangible assets resulting from a business acquisition, and significant prior-year tax adjustments.

For measurements depicting financial performance, we believe that presenting earnings adjusted for these items, which are not necessarily reflective of the Corporation's performance, leaves readers of financial statements better informed thus enabling them to better perform trend analysis, evaluate the Corporation's financial performance and assess its future outlook. Adjusting for these items does not imply that they are non-recurring.

NON-GAAP RATIOS

Adjusted fully diluted net earnings per share is a non-GAAP ratio in which a non-GAAP financial measure is used as one or more of its components. The non-GAAP component used is adjusted net earnings[1]. Adjusted fully diluted net earnings per share is calculated by dividing the adjusted net earnings[1] attributable to equity holders of the parent by the weighted average number of Common Shares outstanding during the year, adjusted to reflect all potential dilutive shares.

We believe that presenting this ratio, in which a non-GAAP financial measurement is used as one or more of its components, leaves readers of financial statements better informed as to the current period and corresponding prior year's period's performance, thus enabling them to better perform trend analysis, evaluate the Corporation's financial performance and assess its future outlook. Adjusting for these items does not imply that they are non-recurring.

SUPPLEMENTARY FINANCIAL MEASURES

The supplementary financial measures listed below are, or are intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of the Corporation.

Food same-store sales are defined as comparable retail sales of stores with more than 52 consecutive weeks of operations, including relocated, expanded and renovated locations. Food same-store sales is a measure based on all stores in our network, including those whose sales are not included in the Corporation's consolidated financial statements.

Online food sales are the sum of sales made from all our online channels.

[1] This measurement is presented for information purpose only. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measurements presented by other public companies. See table in section "Operating Results" and section on "Non-GAAP and Other Financial Measurements"

[2] See section on "Forward-looking Information"

[3] This measure aims at adjusting the same-store-sales[1] for the 12-week period ending December 20, 2025 with that ending December 21, 2024.

Pharmacy same-store sales (including total, front-store and prescription drugs) are defined as comparable retail sales of stores with more than 52 consecutive weeks of operations, including relocated, expanded and renovated locations. Pharmacy same-store sales do not form part of the Corporation's consolidated financial statements because the pharmacies are held by pharmacist owners.

Gross margin ratio is calculated by dividing gross profit by sales.

OUTLOOK[(2)]

The challenges related to the disruption at our frozen distribution center in Toronto are now behind us and operations have fully resumed. Our focus remains on realizing efficiency gains throughout our supply chain and store network while we continue to execute on our plan to accelerate the development of our growing discount banners with the planned opening of about a dozen new or converted stores in this fiscal year. In the current challenging economic environment, we remain steadfast in our efforts to deliver the best value possible to our customers through our effective merchandising programs, strong private labels, the Moi program, and consistent execution at store level.

Montréal, January 27, 2026

[(1)] This measurement is presented for information purpose only. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measurements presented by other public companies. See table in section "Operating Results" and section on "Non-GAAP and Other Financial Measurements"

[(2)] See section on "Forward-looking Information"

[(3)] This measure aims at adjusting the same-store-sales[(1)] for the 12-week period ending December 20, 2025 with that ending December 21, 2024.