

Financial Results

Condensed Consolidated Statements of Earnings	2
Condensed Consolidated Statements of Comprehensive Income	3
Condensed Consolidated Statements of Changes in Equity	4
Condensed Consolidated Balance Sheets	5
Condensed Consolidated Statements of Cash Flows	6
Notes to the Unaudited Interim Period Condensed Consolidated Financial Statements	7
Note 1. Nature and Description of the Reporting Entity	7
Note 2. Accounting Policies	7
Note 3. Net Interest Expense and Other Financing Charges	8
Note 4. Income Taxes	8
Note 5. Basic and Diluted Net Earnings per Common Share	9
Note 6. Change in Non-cash Working Capital	9
Note 7. Credit Card Receivables	10
Note 8. Assets Held for Sale and Disposition	10
Note 9. Real Estate Dispositions	11
Note 10. Long Term Debt	11
Note 11. Share Capital	12
Note 12. Post-Employment and Other Long Term Employee Benefits	14
Note 13. Financial Instruments	15
Note 14. Contingent Liabilities	18
Note 15. Related Party Transactions	19
Note 16. Segment Information	20

Condensed Consolidated Statements of Earnings

(millions of Canadian dollars except where otherwise indicated) (unaudited)	June 14, 2025 (12 weeks)	June 15, 2024 (12 weeks)	June 14, 2025 (24 weeks)	June 15, 2024 (24 weeks)
Revenue	\$ 14,672	\$ 13,947	\$ 28,807	\$ 27,528
Cost of sales	9,823	9,326	19,343	18,452
Selling, general and administrative expenses	3,610	3,753	7,319	7,347
Operating income	\$ 1,239	\$ 868	\$ 2,145	\$ 1,729
Net interest expense and other financing charges (note 3)	212	190	410	384
Earnings before income taxes	\$ 1,027	\$ 678	\$ 1,735	\$ 1,345
Income taxes (note 4)	270	180	456	358
Net earnings	\$ 757	\$ 498	\$ 1,279	\$ 987
Attributable to:				
Shareholders of the Company (note 5)	\$ 714	\$ 460	\$ 1,217	\$ 922
Non-controlling interests	43	38	62	65
Net earnings	\$ 757	\$ 498	\$ 1,279	\$ 987
Net earnings per common share (\$) (note 5)				
Basic	\$ 2.39	\$ 1.49	\$ 4.07	\$ 2.98
Diluted	\$ 2.37	\$ 1.48	\$ 4.03	\$ 2.95
Weighted average common shares outstanding (millions) (note 5)				
Basic	298.2	305.9	299.1	307.4
Diluted	300.9	308.8	301.8	310.6

See accompanying notes to the unaudited interim period condensed consolidated financial statements.

Condensed Consolidated Statements of Comprehensive Income

(millions of Canadian dollars) (unaudited)	June 14, 2025 (12 weeks)	June 15, 2024 (12 weeks)	June 14, 2025 (24 weeks)	June 15, 2024 (24 weeks)
Net earnings	\$ 757	\$ 498	\$ 1,279	\$ 987
Other comprehensive income, net of taxes				
Items that are or may be subsequently reclassified to profit or loss:				
Foreign currency translation (losses) gains	\$ (3)	\$ 2	\$ (3)	\$ 2
Unrealized gain (loss) on cash flow hedges (note 13)	6	(7)	(5)	(8)
Items that will not be reclassified to profit or loss:				
Net defined benefit plan actuarial (losses) gains (note 12)	(72)	70	(106)	32
Other comprehensive (loss) income, net of taxes	\$ (69)	\$ 65	\$ (114)	\$ 26
Total comprehensive income	\$ 688	\$ 563	\$ 1,165	\$ 1,013
Attributable to:				
Shareholders of the Company	\$ 645	\$ 525	\$ 1,103	\$ 948
Non-controlling interests	43	38	62	65
Total comprehensive income	\$ 688	\$ 563	\$ 1,165	\$ 1,013

See accompanying notes to the unaudited interim period condensed consolidated financial statements.

Condensed Consolidated Statements of Changes in Equity

(millions of Canadian dollars except where otherwise indicated) (unaudited)	Common Share Capital	Retained Earnings	Contributed Surplus	Foreign Currency Translation Adjustment	Cash Flow Hedges	Fair Value Adjustments	Accumulated Other Comprehensive Income	Non-Controlling Interests	Total Equity
Balance as at December 28, 2024	\$6,196	\$4,748	\$ 115	\$ 44	\$ (18)	\$ 6	\$ 32	\$ 175	\$11,266
Net earnings	\$ —	\$ 1,217	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 62	\$ 1,279
Other comprehensive income	—	(106)	—	(3)	(5)	—	(8)	—	(114)
Total comprehensive income	\$ —	\$ 1,111	\$ —	\$ (3)	\$ (5)	\$ —	\$ (8)	\$ 62	\$ 1,165
Common shares purchased and cancelled (note 11)	(91)	(829)	—	—	—	—	—	—	(920)
Effect of equity-based compensation (note 11)	53	—	(16)	—	—	—	—	—	37
Shares released from trust (note 11)	8	33	—	—	—	—	—	—	41
Dividends declared per common share – \$1.077 (note 11)	—	(321)	—	—	—	—	—	—	(321)
Net distribution to non-controlling interests	—	—	—	—	—	—	—	(64)	(64)
	\$ (30)	\$ (6)	\$ (16)	\$ (3)	\$ (5)	\$ —	\$ (8)	\$ (2)	\$ (62)
Balance as at June 14, 2025	\$6,166	\$4,742	\$ 99	\$ 41	\$ (23)	\$ 6	\$ 24	\$ 173	\$11,204

(millions of Canadian dollars except where otherwise indicated) (unaudited)	Common Share Capital	Preferred Share Capital	Total Share Capital	Retained Earnings	Contributed Surplus	Foreign Currency Translation Adjustment	Cash Flow Hedges	Fair Value Adjustments	Accumulated Other Comprehensive Income	Non-Controlling Interests	Total Equity
Balance as at December 30, 2023	\$ 6,256	\$ 221	\$ 6,477	\$ 4,816	\$ 136	\$ 41	\$ (11)	\$ 5	\$ 35	\$ 155	\$11,619
Net earnings	\$ —	\$ —	\$ —	\$ 922	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 65	\$ 987
Other comprehensive income	—	—	—	32	—	2	(8)	—	(6)	—	26
Total comprehensive income	\$ —	\$ —	\$ —	\$ 954	\$ —	\$ 2	\$ (8)	\$ —	\$ (6)	\$ 65	\$ 1,013
Common shares purchased and cancelled (note 11)	(134)	—	(134)	(890)	—	—	—	—	—	—	(1,024)
Effect of equity-based compensation (note 11)	142	—	142	—	(31)	—	—	—	—	—	111
Shares released from trust (note 11)	12	—	12	27	—	—	—	—	—	—	39
Dividends declared per common share – \$0.959 (note 11)	—	—	—	(294)	—	—	—	—	—	—	(294)
Dividends declared per preferred share – \$0.66250 (note 11)	—	—	—	(6)	—	—	—	—	—	—	(6)
Net distribution to non-controlling interests	—	—	—	—	—	—	—	—	—	(60)	(60)
	\$ 20	\$ —	\$ 20	\$ (209)	\$ (31)	\$ 2	\$ (8)	\$ —	\$ (6)	\$ 5	\$ (221)
Balance as at June 15, 2024	\$ 6,276	\$ 221	\$ 6,497	\$ 4,607	\$ 105	\$ 43	\$ (19)	\$ 5	\$ 29	\$ 160	\$11,398

See accompanying notes to the unaudited interim period condensed consolidated financial statements.

Condensed Consolidated Balance Sheets

(millions of Canadian dollars) (unaudited)	As at June 14, 2025	As at June 15, 2024	As at December 28, 2024
Assets			
Current assets			
Cash and cash equivalents	\$ 950	\$ 1,282	\$ 1,462
Short term investments	950	412	648
Security deposits (note 7)	300	250	—
Accounts receivable	1,369	1,190	1,455
Credit card receivables (note 7)	3,975	3,954	4,230
Inventories	6,477	5,772	6,330
Prepaid expenses and other assets	370	371	376
Assets held for sale (note 8)	48	33	47
Total current assets	\$ 14,439	\$ 13,264	\$ 14,548
Fixed assets (note 9)	7,026	6,605	7,098
Right-of-use assets	8,389	7,692	8,239
Investment properties	56	85	56
Intangible assets	5,265	5,726	5,446
Goodwill	4,377	4,354	4,372
Deferred income tax assets	116	124	118
Other assets	782	762	1,003
Total assets	\$ 40,450	\$ 38,612	\$ 40,880
Liabilities			
Current liabilities			
Bank indebtedness	\$ 59	\$ 38	\$ —
Trade payables and other liabilities	6,659	5,794	7,531
Loyalty liability	220	129	212
Provisions	93	284	252
Income taxes payable	150	119	86
Demand deposits from customers	673	175	353
Short term debt (note 7)	500	650	800
Long term debt due within one year (note 10)	543	741	631
Lease liabilities due within one year	1,560	1,477	1,648
Associate interest	353	378	255
Total current liabilities	\$ 10,810	\$ 9,785	\$ 11,768
Provisions	131	122	135
Long term debt (note 10)	8,099	7,741	7,570
Lease liabilities	8,754	7,968	8,535
Deferred income tax liabilities	807	1,003	957
Other liabilities	645	595	649
Total liabilities	\$ 29,246	\$ 27,214	\$ 29,614
Equity			
Share capital (note 11)	\$ 6,166	\$ 6,497	\$ 6,196
Retained earnings	4,742	4,607	4,748
Contributed surplus	99	105	115
Accumulated other comprehensive income	24	29	32
Total equity attributable to shareholders of the Company	\$ 11,031	\$ 11,238	\$ 11,091
Non-controlling interests	173	160	175
Total equity	\$ 11,204	\$ 11,398	\$ 11,266
Total liabilities and equity	\$ 40,450	\$ 38,612	\$ 40,880

See accompanying notes to the unaudited interim period condensed consolidated financial statements.

Condensed Consolidated Statements of Cash Flows

(millions of Canadian dollars) (unaudited)	June 14, 2025 (12 weeks)	June 15, 2024 (12 weeks)	June 14, 2025 (24 weeks)	June 15, 2024 (24 weeks)
Operating activities				
Net earnings	\$ 757	\$ 498	\$ 1,279	\$ 987
Add (deduct):				
Income taxes (note 4)	270	180	456	358
Net interest expense and other financing charges (note 3)	212	190	410	384
Depreciation and amortization	600	679	1,305	1,369
Asset impairments, net of recoveries	1	—	1	—
Change in allowance for credit card receivables (note 7)	2	1	10	10
Change in provisions	—	165	(163)	168
Change in non-cash working capital (note 6)	(36)	43	(724)	(598)
Change in gross credit card receivables (note 7)	(180)	(109)	245	168
Income taxes paid	(246)	(284)	(483)	(610)
Interest received	5	11	11	15
Other	(22)	27	(31)	6
Cash flows from operating activities	\$ 1,363	\$ 1,401	\$ 2,316	\$ 2,257
Investing activities				
Fixed asset purchases	\$ (331)	\$ (413)	\$ (507)	\$ (720)
Intangible asset additions	(78)	(82)	(148)	(162)
Disposal (purchase) of short term investments	49	(91)	(302)	52
Increase in security deposits (note 7)	(300)	(250)	(300)	(250)
Proceeds from disposal of assets (note 8 and 9)	170	20	225	59
Lease payments received from finance leases	3	3	5	8
Disposal of long term securities	50	64	80	63
Other	(3)	(20)	(38)	(15)
Cash flows used in investing activities	\$ (440)	\$ (769)	\$ (985)	\$ (965)
Financing activities				
Increase in bank indebtedness	\$ 37	\$ 37	\$ 59	\$ 25
Increase (decrease) in short term debt (note 7)	—	200	(300)	(200)
Increase in demand deposits from customers	160	5	320	9
Long term debt (note 10)				
Issued (net)	142	861	633	1,268
Repayments	(178)	(626)	(187)	(638)
Interest paid	(95)	(96)	(202)	(196)
Cash rent paid on lease liabilities - Interest (note 3)	(104)	(93)	(208)	(186)
Cash rent paid on lease liabilities - Principal	(290)	(283)	(573)	(562)
Dividends paid on common and preferred shares (note 11)	(153)	(140)	(311)	(140)
Common share capital				
Issued (note 11)	24	69	46	126
Purchased and cancelled (note 11)	(433)	(537)	(885)	(952)
Preferred share capital				
Purchased and cancelled (note 11)	—	—	(225)	—
Tax paid on repurchases of share capital	—	—	(37)	—
Other	(17)	(36)	32	(56)
Cash flows used in financing activities	\$ (907)	\$ (639)	\$ (1,838)	\$ (1,502)
Effect of foreign currency exchange rate changes on cash and cash equivalents	\$ (4)	\$ 1	\$ (5)	\$ 4
Increase (decrease) in cash and cash equivalents	\$ 12	\$ (6)	\$ (512)	\$ (206)
Cash and cash equivalents, beginning of period	938	1,288	1,462	1,488
Cash and cash equivalents, end of period	\$ 950	\$ 1,282	\$ 950	\$ 1,282

See accompanying notes to the unaudited interim period condensed consolidated financial statements.

Notes to the Unaudited Interim Period Condensed Consolidated Financial Statements

For the periods ended June 14, 2025 and June 15, 2024 (millions of Canadian dollars except where otherwise indicated)

Note 1. Nature and Description of the Reporting Entity

Loblaw Companies Limited is a Canadian public company incorporated in 1956 and is Canada's food and pharmacy leader, and the nation's largest retailer. Loblaw Companies Limited provides Canadians with grocery, pharmacy and healthcare services, health and beauty products, apparel, general merchandise, financial services, and wireless mobile products and services. Its registered office is located at 22 St. Clair Avenue East, Toronto, Canada M4T 2S5. Loblaw Companies Limited and its subsidiaries are together referred to, in these consolidated financial statements, as the "Company" or "Loblaw".

The Company's controlling shareholder is George Weston Limited ("Weston"), which owns approximately 52.6% of the Company's outstanding common shares. The Company's ultimate parent is Wittington Investments, Limited. The remaining common shares are widely held.

The Company has two reportable operating segments: Retail and Financial Services (see note 16).

The Company's business is affected by seasonality and timing of holidays, relative to the Company's interim periods. Accordingly, quarterly performance is not necessarily indicative of annual performance. Historically, the Company has earned more revenue in the fourth quarter relative to the preceding quarters in the Company's fiscal year.

Note 2. Accounting Policies

The accounting policies and critical accounting estimates and judgments as disclosed in the Company's 2024 audited annual consolidated financial statements have been applied consistently in the preparation of these unaudited interim period condensed consolidated financial statements. These unaudited interim period condensed consolidated financial statements are presented in Canadian dollars.

Statement of Compliance These unaudited interim period condensed consolidated financial statements are prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IFRS Accounting Standards" or "GAAP") and should be read in conjunction with the Company's 2024 audited annual consolidated financial statements and accompanying notes.

These unaudited interim period condensed consolidated financial statements were approved for issuance by the Company's Board of Directors on July 23, 2025.

Note 3. Net Interest Expense and Other Financing Charges

The components of net interest expense and other financing charges were as follows:

(million of Canadian dollars)	June 14, 2025 (12 weeks)	June 15, 2024 (12 weeks)	June 14, 2025 (24 weeks)	June 15, 2024 (24 weeks)
Interest expense and other financing charges				
Lease liabilities	\$ 104	\$ 93	\$ 208	\$ 186
Long term debt ⁽ⁱ⁾	86	79	159	155
Borrowings related to credit card receivables	14	13	34	32
Post-employment and other long term employee benefits (note 12)	1	1	—	2
Independent funding trusts	8	10	15	20
Financial liabilities (note 9)	3	3	6	6
	\$ 216	\$ 199	\$ 422	\$ 401
Interest income				
Accretion income	\$ —	\$ —	\$ (1)	\$ (1)
Short term interest income	(4)	(9)	(11)	(16)
	\$ (4)	\$ (9)	\$ (12)	\$ (17)
Net interest expense and other financing charges	\$ 212	\$ 190	\$ 410	\$ 384

(i) Included in the second quarter of 2025 and year-to-date are borrowing costs of \$5 million and \$16 million (2024 – \$10 million and \$10 million), respectively, which were capitalized related to the construction of the Company's automated distribution facility.

Note 4. Income Taxes

Income tax expense in the second quarter of 2025 was \$270 million (2024 – \$180 million) and the effective tax rate was 26.3% (2024 – 26.5%). The decrease in the effective tax rate was primarily attributable to the non-taxable portion of the gain from real estate dispositions during the quarter. Year-to-date income tax expense was \$456 million (2024 – \$358 million) and the effective tax rate was 26.3% (2024 – 26.6%). The decrease to the year-to-date effective tax rate was primarily attributable to the non-taxable portion of the gain from real estate dispositions during 2025.

Note 5. Basic and Diluted Earnings per Common Share

(millions of Canadian dollars unless otherwise indicated)	June 14, 2025 (12 weeks)	June 15, 2024 (12 weeks)	June 14, 2025 (24 weeks)	June 15, 2024 (24 weeks)
Net earnings attributable to shareholders of the Company	\$ 714	\$ 460	\$ 1,217	\$ 922
Dividends on preferred shares in equity	—	(3)	—	(6)
Net earnings available to common shareholders	\$ 714	\$ 457	\$ 1,217	\$ 916
Basic weighted average common shares outstanding (in millions) (note 11)	298.2	305.9	299.1	307.4
Dilutive effect of equity-based compensation	2.2	2.3	2.2	2.6
Dilutive effect of certain other liabilities	0.5	0.6	0.5	0.6
Diluted weighted average common shares outstanding (in millions)	300.9	308.8	301.8	310.6
Basic net earnings per common share (\$)	\$ 2.39	\$ 1.49	\$ 4.07	\$ 2.98
Diluted net earnings per common share (\$)	\$ 2.37	\$ 1.48	\$ 4.03	\$ 2.95

In the second quarter of 2025 and year-to-date, there was nil (2024 – 491,670) and 80 (2024 – 3,228), respectively, potentially dilutive instruments excluded from the computation of diluted net earnings per common share as they were anti-dilutive.

Note 6. Change in Non-cash Working Capital

(millions of Canadian dollars)	June 14, 2025 (12 weeks)	June 15, 2024 (12 weeks)	June 14, 2025 (24 weeks)	June 15, 2024 (24 weeks)
Change in:				
Accounts receivable	\$ 101	\$ 2	\$ 118	\$ 112
Prepaid expenses and other assets	34	4	(8)	(47)
Inventories	(176)	176	(147)	48
Trade payables and other liabilities	23	(147)	(667)	(708)
Other	(18)	8	(20)	(3)
Change in non-cash working capital	\$ (36)	\$ 43	\$ (724)	\$ (598)

Note 7. Credit Card Receivables

The components of credit card receivables were as follows:

(millions of Canadian dollars)	As at June 14, 2025	As at June 15, 2024	As at December 28, 2024
Gross credit card receivables	\$ 4,248	\$ 4,220	\$ 4,493
Allowance for credit card receivables	(273)	(266)	(263)
Credit card receivables	\$ 3,975	\$ 3,954	\$ 4,230
Securitized to independent securitization trusts:			
Securitized to Eagle Credit Card Trust (note 10)	\$ 1,750	\$ 1,700	\$ 1,450
Securitized to Other Independent Securitization Trusts	500	650	800
Total securitized to independent securitization trusts	\$ 2,250	\$ 2,350	\$ 2,250

The Company, through President's Choice Bank ("PC Bank"), participates in various securitization programs that provide a source of funds for the operation of its credit card business. PC Bank maintains and monitors a co-ownership interest in credit card receivables with independent securitization trusts, including Eagle Credit Card Trust ("Eagle") and Other Independent Securitization Trusts, in accordance with its financing requirements.

The associated liability of Eagle is recorded in long term debt (see note 10). The associated liabilities of credit card receivables securitized to the Other Independent Securitization Trusts are recorded in short term debt.

As at June 14, 2025, the aggregate gross potential liability under letters of credit for the benefit of the Other Independent Securitization Trusts was \$45 million (June 15, 2024 – \$59 million; December 28, 2024 – \$72 million), which represented 9% (June 15, 2024 – 9%; December 28, 2024 – 9%) of the securitized credit card receivables amount.

Under its securitization programs, PC Bank is required to maintain, at all times, a credit card receivable pool balance equal to a minimum of 107% of the outstanding securitized liability. PC Bank was in compliance with this requirement as at June 14, 2025 and throughout the first two quarters of 2025.

Security Deposits During the second quarter of 2025, a repayment accumulation process was triggered due to the upcoming maturity of the Eagle \$300 million senior and subordinated term notes due July 17, 2025. As at June 14, 2025, \$300 million had been accumulated and was recorded in security deposits.

Note 8. Assets Held for Sale and Dispositions

In the second quarter of 2025, the Company disposed of one property included in assets held for sale for proceeds of \$2 million and recognized a net gain of \$1 million. On a year-to-date basis, the Company disposed of two properties included in assets held for sale for proceeds of \$21 million and recognized a net gain of \$15 million.

In the first quarter of 2025, the Company completed the sale of its Wellwise by Shoppers™ ("Wellwise") business, and recorded a gain of \$5 million, net of related costs, in selling, general and administrative expenses.

Note 9. Real Estate Dispositions

Fixed Assets In the second quarter of 2025, the Company disposed of two (2024 – one) real estate properties included in fixed assets for proceeds of \$185 million (2024 – \$20 million), and recognized a net gain of \$20 million (2024 – net gain of \$5 million). The properties were subsequently leased back by the Company (see note 15). On a year-to-date basis, the Company disposed of three (2024 – two) real estate properties included in fixed assets for proceeds of \$218 million (2024 – \$58 million), and recognized a net gain of \$30 million (2024 – \$18 million). All (2024 – All) of the properties were subsequently leased back by the Company (see note 15).

Financial Liabilities As at June 14, 2025, \$11 million (June 15, 2024 – \$11 million; December 28, 2024 – \$12 million) was recorded in trade payables and other liabilities and \$181 million (June 15, 2024 – \$179 million; December 28, 2024 – \$180 million) was recorded in other liabilities for all properties sold and subsequently leased back by the Company that did not meet the criteria for sale.

Note 10. Long Term Debt

The components of long term debt were as follows:

(millions of Canadian dollars)	As at June 14, 2025	As at June 15, 2024	As at December 28, 2024
Debentures	\$ 4,705	\$ 4,307	\$ 4,706
Guaranteed investment certificates	1,380	1,565	1,477
Independent securitization trusts (note 7)	1,750	1,700	1,450
Independent funding trusts ⁽ⁱ⁾	634	577	590
Committed credit facility ⁽ⁱⁱ⁾	200	350	—
Transaction costs and other	(27)	(17)	(22)
Total long term debt	\$ 8,642	\$ 8,482	\$ 8,201
Long term debt due within one year	543	741	631
Long term debt	\$ 8,099	\$ 7,741	\$ 7,570

(i) In the second quarter of 2025, the total capacity of the independent funding trusts increased from \$700 million to \$1 billion and the maturity date of the trusts were extended from May 29, 2027 to March 27, 2028 with all other terms and conditions remaining substantially the same.

(ii) In the second quarter of 2025, the maturity date of the Company's committed credit facility, provided by a syndicate of lenders, was extended from July 15, 2027 to March 27, 2030 with all other terms and conditions remaining substantially the same. The facility contains certain financial covenants and as at June 14, 2025 and throughout the quarter, the Company was in compliance with these covenants.

Independent Securitization Trusts In the second quarter of 2025, Eagle issued \$300 million of senior subordinated term notes with a maturity date of June 17, 2030 (the "Eagle 2025-1 Series notes"). These notes have a weighted average interest rate of 4.02%. In connection with the issuance, \$150 million of bond forward agreements were settled. This resulted in a fair value loss of \$1 million before income taxes, which will be reclassified to net earnings over the life of the Eagle 2025-1 Series notes. Consequently, the net effective interest rate on Eagle 2025-1 Series notes issued is 4.07%.

Note 11. Share Capital

Common Shares (authorized – unlimited) Common shares issued are fully paid and have no par value. The activities in the common shares issued and outstanding were as follows:

(millions of Canadian dollars except where otherwise indicated)	June 14, 2025 (12 weeks)		June 15, 2024 (12 weeks)		June 14, 2025 (24 weeks)		June 15, 2024 (24 weeks)	
	Number of Common Shares	Common Share Capital	Number of Common Shares	Common Share Capital	Number of Common Shares	Common Share Capital	Number of Common Shares	Common Share Capital
Issued and outstanding, beginning of period	299,551,188	\$ 6,189	308,158,675	\$ 6,261	301,736,053	\$ 6,215	310,526,379	\$ 6,281
Issued for settlement of stock options	292,920	28	1,046,219	78	593,460	53	1,892,368	142
Purchased and cancelled	(2,052,205)	(40)	(3,157,109)	(50)	(4,537,610)	(91)	(6,370,962)	(134)
Issued and outstanding, end of period	297,791,903	\$ 6,177	306,047,785	\$ 6,289	297,791,903	\$ 6,177	306,047,785	\$ 6,289
Shares held in trust, beginning of period	(608,279)	\$ (12)	(753,100)	\$ (15)	(982,124)	\$ (19)	(1,269,239)	\$ (25)
Released for settlement of RSUs and PSUs	42,804	1	96,953	2	416,649	8	613,092	12
Shares held in trust, end of period	(565,475)	\$ (11)	(656,147)	\$ (13)	(565,475)	\$ (11)	(656,147)	\$ (13)
Issued and outstanding, net of shares held in trust, end of period	297,226,428	\$ 6,166	305,391,638	\$ 6,276	297,226,428	\$ 6,166	305,391,638	\$ 6,276
Weighted average outstanding, net of shares held in trust (note 5)	298,244,844		305,949,876		299,072,124		307,419,088	

Subsequent to the end of the second quarter of 2025, the Company's Board of Directors approved a 4-for-1 stock split of the Company's outstanding common shares. The stock split will be implemented by way of a stock dividend where the Company will issue to shareholders three additional common shares for each common share held. The stock split will be effective at the close of business on August 18, 2025 for shareholders of record as of the close of business on August 14, 2025.

Second Preferred Shares (authorized - unlimited) In the fourth quarter of 2024, pursuant to the terms of the Series B preferred share agreement, the Company announced its intention to redeem for cash all of its 9.0 million 5.3% non-voting Second Preferred Shares, Series B. The redemption occurred on January 8, 2025 and the shares were redeemed for an aggregate amount of \$225 million, plus accrued and unpaid dividends (\$0.02944 per share) up to but excluding the redemption date, less any tax required to be deducted and withheld by the Company.

The following table summarizes the Company's cash dividends declared for the years as indicated:

	June 14, 2025 ⁽ⁱ⁾ (12 weeks)	June 15, 2024 (12 weeks)	June 14, 2025 ⁽ⁱ⁾ (24 weeks)	June 15, 2024 (24 weeks)
Dividends declared per share (\$)				
Common Share	\$ 0.564	\$ 0.513	\$ 1.077	\$ 0.959
Second Preferred Share, Series B	\$ —	\$ 0.33125	\$ 0.02944	\$ 0.66250

(i) The Common Share dividends declared in the second quarter of 2025 of \$0.564 per share had a payment date of July 2, 2025.

Subsequent to the end of the second quarter of 2025, the Board declared a quarterly dividend of \$0.5643 per common share (on a pre-stock split basis), payable on October 1, 2025 to shareholders of record on September 15, 2025.

Normal Course Issuer Bid Activities under the Company's Normal Course Issuer Bid ("NCIB") during the periods were as follows:

(millions of Canadian dollars except where otherwise indicated)	June 14, 2025 (12 weeks)	June 15, 2024 (12 weeks)	June 14, 2025 (24 weeks)	June 15, 2024 (24 weeks)
Common shares repurchased under the NCIB for cancellation (number of shares) ⁽ⁱ⁾	2,052,205	3,157,109	4,537,610	6,370,962
Cash consideration paid ⁽ⁱⁱ⁾	\$ 433	\$ 537	\$ 885	\$ 952
Premium charged to retained earnings ⁽ⁱⁱⁱ⁾	414	314	829	890
Reduction in common share capital ^(iv)	40	50	91	134

(i) Common shares repurchased and cancelled as at June 14, 2025 do not include the shares that may be repurchased subsequent to the end of the quarter under the automatic share repurchase plan, as described below.

(ii) \$5 million of cash consideration related to common shares repurchased under NCIB for cancellation in the first quarter of 2025 was paid in the second quarter of 2025.

(iii) Premium charged to retained earnings includes \$185 million related to the automatic share purchase plan, as described below.

(iv) Includes \$19 million related to the automatic share purchase plan, as described below.

In the second quarter of 2025, the Company renewed its NCIB to purchase on the Toronto Stock Exchange or through alternative trading systems up to 14,950,061 of the Company's common shares, representing approximately 5% of issued and outstanding common shares. As at June 14, 2025, the Company had purchased 1,361,868 common shares for cancellation under its current NCIB. The Company is still permitted to purchase its common shares from Weston under its NCIB, pursuant to an automatic disposition plan agreement among the Company's broker, the Company and Weston, in order for Weston to maintain its proportionate ownership interest in the Company. The maximum number of common shares that may be purchased pursuant to the NCIB will be reduced by the number of common shares purchased from Weston.

During the second quarter of 2025, 2,052,205 common shares (2024 – 3,157,109) were purchased under the NCIB for cancellation, for aggregate consideration of \$445 million (2024 – \$482 million), including 927,235 common shares (2024 – 1,252,690) purchased from Weston, for aggregate consideration of \$200 million (2024 – \$190 million). On a year-to-date basis, 4,537,610 common shares (2024 – 6,370,962) were purchased under the NCIB for cancellation, for aggregate consideration of \$902 million (2024 – \$952 million), including 2,075,989 common shares (2024 – 2,489,883) purchased from Weston, for aggregate consideration of \$411 million (2024 – \$372 million).

The Company participates in an automatic share purchase plan ("ASPP") with a broker in order to facilitate the repurchase of the Company's common shares under its NCIB. During the effective period of the ASPP, the Company's broker may purchase common shares at times when the Company would not be active in the market. As at June 14, 2025, an obligation to repurchase shares of \$200 million was recognized under the ASPP in trade payables and other liabilities.

Note 12. Post-Employment and Other Long Term Employee Benefits

The net cost recognized in earnings before income taxes for the Company's post-employment and other long-term benefit plans during the periods was as follows:

(millions of Canadian dollars)	June 14, 2025 (12 weeks)	June 15, 2024 (12 weeks)	June 14, 2025 (24 weeks)	June 15, 2024 (24 weeks)
Current service cost				
Post-employment benefit costs ⁽ⁱ⁾	\$ 35	\$ 35	\$ 73	\$ 72
Other long term employee benefit costs ⁽ⁱⁱ⁾	8	8	17	17
Net interest cost on net defined benefit plan obligations (note 3)	1	1	—	2
Total post-employment defined benefit cost	\$ 44	\$ 44	\$ 90	\$ 91

(i) Includes costs related to the Company's defined benefit plans, defined contribution pension plans and the multi-employer pension plans in which it participates.

(ii) Includes costs related to the Company's long term disability plans.

The actuarial (losses) gains recognized in other comprehensive (loss) income net of income tax recoveries (expenses) for defined benefit plans during the periods were as follows:

(millions of Canadian dollars)	June 14, 2025 (12 weeks)	June 15, 2024 (12 weeks)	June 14, 2025 (24 weeks)	June 15, 2024 (24 weeks)
(Loss) return on plan assets, excluding amounts included in net interest expense and other financing charges	\$ (25)	\$ 41	\$ (38)	\$ 66
Actuarial gains (losses) from changes in financial assumptions ⁽ⁱ⁾	62	(43)	62	21
Change in liability arising from asset ceiling ⁽ⁱ⁾	(134)	97	(168)	(44)
Total net actuarial (losses) gains recognized in other comprehensive (loss) income before income taxes	\$ (97)	\$ 95	\$ (144)	\$ 43
Income tax recoveries (expenses) on actuarial (losses) gains	25	(25)	38	(11)
Actuarial (losses) gains net of income tax recoveries (expenses)	\$ (72)	\$ 70	\$ (106)	\$ 32

(i) In the second quarter of 2025 and on a year-to-date basis, the actuarial gains from changes in financial assumptions and the change in liability arising from asset ceiling were primarily driven by an increase in the discount rate.

The assets and liabilities of the defined benefit plans and long term disability plans were as follows:

(millions of Canadian dollars)	As at June 14, 2025	As at	As at
		June 15, 2024	December 28, 2024
Other assets			
Accrued benefit plan asset	\$ 190	\$ 321	\$ 356
Other liabilities			
Net defined benefit plan obligation	\$ 226	\$ 240	\$ 231
Other long term employee benefit obligation	135	134	133

Note 13. Financial Instruments

The following table presents the fair value and fair value hierarchy of financial assets and financial liabilities, excluding those that are classified as amortized cost that are short term in nature, and certain other assets for which the carrying value approximates fair value. The carrying values of the Company's financial instruments approximate their fair values except for long term debt.

	As at June 14, 2025				As at June 15, 2024				As at December 28, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
(millions of Canadian dollars)												
Financial assets												
Fair value through other comprehensive income:												
Long term securities	\$ 40	\$ —	\$ —	\$ 40	\$ 138	\$ —	\$ —	\$ 138	\$ 120	\$ —	\$ —	\$ 120
Derivatives included in prepaid expenses and other assets	—	—	—	—	—	3	—	3	—	1	—	1
Fair value through profit and loss:												
Certain other assets ⁽ⁱ⁾	—	—	91	91	—	—	60	60	—	—	76	76
Security deposits	300	—	—	300	250	—	—	250	—	—	—	—
Derivatives included in prepaid expenses and other assets	1	—	3	4	—	2	—	2	—	5	—	5
Financial liabilities												
Amortized cost:												
Long term debt	\$ —	\$ 8,769	\$ —	\$ 8,769	\$ —	\$ 8,429	\$ —	\$ 8,429	\$ —	\$ 8,680	\$ —	\$ 8,680
Associate interest	—	—	353	353	—	—	378	378	—	—	255	255
Certain other liabilities ⁽ⁱⁱ⁾	—	—	310	310	—	—	297	297	—	—	301	301
Fair value through other comprehensive income:												
Derivatives included in trade payables and other liabilities	—	1	20	21	—	—	19	19	—	—	16	16
Fair value through profit and loss:												
Derivatives included in trade payables and other liabilities	—	8	—	8	1	—	1	2	—	—	6	6

(i) Certain other assets relate primarily to Venture Fund I and II.

(ii) Certain other liabilities relate primarily to financial liabilities associated with properties that did not meet the criteria for sale. (see note 9)

There were no transfers between levels of the fair value hierarchy during the years presented.

During the second quarter of 2025, the Company recognized a loss of \$4 million (2024 – gain of \$1 million) and a year-to-date loss of \$5 million (2024 – gain of \$4 million) in operating income on financial instruments designated as amortized cost. In addition, during the second quarter of 2025 and year-to-date, a net loss of \$5 million (2024 – net gain of \$7 million) and a net loss of \$1 million (2024 – net gain of \$16 million), respectively were recorded in earnings before income taxes related to financial instruments required to be classified as fair value through profit and loss.

Securities Investments PC Bank holds investments which are considered part of the liquid securities required to be held to meet its Liquidity Coverage Ratio. These securities are classified as fair value through other comprehensive income and were included in long term securities and other assets on the consolidated balance sheets. No material amounts were recognized in other comprehensive income pertaining to these investments for the second quarter and year-to-date periods presented.

Other Derivatives The Company uses bond forwards, interest rate swaps and foreign exchange forwards to mitigate the impact of increases in interest rates and manage its anticipated exposure to exchange rates on its underlying operations and anticipated fixed asset purchases. The Company also uses swaps, futures, options and forward contracts to manage its anticipated exposure to fluctuations in commodity prices and exchange rates in its underlying operations. The following is a summary of the fair values recognized in the unaudited interim period condensed consolidated balance sheets and the net realized and unrealized gains (losses) before income taxes related to the Company's other derivatives:

			(12 weeks)		June 14, 2025 (24 weeks)	
	Net asset/ (liability) fair value	Gain/(loss) recorded in OCI	Gain/(loss) recorded in operating income	Gain/(loss) recorded in OCI	Gain/(loss) recorded in operating income	
(millions of Canadian dollars)						
Derivatives designated as cash flow hedges						
Foreign Exchange Forwards ⁽ⁱ⁾	\$ (1)	\$ 1	\$ (2)	\$ (2)	\$ (2)	\$ (2)
Bond Forwards ⁽ⁱⁱ⁾	—	2	(1)	—	—	(1)
Energy Hedge ⁽ⁱⁱⁱ⁾	(20)	6	(3)	(4)	(4)	(3)
Total derivatives designated as cash flow hedges	\$ (21)	\$ 9	\$ (6)	\$ (6)	\$ (6)	\$ (6)
Derivatives not designated in a formal hedging relationship						
Foreign Exchange and Other Forwards	\$ (8)	\$ —	\$ (20)	\$ —	\$ —	\$ (20)
Other Non-Financial Derivatives	5	—	6	—	—	10
Total derivatives not designated in a formal hedging relationship	\$ (3)	\$ —	\$ (14)	\$ —	\$ —	\$ (10)
Total derivatives	\$ (24)	\$ 9	\$ (20)	\$ (6)	\$ (6)	\$ (16)

(i) PC Bank uses foreign exchange forwards, with a notional value of \$28 million USD, to manage its foreign exchange risk related to certain U.S. payables. The fair value of the derivatives is included in trade payables and other liabilities. During the first quarter of 2025, the Company entered into a foreign exchange forward agreement with a notional value of \$315 million USD, to hedge its foreign exchange exposure on certain borrowings denominated in USD. It was settled during the second quarter of 2025 and a loss of \$2 million was recorded in operating income.

(ii) The Company uses bond forwards to manage its interest risk related to future debt issuances. The notional value of PC Bank's bond forwards is \$50 million. The fair value of the derivatives is included in trades payable and other liabilities.

(iii) In 2023, the Company entered into a 20 year arrangement to hedge energy pricing on its purchases in Alberta beginning on January 1, 2025. The hedge has a notional value of \$223 million. The fair value of the derivative is included in other liabilities.

June 15, 2024

(millions of Canadian dollars)	(12 weeks)			(24 weeks)		
	Net asset/ (liability) fair value	Gain/(loss) recorded in OCI	Gain/(loss) recorded in operating income	Gain/(loss) recorded in OCI	Gain/(loss) recorded in operating income	
Derivatives designated as cash flow hedges						
Foreign Exchange Forwards ⁽ⁱ⁾	\$ 1	\$ —	\$ —	\$ —	\$ —	\$ —
Bond Forwards ⁽ⁱⁱ⁾	1	4	(1)	5	(2)	
Interest Rate Swaps ⁽ⁱⁱⁱ⁾	1	—	—	—	1	
Energy Hedge ^(iv)	(19)	(12)	—	(19)	—	
Total derivatives designated as cash flow hedges	\$ (16)	\$ (8)	\$ (1)	\$ (14)	\$ (1)	
Derivatives not designated in a formal hedging relationship						
Foreign Exchange and Other Forwards	\$ 2	\$ —	\$ 3	\$ —	\$ 12	
Other Non-Financial Derivatives	(1)	—	(1)	—	3	
Total derivatives not designated in a formal hedging relationship	\$ 1	\$ —	\$ 2	\$ —	\$ 15	
Total derivatives	\$ (15)	\$ (8)	\$ 1	\$ (14)	\$ 14	

- (i) PC Bank uses foreign exchange forwards, with a notional value of \$8 million USD, to manage its foreign exchange risk related to certain U.S. payables. The fair value of the derivatives is included in prepaid expenses and other assets.
- (ii) The Company uses bond forwards to manage its interest risk related to future debt issuances. The notional value of PC Bank's bond forwards is \$100 million. The fair value of the derivatives is included in both prepaid expenses and other assets.
- (iii) PC Bank uses interest rate swaps, with a notional value of \$180 million, to mitigate the impact of increases in interest rate. The fair value of the derivatives is included in prepaid expenses and other assets.
- (iv) In 2023, the Company entered into a 20 year arrangement to hedge energy pricing on its purchases in Alberta beginning on January 1, 2025. The hedge has a notional value of \$223 million. The fair value of the derivative is included in other liabilities.

Note 14. Contingent Liabilities

In the ordinary course of business, the Company is involved in and potentially subject to, legal actions and proceedings. In addition, the Company is subject to tax audits from various tax authorities on an ongoing basis. As a result, from time to time, tax authorities may disagree with the positions and conclusions taken by the Company in its tax filings or legislation could be amended or interpretations of current legislation could change, any of which events could lead to reassessments.

There are a number of uncertainties involved in such matters, individually or in aggregate, and as such, there is a possibility that the ultimate resolution of these matters may result in a material adverse effect on the Company's reputation, operations, financial condition or performance in future periods. It is not currently possible to predict the outcome of the Company's legal actions and proceedings with certainty. Management regularly assesses its position on the adequacy of accruals or provisions related to such matters and will make any necessary adjustments.

The following is a description of the Company's significant legal proceedings:

Shoppers Drug Mart was previously served with an Amended Statement of Claim in a class action proceeding that has been filed in the Ontario Superior Court of Justice ("Superior Court") by licensed associates ("Associates"), claiming various declarations and damages resulting from Shoppers Drug Mart's alleged breaches of the Associate Agreement. The class action comprises all of Shoppers Drug Mart's current and former licensed Associates residing in Canada, other than in Quebec, who were parties to Shoppers Drug Mart's 2002 and 2010 forms of the Associate Agreement. On July 9, 2013, the Superior Court certified as a class proceeding portions of the action. A summary judgment trial of the matter was held in December 2022 and on February 17, 2023, the Superior Court released its decision in relation to those summary judgment motions (the "Decision"). The Superior Court dismissed the plaintiffs' claims on the majority of the issues including a request for damages at this stage of proceedings. The Superior Court also held that Shoppers Drug Mart breached the 2002 form of Associate Agreement when it did not remit certain amounts that it received from generic drug manufacturers to Associates. On March 20, 2023, the plaintiffs filed a Notice of Appeal and on April 4, 2023, the Company filed a Notice of Cross-Appeal. A hearing for the appeals was held on February 14, 2024 and on February 15, 2024. On August 29, 2024, the Court of Appeal dismissed both the appeal and cross appeal, with the exception that the plaintiff's appeal was allowed to correct the amount Shoppers Drug Mart received in professional allowances during the class period. Accordingly, the Company has not recorded any amounts related to the potential liability associated with this lawsuit. The Company does not believe that the ultimate resolution of this matter will have a material adverse impact on its financial condition or prospects.

In 2017, the Company and Weston announced actions taken to address their role in an industry-wide price-fixing arrangement involving certain packaged bread products. The arrangement involved the coordination of retail and wholesale prices of certain packaged bread products over a period extending from late 2001 to March 2015. Under the arrangement, the participants regularly increased prices on a coordinated basis. Class action lawsuits were commenced against the Company and Weston as well as a number of other major grocery retailers and another bread wholesaler. On July 24, 2024, the Company and Weston entered into binding Minutes of Settlement and on January 31, 2025, the Company and Weston entered into a Settlement Agreement with the lawyers representing consumers to settle those class action lawsuits for \$500 million. The Company and Weston will each pay for a portion of the settlement, with Loblaw paying \$253 million and Weston paying \$247 million. The Company will receive credit for the \$96 million it previously paid to customers in the form of Loblaw cards, resulting in it being required to pay \$157 million in cash towards the settlement. The Settlement Agreement was approved by the Ontario Superior Court in May 2025 but remains subject to the approval of the court in Quebec. On March 3, 2025, the settlement funds were paid into a trust account where they will remain until the courts decide whether to approve the settlement. As a result of admission of participation in the arrangement and cooperation in the Competition Bureau's investigation, the Company and Weston will not face criminal charges or penalties. In response to such class action lawsuits, certain major grocery retailers have crossclaimed against the Company and Weston, and the Company and Weston believe such crossclaims are without merit.

In August 2018, the Province of British Columbia filed a class action against numerous opioid manufacturers and distributors, including the Company and its subsidiaries, Shoppers Drug Mart Inc. and Sanis Health Inc. The claim contains allegations of breach of the Competition Act, fraudulent misrepresentation and deceit and negligence, and seeks unquantified damages for the expenses incurred by the federal government, provinces, and territories of Canada in paying for opioid prescriptions and other healthcare costs related to opioid addiction and abuse in Canada. During the second quarter of 2021, the claim against Loblaw Companies Limited was discontinued. In May 2019, two further opioid-related class actions were commenced in each of Ontario and Quebec against a large group of defendants, including Sanis Health Inc. In February 2022, the plaintiff and Sanis Health Inc. agreed to settle the Quebec action for a nominal amount, with no admission of liability and for the express purpose of avoiding the delays, disruption, and expenses associated with the litigation. The settlement has been approved by the court and is now final. On December 12, 2024, the Ontario action was dismissed against Sanis Health Inc., with costs. In December 2019, a further opioid-related class action was commenced in British Columbia against a large group of defendants, including Sanis Health Inc., Shoppers Drug Mart Inc. and the Company. The allegations in the civil British Columbia class action are similar to the allegations against manufacturer defendants in the Province of British Columbia class action, except that the December 2019 claim seeks recovery of damages on behalf of opioid users directly. In April 2021, the Company, Shoppers Drug Mart Inc. and Sanis Health Inc. were served with another opioid-related class action that was started in Alberta against multiple defendants. In February 2025, Loblaws Inc. and Weston were also served with the claim. The claim seeks damages on behalf of municipalities and local governments in relation to public safety, social services, and criminal justice costs allegedly incurred due to the opioid crisis. In September 2021, the Company, Shoppers Drug Mart Inc. and Sanis Health Inc. were served with a class action started in Saskatchewan by Peter Ballantyne Cree Nation and Lac La Ronge Indian Band on behalf of all Indigenous, Metis, First Nation and Inuit communities and governments in Canada to recover costs they have incurred as a result of the opioid crisis, including healthcare costs, policing costs and societal costs. In October 2024, the claim was discontinued against Shoppers Drug Mart Inc. In January 2024, Shoppers Drug Mart Inc. was served with a second class action in Saskatchewan started by Lac La Ronge Indian Band. The case is brought on behalf of Band members and is claiming damages relating to abatement costs, the diversion of financial and other resources, the reduction in the value of the reserve lands and interests, and lost tax revenues. Shoppers Drug Mart Inc. is being sued as a representative of an international defendant subclass of opioid “dealers” and Sanis Health Inc. is a proposed supplier class member. The Company believes these proceedings are without merit and is vigorously defending them. The Company does not currently have any significant accruals or provisions for these matters recorded in the unaudited interim period condensed consolidated financial statements.

In 2022, the Tax Court of Canada (“Tax Court”) released a decision relating to PC Bank, a subsidiary of the Company. The Tax Court ruled that PC Bank is not entitled to claim notional input tax credits for certain payments it made to Loblaws Inc. in respect of redemptions of loyalty points. PC Bank subsequently filed a Notice of Appeal with the Federal Court of Appeal (“FCA”) and in March 2024, the matter was heard by the FCA. In the third quarter of 2024, the FCA released its decision and reversed the decision of the Tax Court. As a result, PC Bank reversed charges of \$155 million, including \$111 million initially recorded in 2022. In addition, \$10 million was recorded related to interest income on cash tax refunds. Certain taxation years subsequent to the periods covered by the FCA decision remain under review by the tax authorities.

Indemnification Provisions The Company from time to time enters into agreements in the normal course of its business, such as service and outsourcing arrangements, lease agreements in connection with business or asset acquisitions or dispositions, and other types of commercial agreements. These agreements by their nature may provide for indemnification of counterparties. These indemnification provisions may be in connection with breaches of representations and warranties or in respect of future claims for certain liabilities, including liabilities related to tax and environmental matters. The terms of these indemnification provisions vary in duration and may extend for an unlimited period of time. In addition, the terms of these indemnification provisions vary in amount and certain indemnification provisions do not provide for a maximum potential indemnification amount. Indemnity amounts are dependent on the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. As a result, the Company is unable to reasonably estimate its total maximum potential liability in respect of indemnification provisions. Historically, the Company has not made any significant payments in connection with these indemnification provisions.

Note 15. Related Party Transactions

Sale and Leaseback During the second quarter of 2025, the Company sold one industrial distribution centre in Ajax, Ontario to Choice Properties Real Estate Investment Trust for proceeds of \$182 million and recognized a gain of \$19 million. The property was subsequently leased back by the Company (see note 9). Year-to-date, the Company sold two properties (2024 – one) to related parties for proceeds of \$215 million (2024 – \$38 million) and recognized a gain of \$29 million (2024 – \$14 million). These properties were leased back by the Company (see note 9).

Note 16. Segment Information

The Company has two reportable operating segments, with all material operations carried out in Canada:

- The Retail segment consists primarily of corporate and franchise-owned retail food and Associate-owned drug stores, and includes in-store pharmacies, healthcare services, other health and beauty products, apparel and other general merchandise. This segment is comprised of several operating segments that are aggregated primarily due to similarities in the nature of products and services offered for sale in the retail operations and the customer base; and
- The Financial Services segment provides credit card and everyday banking services, the PC Optimum™ loyalty program, insurance brokerage services, and telecommunication services.

The Company's chief operating decision maker evaluates segment performance on the basis of adjusted operating income before depreciation and amortization ("adjusted EBITDA"), as reported to internal management, on a periodic basis.

Information for each reportable operating segment is included below:

(millions of Canadian dollars)	June 14, 2025 (12 weeks)					June 15, 2024 (12 weeks)				
	Retail	Financial Services	Total Segment Measure	Eliminations ⁽ⁱ⁾	Total	Retail	Financial Services	Total Segment Measure	Eliminations ⁽ⁱ⁾	Total
Revenue⁽ⁱⁱ⁾	\$14,389	\$ 377	\$14,766	\$ (94)	\$ 14,672	\$13,658	\$ 367	\$14,025	\$ (78)	\$ 13,947
Cost of sales	9,781	42	9,823	—	9,823	9,288	38	9,326	—	9,326
Gross profit	4,608	335	4,943	(94)	4,849	4,370	329	4,699	(78)	4,621
Operating Income	\$ 1,170	\$ 69	\$ 1,239	\$ —	\$ 1,239	\$ 815	\$ 53	\$ 868	\$ —	\$ 868
Net interest expense and other financing charges (note 3)	173	39	212	—	212	153	37	190	—	190
Earnings before income taxes	\$ 997	\$ 30	\$ 1,027	\$ —	\$ 1,027	\$ 662	\$ 16	\$ 678	\$ —	\$ 678
Operating Income	\$ 1,170	\$ 69	\$ 1,239	\$ —	\$ 1,239	\$ 815	\$ 53	\$ 868	\$ —	\$ 868
Depreciation and amortization	588	12	600			668	11	679		
Adjusting items ⁽ⁱⁱⁱ⁾	1	—	1			166	—	166		
Adjusted EBITDA⁽ⁱⁱⁱ⁾	\$ 1,759	\$ 81	\$ 1,840			\$ 1,649	\$ 64	\$ 1,713		

(i) Eliminations include intercompany revenue related to PC® Mastercard® loyalty awards in the Financial Services segment.

(ii) Included in Financial Services revenue is \$157 million (2024 – \$164 million) of interest income.

(iii) Certain items are excluded from operating income to derive adjusted EBITDA.

For the periods ended June 14, 2025 and June 15, 2024 (millions of Canadian dollars)	2025 (12 weeks)			2024 (12 weeks)		
	Retail	Financial Services	Total Segment Measure	Retail	Financial Services	Total Segment Measure
Fair value adjustment on fuel and foreign currency contracts	\$ 2	\$ —	\$ 2	\$ 2	\$ —	\$ 2
Charges related to settlement of class action lawsuits	—	—	—	164	—	164
Gain on sale of non-operating property ⁽¹⁾	(1)	—	(1)	—	—	—
Adjusting items	\$ 1	\$ —	\$ 1	\$ 166	\$ —	\$ 166

(1) The gain on sale of non-operating property relates to the Company's investment properties.

	June 14, 2025 (24 weeks)					June 15, 2024 (24 weeks)				
(millions of Canadian dollars)	Retail	Financial Services	Total Segment Measure	Eliminations ⁽ⁱ⁾	Total	Retail	Financial Services	Total Segment Measure	Eliminations ⁽ⁱ⁾	Total
Revenue⁽ⁱⁱ⁾	\$ 28,226	\$ 750	\$ 28,976	\$ (169)	\$ 28,807	\$ 26,948	\$ 728	\$ 27,676	\$ (148)	\$ 27,528
Cost of sales	19,258	85	19,343	—	19,343	18,374	78	18,452	—	18,452
Gross profit	8,968	665	9,633	(169)	9,464	8,574	650	9,224	(148)	9,076
Operating income	\$ 2,010	\$ 135	\$ 2,145	\$ —	\$ 2,145	\$ 1,597	\$ 132	\$ 1,729	\$ —	\$ 1,729
Net interest expense and other financing charges (note 3)	335	75	410	—	410	312	72	384	—	384
Earnings before income taxes	\$ 1,675	\$ 60	\$ 1,735	\$ —	\$ 1,735	\$ 1,285	\$ 60	\$ 1,345	\$ —	\$ 1,345
Operating income	\$ 2,010	\$ 135	\$ 2,145	\$ —	\$ 2,145	\$ 1,597	\$ 132	\$ 1,729	\$ —	\$ 1,729
Depreciation and amortization	1,279	26	1,305			1,345	24	1,369		
Adjusting items ⁽ⁱⁱⁱ⁾	(19)	—	(19)			159	—	159		
Adjusted EBITDA⁽ⁱⁱⁱ⁾	\$ 3,270	\$ 161	\$ 3,431			\$ 3,101	\$ 156	\$ 3,257		

(i) Eliminations include intercompany revenue related to PC[®] Mastercard[®] loyalty awards in the Financial Services segment.

(ii) Included in Financial Services revenue is \$325 million (2024 – \$334 million) of interest income.

(iii) Certain items are excluded from operating income to derive adjusted EBITDA.

	2025 (24 weeks)			2024 (24 weeks)		
For the periods ended June 14, 2025 and June 15, 2024 (millions of Canadian dollars)	Retail	Financial Services	Total Segment Measure	Retail	Financial Services	Total Segment Measure
Fair value adjustment on fuel and foreign currency contracts	\$ 1	\$ —	\$ 1	\$ (5)	\$ —	\$ (5)
Charges related to settlement of class action lawsuits	—	—	—	164	—	164
Sale of <i>Wellwise</i>	(5)	—	(5)	—	—	—
Gain on sale of non-operating properties ⁽¹⁾	(15)	—	(15)	—	—	—
Adjusting items	\$ (19)	\$ —	\$ (19)	\$ 159	\$ —	\$ 159

(1) The gain on sale of non-operating properties relates to the Company's investment properties.

The Company's revenue, by type of goods or services, is reconciled to the Company's segment revenue:

(millions of Canadian dollars)	June 14, 2025 (12 weeks)	June 15, 2024 (12 weeks)	June 14, 2025 (24 weeks)	June 15, 2024 (24 weeks)
Food retail	\$ 10,213	\$ 9,653	\$ 20,000	\$ 19,062
Drug retail	4,176	4,005	8,226	7,886
Retail total	\$ 14,389	\$ 13,658	\$ 28,226	\$ 26,948
Financial Services	377	367	750	728
Eliminations ⁽ⁱ⁾	(94)	(78)	(169)	(148)
Total	\$ 14,672	\$ 13,947	\$ 28,807	\$ 27,528

(i) Eliminations include the reclassification of revenue related to PC[®] Mastercard[®] loyalty awards in the Financial Services segment.

(millions of Canadian dollars)	As at June 14, 2025	As at June 15, 2024	As at December 28, 2024
Total assets			
Retail	\$ 34,005	\$ 32,466	\$ 34,585
Financial Services	6,445	6,146	6,295
	\$ 40,450	\$ 38,612	\$ 40,880

(millions of Canadian dollars)	June 14, 2025 (12 weeks)	June 15, 2024 (12 weeks)	June 14, 2025 (24 weeks)	June 15, 2024 (24 weeks)
Additions to fixed assets and intangible assets				
Retail	\$ 403	\$ 489	\$ 639	\$ 866
Financial Services	6	6	16	16
	\$ 409	\$ 495	\$ 655	\$ 882