Live Life Well®

Loblaw Companies Limited

Third Quarter Report to Shareholders

40 weeks ended October 10, 2026

2026 Third Quarter Report to Shareholders

Management's Discussion and Analysis	1
Financial Results	43
Notes to the Unaudited Interim Period Condensed Consolidated Financial Statements	49

Management's Discussion and Analysis

1.	Forward-Looking Statements	3
2.	Key Financial Performance Indicators	5
3.	Consolidated Results of Operations	6
4.	Liquidity and Capital Resources	15
	4.1 Cash Flows	15
	4.2 Liquidity and Capital Structure	18
	4.3 Financial Condition	19
	4.4 Credit Ratings	20
	4.5 Dividends and Share Repurchases	20
	4.6 Off-Balance Sheet Arrangements	21
5.	Financial Derivative Instruments	21
6.	Results by Quarter	22
7.	Internal Control over Financial Reporting	24
8.	Enterprise Risks and Risk Management	24
9.	Accounting Policies and Adoption of Accounting Standards and Amendments	25
	9.1 Accounting Policies	25
	9.2 Adoption of Accounting Standards and Amendments	25
10.	Outlook	26
11.	Non-GAAP and Other Financial Measures	26
12.	Additional Information	42

The following Management's Discussion and Analysis ("MD&A") for Loblaw Companies Limited and its subsidiaries (collectively, the "Company" or "Loblaw") should be read in conjunction with the Company's third quarter 2026 unaudited interim period condensed consolidated financial statements and the accompanying notes ("interim financial statements") included within the Quarterly Report, the audited annual consolidated financial statements and the accompanying notes for the year ended January 3, 2026 and the related MD&A included in the Company's 2025 Annual Report.

The Company's third quarter 2026 interim financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IFRS Accounting Standards" or "GAAP"). These interim financial statements include the accounts of the Company and other entities that the Company controls and are reported in Canadian dollars, except when otherwise noted.

In the fourth quarter of 2025, Loblaw entered into a definitive agreement (the "Transaction Agreement") with EQB Inc. ("EQB") pursuant to which EQB acquired President's Choice Bank ("PC Bank"), PC Financial Insurance Agency Inc., PC Financial Insurance Broker Inc. and certain other affiliated entities of PC Bank (collectively, "PC Financial") (the "Sale of PC Financial").

On July 1, 2026, Loblaw completed the Sale of PC Financial for total consideration of $1,234 million, consisting of 7.2 million common shares of EQB with a fair value of $963 million, $235 million in cash, and $36 million related to certain commodity tax receivables. The year-to-date gain on sale, net of transaction costs, was $413 million, before income taxes (post-tax gain of $386 million), recognized within discontinued operations. The total consideration and related gain on sale are preliminary and subject to adjustment pursuant to the terms of the Transaction Agreement.

PC Financial's result, net of intersegment eliminations were presented separately as discontinued operations in the Company's current and comparative results. Unless otherwise indicated, all financial information represents the Company's results from continuing operations (Retail).

Starting in the third quarter of 2026, the Company no longer reported PC Financial results and began to recognize its proportionate share of EQB's net income within its consolidated financial results based on the most recent publicly available information at each of the Company's fiscal year and quarter end dates. The Company and EQB have different fiscal year and quarter ends. As a result of the difference in reporting periods and the timing of the close of the Sale of PC Financial, the Company recognized only one month of income from EQB in the third quarter of 2026 and will recognize three months of income from EQB in the fourth quarter of 2026, and in each quarter thereafter.

Management uses non-GAAP and other financial measures to exclude the impact of certain expenses and income that must be recognized under GAAP when analyzing underlying consolidated financial performance, as the excluded items are not necessarily reflective of the Company's underlying financial performance and make comparisons of underlying financial performance between periods difficult. The Company adjusts for these items if it believes doing so would result in a more effective analysis of underlying financial performance. The exclusion of certain items does not imply that they are non-recurring. See Section 11 "Non-GAAP and Other Financial Measures" for more information on the Company's non-GAAP and other financial measures.

Effective in the third quarter of 2026, the Company introduced earnings before financing and income taxes as a measure of financial performance in this MD&A. This new measure comprises operating income and the income (loss) from equity-accounted investments.

A glossary of terms used throughout this Quarterly Report can be found at the back of the Company's 2025 Annual Report.

Terms denoted with numerical references throughout the MD&A of this Quarterly Report are defined in the MD&A Endnotes section.

The information in this MD&A is current to November 18, 2026, unless otherwise noted.

1. Forward-Looking Statements

The Quarterly Report, including the MD&A, contains forward-looking statements about the Company's objectives, plans, goals, aspirations, strategies, financial condition, results of operations, cash flows, performance, prospects, opportunities and legal and regulatory matters. Specific forward-looking statements in this Quarterly Report include, but are not limited to, statements with respect to the Company's anticipated future results, events and plans, strategic initiatives and restructuring, regulatory changes including further healthcare reform, future liquidity, planned capital investments, and the status and impact of IT systems implementations. These specific forward-looking statements are contained throughout this Quarterly Report including, without limitation, in Section 4 "Liquidity and Capital Resources", Section 10 "Outlook" and Section 11 "Non-GAAP and Other Financial Measures". Forward-looking statements are typically identified by words such as "expect", "anticipate", "believe", "foresee", "could", "estimate", "goal", "intend", "plan", "seek", "strive", "will", "may", "should" and similar expressions, as they relate to the Company and its management.

Forward-looking statements reflect the Company's estimates, beliefs and assumptions, which are based on management's perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. The Company's estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and, as such, are subject to change. The Company can give no assurance that such estimates, beliefs and assumptions will prove to be correct.

Numerous risks and uncertainties could cause the Company's actual results to differ materially from those expressed, implied or projected in the forward-looking statements, including those described in the Company's MD&A in the 2025 Annual Report, and the Company's Annual Information Form ("AIF") for the year ended January 3, 2026. Such risks and uncertainties include:

- changes in economic conditions, including inflation, the impact of tariffs, price increases from suppliers, levels of employment, costs of borrowing, household debt, political uncertainty, and government regulation, the impact of natural disasters, war or acts of terrorism, pandemics, changes in interest rates, tax rates, or exchange rates, and access to consumer credit;
- inability of the Company's IT infrastructure to support the requirements of the Company's business, or the occurrence of any internal or external security breaches, denial of service attacks, viruses, worms, and other known or unknown cybersecurity or data breaches;
- failure to realize benefits from investments in the Company's new IT systems and related processes, including automation;
- changes to the regulation of generic prescription drug prices, the reduction of reimbursements under public drug benefit plans and the elimination or reduction of professional allowances paid by drug manufacturers;
- failure to maintain an effective supply chain and consequently an appropriate assortment of available product at the store and digital retail level;
- failure to realize the anticipated benefits associated with the Company's strategic priorities and major initiatives, including sales growth, anticipated cost savings and operating efficiencies, or organizational changes that may impact the relationships with franchisees and pharmacist owners of corporations licensed to operate retail drug stores at specific locations using the Company's trademarks ("Associates");
- failure to attract and retain colleagues may impact the Company's ability to effectively operate and achieve financial performance goals;
- failure to execute the Company's e-commerce initiatives or to adapt its business model to shifts in the retail landscape caused by digital advances;
- inability of the Company to manage inventory to minimize the impact of obsolete or excess inventory or control shrink;
- changes to any of the laws, rules, regulations or policies applicable to the Company's business;
- failure to effectively manage product liability, intellectual property, and related regulatory risks associated with alternative sourcing and procurement of generic prescription drug products;
- public health events including those related to food and drug safety;
- errors made through medication dispensing or errors related to patient services or consultation;

- failure to effectively respond to consumer trends or heightened competition, whether from current competitors or new entrants to the marketplace;
- failure to achieve desired results in labour negotiations, including the terms of future collective bargaining agreements;
- failure to adapt to environmental and social risks, including failure to execute against the Company's climate change and social equity initiatives;
- adverse outcomes of legal and regulatory proceedings and related matters; and
- reliance on the performance and retention of third party service providers, including those associated with the Company's supply chain and apparel business and located in both advanced and developing markets.

This is not an exhaustive list of the factors that may affect the Company's forward-looking statements. Other risks and uncertainties not presently known to the Company or that the Company presently believes are not material could also cause actual results or events to differ materially from those expressed in its forward-looking statements. Additional risks and uncertainties are discussed in the Company's materials filed with the Canadian securities regulatory authorities ("securities regulators") from time to time, including, without limitation, the section entitled "Risks" in the Company's AIF for the year ended January 3, 2026. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect the Company's expectations only as of the date of this MD&A. Except as required by law, the Company does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

2. Key Financial Performance Indicators[1]

The results of PC Financial have been presented separately as discontinued operations in the Company's current and comparative results. Unless otherwise indicated, all financial information represents the Company's results from continuing operations (retail).

The Company has identified key financial performance indicators to measure the progress of short and long term objectives. Certain key financial performance indicators are set out below:

As at or for the periods ended October 10, 2026 and October 4, 2025 (millions of Canadian dollars except where otherwise indicated)	**2026 (16 weeks)**	2025[4] (16 weeks)
Sales growth	**3.6 %**	4.5 %
Gross profit[2]	**$ 6,215**	$ 5,967
Gross profit %[2]	**31.3 %**	31.1 %
Operating income	**$ 1,408**	$ 1,284
Income (loss) from equity-accounted investments	**(26)**	—
Adjusted income from equity-accounted investments[2]	**9**	—
Adjusted EBITDA[2]	**2,250**	2,104
Adjusted EBITDA margin[2]	**11.3 %**	11.0 %
Adjusted EBIT[2]	**$ 1,426**	$ 1,318
Net earnings	**1,215**	810
Continuing operations	**814**	762
Discontinued operations	**401**	48
Net earnings available to common shareholders of the Company	**1,193**	794
Continuing operations	**792**	746
Discontinued operations	**401**	48
Adjusted net earnings available to common shareholders of the Company[2]	**857**	818
Continuing operations	**857**	770
Discontinued operations	**—**	48
Diluted net earnings per common share ($)	**$ 1.03**	$ 0.66
Continuing operations	**0.68**	0.62
Discontinued operations	**0.35**	0.04
Adjusted diluted net earnings per common share[2] ($)	**$ 0.74**	$ 0.68
Continuing operations	**0.74**	0.64
Discontinued operations	**—**	0.04
Cash and cash equivalents and short term investments[ii]	**$ 1,049**	$ 2,245
Cash flows from operating activities[ii]	**1,979**	1,751
Capital investments[i][ii]	**897**	685
Free cash flow[2][ii]	**435**	396
Financial Measures		
Debt to rolling year adjusted EBITDA[2]	**2.3 x**	2.4 x
Rolling year adjusted return on equity[2]	**26.5 %**	24.6 %
Rolling year adjusted return on capital[2]	**13.0 %**	11.8 %
Operating Statistics		
Food Retail same-store sales growth	**0.6 %**	2.0 %
Drug Retail same-store sales growth	**4.8 %**	4.0 %
Total retail square footage (in millions)	**74.2**	72.9
Total number of stores	**2,540**	2,479

(i) Capital investments are the sum of fixed asset purchases and intangible asset additions as presented in the Company's condensed consolidated statements of cash flows, and prepayments transferred to fixed assets in the current period. Capital investments for the period ended October 10, 2026 included $108 million of prepayments transferred to fixed assets.
(ii) These cash flow metrics are presented on a total Company basis, inclusive of continuing and discontinued operations.

3. Consolidated Results of Operations

Unless otherwise indicated, all financial information represents the Company's results from continuing operations (retail).

The following is a summary of selected consolidated financial information for 2026:

As at or for the periods ended October 10, 2026 and October 4, 2025 (millions of Canadian dollars except where otherwise indicated)	**2026 (16 weeks)**	2025[4] (16 weeks)	$ Change	% Change	**2026 (40 weeks)**	2025[4] (40 weeks)	$ Change	% Change
Sales	**$19,857**	$19,160	$ 697	3.6 %	**$49,387**	$47,521	$ 1,866	3.9 %
Operating income	**1,408**	1,284	124	9.7 %	**3,620**	3,290	330	10.0 %
Gross profit[2]	**6,215**	5,967	248	4.2 %	**15,614**	14,985	629	4.2 %
Gross profit %[2]	**31.3 %**	31.1 %			**31.6 %**	31.5 %		
Income (loss) from equity-accounted investments	**$ (26)**	$ —	$ (26)	(100.0) %	**$ (26)**	$ —	$ (26)	(100.0) %
Adjusted income from equity-accounted investments[2]	**9**	—	9	100.0 %	**9**	—	9	100.0 %
Adjusted EBITDA[2]	**2,250**	2,104	146	6.9 %	**5,698**	5,361	337	6.3 %
Adjusted EBITDA margin[2]	**11.3 %**	11.0 %			**11.5 %**	11.3 %		
Adjusted EBIT[2]	**$ 1,426**	$ 1,318	$ 108	8.2 %	**$ 3,646**	$ 3,421	$ 225	6.6 %
Depreciation and amortization	**838**	800	38	4.8 %	**2,085**	2,079	6	0.3 %
Net interest expense and other financing charges	**243**	234	9	3.8 %	**607**	569	38	6.7 %
Income taxes	**325**	288	37	12.8 %	**805**	723	82	11.3 %
Adjusted income taxes[2]	**304**	298	6	2.0 %	**793**	764	29	3.8 %
Effective tax rate	**28.5 %**	27.4 %			**27.0 %**	26.6 %		
Adjusted effective tax rate[2]	**25.7 %**	27.5 %			**26.1 %**	26.8 %		
Net earnings attributable to non-controlling interests	**$ 22**	$ 16	$ 6	37.5 %	**$ 83**	$ 78	$ 5	6.4 %
Net earnings available to common shareholders of the Company	**$ 1,193**	$ 794	$ 399	50.3 %	**$ 2,538**	$ 2,011	$ 527	26.2 %
Continuing operations	**792**	746	46	6.2 %	**2,099**	1,920	179	9.3 %
Discontinued operations	**401**	48	353	735.4 %	**439**	91	348	382.4 %
Adjusted net earnings available to common shareholders of the Company[2]	**$ 857**	$ 818	$ 39	4.8 %	**$ 2,240**	$ 2,101	$ 139	6.6 %
Continuing operations	**857**	770	87	11.3 %	**2,163**	2,010	153	7.6 %
Discontinued operations	**—**	48	(48)	(100.0) %	**77**	91	(14)	(15.4) %
Diluted net earnings per common share ($)	**$ 1.03**	$ 0.66	$ 0.37	56.1 %	**$ 2.17**	$ 1.67	$ 0.50	29.9 %
Continuing operations	**0.68**	0.62	0.06	9.7 %	**1.79**	1.59	0.20	12.6 %
Discontinued operations	**0.35**	0.04	0.31	775.0 %	**0.38**	0.08	0.30	375.0 %
Adjusted diluted net earnings per common share[2] ($)	**$ 0.74**	$ 0.68	$ 0.06	8.8 %	**$ 1.92**	$ 1.74	$ 0.18	10.3 %
Continuing operations	**0.74**	0.64	0.10	15.6 %	**1.85**	1.66	0.19	11.4 %
Discontinued operations	**—**	0.04	(0.04)	(100.0) %	**0.07**	0.08	(0.01)	(12.5) %
Diluted weighted average common shares outstanding (in millions)	**1,160.7**	1,195.4			**1,168.7**	1,203.1		

Loblaw delivered solid operational and financial results in the third quarter of 2026, with Retail sales growth of 3.6% and adjusted diluted net earnings per common share growth of 8.8%. Following the completion of the sale of PC Financial on July 1, 2026, the Company's results reflect its Retail operations and the recognition of its proportionate share of EQB's net income. Due to the timing of the transaction close and differences in reporting periods, the Company's third quarter results included only one month of earnings contribution from EQB. Across its Retail business, Loblaw maintained its focus on everyday value offerings, personalized PC Optimum™ loyalty rewards and impactful promotions across its nationwide network of stores and digital platforms. In Drug Retail, sales grew 5.7%, reflecting strong performance in pharmacy and healthcare services, led by specialty and chronic prescriptions. Front store sales growth was driven by strength in beauty and over-the-counter products. More than 4 million questions have been asked since the launch of the Company's AI powered PC Chat™ across the country, helping Canadians find trusted information and better manage their healthcare. In Food Retail, sales grew 2.8%, supported by new store openings. The Company's internal food inflation was in line with food CPI, and e-commerce sales grew 16.9% in the quarter. Loblaw continued its strategic network expansion, opening 18 stores across its network, including 9 hard discount stores and 7 drug stores, bringing convenient access to nutritious food and essential healthcare services to more communities.

Net Earnings Available to Common Shareholders of the Company and Diluted Net Earnings Per Common Share
Net earnings available to common shareholders of the Company in the third quarter of 2026 were $1,193 million ($1.03 per common share), an increase of $399 million ($0.37 per common share), or 50.3%, compared to the same period in 2025. Net earnings included the gain on sale of PC Financial, net of transaction costs, of $401 million, presented within discontinued operations.

Adjusted net earnings available to common shareholders of the Company[(2)] in the third quarter of 2026 were $857 million, an increase of $39 million, or 4.8%, compared to the same period in 2025. Adjusted diluted net earnings per common share[(2)] were $0.74, an increase of $0.06, or 8.8%.

Year-to-date net earnings available to common shareholders of the Company were $2,538 million ($2.17 per common share), an increase of $527 million ($0.50 per common share), or 26.2%, compared to the same period in 2025.

Year-to-date adjusted net earnings available to common shareholders of the Company[(2)] were $2,240 million, an increase of $139 million, or 6.6%, compared to the same period in 2025. Adjusted diluted net earnings per common share[(2)] were $1.92, an increase of $0.18, or 10.3%.

Net Earnings Available to Common Shareholders of the Company from Continuing Operations and Diluted Net Earnings Per Common Share from Continuing Operations Net earnings available to common shareholders of the Company from continuing operations in the third quarter of 2026 were $792 million ($0.68 per common share), an increase of $46 million ($0.06 per common share), or 6.2%, compared to the same period in 2025. The increase was driven by an improvement in the underlying operating performance of $78 million and the impact of the underlying investing performance of $9 million, partially offset by an unfavourable change in adjusting items totaling $41 million, as described below:

- the improvement in the underlying operating performance of $78 million ($0.07 per common share) was primarily due to the following:
  - an increase in gross profit[(2)], partially offset by an increase in selling, general and administrative expenses ("SG&A") and depreciation and amortization.
- the impact of the underlying investing performance of $9 million ($0.01 per common share) was primarily due to the Company's proportionate share of EQB's net income.
- the unfavourable change in adjusting items totaling $41 million ($0.04 per common share) was primarily due to the following:
  - the unfavourable impact of adjustments to income from equity-accounted investments of $35 million ($0.03 per common share);
  - the unfavourable impact of deferred tax on the outside basis difference related to the Sale of PC Financial of $26 million ($0.02 per common share); and
  - the year-over-year unfavourable change in fair value adjustment on investments of $9 million ($0.01 per common share);

  partially offset by,
  - the prior year favourable impact of the wind-down of the Theodore & Pringle® optical business of $22 million ($0.02 per common share).
- diluted net earnings per common share also included the favourable impact from the repurchase of common shares over the last 12 months ($0.02 per common share).

Adjusted net earnings available to common shareholders of the Company[(2)] from continuing operations in the third quarter of 2026 were $857 million, an increase of $87 million, or 11.3%, compared to the same period in 2025. Adjusted diluted net earnings per common share[(2)] from continuing operations were $0.74 per common share, an increase of $0.10, or 15.6%.

Year-to-date net earnings available to common shareholders of the Company from continuing operations were $2,099 million ($1.79 per common share), an increase of $179 million ($0.20 per common share), or 9.3%, compared to the same period in 2025. The increase was driven by an improvement in the underlying operating performance of $144 million, the impact of the underlying investing performance of $9 million, and a favourable change in adjusting items totaling $26 million, as described below:

- the improvement in the underlying operating performance of $144 million ($0.13 per common share) was primarily due to the following:
    - an increase in gross profit[(2)], partially offset by an increase in SG&A and depreciation and amortization, excluding the impact of lower amortization related to certain intangible assets associated with the 2014 acquisition of Shoppers Drug Mart Corporation ("Shoppers Drug Mart"), which are now fully amortized.
- the impact of the underlying investing performance of $9 million ($0.01 per common share) was primarily due to the Company's proportionate share of EQB's net income.
- the favourable change in adjusting items totaling $26 million ($0.01 per common share) was primarily due to the following:
    - the year-over-year favourable change in amortization of intangible assets of $78 million ($0.07 per common share) primarily related to certain intangible assets associated with the 2014 acquisition of Shoppers Drug Mart, which are now fully amortized;
    - the prior year favourable impact of the wind-down of the *Theodore & Pringle* optical business of $22 million ($0.02 per common share); and
    - the favourable impact of fair value adjustment on fuel and foreign currency contracts of $12 million ($0.01 per common share);

  partially offset by,
    - the unfavourable impact of adjustments to income from equity-accounted investments of $35 million ($0.03 per common share);
    - the year-over-year unfavourable change in fair value adjustment on investments of $20 million ($0.02 per common share);
    - the unfavourable impact of deferred tax on the outside basis difference related to the Sale of PC Financial of $19 million ($0.02 per common share);
    - the year-over-year unfavourable impact of the gain on sale of non-operating properties of $10 million ($0.01 per common share); and
    - the prior year unfavourable impact of the gain related to the sale of Wellwise by Shoppers ("Wellwise") of $5 million ($0.01 per common share).
- diluted net earnings per common share also included the favourable impact from the repurchase of common shares over the last 12 months ($0.05 per common share).

Adjusted net earnings available to common shareholders of the Company[(2)] from continuing operations were $2,163 million, an increase of $153 million, or 7.6%, compared to the same period in 2025. Adjusted diluted net earnings per common share[(2)] from continuing operations were $1.85 per common share, an increase of $0.19, or 11.4%.

Sales Sales is primarily comprised of Food Retail and Drug Retail sales. The following table provides a breakdown of the Company's total and same-store sales.

For the periods ended October 10, 2026 and October 4, 2025 (millions of Canadian dollars except where otherwise indicated)	**2026 (16 weeks)**		2025 (16 weeks)			
	Sales	**Same-store sales**	Sales	Same-store sales	Sales $ Change	Sales % Change
Food Retail[(i)]	**$ 14,048**	**0.6 %**	$ 13,666	2.0 %	$ 382	2.8 %
Drug Retail	**5,809**	**4.8 %**	5,494	4.0 %	315	5.7 %
Pharmacy and healthcare services	**3,202**	**7.6 %**	2,953	5.9 %	249	8.4 %
Front store	**2,607**	**1.6 %**	2,541	1.9 %	66	2.6 %
Sales	**$ 19,857**		$ 19,160		$ 697	3.6 %

(i) As a result of the sale of PC Financial, Food Retail now includes sales related to PC Services of $37 million in the third quarter of 2026 (2025 – $78 million), primarily driven by sales attributable to The Mobile Shop™.

For the periods ended October 10, 2026 and October 4, 2025 (millions of Canadian dollars except where otherwise indicated)	**2026 (40 weeks)**		2025 (40 weeks)			
	Sales	**Same-store sales**	Sales	Same-store sales	Sales $ Change	Sales % Change
Food Retail[(i)]	**$ 34,903**	**1.4 %**	$ 33,801	2.5 %	$ 1,102	3.3 %
Drug Retail	**14,484**	**4.5 %**	13,720	4.0 %	764	5.6 %
Pharmacy and healthcare services	**8,036**	**7.3 %**	7,409	6.1 %	627	8.5 %
Front store	**6,448**	**1.4 %**	6,311	1.6 %	137	2.2 %
Sales	**$ 49,387**		$ 47,521		$ 1,866	3.9 %

(i) As a result of the sale of PC Financial, year-to-date Food Retail now includes sales related to PC Services of $168 million (2025 – $213 million), primarily driven by sales attributable to The Mobile Shop™.

Sales Sales were $19,857 million in the third quarter of 2026, an increase of $697 million, or 3.6%, compared to the same period in 2025. This increase was primarily driven by the following factors:

- Food Retail same-store sales growth was 0.6% (2025 – 2.0%) for the quarter.
    - Same-store sales growth in food was modest;
    - Same-store sales growth in pharmacy was strong;
    - The Company's internal food inflation was in line with the Consumer Price Index for Food Purchased From Stores of 2.5% (2025 – 3.6%); and
    - Food Retail traffic decreased and basket size increased on a same-store sales basis.
- Drug Retail same-store sales growth was 4.8% (2025 – 4.0%) for the quarter.
    - Pharmacy and healthcare services same-store sales growth was 7.6% (2025 – 5.9%) led by specialty and chronic prescriptions. The number of prescriptions dispensed increased by 4.4% (2025 – 2.8%). On a same-store basis, the number of prescriptions dispensed increased by 3.9% (2025 – 2.8%) and the average prescription value increased by 4.3% (2025 – 3.7%); and
    - Front store same-store sales growth was 1.6% (2025 – 1.9%). The growth in front store same-store sales was primarily driven by higher sales of beauty and over-the-counter ("OTC") products.

In the third quarter of 2026, 18 food and drug stores were opened and 1 drug store was closed. Retail square footage was 74.2 million square feet, a net increase of 1.3 million square feet, or 1.8%, compared to the same period in 2025.

On a year-to-date basis, sales were $49,387 million, an increase of $1,866 million, or 3.9%, when compared to the same period in 2025. Food Retail sales of $34,903 million increased by $1,102 million, or 3.3%. Food Retail same-store sales grew by 1.4% (2025 – 2.5%). Drug Retail sales of $14,484 million increased by $764 million, or 5.6%. Drug Retail same-store sales growth was 4.5% (2025 – 4.0%), with pharmacy and healthcare services same-store sales growth of 7.3% (2025 – 6.1%), and front store same-store sales growth of 1.4% (2025 – 1.6%).

In 2025, the sale of Wellwise and the wind-down of the *Theodore & Pringle* optical business were completed. On a year-to-date basis, sales related to Wellwise and the optical business were nil (2025 – $21 million and $55 million, respectively). Excluding the impact of sales related to Wellwise and the *Theodore & Pringle* optical business, sales increased by 4.1%.

Gross Profit[(2)] Gross profit[(2)] was $6,215 million in the third quarter of 2026, an increase of $248 million, or 4.2%, compared to the same period in 2025. Gross profit percentage[(2)] was 31.3%, an increase of 20 basis points, primarily driven by benefits realized from strategic initiatives.

Year-to-date gross profit[(2)] was $15,614 million, an increase of $629 million, or 4.2%, compared to the same period in 2025. Gross profit percentage[(2)] of 31.6% was stable, increasing by 10 basis points, primarily driven by benefits realized from strategic initiatives and continued improvements in shrink, partially offset by changes in sales mix in Drug Retail categories.

Operating Income Operating income was $1,408 million in the third quarter of 2026, an increase of $124 million, or 9.7%, compared to the same period in 2025. The increase was driven by an improvement in underlying operating performance of $99 million and a favourable change in adjusting items totaling $25 million, as described below:

- the improvement in underlying operating performance of $99 million was due to an increase in gross profit[(2)], partially offset by an increase in SG&A and depreciation and amortization.
- the favourable change in adjusting items totaling $25 million was primarily due to the following:
  - the prior year favourable impact of the wind-down of the *Theodore & Pringle* optical business of $30 million;
  - the year-over-year favourable change in fair value adjustment on fuel and foreign currency contracts of $3 million; and
  - the prior year favourable impact of loss on sale of non-operating properties of $2 million;

  partially offset by,
  - the year-over-year unfavourable change in fair value adjustment on investments of $10 million.

Year-to-date operating income was $3,620 million, an increase of $330 million, or 10.0%, compared to the same period in 2025. The increase was driven by an improvement in underlying operating performance of $216 million and a favourable change in adjusting items totaling $114 million, as described below:

- the improvement in underlying operating performance of $216 million was due to an increase in gross profit[(2)], partially offset by an increase in SG&A and depreciation and amortization, excluding the impact of lower amortization related to certain intangible assets associated with the 2014 acquisition of Shoppers Drug Mart, which are now fully amortized.
- the favourable change in adjusting items totaling $114 million was primarily due to the following:
  - the year-over-year favourable change in the amortization of intangible assets of $106 million primarily related to certain intangible assets associated with the 2014 acquisition of Shoppers Drug Mart, which are now fully amortized;
  - the prior year favourable impact of the wind-down of the *Theodore & Pringle* optical business of $30 million; and
  - the favourable impact of fair value adjustment on fuel and foreign currency contracts of $17 million;

  partially offset by,
  - the year-over-year unfavourable change in fair value adjustment on investments of $22 million;
  - the year-over-year unfavourable impact of the gain on sale of non-operating properties of $12 million; and
  - the prior year unfavourable impact of the gain related to the sale of Wellwise of $5 million.

Income (Loss) From Equity-Accounted Investments Starting in the third quarter of 2026, the Company began to recognize its proportionate share of EQB's net income, representing approximately 20% of EQB's issued and outstanding common shares, within its consolidated financial results. The Company and EQB have different fiscal year and quarter ends. As a result of the difference in reporting periods and the timing of the close of the Sale of PC Financial, the Company recognized only one month of income from EQB in the third quarter of 2026 and will recognize three months of income from EQB in the fourth quarter of 2026, and in each quarter thereafter.

Loss from equity-accounted investments in the third quarter of 2026 was $26 million and included charges of $35 million, primarily related to initial provisions for credit losses recognized by EQB upon its acquisition of PC Financial. Adjusted income from equity-accounted investments[(2)] was $9 million.

Adjusted EBITDA[(2)] Adjusted EBITDA[(2)] was $2,250 million in the third quarter of 2026, an increase of $146 million, or 6.9%, compared to the same period in 2025. The increase was driven by an increase in gross profit[(2)] of $248 million and adjusted income from equity-accounted investments[(2)] of $9 million, partially offset by an increase in SG&A of $111 million. SG&A as a percentage of sales was 20.0%, a favourable decrease of 20 basis points, primarily due to operating leverage from higher sales, partially offset by incremental costs related to opening new stores and the automated distribution facility.

Year-to-date adjusted EBITDA[(2)] was $5,698 million in 2026, an increase of $337 million, or 6.3%, compared to the same period in 2025. The increase was driven by an increase in gross profit[(2)] of $629 million and adjusted income from equity-accounted investments[(2)] of $9 million, partially offset by an increase in SG&A of $301 million. SG&A as a percentage of sales was 20.1%, a favourable decrease of 20 basis points compared to the same period in 2025, primarily due to operating leverage from higher sales and the year-over-year impact of certain real estate activities, partially offset by incremental costs related to opening new stores and the automated distribution facility.

Depreciation and Amortization Depreciation and amortization was $838 million in the third quarter of 2026, an increase of $38 million, or 4.8%, compared to the same period in 2025. The increase was primarily driven by an increase in depreciation of leased assets and fixed assets related to opening new stores and the automated distribution facility, partially offset by a decrease in depreciation of IT assets.

Year-to-date depreciation and amortization was $2,085 million, an increase of $6 million, or 0.3% compared to the same period in 2025. This increase was primarily driven by an increase in depreciation of leased assets and fixed assets related to opening new stores and the automated distribution facility, partially offset by the impact of lower amortization related to certain intangible assets associated with the 2014 acquisition of Shoppers Drug Mart, which are now fully amortized and a decrease in depreciation of IT assets. Included in depreciation and amortization was the amortization of intangible assets related to the acquisitions of Shoppers Drug Mart and Lifemark Health Group ("Lifemark") of $33 million (2025 – $139 million).

Net Interest Expense and Other Financing Charges Net interest expense and other financing charges in the third quarter of 2026 were $243 million, an increase of $9 million, or 3.8%, compared to the same period in 2025. The increase was primarily driven by an increase in interest expense from long term debt.

Year-to-date net interest expense and other financing charges were $607 million, an increase of $38 million, or 6.7%, compared to the same period in 2025. The increase was primarily driven by an increase in interest expense from long term debt, lease liabilities and lower capitalization of interest expense related to the Company's automated distribution facility.

Income Taxes Income tax expense in the third quarter of 2026 was $325 million (2025 – $288 million) and the effective tax rate was 28.5% (2025 – 27.4%). The increase to the effective tax rate was primarily attributable to the recognition of deferred tax on outside basis differences related to the Company's investment in EQB and the Sale of PC Financial, partially offset by prior year tax matters. Adjusted income tax expense[(2)] in the third quarter of 2026 was $304 million (2025 – $298 million) and the adjusted effective tax rate[(2)] was 25.7% (2025 – 27.5%). The decrease in the adjusted effective tax rate[(2)] was primarily attributable to prior year tax matters.

Year-to-date income tax expense was $805 million (2025 – $723 million) and the effective tax rate was 27.0% (2025 – 26.6%). The increase to the effective tax rate was primarily attributable to the recognition of deferred tax on outside basis differences related to the Company's investment in EQB and the Sale of PC Financial. Year-to-date adjusted income tax expense[(2)] was $793 million (2025 – $764 million) and the adjusted effective tax rate[(2)] was 26.1% (2025 – 26.8%). The decrease to the adjusted effective tax rate[(2)] was primarily attributable to prior year tax matters.

Net Earnings Attributable To Non-Controlling Interests Net earnings attributable to non-controlling interests in the third quarter of 2026 were $22 million, an increase of $6 million, or 37.5%, compared to the same period in 2025. Year-to-date net earnings attributable to non-controlling interests were $83 million, an increase of $5 million, or 6.4%, compared to the same period in 2025. The increase for the third quarter of 2026 and year-to-date were primarily driven by an increase in franchisee earnings after profit sharing. Non-controlling interests represent the share of earnings that relates to the Company's Food Retail franchisees and is impacted by the timing of when profit sharing with franchisees is agreed and finalized under the terms of the agreements.

Discontinued Operations As a result of the announcement of the sale of PC Financial to EQB in the fourth quarter of 2025, PC Financial's result, net of intersegment eliminations were presented separately as discontinued operations in the Company's current and comparative results.

On July 1, 2026, Loblaw completed the Sale of PC Financial for total consideration of $1,234 million. The Sale of PC Financial resulted in a gain on sale, net of transaction costs, of $432 million, before income taxes (post-tax gain of $401 million) in the third quarter of 2026. The year-to-date gain on sale, net of transaction costs, was $413 million, before income taxes (post-tax gain of $386 million). In the third quarter of 2026 and year-to-date, the Company recorded transaction and other related costs of $4 million and $23 million, respectively, in connection with the Sale of PC Financial. The total consideration and related gain on sale are preliminary and subject to adjustment pursuant to the terms of the Transaction Agreement.

Year-to-date revenue included in discontinued operations, was $464 million, a decrease of $217 million compared to the same period in 2025. The decrease was primarily driven by the Sale of PC Financial in the third quarter of 2026. Year-to-date net earnings available to common shareholders of the Company from discontinued operations were $439 million, an increase of $348 million compared to the same period 2025. The increase is primarily due to the gain on sale of PC Financial, net of transaction costs.

For additional information, see note 4 "Assets Held for Sale and Discontinued Operations" of the Company's interim financial statements.

Other Business Matters Subsequent to the end of the third quarter of 2026, on November 18, 2026, the Company sold its interest in QHR Technologies Inc. to LGI Healthcare Solutions Inc. for cash consideration of approximately $236 million. The gain on sale is being finalized and will be recognized in the fourth quarter of 2026.

4. Liquidity and Capital Resources

4.1 Cash Flows

The following Major Cash Flow Components are presented on a total Company basis, inclusive of continuing and discontinued operations.

Major Cash Flow Components

For the periods ended October 10, 2026 and October 4, 2025 (millions of Canadian dollars except where otherwise indicated)	**2026 (16 weeks)**	2025 (16 weeks)	$ Change	% Change	**2026 (40 weeks)**	2025 (40 weeks)	$ Change	% Change
Cash and cash equivalents, beginning of period[(i)]	**$ 1,204**	$ 950	$ 254	26.7 %	**$ 1,441**	$ 1,462	$ (21)	(1.4)%
Cash flows from (used in):								
Operating activities	**$ 1,979**	$ 1,751	$ 228	13.0 %	**$ 5,051**	$ 4,067	$ 984	24.2 %
Investing activities	**(879)**	(318)	(561)	(176.4)%	**(1,586)**	(1,303)	(283)	(21.7)%
Financing activities	**(1,256)**	(1,035)	(221)	(21.4)%	**(3,861)**	(2,873)	(988)	(34.4)%
Effect of foreign currency exchange rate changes on cash and cash equivalents	**1**	2	(1)	(50.0)%	**4**	(3)	7	233.3 %
Change in cash and cash equivalents	**$ (155)**	$ 400	$ (555)	(138.8)%	**$ (392)**	$ (112)	$ (280)	(250.0)%
Cash and cash equivalents, end of period[(ii)]	**$ 1,049**	$ 1,350	$ (301)	(22.3)%	**$ 1,049**	$ 1,350	$ (301)	(22.3)%

(i) Cash and cash equivalents at the beginning of the 40 weeks ended October 10, 2026 have been adjusted to reflect the adoption of amendments to IFRS 9 and IFRS 7, resulting in a $49 million increase to the opening balance. See note 3 “Adoption of Accounting Standards and Amendments” of the Company’s interim financial statements.

(ii) The major cash flow components are presented on a total Company basis. See note 4 “Assets Held for Sale and Discontinued Operations” of the Company’s interim financial statements for cash flow information related to discontinued operations.

Cash Flows from Operating Activities Cash flows from operating activities in the third quarter of 2026 were $1,979 million, an increase of $228 million compared to the third quarter of 2025. The increase was primarily driven by the favourable change in non-cash working capital and higher cash earnings.

Year-to-date cash flows from operating activities were $5,051 million, an increase of $984 million compared to the same period of 2025. The increase was primarily driven by the favourable change in non-cash working capital, higher cash earnings, and the year-over-year change in provisions, partially offset by lower payments from cardholders on credit card receivables.

Cash Flows used in Investing Activities Cash flows used in investing activities in the third quarter of 2026 were $879 million, an increase of $561 million compared to the third quarter of 2025. The increase was primarily driven by the release of security deposits due to the maturity of Eagle Credit Card Trust® notes in the prior year, an increase in investments in fixed and intangible assets, and the Company's investment in equity securities.

Year-to-date cash flows used in investing activities were $1,586 million, an increase of $283 million compared to the same period of 2025. The increase was primarily driven by the Company's investment in equity securities, lower proceeds from disposal of assets, and an increase in investments in fixed and intangible assets and long term securities, partially offset by higher disposals of short term investments.

Capital Investments and Store Activity

	As at October 10, 2026	As at October 4, 2025	Change	As at January 3, 2026	Change
Food Retail					
Number of corporate stores[(i)]	**574**	565	9	566	8
Number of franchise stores	**577**	551	26	562	15
Total number of Food Retail stores	**1,151**	1,116	35	1,128	23
Drug Retail					
Number of Associate-owned drug stores	**1,389**	1,363	26	1,376	13
Total number of stores	**2,540**	2,479	61	2,504	36

	As at October 10, 2026	As at October 4, 2025	% Change	As at January 3, 2026	% Change
Food Retail					
Corporate square footage (in millions)	**36.4**	36.2	0.6 %	36.2	0.6 %
Franchise square footage (in millions)	**17.8**	17.2	3.5 %	17.4	2.3 %
Food Retail square footage (in millions)	**54.2**	53.4	1.5 %	53.6	1.1 %
Drug Retail					
Associate-owned drug store square footage (in millions)	**20.0**	19.5	2.6 %	19.7	1.5 %
Total retail square footage (in millions)	**74.2**	72.9	1.8 %	73.3	1.2 %
Average store size (square feet)					
Corporate	**63,400**	64,100	(1.1)%	64,000	(0.9)%
Franchise	**30,800**	31,200	(1.3)%	31,000	(0.6)%
Associate-owned drug store	**14,400**	14,300	0.7 %	14,300	0.7 %

(i) Number of corporate stores includes one stand-alone BeautyBOUTIQUE by Shoppers Drug Mart™. Sales from this store is included in Drug Retail for all periods presented.

Capital Investments Capital investments in the third quarter of 2026 were $897 million, an increase of $212 million or 31%, compared to the third quarter of 2025. The increase was primarily driven by higher fixed asset purchases and prepayments transferred to fixed assets in the current period. Year-to-date capital investments were $1,626 million, an increase of $286 million or 21%, compared to the same period of 2025. The increase was driven by higher fixed asset purchases and intangible asset additions, and prepayments transferred to fixed assets in the current period.

Cash Flows used in Financing Activities Cash flows used in financing activities in the third quarter of 2026 were $1,256 million, an increase of $221 million compared to the same period of 2025. The increase was driven by a decrease in demand deposits from customers, higher repurchases of common shares, and lower issuances of long term debt, net of repayments, partially offset by higher purchases of common shares held in trust in the prior year and the repayment of bank indebtedness in the prior year.

Year-to-date cash flows used in financing activities were $3,861 million, an increase of $988 million compared to the same period of 2025. The increase was primarily driven by lower issuances of long term debt, net of repayments, a decrease in demand deposits from customers, and higher repurchases of common shares, partially offset by higher issuances of short term debt and the redemption of all issued and outstanding Preferred Shares, Series B on January 8, 2025.

Free Cash Flow[2]

For the periods ended October 10, 2026 and October 4, 2025 (millions of Canadian dollars)	2026 (16 weeks) Continuing Operations	2026 (16 weeks) Discontinued Operations	2026 (16 weeks) Total	2025 (16 weeks) Continuing Operations	2025 (16 weeks) Discontinued Operations	2025 (16 weeks) Total
Cash flows from operating activities	**$ 1,868**	**$ 111**	**$ 1,979**	$ 1,640	$ 111	$ 1,751
Less:						
Capital investments[i]	**897**	**—**	**897**	674	11	685
Interest paid	**95**	**—**	**95**	91	51	142
Lease payments, net	**552**	**—**	**552**	528	—	528
Free cash flow[2]	**$ 324**	**$ 111**	**$ 435**	$ 347	$ 49	$ 396

For the periods ended October 10, 2026 and October 4, 2025 (millions of Canadian dollars)	2026 (40 weeks) Continuing Operations	2026 (40 weeks) Discontinued Operations	2026 (40 weeks) Total	2025 (40 weeks) Continuing Operations	2025 (40 weeks) Discontinued Operations	2025 (40 weeks) Total
Cash flows from operating activities	**$ 4,716**	**$ 335**	**$ 5,051**	$ 3,538	$ 529	$ 4,067
Less:						
Capital investments[i]	**1,610**	**16**	**1,626**	1,314	26	1,340
Interest paid	**263**	**68**	**331**	249	95	344
Lease payments, net	**1,231**	**—**	**1,231**	1,304	—	1,304
Free cash flow[2]	**$ 1,612**	**$ 251**	**$ 1,863**	$ 671	$ 408	$ 1,079

(i) Capital investments are the sum of fixed asset purchases and intangible asset additions as presented in the Company's condensed consolidated statements of cash flows, and prepayments transferred to fixed assets in the current period. Capital investments for the period ended October 10, 2026 included $108 million of prepayments transferred to fixed assets.

Free cash flow[2] from continuing operations in the third quarter of 2026 was $324 million, a decrease of $23 million compared to the third quarter of 2025. The decrease was primarily driven by higher capital investments and lease payments, partially offset by higher cash earnings. Year-to-date free cash flow[2] from continuing operations was $1,612 million, an increase of $941 million compared to the same period of 2025. The increase was primarily driven by the favourable change in non-cash working capital, higher cash earnings, and the year-over-year change in provisions. Continuing operations were also impacted by lower lease payments, partially offset by an increase in capital investments compared to the same period of 2025.

Free cash flow[2] from discontinued operations in the third quarter of 2026 was $111 million, an increase of $62 million compared to the third quarter of 2025. The increase was driven by lower interest paid and capital investments compared to the third quarter of 2025. Year-to-date free cash flow[2] from discontinued operations was $251 million, a decrease of $157 million compared to the same period of 2025. The decrease was primarily driven by lower cash earnings and lower payments from cardholders on credit card receivables, partially offset by a favourable change in non-cash working capital, and lower taxes paid in the current period compared to the same period of 2025. Discontinued operations were also impacted by lower capital investments and interest paid compared to the same period of 2025.

4.2 Liquidity and Capital Structure

The Company expects that cash and cash equivalents, short term investments, future operating cash flows and the amounts available to be drawn against committed credit facilities will enable the Company to finance its capital investment program and fund its ongoing business requirements over the next 12 months, including working capital, pension plan funding requirements and financial obligations.

The following table presents total debt:

(millions of Canadian dollars)	**As at October 10, 2026** **Total**	As at October 4, 2025 Total	As at January 3, 2026 Total
Bank indebtedness	**$ 2**	$ —	$ —
Demand deposits from customers	**—**	847	—
Short term debt	**—**	550	—
Long term debt due within one year	**—**	545	—
Long term debt[(i)]	**6,103**	8,374	5,891
Certain other liabilities[(ii)]	**326**	306	315
Total debt excluding lease liabilities and liabilities associated with assets held for sale	**$ 6,431**	$ 10,622	$ 6,206
Lease liabilities due within one year	**1,644**	1,577	1,584
Lease liabilities	**9,177**	8,878	8,830
Total debt excluding liabilities associated with assets held for sale	**$ 17,252**	$ 21,077	$ 16,620
Total debt and demand deposits from customers included in liabilities associated with assets held for sale[(iii)]	**$ —**	$ —	$ 4,158
Total Company debt[(iv)]	**$ 17,252**	$ 21,077	$ 20,778

(i) The Company has a committed credit facility for $1.5 billion with a maturity date of March 27, 2030, provided by a syndicate of lenders. This committed credit facility contains certain financial covenants and, as at October 10, 2026 and throughout the first three quarters of 2026, the Company was in compliance with these covenants.

(ii) As at October 10, 2026, certain other liabilities include financial liabilities of $206 million associated with properties that did not meet the criteria for sale (October 4, 2025 – $193 million; January 3, 2026 – $204 million).

(iii) As at January 3, 2026, debt of $4,158 million related to PC Financial was included in liabilities associated with assets held for sale. As at October 4, 2025, PC Financial debt was $4,177 million and is comprised of demand deposits from customers, short-term debt, long-term debt due within one year, and $2,235 million of long-term debt.

(iv) As at January 3, 2026 and October 4, 2025, Total Company debt, excluding debt related to PC Financial was $16,620 million and $16,900 million, respectively.

Debt to Rolling Year Adjusted EBITDA[2] Debt to rolling year adjusted EBITDA[2] are ratios calculated on total Company debt, excluding debt related to PC Financial. See Section 11 "Non-GAAP and Other Financial Measures" for the definition of these measures. The Company manages its capital structure with the objective of maintaining credit metrics consistent with those of investment grade retailers. The Company calculates the debt to rolling year adjusted EBITDA[2] ratio to measure the leverage being employed.

	As at October 10, 2026	As at October 4, 2025[4]	As at January 3, 2026[4]
Debt to rolling year adjusted EBITDA[2]	**2.3 x**	2.4 x	2.3 x

The debt to rolling year adjusted EBITDA[2] ratio as at October 10, 2026 decreased compared to October 4, 2025, driven by an improvement in adjusted EBITDA[2], partially offset by an increase in lease liabilities. The debt to rolling year adjusted EBITDA[2] ratio as at October 10, 2026 was flat compared to January 3, 2026.

Covenants and Regulatory Requirements The Company is required to comply with certain financial covenants for various debt instruments. As at October 10, 2026 and throughout the quarter, the Company was in compliance with such covenants. Through July 1, 2026, PC Bank met all applicable regulatory requirements.

4.3 Financial Condition

Rolling Year Adjusted Return on Equity[2] and Rolling Year Adjusted Return on Capital[2] Rolling year adjusted return on equity[2] and Rolling year adjusted return on capital[2] are ratios calculated on a total Company basis (including continuing and discontinued operations). See Section 11 "Non-GAAP and Other Financial Measures" for the definition of these measures.

	As at October 10, 2026	As at October 4, 2025[4]	As at January 3, 2026[4]
Rolling year adjusted return on equity[2]	**26.5 %**	24.6 %	26.2 %
Rolling year adjusted return on capital[2]	**13.0 %**	11.8 %	12.4 %

The rolling year adjusted return on equity[2] as at October 10, 2026 increased compared to October 4, 2025, driven by an improvement in the underlying operating performance, partially offset by an increase in average equity. The increase in average equity was primarily due to an increase in retained earnings and the impact of preferred shares redemption in the fourth quarter of 2024, partially offset by a decrease in share capital. The rolling year adjusted return on equity[2] as at October 10, 2026 increased compared to January 3, 2026, driven by an improvement in the underlying operating performance, partially offset by an increase in average equity. The increase in average equity was due to an increase in retained earnings, partially offset by a decrease in share capital.

The rolling year adjusted return on capital[2] as at October 10, 2026 increased compared to October 4, 2025, due to an improvement in the underlying operating performance and a decrease in average capital. The decrease in average capital is primarily due to a decrease in long term debt, partially offset by an increase in lease liabilities. The rolling year adjusted return on capital[2] as at October 10, 2026 increased compared to January 3, 2026, due to an improvement in the underlying operating performance and a decrease in average capital. The decrease in average capital is primarily due to decrease in long term debt, partially offset by an increase in retained earnings.

4.4 Credit Ratings

The following table sets out the current credit ratings of the Company:

	Morningstar DBRS		Standard & Poor's	
Credit Ratings (Canadian Standards)	Credit Rating	Trend	Credit Rating	Outlook
Issuer rating	A (low)	Stable	BBB+	Stable
Medium term notes	A (low)	Stable	BBB+	n/a

In the second quarter of 2026, Morningstar DBRS upgraded the ratings from BBB (high) to A (low) for the Company's issuer rating and medium term notes and changed the trends on all credit ratings from positive to stable.

4.5 Dividends and Share Repurchases

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

	October 10, 2026 (16 weeks)	October 4, 2025 (16 weeks)	**October 10, 2026 (40 weeks)**	October 4, 2025 (40 weeks)
Dividends declared per share ($)				
Common Share[(i)]	**$ 0.155183**	$ 0.141075	**$ 0.451441**	$ 0.410400
Second Preferred Share, Series B	**$ —**	$ —	**$ —**	$ 0.029440

(i) The Common Share dividends declared in the third quarter of 2026 of $0.155183 per share had a payment date of October 1, 2026.

Subsequent to the end of the third quarter of 2026, the Board of Directors declared a quarterly dividend of $0.155183 per common share, payable on December 30, 2026 to shareholders of record on December 15, 2026.

In the second quarter of 2026, the Company renewed its Normal Course Issuer Bid ("NCIB") to purchase on the Toronto Stock Exchange or through alternative trading systems up to 58,124,733 of the Company's common shares, representing approximately 5% of issued and outstanding common shares. As at October 10, 2026, the Company had purchased 13,133,856 common shares for cancellation under its current NCIB. The Company is still permitted to purchase its common shares from George Weston Limited ("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 third quarter of 2026, 8,290,179 common shares (2025 – 6,799,143) were purchased under the NCIB for cancellation, for aggregate consideration of $524 million (2025 – $381 million), including 3,919,700 common shares (2025 – 3,479,842) purchased from Weston, for aggregate consideration of $248 million (2025 – $195 million). On a year-to-date basis, 27,313,686 common shares (2025 – 24,949,583) were purchased under the NCIB for cancellation, for aggregate consideration of $1,724 million (2025 – $1,283 million), including 13,188,462 common shares (2025 – 11,783,798) purchased from Weston, for aggregate consideration of $832 million (2025 – $606 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 October 10, 2026, an obligation to repurchase shares of $225 million was recognized under the ASPP in trade payables and other liabilities.

For additional information, see note 11 "Share Capital" of the Company's interim financial statements.

4.6 Off-Balance Sheet Arrangements

The Company uses off-balance sheet arrangements, including letters of credit, guarantees and cash collateralization in connection with certain obligations. There were no significant changes to these off-balance sheet arrangements during the third quarter of 2026. For a discussion of the Company's significant off-balance sheet arrangements, see Section 6.7 "Off-Balance Sheet Arrangements" of the Company's 2025 Annual Report.

5. Financial Derivative Instruments

The Company uses derivative instruments to offset certain of its financial risks. The Company uses bond forwards to manage its anticipated exposure to fluctuations in interest rates on future debt issuances. The Company also uses futures and forward contracts to manage its anticipated exposure to fluctuations in commodity prices and exchange rates in its underlying operations. These derivative instruments are designated as cash flow hedges.

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. In the third quarter of 2026 and year-to-date, a fair value gain of $2 million (2025 – fair value loss of $1 million) and a fair value gain of $4 million (2025 – fair value loss of $5 million), respectively, was recorded in other comprehensive income related to the energy hedge. The fair value of the derivative was included in other liabilities.

The Company also uses futures and forward contracts to manage its anticipated exposure to fluctuations in commodity prices and exchange rates on its underlying operations. These derivative instruments are not designated in a formal hedging relationship. For further details on the impact of these instruments during the third quarter of 2026, see Section 11 "Non-GAAP and Other Financial Measures" of the MD&A.

6. Results by Quarter

The Company follows a 52-week reporting cycle which periodically necessitates a fiscal year of 53 weeks due to an accounting convention common in the retail industry. Fiscal years 2026 and 2024 were 52 weeks in duration and fiscal year 2025 was 53 weeks in duration. The 52-week reporting cycle is divided into four quarters of 12 weeks each except for the third quarter, which is 16 weeks in duration. When a fiscal year such as 2025 contains 53 weeks, the fourth quarter is 13 weeks in duration.

The following is a summary of selected consolidated quarterly financial information for each of the eight most recently completed quarters. The results of PC Financial have been presented separately as discontinued operations in the Company's current and comparative results. Unless otherwise indicated, all financial information represents the Company's results from continuing operations (Retail).

Summary of Consolidated Quarterly Results

	Third Quarter		Second Quarter		First Quarter		Fourth Quarter	
(millions of Canadian dollars except where otherwise indicated)	**2026 (16 weeks)**	**2025[4] (16 weeks)**	2026 (12 weeks)	2025[4] (12 weeks)	2026 (12 weeks)	2025[4] (12 weeks)	2025[4] (13 weeks)	2024[4] (12 weeks)
Sales	**$ 19,857**	**$ 19,160**	$15,046	$14,457	$14,484	$13,904	$16,382	$14,725
Adjusted EBITDA[2]	**2,250**	**2,104**	1,841	1,748	1,607	1,509	1,774	1,583
Net earnings available to common shareholders of the Company	**1,193**	**794**	751	714	594	503	656	462
Continuing operations	**792**	**746**	720	693	587	481	611	452
Discontinued operations	**401**	**48**	31	21	7	22	45	10
Adjusted net earnings available to common shareholders of the Company[2]	**$ 857**	**$ 818**	$ 774	$ 713	$ 609	$ 570	$ 793	$ 659
Continuing operations	**857**	**770**	728	692	578	548	748	626
Discontinued operations	**—**	**48**	46	21	31	22	45	33
Net earnings per common share:								
Basic ($)	**$ 1.04**	**$ 0.67**	$ 0.65	$ 0.60	$ 0.51	$ 0.42	$ 0.56	$ 0.38
Continuing operations	**0.69**	**0.63**	0.62	0.58	0.50	0.40	0.52	0.38
Discontinued operations	**0.35**	**0.04**	0.03	0.02	0.01	0.02	0.04	—
Diluted ($)	**$ 1.03**	**$ 0.66**	$ 0.64	$ 0.59	$ 0.50	$ 0.42	$ 0.55	$ 0.38
Continuing operations	**0.68**	**0.62**	0.61	0.57	0.50	0.40	0.51	0.37
Discontinued operations	**0.35**	**0.04**	0.03	0.02	—	0.02	0.04	0.01
Adjusted diluted net earnings per common share[2] ($)	**$ 0.74**	**$ 0.68**	$ 0.66	$ 0.59	$ 0.52	$ 0.47	$ 0.67	$ 0.54
Continuing operations	**0.74**	**0.64**	0.62	0.57	0.49	0.45	0.63	0.51
Discontinued operations	**—**	**0.04**	0.04	0.02	0.03	0.02	0.04	0.03
Food Retail same-store sales growth	**0.6 %**	**2.0 %**	1.6 %	3.5 %	2.4 %	2.2 %	1.5 %	2.5 %
Drug Retail same-store sales growth	**4.8 %**	**4.0 %**	4.6 %	4.1 %	4.1 %	3.8 %	3.9 %	1.3 %

Sales Sales for the last eight quarters were impacted by various factors including the following:

- seasonality, which was greatest in the fourth quarter and least in the first quarter;
- the impact of the 13th week in the fourth quarter of 2025;
- the timing of holidays;
- macro-economic conditions impacting food and drug retail prices; and
- changes in net retail square footage. Over the past eight quarters, net retail square footage has increased by 2.7 million square feet to 74.2 million square feet.

Net Earnings Available to Common Shareholders of the Company and Diluted Net Earnings Per Common Share Net earnings available to common shareholders of the Company and diluted net earnings per common share for the last eight quarters were impacted by the following items:

- seasonality, which was greatest in the fourth quarter and least in the first quarter;
- the impact of the 13th week in the fourth quarter of 2025;
- the timing of holidays;
- cost savings from operating efficiencies and benefits from strategic initiatives;
- the favourable impact of the repurchase of common shares for cancellation; and
- the impact of adjusting items, as set out in Section 11 “Non-GAAP and Other Financial Measures”, including:
    - adjustments to income from equity-accounted investments;
    - deferred tax on outside basis difference related to the Sale of PC Financial;
    - amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark;
    - wind-down of *Theodore & Pringle* optical business;
    - (gain) loss on sale of non-operating properties;
    - PC Financial transaction costs;
    - fair value adjustment on non-operating properties;
    - *PC Optimum* loyalty program, including the revaluation of the loyalty liability;
    - sale of Wellwise*;*
    - fair value adjustment on investments;
    - fair value adjustment on fuel and foreign currency contracts;
    - deferred tax on temporary differences related to equity-accounted investments;
    - gain on sale of PC Financial, net of transaction costs; and
    - charge related to PC Bank commodity tax matter.

7. Internal Control over Financial Reporting

Management is responsible for establishing and maintaining a system of disclosure controls and procedures to provide reasonable assurance that all material information relating to the Company and its subsidiaries is gathered and reported to senior management on a timely basis so that appropriate decisions can be made regarding public disclosure.

Management is also responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS Accounting Standards.

In designing such controls, it should be recognized that due to inherent limitations, any control, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and may not prevent or detect misstatements. Projections of any evaluations of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Additionally, management is required to use judgment in evaluating controls and procedures.

Changes in Internal Control over Financial Reporting There were no changes in the Company's internal control over financial reporting in the third quarter of 2026 that materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting.

8. Enterprise Risks and Risk Management

A detailed full set of risks inherent in the Company's business are included in the Company's AIF for the year ended January 3, 2026 and the Company's MD&A in the Company's 2025 Annual Report, which are hereby incorporated by reference. The Company's AIF and 2025 Annual Report are available online on www.sedarplus.ca. Those risks and risk management strategies remain unchanged.

9. Accounting Policies and Adoption of Accounting Standards and Amendments

9.1 Accounting Policies

Equity-Accounted Investments Equity-accounted investments represent investments in entities over which the Company has significant influence, but not control or joint control, over the financial and operating policy decisions of the investee. Such investments are accounted for using the equity method. Control is reassessed on an ongoing basis.

Under the equity method, investments are initially recognized at cost and subsequently adjusted to recognize the Company's share of the profit or loss and other comprehensive income of the investee. Dividends and distributions received from such entities reduce the carrying amount of the investment.

At the end of each reporting period, the Company assesses whether there is any objective evidence that an investment is impaired. An impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount. For publicly traded associates, the Company considers quoted market prices as an indicator of potential impairment and, where such indicators exist, assesses whether the recoverable amount of the investment is less than its carrying amount. For entities that are not publicly traded, value in use is determined using various techniques, including but not limited to, discounted cash flow techniques based on the present value of the future cash flows expected to be derived from the investment. If the investment is impaired, its carrying amount is reduced to its recoverable amount, being the higher of value in use and fair value less costs of disposal.

An impairment loss is recognized in the consolidated statements of earnings and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

For additional information, see note 9 "Equity-Accounted Investments" of the Company's interim financial statements.

9.2 Adoption of Accounting Standards and Amendments

Amendments to IFRS 9 and IFRS 7 In May 2024, amendments to IFRS 9, "Financial Instruments" ("IFRS 9") and IFRS 7, "Financial Instruments: Disclosures" ("IFRS 7") were issued. The amendments clarify the timing of recognition and derecognition for a financial asset or financial liability, including clarifying that a financial liability is derecognized on the settlement date. In addition to these clarifications, the amendments introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date, if specific conditions are met. Also included in the amendments are clarifications regarding the classification of financial assets, including those with features linked to environmental, social and corporate governance. Under the amendments, additional disclosures are required for financial instruments with contingent features and investments in equity instruments classified at fair value through other comprehensive income.

These amendments are effective for annual reporting periods beginning on or after January 1, 2026. The adoption of these amendments did not have a material impact on the Company's unaudited interim period condensed consolidated financial statements. For financial liabilities settled in cash using an electronic payment system, the Company applied the election to deem these financial liabilities to be discharged before the settlement date where the specific conditions have been met. The amendments have been applied retrospectively with no restatement of comparative information, in accordance with transition requirements on the initial application of IFRS 9. The adjustment to the cash balance reflects a $49 million increase to the opening balance of cash and cash equivalents in the condensed consolidated statements of cash flows for the 40 weeks ended October 10, 2026.

Amendments to IFRS 9 and IFRS 7 In December 2024, amendments to IFRS 9 and IFRS 7 were issued to enhance the transparency of nature-dependent electricity contracts. The amendments allow a company to apply an own-use exemption to certain power purchase agreements if certain requirements are met. The amendments require further disclosure where an own-use exemption is applied regarding the contractual features exposing the company to variability in electricity volume and risk of oversupply, unrecognized contractual commitments and the effect of the contracts on an entity's financial performance. The amendments are effective for annual reporting periods beginning on or after January 1, 2026 and were adopted by the Company on a prospective basis. The adoption of these amendments did not have a material impact on the Company's unaudited interim period condensed consolidated financial statements.

10. Outlook[3]

Loblaw will continue to execute on retail excellence while advancing its growth initiatives with the goal of delivering consistent operational and financial results in 2026. The Company's businesses remain well positioned to meet the everyday needs of Canadians. In 2026, including the impact of recognizing only one month of income from EQB in the third quarter of 2026, and excluding the 53rd week impact in 2025, the Company continues to expect:

- its Retail business to grow earnings faster than sales;
- adjusted net earnings per common share[2] growth in the high single-digits;
- to invest approximately $2.4 billion in gross capital expenditures in its store network and distribution centres; and
- to return capital to shareholders by allocating a significant portion of free cash flow to share repurchases.

11. Non-GAAP and Other Financial Measures

The Company uses the following non-GAAP and other financial measures and ratios: gross profit, gross profit percentage, adjusted earnings before income taxes, net interest expense and other financing charges and depreciation and amortization ("adjusted EBITDA"); adjusted EBITDA margin; adjusted operating income; adjusted earnings before financing and income taxes ("adjusted EBIT"); adjusted income from equity-accounted investments; adjusted earnings before income taxes; adjusted income taxes; adjusted effective tax rate; adjusted net earnings available to common shareholders; adjusted diluted net earnings per common share; free cash flow; debt to adjusted EBITDA; adjusted return on equity; adjusted return on capital; and same-store sales. The Company believes these non-GAAP and other financial measures and ratios provide useful information to both management and investors in measuring the financial performance and financial condition of the Company for the reasons outlined below.

Management uses these and other non-GAAP and other financial measures to exclude the impact of certain expenses and income that must be recognized under GAAP when analyzing underlying consolidated financial performance, as the excluded items are not necessarily reflective of the Company's underlying financial performance and make comparisons of underlying financial performance between periods difficult. The Company adjusts for these items if it believes doing so would result in a more effective analysis of underlying financial performance. The exclusion of certain items does not imply that they are non-recurring.

These measures do not have a standardized meaning prescribed by GAAP and therefore they may not be comparable to similarly titled measures presented by other publicly traded companies and should not be construed as an alternative to other financial measures determined in accordance with GAAP.

The results of PC Financial have been presented separately as discontinued operations in the Company's current and comparative results. Unless otherwise indicated, all financial information represents the Company's results from continuing operations (Retail).

Gross Profit and Gross Profit Percentage The following table reconciles gross profit to sales as reported in the condensed consolidated statements of earnings for the periods ended as indicated. The Company believes that gross profit is useful in assessing the underlying operating performance and in making decisions regarding the ongoing operations of the business.

Gross profit percentage is calculated as gross profit divided by sales.

For the periods ended October 10, 2026 and October 4, 2025 (millions of Canadian dollars)	**2026 (16 weeks)**	2025 (16 weeks)	**2026 (40 weeks)**	2025 (40 weeks)
Sales	**$ 19,857**	$ 19,160	**$ 49,387**	$ 47,521
Cost of sales	**13,642**	13,193	**33,773**	32,536
Gross profit	**$ 6,215**	$ 5,967	**$ 15,614**	$ 14,985

Adjusted Operating Income, Adjusted EBIT, Adjusted EBITDA and Adjusted EBITDA Margin The following table reconciles adjusted operating income, adjusted EBIT and adjusted EBITDA to operating income, which is reconciled to earnings before financing and income taxes as reported in the condensed consolidated statements of earnings for the periods ended as indicated. The Company believes that these measures are useful in assessing the performance of its ongoing operations and its ability to generate cash flows to fund its cash requirements, including the Company's capital investment program.

Adjusted EBITDA margin is calculated as adjusted EBITDA divided by sales.

For the periods ended October 10, 2026 and October 4, 2025 (millions of Canadian dollars)	**2026 (16 weeks)**	2025[4] (16 weeks)
Earnings before financing and income taxes	**$ 1,382**	$ 1,284
Add: Loss from equity-accounted investments	**26**	—
Operating income	**$ 1,408**	$ 1,284
Add (deduct) impact of the following:		
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	**$ 14**	$ 14
Wind-down of *Theodore & Pringle* optical business	**—**	30
Loss on sale of non-operating properties	**—**	2
Fair value adjustment on investments	**(1)**	(11)
Fair value adjustment on fuel and foreign currency contracts	**(4)**	(1)
Adjusting items	**$ 9**	$ 34
Adjusted operating income	**$ 1,417**	$ 1,318
Add (deduct) impact of the following:		
Loss from equity-accounted investments	**$ (26)**	$ —
Adjustments to income from equity-accounted investments	**35**	—
Adjusted EBIT	**$ 1,426**	$ 1,318
Add (deduct) impact of the following:		
Depreciation and amortization	**$ 838**	$ 800
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	**(14)**	(14)
Adjusted EBITDA	**$ 2,250**	$ 2,104

For the periods ended October 10, 2026 and October 4, 2025 (millions of Canadian dollars)	**2026 (40 weeks)**	2025[4] (40 weeks)
Earnings before financing and income taxes	**$ 3,594**	$ 3,290
Add: Loss from equity-accounted investments	**26**	—
Operating income	**$ 3,620**	$ 3,290
Add (deduct) impact of the following:		
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	**$ 33**	$ 139
Fair value adjustment on investments	**2**	(20)
Wind-down of *Theodore & Pringle* optical business	**—**	30
Sale of Wellwise	**—**	(5)
Gain on sale of non-operating properties	**(1)**	(13)
Fair value adjustment on fuel and foreign currency contracts	**(17)**	—
Adjusting items	**$ 17**	$ 131
Adjusted operating income	**$ 3,637**	$ 3,421
Add (deduct) impact of the following:		
Loss from equity-accounted investments	**$ (26)**	$ —
Adjustments to income from equity-accounted investments	**35**	—
Adjusted EBIT	**$ 3,646**	$ 3,421
Add (deduct) impact of the following:		
Depreciation and amortization	**$ 2,085**	$ 2,079
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	**(33)**	(139)
Adjusted EBITDA	**$ 5,698**	$ 5,361

Adjusted EBITDA was impacted by the following:

Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark The acquisition of Shoppers Drug Mart in 2014 included approximately $6,050 million of definite life intangible assets, which are being amortized over their estimated useful lives. The annual amortization associated with the acquired intangibles will be approximately $30 million in 2026 and thereafter.

The acquisition of Lifemark in 2022 included approximately $299 million of definite life intangible assets, which are being amortized over their estimated useful lives.

Fair value adjustment on investments The Company holds certain investments, including Venture Fund investments, classified as fair value through profit and loss. Any changes in the fair value of these investments are included in operating income. Starting in the first quarter of 2026, fair value adjustment on such investments were considered an adjusting item. See "Non-GAAP and Other Financial Measures Change Effective First Quarter of 2026" section below.

Wind-down of Theodore & Pringle optical business In the third quarter of 2025, the Company entered into an agreement with Specsavers Canada, Inc. ("Specsavers") to open Specsavers locations in select Loblaw grocery stores nationwide, resulting in the wind-down of the *Theodore & Pringle* optical business operations. Accordingly, the Company recorded charges of $30 million in SG&A, primarily related to the write-down of optical equipment, labour and other closure costs.

Sale of Wellwise In the fourth quarter of 2024, the Company entered into an agreement with a third party to sell all of the shares of its Wellwise business, including 42 Wellwise locations, for cash proceeds and recorded a net fair value write-down of $23 million in SG&A. The transaction closed in the first quarter of 2025 and the Company recorded a gain of $5 million in SG&A.

Gain on sale of non-operating properties In the third quarter of 2026, the Company did not record any gain or loss related to the sale of a non-operating property to a third party (third quarter of 2025 - loss of $2 million). Year-to-date, the Company recorded a gain related to the sale of non-operating property of $1 million (2025 – $13 million).

Fair value adjustment on fuel and foreign currency contracts The Company is exposed to commodity price and U.S. dollar exchange rate fluctuations. In accordance with the Company's commodity risk management policy, the Company enters into exchange traded futures contracts and forward contracts to minimize cost volatility relating to fuel prices and the U.S. dollar exchange rate. These derivatives are not acquired for trading or speculative purposes. Pursuant to the Company's derivative instruments accounting policy, changes in the fair value of these instruments, which include realized and unrealized gains and losses, are recorded in operating income. Despite the impact of accounting for these commodity and foreign currency derivatives on the Company's reported results, the derivatives have the economic impact of largely mitigating the associated risks arising from price and exchange rate fluctuations in the underlying commodities and U.S. dollar commitments.

Adjustments to income from equity-accounted investments Starting in the third quarter of 2026, the Company began to recognize its proportionate share of EQB's net income within its consolidated financial results based on the most recent publicly available information at each of the Company's fiscal year and quarter end dates. In the third quarter of 2026, the Company's loss from equity-accounted investments included charges of $35 million, primarily related to initial provisions for credit losses recognized by EQB upon its acquisition of PC Financial.

Adjusted EBIT from Discontinued Operations, Total Company Adjusted EBIT, Adjusted EBITDA from Discontinued Operations, and Total Company Adjusted EBITDA The following table reconciles adjusted EBIT and adjusted EBITDA from discontinued operations to earnings before financing and income taxes from discontinued operations which is reconciled to net earnings attributable to shareholders of the Company from discontinued operations as reported in the condensed consolidated statements of earnings for the periods ended as indicated. The Company believes that adjusted EBITDA from discontinued operations and on a total Company basis is useful in assessing the performance of its total Company and discontinued operations and its ability to generate cash flows to fund its cash requirements, including the Company's capital investment program.

For the periods ended October 10, 2026 and October 4, 2025 (millions of Canadian dollars)	**2026 (16 weeks)**	2025[4] (16 weeks)
Net earnings attributable to shareholders of the Company from discontinued operations[i]	**$ 401**	$ 48
Add impact of the following:		
Net interest expense and other financing charges[i]	**—**	39
Income taxes[i]	**31**	5
Earnings before financing and income taxes from discontinued operations[i]	**$ 432**	$ 92
Deduct impact of the following:		
Gain on sale of PC Financial, net of transaction costs	**(432)**	—
Adjusting items	**$ (432)**	$ —
Adjusted EBIT from discontinued operations	**$ —**	$ 92
Adjusted EBIT (refer to table above)	**1,426**	1,318
Total Company adjusted EBIT	**$ 1,426**	$ 1,410
Adjusted EBIT from discontinued operations	**$ —**	$ 92
Depreciation and amortization from discontinued operations	**—**	10
Adjusted EBITDA from discontinued operations	**$ —**	$ 102
Adjusted EBITDA (refer to table above)	**2,250**	2,104
Total Company adjusted EBITDA	**$ 2,250**	$ 2,206

(i) For additional information, see note 4 "Assets Held for Sale and Discontinued Operations" of the Company's interim financial statements.

For the periods ended October 10, 2026 and October 4, 2025 (millions of Canadian dollars)	**2026 (40 weeks)**	2025[4] (40 weeks)
Net earnings attributable to shareholders of the Company from discontinued operations[i]	**$ 439**	$ 91
Add impact of the following:		
Net interest expense and other financing charges[i]	**84**	114
Income taxes[i]	**30**	26
Earnings before financing and income taxes from discontinued operations[i]	**$ 553**	$ 231
Add (deduct) impact of the following:		
Gain on sale of PC Financial, net of transaction costs	**(413)**	—
Charge related to PC Bank commodity tax matter	**23**	—
Adjusting items	**$ (390)**	$ —
Adjusted EBIT from discontinued operations	**$ 163**	$ 231
Adjusted EBIT (refer to table above)	**3,646**	3,421
Total Company adjusted EBIT	**$ 3,809**	$ 3,652
Adjusted EBIT from discontinued operations	**$ 163**	$ 231
Depreciation and amortization from discontinued operations	**—**	36
Adjusted EBITDA from discontinued operations	**$ 163**	$ 267
Adjusted EBITDA (refer to table above)	**5,698**	5,361
Total Company adjusted EBITDA	**$ 5,861**	$ 5,628

(i) For additional information, see note 4 “Assets Held for Sale and Discontinued Operations” of the Company’s interim financial statements.

In addition to the items described in the adjusted EBITDA section above, adjusted EBITDA from discontinued operations and Total Company EBITDA were impacted by the following:

Gain on sale of PC Financial, net of transaction costs On July 1, 2026, Loblaw completed the Sale of PC Financial for total consideration of $1,234 million. The Sale of PC Financial resulted in a gain on sale, net of transaction costs, of $432 million, before income taxes (post-tax gain of $401 million) in the third quarter of 2026. The year-to-date gain on sale, net of transaction costs, was $413 million, before income taxes (post-tax gain of $386 million). In the third quarter of 2026 and year-to-date, the Company recorded transaction and other related costs of $4 million and $23 million, respectively, in connection with the Sale of PC Financial. The total consideration and related gain on sale are preliminary and subject to adjustment pursuant to the terms of the Transaction Agreement.

Charge related to PC Bank commodity tax matter In the first quarter of 2026, the Federal government enacted commodity tax legislation rendering PC Bank ineligible to claim notional input tax credits for certain payments it makes to Loblaws Inc. in respect of redemptions of loyalty points. As the legislation was effective beginning in fiscal year 2025, PC Bank recorded a charge of $23 million in SG&A, reversing notional input tax credit related amounts previously recorded. In addition, a charge of $10 million was recorded, reversing interest income on expected cash tax refunds.

Adjusted Income From Equity-Accounted Investments The following tables reconcile adjusted income from equity-accounted investments to income (loss) from equity-accounted investments as reported in the condensed consolidated statements of earnings for the periods ended as indicated. The Company believes that adjusted income from equity-accounted investments is useful in assessing the performance of the Company's specified investing activities.

For the periods ended October 10, 2026 and October 4, 2025 (millions of Canadian dollars)	**2026 (16 weeks)**	2025[4] (16 weeks)	**2026 (40 weeks)**	2025[4] (40 weeks)
Income (loss) from equity-accounted investments	**$ (26)**	$ —	**$ (26)**	$ —
Add impact of the following[i]:				
Adjustments to income from equity-accounted investments	**35**	—	**35**	—
Adjusted income from equity-accounted investments	**$ 9**	$ —	**$ 9**	$ —

(i) Refer to details of the adjusting item under the Non-GAAP measure reconciliation for adjusted EBITDA above.

Adjusted Earnings Before Income Taxes, Adjusted Income Taxes and Adjusted Effective Tax Rate The following table reconciles adjusted earnings before income taxes and adjusted income taxes, to earnings before income taxes and income taxes as reported in the condensed consolidated statements of earnings for the periods ended as indicated. The Company believes that adjusted earnings before taxes and adjusted income taxes are useful in assessing the Company's underlying financial performance and in making decisions regarding the ongoing operations of its business.

Adjusted effective tax rate is calculated as adjusted income taxes divided by adjusted earnings before income taxes.

For the periods ended October 10, 2026 and October 4, 2025 (millions of Canadian dollars except where otherwise indicated)	**2026 (16 weeks)**	2025[4] (16 weeks)	**2026 (40 weeks)**	2025[4] (40 weeks)
Earnings before income taxes	**$ 1,139**	$ 1,050	**$ 2,987**	$ 2,721
Add: impact from adjusting items[i]	**44**	34	**52**	131
Adjusted earnings before income taxes[i]	**$ 1,183**	$ 1,084	**$ 3,039**	$ 2,852
Income taxes	**$ 325**	$ 288	**$ 805**	$ 723
Add (deduct) impact of the following:				
Tax impact of items included in adjusted earnings before income taxes[i]	**2**	10	**4**	41
Deferred tax on temporary differences related to equity-accounted investments	**3**	—	**3**	—
Deferred tax on outside basis difference related to the Sale of PC Financial	**(26)**	—	**(19)**	—
Adjusted income taxes	**$ 304**	$ 298	**$ 793**	$ 764
Effective tax rate	**28.5 %**	27.4 %	**27.0 %**	26.6 %
Adjusted effective tax rate	**25.7 %**	27.5 %	**26.1 %**	26.8 %

(i) In the third quarter of 2026, adjusted earnings before income taxes were impacted by adjusting items related to operating income of $9 million (2025 — $34 million) and adjustments to income from equity-accounted investments of $35 million (2025 — nil). On a year-to-date basis, adjusted earnings before income taxes were impacted by adjusting items related to operating income of $17 million (2025 — $131 million) and adjustments to income from equity-accounted investments of $35 million (2025 — nil). Refer to the list and details of adjusting items under the Non-GAAP measure reconciliation for adjusted EBITDA above.

Deferred tax on outside basis difference related to the Sale of PC Financial In the third quarter of 2026, the Company recorded a deferred tax expense of $26 million, consisting of a deferred tax expense of $126 million on temporary differences related to the Company's new investment in EQB, partially offset by the reversal of deferred tax expense of $100 million previously recorded on temporary differences related to the Company's investment in PC Financial. On a year-to-date basis, the Company recorded a deferred tax expense of $19 million.

Deferred tax on temporary differences related to equity-accounted investments In the third quarter of 2026, the Company recorded a deferred tax recovery of $3 million on temporary differences related to the income from the Company's investment in EQB.

Adjusted Net Earnings Available to Common Shareholders From Continuing Operations and Adjusted Diluted Net Earnings Per Common Share From Continuing Operations The following table reconciles adjusted net earnings available to common shareholders of the Company from continuing operations and adjusted net earnings attributable to shareholders of the Company from continuing operations to net earnings attributable to shareholders of the Company and then to net earnings available to common shareholders of the Company from continuing operations as reported in the condensed consolidated statements of earnings for the periods ended as indicated. The Company believes that adjusted net earnings available to common shareholders from continuing operations and adjusted diluted net earnings per common share from continuing operations are useful in assessing the Company's underlying financial performance and in making decisions regarding the ongoing operations of its business.

For the periods ended October 10, 2026 and October 4, 2025 (millions of Canadian dollars except where otherwise indicated)	**2026 (16 weeks)**	2025[4] (16 weeks)	**2026 (40 weeks)**	2025[4] (40 weeks)
Net earnings attributable to shareholders of the Company	**$ 1,193**	$ 794	**$ 2,538**	$ 2,011
Net earnings from discontinued operations	**401**	48	**439**	91
Net earnings attributable to shareholders of the Company from continuing operations	**$ 792**	$ 746	**$ 2,099**	$ 1,920
Net earnings available to common shareholders of the Company from continuing operations	**$ 792**	$ 746	**$ 2,099**	$ 1,920
Net earnings attributable to shareholders of the Company from continuing operations	**$ 792**	$ 746	**$ 2,099**	$ 1,920
Adjusting items (refer to the following table)	**65**	24	**64**	90
Adjusted net earnings attributable to shareholders of the Company from continuing operations	**$ 857**	$ 770	**$ 2,163**	$ 2,010
Adjusted net earnings available to common shareholders of the Company from continuing operations	**$ 857**	$ 770	**$ 2,163**	$ 2,010
Diluted weighted average common shares outstanding (millions)	**1,160.7**	1,195.4	**1,168.7**	1,203.1

The following table reconciles adjusted net earnings available to common shareholders of the Company and adjusted diluted net earnings per common share to net earnings available to common shareholders of the Company and diluted net earnings per common share as reported in the condensed consolidated statements of earnings for the periods ended as indicated.

For the periods ended October 10, 2026 and October 4, 2025 (millions of Canadian dollars/Canadian dollars)	**2026 (16 weeks)**		2025[4] (16 weeks)		**2026 (40 weeks)**		2025[4] (40 weeks)	
	Net Earnings Available to Common Shareholders of the Company	**Diluted Net Earnings Per Common Share**	Net Earnings Available to Common Shareholders of the Company	Diluted Net Earnings Per Common Share	**Net Earnings Available to Common Shareholders of the Company**	**Diluted Net Earnings Per Common Share**	Net Earnings Available to Common Shareholders of the Company	Diluted Net Earnings Per Common Share[4]
Continuing operations	**$ 792**	**$ 0.68**	$ 746	$ 0.62	**$ 2,099**	**$ 1.79**	$ 1,920	$ 1.59
Discontinued operations	**401**	**0.35**	48	0.04	**439**	**0.38**	91	0.08
As reported	**$ 1,193**	**$ 1.03**	$ 794	$ 0.66	**$ 2,538**	**$ 2.17**	$ 2,011	$ 1.67
Continuing operations	**$ 792**	**$ 0.68**	$ 746	$ 0.62	**$ 2,099**	**$ 1.79**	$ 1,920	$ 1.59
Add (deduct) impact of the following:								
Adjustments to income from equity-accounted investments	**$ 35**	**$ 0.03**	$ —	$ —	**$ 35**	**$ 0.03**	$ —	$ —
Deferred tax on outside basis difference related to the Sale of PC Financial	**26**	**0.02**	—	—	**19**	**0.02**	—	—
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	**10**	**0.01**	10	0.01	**24**	**0.02**	102	0.09
Wind-down of *Theodore & Pringle* optical business	**—**	**—**	22	0.02	**—**	**—**	22	0.02
(Gain) loss on sale of non-operating properties	**—**	**—**	3	—	**(1)**	**—**	(11)	(0.01)
Sale of Wellwise	**—**	**—**	—	—	**—**	**—**	(5)	(0.01)
Fair value adjustment on investments	**(1)**	**—**	(10)	(0.01)	**2**	**—**	(18)	(0.02)
Fair value adjustment on fuel and foreign currency contracts	**(2)**	**—**	(1)	—	**(12)**	**(0.01)**	—	—
Deferred tax on temporary differences related to equity-accounted investments	**(3)**	**—**	—	—	**(3)**	**—**	—	—
Adjusting items from continuing operations	**$ 65**	**$ 0.06**	$ 24	$ 0.02	**$ 64**	**$ 0.06**	$ 90	$ 0.07
Adjusted continuing operations	**$ 857**	**$ 0.74**	$ 770	$ 0.64	**$ 2,163**	**$ 1.85**	$ 2,010	$ 1.66
Discontinued operations	**$ 401**	**$ 0.35**	$ 48	$ 0.04	**$ 439**	**$ 0.38**	$ 91	$ 0.08
Deduct impact of the following:								
Charge related to PC Bank commodity tax matter	**$ —**	**$ —**	$ —	$ —	**$ 24**	**$ 0.03**	$ —	$ —
Gain on sale of PC Financial, net of transaction costs	**(401)**	**(0.35)**	—	—	**(386)**	**(0.34)**	—	—
Adjusting items from discontinued operations	**$ (401)**	**$ (0.35)**	$ —	$ —	**$ (362)**	**$ (0.31)**	$ —	$ —
Adjusted discontinued operations	**$ —**	**$ —**	$ 48	$ 0.04	**$ 77**	**$ 0.07**	$ 91	$ 0.08
Adjusted Total Company	**$ 857**	**$ 0.74**	$ 818	$ 0.68	**$ 2,240**	**$ 1.92**	$ 2,101	$ 1.74

Free Cash Flow The following table reconciles cash flows from operating activities to free cash flow. The Company believes that free cash flow is the appropriate measure in assessing the Company's cash available for additional financing and investing activities.

For the periods ended October 10, 2026 and October 4, 2025 (millions of Canadian dollars)	**2026 (16 weeks)**	2025 (16 weeks)	**2026 (40 weeks)**	2025 (40 weeks)
Cash flows from operating activities Total Company	**$ 1,979**	$ 1,751	**$ 5,051**	$ 4,067
Cash flows from operating activities from discontinued operations	**111**	111	**335**	529
Cash flows from operating activities from continuing operations	**$ 1,868**	$ 1,640	**$ 4,716**	$ 3,538
Less:				
Capital investments[(i)]	**897**	674	**1,610**	1,314
Interest paid	**95**	91	**263**	249
Lease payments, net	**552**	528	**1,231**	1,304
Free cash flow from continuing operations	**$ 324**	$ 347	**$ 1,612**	$ 671
Cash flows from operating activities from discontinued operations	**$ 111**	$ 111	**$ 335**	$ 529
Less:				
Capital investments[(i)]	**—**	11	**16**	26
Interest paid	**—**	51	**68**	95
Lease payments, net	**—**	—	**—**	—
Free cash flow from discontinued operations	**$ 111**	$ 49	**$ 251**	$ 408
Free cash flow from Total Company	**$ 435**	$ 396	**$ 1,863**	$ 1,079

(i) Capital investments are the sum of fixed asset purchases and intangible asset additions as presented in the Company's condensed consolidated statements of cash flows, and prepayments transferred to fixed assets in the current period. Capital investments for the period ended October 10, 2026 included $108 million of prepayments transferred to fixed assets.

Debt to Rolling Year Adjusted EBITDA, Rolling Year Adjusted Return on Equity and Rolling Year Adjusted Return on Capital The Company uses the following metrics to measure its leverage and profitability. The definitions of these ratios are presented below.

- ***Debt to Rolling Year Adjusted EBITDA*** Total Company debt, excluding debt related to PC Financial, divided by adjusted EBITDA from continuing operations for the last four quarters. See Section 4.2 "Liquidity and Capital Structure" of this MD&A.
- ***Rolling Year Adjusted Return on Equity*** Adjusted net earnings available to common shareholders of the Company for the last four quarters divided by average total equity attributable to common shareholders of the Company. See Section 4.3 "Financial Condition" of this MD&A.
- ***Rolling Year Adjusted Return on Capital*** Tax-effected total Company adjusted EBIT for the last four quarters divided by average capital where capital is defined as total Company debt, plus equity attributable to shareholders of the Company, less cash and cash equivalents, and short term investments, including cash and cash equivalents and short term investments classified as held for sale. See Section 4.3 "Financial Condition" of this MD&A.

Same-Store Sales Same-store sales are sales for stores in operation in both comparable periods, including relocated, converted, expanded, contracted or renovated stores. The Company believes this metric is useful in assessing sales trends excluding the effect of the opening and closure of stores.

Non-GAAP and Other Financial Measures - Selected Comparative Reconciliations to GAAP Measures

Adjusted Operating Income, Adjusted EBIT, Adjusted EBITDA and Adjusted EBITDA Margin The following table provides a reconciliation of adjusted EBITDA to operating income as reported for the quarters ended as indicated.

	Third Quarter		Second Quarter		First Quarter		Fourth Quarter	
(millions of Canadian dollars except where otherwise indicated)	**2026 (16 weeks)**	**2025[4] (16 weeks)**	2026 (12 weeks)	2025[4] (12 weeks)	2026 (12 weeks)	2025[4] (12 weeks)	2025[4] (13 weeks)	2024[4] (12 weeks)
Earnings before financing and income taxes	**$ 1,382**	**$ 1,284**	$ 1,202	$ 1,168	$ 1,010	$ 838	$ 1,134	$ 793
Add: Loss from equity-accounted investments	**26**	**—**	—	—	—	—	—	—
Operating income	**$ 1,408**	**$ 1,284**	$ 1,202	$ 1,168	$ 1,010	$ 838	$ 1,134	$ 793
Add (deduct) impact of the following:								
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	**$ 14**	**$ 14**	$ 9	$ 9	$ 10	$ 116	$ 10	$ 115
Wind-down of *Theodore & Pringle* optical business	**—**	**30**	—	—	—	—	—	—
(Gain) loss on sale of non-operating properties	**—**	**2**	(1)	(1)	—	(14)	11	(3)
PC Financial transaction costs	**—**	**—**	—	—	—	—	10	—
Fair value adjustment on non-operating properties	**—**	**—**	—	—	—	—	4	3
PC Optimum loyalty program	**—**	**—**	—	—	—	—	—	99
Sale of Wellwise	**—**	**—**	—	—	—	(5)	—	23
Fair value adjustment on investments	**(1)**	**(11)**	3	(9)	—	—	(1)	(12)
Fair value adjustment on fuel and foreign currency contracts	**(4)**	**(1)**	9	2	(22)	(1)	3	—
Adjusting items	**$ 9**	**$ 34**	$ 20	$ 1	$ (12)	$ 96	$ 37	$ 225
Adjusted operating income	**$ 1,417**	**$ 1,318**	$ 1,222	$ 1,169	$ 998	$ 934	$ 1,171	$ 1,018
Add (deduct) impact of the following:								
Loss from equity-accounted investments	**(26)**	**—**	—	—	—	—	—	—
Adjustments to income from equity-accounted investments	**35**	**—**	—	—	—	—	—	—
Adjusted EBIT	**$ 1,426**	**$ 1,318**	$ 1,222	$ 1,169	$ 998	$ 934	$ 1,171	$ 1,018
Add (deduct) impact of the following:								
Depreciation and amortization	**838**	**800**	628	588	619	691	613	680
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	**(14)**	**(14)**	(9)	(9)	(10)	(116)	(10)	(115)
Adjusted EBITDA[i]	**$ 2,250**	**$ 2,104**	$ 1,841	$ 1,748	$ 1,607	$ 1,509	$ 1,774	$ 1,583

(i) Depreciation and amortization for the calculation of adjusted EBITDA excludes the amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark.

Adjusted EBIT from Discontinued Operations, Total Company Adjusted EBIT, Adjusted EBITDA from Discontinued Operations and Total Company Adjusted EBITDA The following table reconciles adjusted EBIT and adjusted EBITDA from discontinued operations and on a Total Company basis to earnings before financing and taxes from discontinued operations and Total Company, which is reconciled to net earnings attributable to shareholders of the Company from discontinued operations as reported in the notes to the consolidated financial statements for the periods ended as indicated. The Company believes that adjusted EBITDA from discontinued operations and on a Total Company basis is useful in assessing the performance of its Total Company and discontinued operations and its ability to generate cash flows to fund its cash requirements, including the Company's capital investment program.

	Third Quarter		Second Quarter		First Quarter		Fourth Quarter	
(millions of Canadian dollars except where otherwise indicated)	**2026 (16 weeks)**	**2025[4] (16 weeks)**	2026 (12 weeks)	2025[4] (12 weeks)	2026 (12 weeks)	2025[4] (12 weeks)	2025[4] (13 weeks)	2024[4] (12 weeks)
Net earnings attributable to shareholders of the Company from discontinued operations	**$ 401**	**$ 48**	$ 31	$ 21	$ 7	$ 22	$ 45	$ 10
Add (deduct) impact of the following:								
Net interest expense and other financing charges	**—**	**39**	38	39	46	36	39	37
Income taxes	**31**	**5**	(5)	11	4	10	20	12
Earnings before financing and income taxes from discontinued operations	**$ 432**	**$ 92**	$ 64	$ 71	$ 57	$ 68	$ 104	$ 59
Add (deduct) impact of the following:								
Charge (recovery) related to PC Bank commodity tax matters	**$ —**	**$ —**	$ —	$ —	$ 23	$ —	$ —	$ —
PC Optimum loyalty program	**—**	**—**	—	—	—	—	—	30
Gain on sale of PC Financial, net of transaction costs	**(432)**	**—**	19	—	—	—	—	—
Adjusting items	**$ (432)**	**$ —**	$ 19	$ —	$ 23	$ —	$ —	$ 30
Adjusted EBIT from discontinued operations	**$ —**	**$ 92**	$ 83	$ 71	$ 80	$ 68	$ 104	$ 89
Adjusted EBIT (refer to table above)	**1,426**	**1,318**	1,222	1,169	998	934	1,171	1,018
Total Company adjusted EBIT	**$ 1,426**	**$ 1,410**	$ 1,305	$ 1,240	$ 1,078	$ 1,002	$ 1,275	$ 1,107
Adjusted EBIT from discontinued operations	**$ —**	**$ 92**	$ 83	$ 71	$ 80	$ 68	$ 104	$ 89
Depreciation and amortization from discontinued operations	**—**	**10**	—	12	—	14	6	14
Adjusted EBITDA from discontinued operations	**$ —**	**$ 102**	$ 83	$ 83	$ 80	$ 82	$ 110	$ 103
Adjusted EBITDA (refer to table above)	**$ 2,250**	**$ 2,104**	$ 1,841	$ 1,748	$ 1,607	$ 1,509	$ 1,774	$ 1,583
Total Company Adjusted EBITDA	**$ 2,250**	**$ 2,206**	$ 1,924	$ 1,831	$ 1,687	$ 1,591	$ 1,884	$ 1,686

Adjusted Net Earnings Available to Common Shareholders and Adjusted Diluted Net Earnings Per Common Share The following tables reconcile adjusted net earnings available to common shareholders of the Company and adjusted diluted net earnings per common share to GAAP net earnings available to common shareholders of the Company and diluted net earnings per common share as reported for the quarters ended as indicated.

	Third Quarter		Second Quarter		First Quarter		Fourth Quarter	
(millions of Canadian dollars except where otherwise indicated)	**2026 (16 weeks)**	**2025[4] (16 weeks)**	2026 (12 weeks)	2025[4] (12 weeks)	2026 (12 weeks)	2025[4] (12 weeks)	2025[4] (13 weeks)	2024[4] (12 weeks)
Continuing operations	**$ 792**	**$ 746**	$ 720	$ 693	$ 587	$ 481	$ 611	$ 452
Discontinued operations	**$ 401**	**$ 48**	$ 31	$ 21	$ 7	$ 22	$ 45	$ 10
As reported	**$ 1,193**	**$ 794**	$ 751	$ 714	$ 594	$ 503	$ 656	$ 462
Continuing operations	**$ 792**	**$ 746**	$ 720	$ 693	$ 587	$ 481	$ 611	$ 452
Add (deduct) impact of the following[i]:								
Adjustments to income from equity-accounted investments	**$ 35**	**$ —**	$ —	$ —	$ —	$ —	$ —	$ —
Deferred tax on outside basis difference related to the Sale of PC Financial	**26**	**—**	(7)	—	—	—	107	—
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	**10**	**10**	7	6	7	86	7	84
Wind-down of *Theodore & Pringle* optical business	**—**	**22**	—	—	—	—	—	—
(Gain) loss on sale of non-operating properties	**—**	**3**	(1)	(1)	—	(13)	9	(3)
PC Financial transaction costs	**—**	**—**	—	—	—	—	9	—
Fair value adjustment on non-operating properties	**—**	**—**	—	—	—	—	3	3
PC Optimum™ loyalty program	**—**	**—**	—	—	—	—	—	71
Sale of Wellwise	**—**	**—**	—	—	—	(5)	—	29
Fair value adjustment on investments	**(1)**	**(10)**	3	(8)	—	—	(1)	(10)
Fair value adjustment on fuel and foreign currency contracts	**(2)**	**(1)**	6	2	(16)	(1)	3	—
Deferred tax on temporary differences related to equity-accounted investments	**(3)**	**—**	—	—	—	—	—	—
Adjusting items	**$ 65**	**$ 24**	$ 8	$ (1)	$ (9)	$ 67	$ 137	$ 174
Adjusted continuing operations	**$ 857**	**$ 770**	$ 728	$ 692	$ 578	$ 548	$ 748	$ 626
Discontinued operations	**$ 401**	**$ 48**	$ 31	$ 21	$ 7	$ 22	$ 45	$ 10
Add (deduct) impact of the following[i]:								
Charge (recovery) related to PC Bank commodity tax matters	**$ —**	**$ —**	$ —	$ —	$ 24	$ —	$ —	$ —
PC Optimum loyalty program	**—**	**—**	—	—	—	—	—	23
Gain on sale of PC Financial, net of transaction costs	**(401)**	**—**	15	—	—	—	—	—
Adjusting items	**$ (401)**	**$ —**	$ 15	$ —	$ 24	$ —	$ —	$ 23
Adjusted discontinued operations	**$ —**	**$ 48**	$ 46	$ 21	$ 31	$ 22	$ 45	$ 33
Adjusted[i] Total Company	**$ 857**	**$ 818**	$ 774	$ 713	$ 609	$ 570	$ 793	$ 659

(i) Net of income taxes and non-controlling interests, as applicable.

(millions of Canadian dollars except where otherwise indicated)	Third Quarter 2026 (16 weeks)	Third Quarter 2025[4] (16 weeks)	Second Quarter 2026 (12 weeks)	Second Quarter 2025[4] (12 weeks)	First Quarter 2026 (12 weeks)	First Quarter 2025[4] (12 weeks)	Fourth Quarter 2025[4] (13 weeks)	Fourth Quarter 2024[4] (12 weeks)
Continuing operations	**$ 0.68**	**$ 0.62**	$ 0.61	$ 0.57	$ 0.50	$ 0.40	$ 0.51	$ 0.37
Discontinued operations	**$ 0.35**	**$ 0.04**	$ 0.03	$ 0.02	$ —	$ 0.02	$ 0.04	$ 0.01
As reported	**$ 1.03**	**$ 0.66**	$ 0.64	$ 0.59	$ 0.50	$ 0.42	$ 0.55	$ 0.38
Continuing operations	**$ 0.68**	**$ 0.62**	$ 0.61	$ 0.57	$ 0.50	$ 0.40	$ 0.51	$ 0.37
Add (deduct) impact of the following[i]:								
Adjustments to income from equity-accounted investments	**$ 0.03**	**$ —**	$ —	$ —	$ —	$ —	$ —	$ —
Deferred tax on outside basis difference related to the Sale of PC Financial	**0.02**	**—**	(0.01)	—	—	—	0.09	—
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	**0.01**	**0.01**	0.01	0.01	—	0.07	0.01	0.07
Wind-down of *Theodore & Pringle* optical business	**—**	**0.02**	—	—	—	—	—	—
(Gain) loss on sale of non-operating properties	**—**	**—**	—	—	—	(0.01)	0.01	—
PC Financial transaction costs	**—**	**—**	—	—	—	—	0.01	—
Fair value adjustment on non-operating properties	**—**	**—**	—	—	—	—	—	—
PC Optimum loyalty program	**—**	**—**	—	—	—	—	—	0.06
Sale of Wellwise	**—**	**—**	—	—	—	(0.01)	—	0.02
Fair value adjustment on investments	**—**	**(0.01)**	—	(0.01)	—	—	—	(0.01)
Fair value adjustment on fuel and foreign currency contracts	**—**	**—**	0.01	—	(0.01)	—	—	—
Deferred tax on temporary differences related to equity-accounted investments	**—**	**—**	—	—	—	—	—	—
Adjusting items	**$ 0.06**	**$ 0.02**	$ 0.01	$ —	$ (0.01)	$ 0.05	$ 0.12	$ 0.14
Adjusted continuing operations	**$ 0.74**	**$ 0.64**	$ 0.62	$ 0.57	$ 0.49	$ 0.45	$ 0.63	$ 0.51
Discontinued operations	**$ 0.35**	**$ 0.04**	$ 0.03	$ 0.02	$ —	$ 0.02	$ 0.04	$ 0.01
Add (deduct) impact of the following[i]:								
Charge (recovery) related to PC Bank commodity tax matters	**$ —**	**$ —**	$ —	$ —	$ 0.03	$ —	$ —	$ —
PC Optimum loyalty program	**—**	**—**	—	—	—	—	—	0.02
Gain on sale of PC Financial, net of transaction costs	**(0.35)**	**—**	0.01	—	—	—	—	—
Adjusting items	**$ (0.35)**	**$ —**	$ 0.01	$ —	$ 0.03	$ —	$ —	$ 0.02
Adjusted discontinued operations	**$ —**	**$ 0.04**	$ 0.04	$ 0.02	$ 0.03	$ 0.02	$ 0.04	$ 0.03
Adjusted[i] Total Company	**$ 0.74**	**$ 0.68**	$ 0.66	$ 0.59	$ 0.52	$ 0.47	$ 0.67	$ 0.54
Diluted weighted average common shares outstanding (millions)	**1,160.7**	**1,195.4**	1,169.5	1,203.9	1,178.2	1,210.3	1,188.0	1,217.8

(i) Net of income taxes and non-controlling interests, as applicable.

Non-GAAP and Other Financial Measures Change Effective First Quarter of 2026 Starting in the first quarter of 2026, fair value adjustments on certain investments, including venture investments, classified as fair value through profit and loss are considered an adjusting item given their nature, magnitude and propensity to re-occur. The adjusting item meets the requisite criteria under the Company's Non-GAAP and Other Financial Measures Policy effective since 2021. This change is effective as of the first quarter of 2026 with restatement of comparative periods.

The summary below reconciles the non-GAAP and other financial measures as reported to those reported under the new policy starting in the first quarter of 2026. Adjusted EBIT and Adjusted EBITDA from continuing operations are presented below:

	2025					2024				
(millions of Canadian dollars)	**First Quarter (12 weeks)**	**Second Quarter (12 weeks)**	**Third Quarter (16 weeks)**	**Fourth Quarter (13 weeks)**	**Total (53 weeks)**	First Quarter (12 weeks)	Second Quarter (12 weeks)	Third Quarter (16 weeks)	Fourth Quarter (12 weeks)	Total (52 weeks)
Adjusted (as reported)										
EBITDA	**$ 1,509**	**$ 1,757**	**$ 2,115**	**$ 1,775**	**$ 7,156**	$ 1,450	$ 1,642	$ 1,986	$ 1,595	$ 6,673
EBIT	**$ 934**	**$ 1,178**	**$ 1,329**	**$ 1,172**	**$ 4,613**	$ 886	$ 1,088	$ 1,250	$ 1,030	$ 4,254
Add (deduct):										
Fair value adjustment on investments	**$ —**	**$ (9)**	**$ (11)**	**$ (1)**	**$ (21)**	$ 1	$ (4)	$ (1)	$ (12)	$ (16)
Adjusted (restated)										
EBITDA	**$ 1,509**	**$ 1,748**	**$ 2,104**	**$ 1,774**	**$ 7,135**	$ 1,451	$ 1,638	$ 1,985	$ 1,583	$ 6,657
EBIT	**$ 934**	**$ 1,169**	**$ 1,318**	**$ 1,171**	**$ 4,592**	$ 887	$ 1,084	$ 1,249	$ 1,018	$ 4,238

Adjusted net earnings available to common shareholders and adjusted diluted net earnings per common share are presented below:

	2025									
	First Quarter (12 weeks)		Second Quarter (12 weeks)		Third Quarter (16 weeks)		Fourth Quarter (13 weeks)		Total (53 weeks)	
(millions of Canadian dollars/ Canadian dollars)	Net Earnings Available to Common Shareholders of the Company	Diluted Net Earnings Per Common Share	Net Earnings Available to Common Shareholders of the Company	Diluted Net Earnings Per Common Share	Net Earnings Available to Common Shareholders of the Company	Diluted Net Earnings Per Common Share	Net Earnings Available to Common Shareholders of the Company	Diluted Net Earnings Per Common Share	Net Earnings Available to Common Shareholders of the Company	Diluted Net Earnings Per Common Share
Adjusted (as reported)										
Continuing operations	$ 548	$ 0.45	$ 700	$ 0.58	$ 780	$ 0.65	$ 749	$ 0.63	$ 2,777	$ 2.32
Discontinued operations	$ 22	$ 0.02	$ 21	$ 0.02	$ 48	$ 0.04	$ 45	$ 0.04	$ 136	$ 0.11
Total Company[(i)]	**$ 570**	**$ 0.47**	**$ 721**	**$ 0.60**	**$ 828**	**$ 0.69**	**$ 794**	**$ 0.67**	**$ 2,913**	**$ 2.43**
Add (deduct):										
Fair value adjustment on investments[(ii)]	$ —	$ —	$ (8)	$ (0.01)	$ (10)	$ (0.01)	$ (1)	$ —	$ (19)	$ (0.02)
Adjusted (restated)										
Continuing operations	$ 548	$ 0.45	$ 692	$ 0.57	$ 770	$ 0.64	$ 748	$ 0.63	$ 2,758	$ 2.30
Discontinued operations	$ 22	$ 0.02	$ 21	$ 0.02	$ 48	$ 0.04	$ 45	$ 0.04	$ 136	$ 0.11
Total Company[(i)(iii)]	**$ 570**	**$ 0.47**	**$ 713**	**$ 0.59**	**$ 818**	**$ 0.68**	**$ 793**	**$ 0.67**	**$ 2,894**	**$ 2.41**

(i) Net of income taxes and non-controlling interests, as applicable.

(ii) Fair value adjustment on investments relate to continuing operations.

(iii) Excluding the 53rd week in 2025, restated total Company adjusted diluted net earnings per common share for the fourth quarter and full year 2025 were $0.60 and $2.35, respectively.

	2024									
	First Quarter (12 weeks)		Second Quarter (12 weeks)		Third Quarter (16 weeks)		Fourth Quarter (12 weeks)		Total (52 weeks)	
(millions of Canadian dollars/ Canadian dollars)	Net Earnings Available to Common Shareholders of the Company	Diluted Net Earnings Per Common Share	Net Earnings Available to Common Shareholders of the Company	Diluted Net Earnings Per Common Share	Net Earnings Available to Common Shareholders of the Company	Diluted Net Earnings Per Common Share	Net Earnings Available to Common Shareholders of the Company	Diluted Net Earnings Per Common Share	Net Earnings Available to Common Shareholders of the Company	Diluted Net Earnings Per Common Share
Adjusted (as reported)										
Continuing operations	$ 504	$ 0.40	$ 647	$ 0.53	$ 737	$ 0.60	$ 636	$ 0.52	$ 2,524	$ 2.05
Discontinued operations	$ 33	$ 0.03	$ 17	$ 0.01	$ 30	$ 0.02	$ 33	$ 0.03	$ 113	$ 0.09
Total Company[(i)]	**$ 537**	**$ 0.43**	**$ 664**	**$ 0.54**	**$ 767**	**$ 0.62**	**$ 669**	**$ 0.55**	**$ 2,637**	**$ 2.14**
Add (deduct):										
Fair value adjustment on investments[(ii)]	$ 1	$ —	$ (3)	$ —	$ (1)	$ —	$ (10)	$ (0.01)	$ (13)	$ (0.01)
Adjusted (restated)										
Continuing operations	$ 505	$ 0.40	$ 644	$ 0.53	$ 736	$ 0.60	$ 626	$ 0.51	$ 2,511	$ 2.04
Discontinued operations	$ 33	$ 0.03	$ 17	$ 0.01	$ 30	$ 0.02	$ 33	$ 0.03	$ 113	$ 0.09
Total Company[(i)]	**$ 538**	**$ 0.43**	**$ 661**	**$ 0.54**	**$ 766**	**$ 0.62**	**$ 659**	**$ 0.54**	**$ 2,624**	**$ 2.13**

(i) Net of income taxes and non-controlling interests, as applicable.

(ii) Fair value adjustment on investments relate to continuing operations.

This change did not impact previously reported gross profit and gross profit percentage as reported in the Company's 2025 annual and 2025 interim MD&A.

12. Additional Information

Additional information about the Company has been filed electronically with various securities regulators in Canada through SEDAR+ and is available online at www.sedarplus.ca and with the Office of the Superintendent of Financial Institutions as the primary regulator for the Company's former subsidiary, PC Bank, which was acquired by EQB on July 1, 2026.

November 18, 2026
Toronto, Canada

MD&A Endnotes

(1) For financial definitions and ratios, see the Glossary of Terms section included within the Company's 2025 Annual Report.

(2) See Section 11 "Non-GAAP and Other Financial Measures", which includes the reconciliation of such non-GAAP and other measures to the most directly comparable GAAP measures.

(3) To be read in conjunction with Section 1 "Forward-Looking Statements".

(4) Certain figures have been restated due to the non-GAAP financial measures adjusting item change. See Section 11 "Non-GAAP and Other Financial Measures" of the Company's 2026 Third Quarter Report to Shareholders.

Condensed Consolidated Statements of Earnings		**44**
Condensed Consolidated Statements of Comprehensive Income		**45**
Condensed Consolidated Statements of Changes in Equity		**46**
Condensed Consolidated Balance Sheets		**47**
Condensed Consolidated Statements of Cash Flows		**48**
Notes to the Unaudited Interim Period Condensed Consolidated Financial Statements		**49**
Note 1.	Nature and Description of the Reporting Entity	49
Note 2.	Accounting Policies	50
Note 3.	Adoption of Accounting Standards and Amendments	51
Note 4.	Assets Held for Sale and Discontinued Operations	52
Note 5.	Net Interest Expense and Other Financing Charges	54
Note 6.	Income Taxes	54
Note 7.	Basic and Diluted Net Earnings per Common Share	55
Note 8.	Change in Non-Cash Working Capital	56
Note 9.	Equity-Accounted Investments	56
Note 10.	Long Term Debt	57
Note 11.	Share Capital	58
Note 12.	Post-Employment and Other Long Term Employee Benefits	60
Note 13.	Financial Instruments	61
Note 14.	Contingent Liabilities	63
Note 15	Subsequent Event	64

Condensed Consolidated Statements of Earnings

(millions of Canadian dollars except where otherwise indicated) (unaudited)	**October 10, 2026 (16 weeks)**	October 4, 2025[(i)] (16 weeks)	**October 10, 2026 (40 weeks)**	October 4, 2025[(i)] (40 weeks)
Sales	**$ 19,857**	$ 19,160	**$ 49,387**	$ 47,521
Cost of sales	**13,642**	13,193	**33,773**	32,536
Selling, general and administrative expenses	**4,807**	4,683	**11,994**	11,695
Operating income	**$ 1,408**	$ 1,284	**$ 3,620**	$ 3,290
Loss from equity-accounted investments (note 9)	**26**	—	**26**	—
Earnings before financing and income taxes	**$ 1,382**	$ 1,284	**$ 3,594**	$ 3,290
Net interest expense and other financing charges (note 5)	**243**	234	**607**	569
Earnings before income taxes	**$ 1,139**	$ 1,050	**$ 2,987**	$ 2,721
Income taxes	**325**	288	**805**	723
Net earnings from continuing operations	**$ 814**	$ 762	**$ 2,182**	$ 1,998
Net earnings from discontinued operations	**401**	48	**439**	91
Net earnings	**$ 1,215**	$ 810	**$ 2,621**	$ 2,089
Attributable to:				
Shareholders of the Company (note 7)	**$ 1,193**	$ 794	**$ 2,538**	$ 2,011
Non-controlling interests	**22**	16	**83**	78
Net earnings	**$ 1,215**	$ 810	**$ 2,621**	$ 2,089
Net earnings per common share ($) - Basic (note 7)	**$ 1.04**	$ 0.67	**$ 2.19**	$ 1.69
Continuing operations	**0.69**	0.63	**1.81**	1.61
Discontinued operations	**0.35**	0.04	**0.38**	0.08
Net earnings per common share ($) - Diluted (note 7)	**$ 1.03**	$ 0.66	**$ 2.17**	$ 1.67
Continuing operations	**0.68**	0.62	**1.79**	1.59
Discontinued operations	**0.35**	0.04	**0.38**	0.08
Weighted average common shares outstanding (millions) (note 7)				
Basic	**1,151.3**	1,184.5	**1,158.7**	1,191.6
Diluted	**1,160.7**	1,195.4	**1,168.7**	1,203.1

(i) Adjusted to reflect discontinued operations. See note 4 “Assets Held for Sale and Discontinued Operations”.

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

Condensed Consolidated Statements of Comprehensive Income

(millions of Canadian dollars) (unaudited)	**October 10, 2026 (16 weeks)**	October 4, 2025[(i)] (16 weeks)	**October 10, 2026 (40 weeks)**	October 4, 2025[(i)] (40 weeks)
Net earnings from continuing operations	**$ 814**	$ 762	**$ 2,182**	$ 1,998
Other comprehensive income (loss), net of taxes				
Items that are or may be subsequently reclassified to profit or loss:				
Foreign currency translation gains (losses)	**$ 1**	$ 2	**$ 4**	$ (1)
Unrealized gains (losses) on cash flow hedges (note 13)	**2**	(1)	**5**	(4)
Items that will not be reclassified to profit or loss:				
Unrealized gain on investment	**7**	—	**19**	—
Net defined benefit plan actuarial gains (losses) (note 12)	**44**	100	**1**	(6)
Other comprehensive income (loss), net of taxes, from continuing operations	**$ 54**	$ 101	**$ 29**	$ (11)
Comprehensive income from continuing operations	**$ 868**	$ 863	**$ 2,211**	$ 1,987
Net earnings from discontinued operations	**$ 401**	$ 48	**$ 439**	$ 91
Other comprehensive loss, net of taxes, from discontinued operations	**(4)**	—	**(5)**	(2)
Comprehensive income from discontinued operations	**$ 397**	$ 48	**$ 434**	$ 89
Total comprehensive income	**$ 1,265**	$ 911	**$ 2,645**	$ 2,076
Attributable to:				
Shareholders of the Company	**$ 1,243**	$ 895	**$ 2,562**	$ 1,998
Non-controlling interests	**22**	16	**83**	78
Total comprehensive income	**$ 1,265**	$ 911	**$ 2,645**	$ 2,076

(i) Adjusted to reflect discontinued operations. See note 4 “Assets Held for Sale and Discontinued Operations”.

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 January 3, 2026	**$6,075**	**$4,804**	**$ 126**	$ 45	$ (28)	$ 6	**$ 23**	**$ 164**	**$ 11,192**
Net earnings	**$ —**	**$2,538**	**$ —**	$ —	$ —	$ —	**$ —**	**$ 83**	**$ 2,621**
Other comprehensive income	**—**	**20**	**—**	4	—	—	**4**	**—**	**24**
Total comprehensive income	**$ —**	**$2,558**	**$ —**	$ 4	$ —	$ —	**$ 4**	**$ 83**	**$ 2,645**
Common shares purchased and cancelled (note 11)	**(130)**	**(1,472)**	**—**	—	—	—	**—**	**—**	**(1,602)**
Effect of equity-based compensation (note 11)	**53**	**—**	**(23)**	—	—	—	**—**	**—**	**30**
Shares released from trust (note 11)	**8**	**41**	**—**	—	—	—	**—**	**—**	**49**
Dividends declared per common share – $0.451441 (note 11)	**—**	**(523)**	**—**	—	—	—	**—**	**—**	**(523)**
Net distribution to non-controlling interests	**—**	**—**	**—**	—	—	—	**—**	**(76)**	**(76)**
	$ (69)	**$ 604**	**$ (23)**	$ 4	$ —	$ —	**$ 4**	**$ 7**	**$ 523**
Balance as at October 10, 2026	**$6,006**	**$5,408**	**$ 103**	$ 49	$ (28)	$ 6	**$ 27**	**$ 171**	**$ 11,715**

(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	**$ —**	**$ 2,011**	**$ —**	$ —	$ —	$ —	**$ —**	**$ 78**	**$ 2,089**
Other comprehensive loss	**—**	**(6)**	**—**	(1)	(6)	—	**(7)**	**—**	**(13)**
Total comprehensive income	**$ —**	**$2,005**	**$ —**	$ (1)	$ (6)	$ —	**$ (7)**	**$ 78**	**$ 2,076**
Common shares purchased and cancelled (note 11)	**(123)**	**(1,126)**	**—**	—	—	—	**—**	**—**	**(1,249)**
Effect of equity-based compensation (note 11)	**57**	**—**	**(1)**	—	—	—	**—**	**—**	**56**
Shares purchased and held in trust (note 11)	**(6)**	**(65)**	**—**	—	—	—	**—**	**—**	**(71)**
Shares released from trust (note 11)	**9**	**36**	**—**	—	—	—	**—**	**—**	**45**
Dividends declared per common share – $0.410400 (note 11)	**—**	**(488)**	**—**	—	—	—	**—**	**—**	**(488)**
Net distribution to non-controlling interests	**—**	**—**	**(4)**	—	—	—	**—**	**(75)**	**(79)**
	$ (63)	**$ 362**	**$ (5)**	$ (1)	$ (6)	$ —	**$ (7)**	**$ 3**	**$ 290**
Balance as at October 4, 2025	**$ 6,133**	**$ 5,110**	**$ 110**	$ 43	$ (24)	$ 6	**$ 25**	**$ 178**	**$ 11,556**

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

Condensed Consolidated Balance Sheets

(millions of Canadian dollars) (unaudited)	**As at October 10, 2026**	As at October 4, 2025	As at January 3, 2026
Assets			
Current assets			
Cash and cash equivalents	**$ 1,049**	$ 1,350	$ 1,002
Short term investments	**—**	895	39
Accounts receivable	**1,686**	1,412	1,290
Credit card receivables	**—**	4,012	—
Inventories	**6,883**	6,750	6,491
Prepaid expenses and other assets	**506**	519	446
Assets held for sale (note 4)	**8**	35	5,660
Total current assets	**$ 10,132**	$ 14,973	$ 14,928
Fixed assets	**8,173**	7,297	7,670
Right-of-use assets	**8,927**	8,582	8,558
Investment properties	**55**	60	57
Equity-accounted investments (note 9)	**1,262**	82	81
Intangible assets	**5,115**	5,247	5,160
Goodwill	**4,452**	4,401	4,433
Deferred income tax assets	**51**	121	66
Other assets (note 12)	**565**	800	624
Total assets	**$ 38,732**	$ 41,563	$ 41,577
Liabilities			
Current liabilities			
Bank indebtedness	**$ 2**	$ —	$ —
Trade payables and other liabilities	**7,619**	6,815	7,127
Loyalty liability	**148**	224	124
Provisions	**51**	91	85
Income taxes payable	**119**	82	102
Demand deposits from customers	**—**	847	—
Short term debt	**—**	550	—
Long term debt due within one year (note 10)	**—**	545	—
Lease liabilities due within one year	**1,644**	1,577	1,584
Associate interest	**384**	360	396
Liabilities associated with assets held for sale (note 4)	**—**	—	4,452
Total current liabilities	**$ 9,967**	$ 11,091	$ 13,870
Provisions	**142**	134	134
Long term debt (note 10)	**6,103**	8,374	5,891
Lease liabilities	**9,177**	8,878	8,830
Deferred income tax liabilities	**1,007**	890	1,007
Other liabilities (note 12)	**621**	640	653
Total liabilities	**$ 27,017**	$ 30,007	$ 30,385
Equity			
Share capital (note 11)	**$ 6,006**	$ 6,133	$ 6,075
Retained earnings	**5,408**	5,110	4,804
Contributed surplus	**103**	110	126
Accumulated other comprehensive income	**27**	25	23
Total equity attributable to shareholders of the Company	**$ 11,544**	$ 11,378	$ 11,028
Non-controlling interests	**171**	178	164
Total equity	**$ 11,715**	$ 11,556	$ 11,192
Total liabilities and equity	**$ 38,732**	$ 41,563	$ 41,577

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

Condensed Consolidated Statements of Cash Flows

(millions of Canadian dollars) (unaudited)	**October 10, 2026 (16 weeks)**	October 4, 2025 (16 weeks)	**October 10, 2026 (40 weeks)**	October 4, 2025 (40 weeks)
Operating activities				
Net earnings from total operations	**$ 1,215**	$ 810	**$ 2,621**	$ 2,089
Add (deduct):				
Income taxes	**356**	293	**835**	749
Net interest expense and other financing charges (note 5)	**243**	273	**691**	683
Loss from equity-accounted investments (note 9)	**26**	—	**26**	—
Depreciation and amortization	**838**	810	**2,085**	2,115
Asset impairments, net of recoveries	**—**	6	**—**	7
Change in allowance for credit card receivables	**—**	(4)	**—**	6
Change in provisions	**(4)**	1	**(22)**	(162)
Change in non-cash working capital (note 8)	**(26)**	(97)	**(235)**	(821)
Change in gross credit card receivables	**(20)**	(33)	**(44)**	212
Income taxes paid	**(301)**	(316)	**(807)**	(799)
Interest received	**7**	5	**15**	16
Gain on sale of PC Financial (note 4)	**(436)**	—	**(436)**	—
Other	**81**	3	**322**	(28)
Cash flows from operating activities	**$ 1,979**	$ 1,751	**$ 5,051**	$ 4,067
Investing activities				
Fixed asset purchases	**$ (681)**	$ (571)	**$ (1,223)**	$ (1,078)
Intangible asset additions	**(108)**	(114)	**(295)**	(262)
Disposal (purchase) of short term investments	**33**	55	**186**	(247)
Investment in equity securities	**(88)**	—	**(226)**	—
Decrease in security deposits	**—**	300	**—**	—
Proceeds from disposal of assets	**3**	3	**16**	228
Proceeds on sale of PC Financial, net of cash disposed	**33**	—	**33**	—
Lease payments received from finance leases	**5**	3	**9**	8
Disposal of long term securities	**—**	20	**20**	100
Other	**(76)**	(14)	**(106)**	(52)
Cash flows used in investing activities	**$ (879)**	$ (318)	**$ (1,586)**	$ (1,303)
Financing activities				
Increase (decrease) in bank indebtedness	**$ 2**	$ (59)	**$ 2**	$ —
Increase (decrease) in short term debt	**100**	50	**150**	(250)
(Decrease) increase in demand deposits from customers	**(5)**	174	**4**	494
Long term debt (note 10)				
Issued (net)	**250**	642	**488**	1,275
Repayments	**(1)**	(366)	**(403)**	(553)
Interest paid	**(95)**	(142)	**(331)**	(344)
Cash rent paid on lease liabilities - Interest (note 5)	**(142)**	(140)	**(353)**	(348)
Cash rent paid on lease liabilities - Principal	**(415)**	(391)	**(887)**	(964)
Dividends paid on common and preferred shares (note 11)	**(358)**	(335)	**(522)**	(646)
Common share capital				
Issued	**18**	4	**46**	50
Purchased and held in trust (note 11)	**—**	(69)	**—**	(69)
Purchased and cancelled (note 11)	**(521)**	(395)	**(1,721)**	(1,280)
Preferred share capital				
Purchased and cancelled (note 11)	**—**	—	**—**	(225)
Tax paid on repurchases of share capital	**—**	—	**(34)**	(37)
Other	**(89)**	(8)	**(300)**	24
Cash flows used in financing activities	**$ (1,256)**	$ (1,035)	**$ (3,861)**	$ (2,873)
Effect of foreign currency exchange rate changes on cash and cash equivalents	**$ 1**	$ 2	**$ 4**	$ (3)
Change in cash and cash equivalents	**$ (155)**	$ 400	**$ (392)**	$ (112)
Cash and cash equivalents, beginning of period	**$ 1,204**	$ 950	**$ 1,392**	$ 1,462
Impact of adopting amendments to IFRS 9 and IFRS 7 (note 3)			**49**	
Adjusted cash and cash equivalents, beginning of period			**$ 1,441**	
Cash and cash equivalents, end of period[(i)]	**$ 1,049**	$ 1,350	**$ 1,049**	$ 1,350

(i) The condensed consolidated statements of cash flows are presented on a total operations basis. See note 4 “Assets Held for Sale and Discontinued Operations” for cash flow information related to discontinued operations.

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

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. 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 unaudited interim period condensed 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 provides customers with grocery, pharmacy and healthcare services, other health and beauty products, apparel, general merchandise, and wireless mobile products and services. The Company also provided credit card and everyday banking services and insurance brokerage services until July 1, 2026.

In the fourth quarter of 2025, Loblaw entered into a definitive agreement (the “Transaction Agreement”) with EQB Inc. (“EQB”) pursuant to which EQB acquired President's Choice Bank (“PC Bank”), PC Financial Insurance Agency Inc., PC Financial Insurance Broker Inc. and certain other affiliated entities of PC Bank (collectively, “PC Financial”) (the “Sale of PC Financial”).

On July 1, 2026, Loblaw completed the Sale of PC Financial for total consideration of $1,234 million, consisting of 7.2 million common shares of EQB with a fair value of $963 million, $235 million in cash, and $36 million related to certain commodity tax receivables. The Sale of PC Financial resulted in a gain on sale, net of transaction costs, of $413 million, before income taxes, recognized within discontinued operations. The total consideration and related gain on sale are preliminary and subject to adjustment pursuant to the terms of the Transaction Agreement.

As at January 3, 2026, the assets and liabilities of PC Financial were classified as held for sale. Following completion of the Sale of PC Financial on July 1, 2026, the assets and liabilities of PC Financial were derecognized from the Company's consolidated balance sheet. PC Financial’s results up to the date of disposal, net of intersegment eliminations, and the gain on sale of PC Financial were presented separately as discontinued operations in the Company’s current and comparative results (see note 4). All notes to the unaudited interim period condensed consolidated financial statements relate to continuing operations unless indicated otherwise.

In connection with the closing of the Sale of PC Financial, EQB entered into a long-term strategic relationship with Loblaw pursuant to a commercial agreement to become the exclusive financial partner of the PC Optimum™ loyalty program. Additionally, in connection with the closing of the Sale of PC Financial, EQB and Loblaw entered into an investor rights agreement pursuant to which Loblaw was granted Board of Directors nomination rights, registration rights and pre-emptive rights, and became subject to a four-year lock-up and a standstill restricting Loblaw and its affiliates from acquiring common shares of EQB that would bring Loblaw’s ownership above 25% of the issued and outstanding EQB common shares.

The Company’s continuing retail operations are comprised of several operating segments and now represent the only reportable segment due to the similar nature of the products and services offered. All material operations are carried out in Canada. No additional segment information is reported.

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 sales 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 2025 audited annual consolidated financial statements have been applied consistently in the preparation of these unaudited interim period condensed consolidated financial statements, with the exception of the accounting policy disclosed below and the amendments adopted in fiscal year 2026. These unaudited interim period condensed consolidated financial statements are presented in Canadian dollars.

Equity-Accounted Investments Equity-accounted investments represent investments in entities over which the Company has significant influence, but not control or joint control, over the financial and operating policy decisions of the investee. Such investments are accounted for using the equity method. Control is reassessed on an ongoing basis.

Under the equity method, investments are initially recognized at cost and subsequently adjusted to recognize the Company's share of the profit or loss and other comprehensive income of the investee. Dividends and distributions received from such entities reduce the carrying amount of the investment.

At the end of each reporting period, the Company assesses whether there is any objective evidence that an investment is impaired. An impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount. For publicly traded associates, the Company considers quoted market prices as an indicator of potential impairment and, where such indicators exist, assesses whether the recoverable amount of the investment is less than its carrying amount. For entities that are not publicly traded, value in use is determined using various techniques, including but not limited to, discounted cash flow techniques based on the present value of the future cash flows expected to be derived from the investment. If the investment is impaired, its carrying amount is reduced to its recoverable amount, being the higher of value in use and fair value less costs of disposal.

An impairment loss is recognized in the consolidated statements of earnings and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

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 2025 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 ("Board") on November 18, 2026.

Note 3. Adoption of Accounting Standards and Amendments

Amendments to IFRS 9 and IFRS 7 In May 2024, amendments to IFRS 9, "Financial Instruments" ("IFRS 9") and IFRS 7, "Financial Instruments: Disclosures" ("IFRS 7") were issued. The amendments clarify the timing of recognition and derecognition for a financial asset or financial liability, including clarifying that a financial liability is derecognized on the settlement date. In addition to these clarifications, the amendments introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date, if specific conditions are met. Also included in the amendments are clarifications regarding the classification of financial assets, including those with features linked to environmental, social and corporate governance. Under the amendments, additional disclosures are required for financial instruments with contingent features and investments in equity instruments classified at fair value through other comprehensive income.

These amendments are effective for annual reporting periods beginning on or after January 1, 2026. The adoption of these amendments did not have a material impact on the Company's unaudited interim period condensed consolidated financial statements. For financial liabilities settled in cash using an electronic payment system, the Company applied the election to deem these financial liabilities to be discharged before the settlement date where the specific conditions have been met. The amendments have been applied retrospectively with no restatement of comparative information, in accordance with transition requirements on the initial application of IFRS 9. The adjustment to the cash balance reflects a $49 million increase to the opening balance of cash and cash equivalents in the condensed consolidated statements of cash flows for the 40 weeks ended October 10, 2026.

Amendments to IFRS 9 and IFRS 7 In December 2024, amendments to IFRS 9 and IFRS 7 were issued to enhance the transparency of nature-dependent electricity contracts. The amendments allow a company to apply an own-use exemption to certain power purchase agreements if certain requirements are met. The amendments require further disclosure where an own-use exemption is applied regarding the contractual features exposing the company to variability in electricity volume and risk of oversupply, unrecognized contractual commitments and the effect of the contracts on an entity's financial performance. The amendments are effective for annual reporting periods beginning on or after January 1, 2026 and were adopted by the Company on a prospective basis. The adoption of these amendments did not have a material impact on the Company's unaudited interim period condensed consolidated financial statements.

Note 4. Assets Held for Sale and Discontinued Operations

(millions of Canadian dollars)	**As at October 10, 2026**	As at October 4, 2025	As at January 3, 2026
Assets held for sale	**$ 8**	$ 35	$ 5,660
PC Financial	**—**	—	5,654
Other[(i)]	**8**	35	6
Liabilities associated with assets held for sale	**$ —**	$ —	$ 4,452
PC Financial	**—**	—	4,452

(i) The Company classifies certain assets, primarily land and buildings, that it expects to sell in the next 12 months, as assets held for sale. These assets were either originally used or held in investment properties.

PC Financial The results of discontinued operations presented in the condensed consolidated statements of earnings were as follows:

(millions of Canadian dollars)	**October 10, 2026 (16 weeks)**	October 4, 2025 (16 weeks)	**October 10, 2026 (40 weeks)**	October 4, 2025 (40 weeks)
Revenue	**$ —**	$ 235	**$ 464**	$ 681
Selling, general and administrative expenses	**—**	143	**324**	450
Gain on sale of PC Financial, net of transaction costs	**432**	—	**413**	—
Earnings before financing and income taxes	**$ 432**	$ 92	**$ 553**	$ 231
Net interest expense and other financing charges	**—**	39	**84**	114
Earnings before income taxes	**$ 432**	$ 53	**$ 469**	$ 117
Income taxes[(i)]	**31**	5	**30**	26
Net earnings from discontinued operations	**$ 401**	$ 48	**$ 439**	$ 91
Attributable to:				
Shareholders of the Company	**$ 401**	$ 48	**$ 439**	$ 91

(i) Income taxes recorded in discontinued operations include current tax related to cash proceeds on the Sale of PC Financial. Deferred tax on the outside basis difference related to the Sale of PC Financial was recognized in continuing operations.

The gain on sale of PC Financial was calculated as follows:

(millions of Canadian dollars)	As at July 1, 2026
Fair value of EQB common shares	**$ 963**
Cash	**235**
Commodity tax receivables	**36**
Total consideration received	**$ 1,234**
Less:	
Carrying value of net assets disposed	**$ 798**
Transaction costs	**23**
Gain on sale, net of transaction costs, before income taxes	**$ 413**

Upon closing of the Sale of PC Financial, excess cash of $287 million was distributed to Loblaw pursuant to the terms of the Transaction Agreement.

The net cash flows from (used in) discontinued operations were as follows:

(millions of Canadian dollars)	October 10, 2026 (16 weeks)	October 4, 2025 (16 weeks)	October 10, 2026 (40 weeks)	October 4, 2025 (40 weeks)
Cash flows from operating activities	**$ 111**	$ 111	**$ 335**	$ 529
Cash flows (used in) from investing activities	**(183)**	374	**(51)**	(176)
Cash flows used in financing activities[(i)]	**(134)**	(245)	**(674)**	(146)
Cash flows (used in) from discontinued operations	**$ (206)**	$ 240	**$ (390)**	$ 207

(i) Cash flows used in financing activities for the 16 weeks and 40 weeks ended October 10, 2026 included $287 million and $632 million, respectively, related to dividends paid from PC Financial to Loblaw.

Note 5. Net Interest Expense and Other Financing Charges

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

(millions of Canadian dollars)	**October 10, 2026 (16 weeks)**	October 4, 2025[(i)] (16 weeks)	**October 10, 2026 (40 weeks)**	October 4, 2025[(i)] (40 weeks)
Interest expense and other financing charges				
Lease liabilities	**$ 142**	$ 140	**$ 353**	$ 348
Long term debt[(ii)]	**93**	86	**230**	204
Independent funding trusts	**10**	10	**25**	25
Financial liabilities	**4**	5	**11**	11
Post-employment and other long term employee benefits (note 12)	**1**	—	**3**	—
	$ 250	$ 241	**$ 622**	$ 588
Interest income				
Accretion income	**$ (1)**	$ (1)	**$ (2)**	$ (2)
Short term interest income	**(6)**	(6)	**(13)**	(17)
	$ (7)	$ (7)	**$ (15)**	$ (19)
Net interest expense and other financing charges from continuing operations	**$ 243**	$ 234	**$ 607**	$ 569

(i) Adjusted to reflect discontinued operations. See note 4 “Assets Held for Sale and Discontinued Operations”.

(ii) Included in the third quarter of 2026 and year-to-date are borrowing costs of $7 million (2025 – $9 million) and $14 million (2025 – $25 million), respectively, which were capitalized related to the construction of the Company’s automated distribution facility.

Note 6. Income Taxes

Income tax expense in the third quarter of 2026 was $325 million (2025 – $288 million) and the effective tax rate was 28.5% (2025 – 27.4%). The increase to the effective tax rate was primarily attributable to the recognition of deferred tax on outside basis differences related to the Company’s investment in EQB and the Sale of PC Financial, partially offset by prior year tax matters. Year-to-date income tax expense was $805 million (2025 – $723 million) and the effective tax rate was 27.0% (2025 – 26.6%). The increase to the effective tax rate was primarily attributable to the recognition of deferred tax on outside basis differences related to the Company’s investment in EQB and the Sale of PC Financial.

Note 7. Basic and Diluted Net Earnings per Common Share

(millions of Canadian dollars unless otherwise indicated)	**October 10, 2026 (16 weeks)**	October 4, 2025[(i)] (16 weeks)	**October 10, 2026 (40 weeks)**	October 4, 2025[(i)] (40 weeks)
Net earnings attributable to shareholders of the Company	**$ 1,193**	$ 794	**$ 2,538**	$ 2,011
Less: Net earnings from discontinued operations	**401**	48	**439**	91
Net earnings from continuing operations attributable to shareholders of the Company	**$ 792**	$ 746	**$ 2,099**	$ 1,920
Net earnings from continuing operations available to common shareholders	**$ 792**	$ 746	**$ 2,099**	$ 1,920
Basic weighted average common shares outstanding (in millions) (note 11)	**1,151.3**	1,184.5	**1,158.7**	1,191.6
Dilutive effect of equity-based compensation	**7.4**	8.9	**8.1**	9.5
Dilutive effect of certain other liabilities	**1.9**	2.0	**1.9**	2.0
Diluted weighted average common shares outstanding (in millions)	**1,160.7**	1,195.4	**1,168.7**	1,203.1
Net earnings per common share ($) - Basic	**$ 1.04**	$ 0.67	**$ 2.19**	$ 1.69
Continuing operations	**0.69**	0.63	**1.81**	1.61
Discontinued operations	**0.35**	0.04	**0.38**	0.08
Net earnings per common share ($) - Diluted	**$ 1.03**	$ 0.66	**$ 2.17**	$ 1.67
Continuing operations	**0.68**	0.62	**1.79**	1.59
Discontinued operations	**0.35**	0.04	**0.38**	0.08

(i) Adjusted to reflect discontinued operations. See note 4 “Assets Held for Sale and Discontinued Operations”.

In the third quarter of 2026 and year-to-date, there were 1,434,820 (2025 – 76,240) and 4,934 (2025 – nil), respectively, potentially dilutive instruments excluded from the computation of diluted net earnings per common share as they were anti-dilutive.

Note 8. Change in Non-Cash Working Capital

(millions of Canadian dollars)	**October 10, 2026 (16 weeks)**	October 4, 2025 (16 weeks)	**October 10, 2026 (40 weeks)**	October 4, 2025 (40 weeks)
Accounts receivable	**$ (136)**	$ (75)	**$ (368)**	$ 43
Prepaid expenses and other assets	**(101)**	(143)	**(45)**	(151)
Inventories	**(321)**	(273)	**(392)**	(420)
Trade payables and other liabilities	**544**	391	**582**	(276)
Other	**(12)**	3	**(12)**	(17)
Change in non-cash working capital[(i)]	**$ (26)**	$ (97)	**$ (235)**	$ (821)

(i) The change in non-cash working capital is presented on a total operations basis.

Note 9. Equity-Accounted Investments

The components of equity-accounted investments were as follows:

(millions of Canadian dollars)	**As at October 10, 2026**	As at October 4, 2025	As at January 3, 2026
EQB	**$ 1,180**	$ —	$ —
Other equity-accounted investments	**82**	82	81
Equity-accounted investments	**$ 1,262**	$ 82	$ 81

EQB As at October 10, 2026, the Company held a total of 9,129,701 common shares of EQB, representing an approximate 21.5% ownership interest. Of these shares, 1,220,000 were acquired on the open market for $140 million prior to the closing of the Sale of PC Financial. These shares were previously included in other assets and accounted for as fair value through other comprehensive income. The Company received 7,237,601 shares as consideration for the Sale of PC Financial. An additional 672,100 shares were acquired on the open market for $88 million following the closing. Based on the Company's ownership interest, its right to nominate two directors to EQB's Board, and the material long-term strategic commercial relationship between the parties, EQB is an associate of the Company, and the investment is accounted for using the equity method. As a result, EQB is considered a related party.

EQB has an October 31 fiscal year end, while the Company reports on a 52/53-week fiscal year ending on the Saturday closest to December 31. As a result of this difference in fiscal year ends, the Company recognized its proportionate share of EQB's net income based on the most recent publicly available information as at the Company's period end date. The Company recognized only one month of income from EQB in the third quarter of 2026 and will recognize three months of income from EQB in the fourth quarter of 2026, and in each quarter thereafter. There were no significant transactions or events between EQB's reporting date and the Company's reporting date during the third quarter of 2026.

In connection with the closing of the Sale of PC Financial, the Company and EQB entered into a long-term Program Participation Agreement under which EQB is the financial partner for the PC Optimum™ loyalty program. The Company retains ownership and operation of *PC Optimum*. Under the agreement, the Company and EQB settle amounts related to the issuance and redemption of *PC Optimum* points, paid marketing and media services, technology and loyalty management services, store-based access, data-sharing support and other program-related services.

During the third quarter of 2026 and year-to-date, the Company recorded $96 million of settlements related to the loyalty program and recognized $11 million as a recovery of selling, general and administrative expenses related to paid marketing, technology and other services. The Company also recognized $6 million related to dividends declared on EQB common shares. As at October 10, 2026, the balance due from EQB was $57 million.

The Company had no significant commitments, guarantees or contingent liabilities relating to its equity-accounted investments as at October 10, 2026.

Note 10. Long Term Debt

The components of long term debt were as follows:

(millions of Canadian dollars)	**As at October 10, 2026**	As at October 4, 2025	As at January 3, 2026
Debentures	**$ 5,201**	$ 4,705	$ 5,203
Guaranteed investment certificates	**—**	1,342	—
Eagle Credit Card Trust	**—**	1,450	—
Independent funding trusts[(i)]	**767**	647	704
Committed credit facility[(ii)]	**150**	800	—
Transaction costs and other	**(15)**	(25)	(16)
Total long term debt	**$ 6,103**	$ 8,919	$ 5,891
Long term debt due within one year	**—**	545	—
Long term debt	**$ 6,103**	$ 8,374	$ 5,891

(i) The Company has a $1 billion revolving committed credit facility that is the source of funding to the independent funding trusts that has a maturity date of March 27, 2028.

(ii) The Company has a committed credit facility for $1.5 billion with a maturity date of March 27, 2030, provided by a syndicate of lenders. This committed credit facility contains certain financial covenants and, as at October 10, 2026 and throughout the first three quarters of 2026, the Company was in compliance with these covenants.

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:

	October 10, 2026 (16 weeks)		October 4, 2025 (16 weeks)		**October 10, 2026 (40 weeks)**		October 4, 2025 (40 weeks)	
(millions of Canadian dollars except where otherwise indicated)	**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	**1,157,499,810**	**$ 6,033**	1,191,167,612	$ 6,177	**1,175,146,201**	**$ 6,090**	1,206,944,212	$ 6,215
Issued for settlement of stock options	**844,930**	**21**	181,598	4	**2,222,046**	**53**	2,555,438	57
Purchased and cancelled	**(8,290,179)**	**(41)**	(6,799,143)	(32)	**(27,313,686)**	**(130)**	(24,949,583)	(123)
Issued and outstanding, end of period	**1,150,054,561**	**$ 6,013**	1,184,550,067	$ 6,149	**1,150,054,561**	**$ 6,013**	1,184,550,067	$ 6,149
Shares held in trust, beginning of period	**(1,898,557)**	**$ (8)**	(2,261,900)	$ (11)	**(3,211,428)**	**$ (15)**	(3,928,496)	$ (19)
Purchased for future settlement of RSUs and PSUs	**—**	**—**	(1,240,000)	(6)	**—**	**—**	(1,240,000)	(6)
Released for settlement of RSUs and PSUs	**370,411**	**1**	124,649	1	**1,683,282**	**8**	1,791,245	9
Shares held in trust, end of period	**(1,528,146)**	**$ (7)**	(3,377,251)	$ (16)	**(1,528,146)**	**$ (7)**	(3,377,251)	$ (16)
Issued and outstanding, net of shares held in trust, end of period	**1,148,526,415**	**$ 6,006**	1,181,172,816	$ 6,133	**1,148,526,415**	**$ 6,006**	1,181,172,816	$ 6,133
Weighted average outstanding, net of shares held in trust (note 7)	**1,151,347,294**		1,184,455,075		**1,158,736,233**		1,191,555,127	

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:

	October 10, 2026 (16 weeks)	October 4, 2025 (16 weeks)	**October 10, 2026 (40 weeks)**	October 4, 2025 (40 weeks)
Dividends declared per share ($)				
Common Share[(i)]	**$ 0.155183**	$ 0.141075	**$ 0.451441**	$ 0.410400
Second Preferred Share, Series B	**$ —**	$ —	**$ —**	$ 0.029440

(i) The Common Share dividends declared in the third quarter of 2026 of $0.155183 per share had a payment date of October 1, 2026.

Subsequent to the end of the third quarter of 2026, the Board declared a quarterly dividend of $0.155183 per common share, payable on December 30, 2026 to shareholders of record on December 15, 2026.

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)	**October 10, 2026 (16 weeks)**	October 4, 2025 (16 weeks)	**October 10, 2026 (40 weeks)**	October 4, 2025 (40 weeks)
Common shares repurchased under the NCIB for cancellation (number of shares)[(i)]	**8,290,179**	6,799,143	**27,313,686**	24,949,583
Cash consideration paid	**$ 521**	$ 395	**$ 1,721**	$ 1,280
Premium charged to retained earnings[(ii)]	**466**	297	**1,472**	1,126
Reduction in common share capital[(iii)]	**41**	32	**130**	123
Common shares repurchased under the NCIB and held in trust (number of shares)	**—**	1,240,000	**—**	1,240,000
Cash consideration paid	**$ —**	$ 69	**$ —**	$ 69
Premium charged to retained earnings	**—**	65	**—**	65
Reduction in common share capital	**—**	6	**—**	6

(i) Common shares repurchased and cancelled as at October 10, 2026 do not include the shares that may be repurchased subsequent to the end of the quarter under the automatic share purchase plan, as described below.

(ii) Premium charged to retained earnings includes $211 million related to the automatic share purchase plan, as described below.

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

In the second quarter of 2026, the Company renewed its NCIB to purchase on the Toronto Stock Exchange or through alternative trading systems up to 58,124,733 of the Company's common shares, representing approximately 5% of issued and outstanding common shares. As at October 10, 2026, the Company had purchased 13,133,856 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 third quarter of 2026, 8,290,179 common shares (2025 – 6,799,143) were purchased under the NCIB for cancellation, for aggregate consideration of $524 million (2025 – $381 million), including 3,919,700 common shares (2025 – 3,479,842) purchased from Weston, for aggregate consideration of $248 million (2025 – $195 million). On a year-to-date basis, 27,313,686 common shares (2025 – 24,949,583) were purchased under the NCIB for cancellation, for aggregate consideration of $1,724 million (2025 – $1,283 million), including 13,188,462 common shares (2025 – 11,783,798) purchased from Weston, for aggregate consideration of $832 million (2025 – $606 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 October 10, 2026, an obligation to repurchase shares of $225 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)	**October 10, 2026 (16 weeks)**	October 4, 2025 (16 weeks)	**October 10, 2026 (40 weeks)**	October 4, 2025 (40 weeks)
Current service cost				
Post-employment benefit costs[(i)]	**$ 37**	$ 40	**$ 97**	$ 113
Other long term employee benefit costs[(ii)]	**14**	12	**34**	29
Net interest cost on net defined benefit plan obligations (note 5)	**1**	—	**3**	—
Total post-employment defined benefit cost	**$ 52**	$ 52	**$ 134**	$ 142

(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 gains (losses) recognized in other comprehensive income, net of taxes for defined benefit plans during the periods were as follows:

(millions of Canadian dollars)	**October 10, 2026 (16 weeks)**	October 4, 2025 (16 weeks)	**October 10, 2026 (40 weeks)**	October 4, 2025 (40 weeks)
(Loss) Return on plan assets, excluding amounts included in net interest expense and other financing charges	**$ (12)**	$ 86	**$ 48**	$ 48
Actuarial gains (losses) from changes in financial assumptions[(i)]	**87**	(13)	**87**	49
Change in liability arising from asset ceiling[(i)]	**(16)**	62	**(134)**	(106)
Total net actuarial gains (losses) recognized in other comprehensive income before income taxes	**$ 59**	$ 135	**$ 1**	$ (9)
Income tax (expenses) recoveries on actuarial gains (losses)	**(15)**	(35)	**—**	3
Actuarial gains (losses) net of income tax (expenses) recoveries	**$ 44**	$ 100	**$ 1**	$ (6)

(i) In the third quarter of 2026 and year-to-date, 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 October 10, 2026**	As at October 4, 2025	As at January 3, 2026
Other assets			
Accrued benefit plan asset	**$ 207**	$ 308	$ 254
Other liabilities			
Net defined benefit plan obligation	**$ 194**	$ 220	$ 217
Other long term employee benefit obligation	**147**	139	136

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 October 10, 2026				As at October 4, 2025				As at January 3, 2026			
(millions of Canadian dollars)	**Level 1**	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets												
Fair value through other comprehensive income:												
Long term securities	**$ —**	**$ —**	**$ —**	**$ —**	$ 20	$ —	$ —	$ 20	$ —	$ —	$ —	$ —
Fair value through profit and loss:												
Certain other assets[(i)]	**—**	**—**	**139**	**139**	—	—	102	102	—	—	114	114
Derivatives included in prepaid expenses and other assets	**13**	**4**	**—**	**17**	—	1	—	1	—	—	1	1
Financial liabilities												
Amortized cost:												
Long term debt	**$ —**	**$ 6,151**	**$ —**	**$ 6,151**	$ —	$8,640	$ —	$8,640	$ —	$6,270	$ —	$6,270
Associate interest	**—**	**—**	**384**	**384**	—	—	360	360	—	—	396	396
Certain other liabilities[(ii)]	**—**	**—**	**332**	**332**	—	—	313	313	—	—	321	321
Fair value through other comprehensive income:												
Derivatives included in trade payables and other liabilities	**—**	**—**	**23**	**23**	—	—	21	21	—	—	27	27
Fair value through profit and loss:												
Derivatives included in trade payables and other liabilities	**—**	**—**	**1**	**1**	—	—	1	1	2	1	—	3

(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.

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

During the third quarter of 2026 and year-to-date, the Company recognized a gain of $1 million (2025 – gain of $2 million) and a gain of $4 million (2025 – loss of $3 million), respectively in operating income on financial instruments designated as amortized cost. In addition, during the third quarter of 2026 and year-to-date, a net loss of $6 million (2025 – a net gain of $17 million) and a net gain of $2 million (2025 – a 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.

Other Derivatives The Company uses bond forwards and foreign exchange forwards to manage its anticipated exposure to exchange rates on its underlying operations and anticipated fixed asset purchases. The Company also uses swaps, futures, 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 condensed consolidated balance sheets and the net realized and unrealized gains (losses) before income taxes related to the Company's other derivatives:

			October 10, 2026		
			(16 weeks)		(40 weeks)
(millions of Canadian dollars)	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	**$ —**	**$ (1)**	**$ —**	**$ —**	**$ —**
Bond Forwards[(i)]	**—**	**1**	**(1)**	**3**	**(3)**
Energy Hedge[(ii)]	**(23)**	**2**	**(3)**	**4**	**(7)**
Total derivatives designated as cash flow hedges	**$ (23)**	**$ 2**	**$ (4)**	**$ 7**	**$ (10)**
Derivatives not designated in a formal hedging relationship					
Foreign Exchange and Other Forwards	**$ 4**	**$ —**	**$ 3**	**$ —**	**$ 15**
Other Non-Financial Derivatives	**12**	**—**	**(11)**	**—**	**(12)**
Total derivatives not designated in a formal hedging relationship	**$ 16**	**$ —**	**$ (8)**	**$ —**	**$ 3**
Total derivatives from continuing operations	**$ (7)**	**$ 2**	**$ (12)**	**$ 7**	**$ (7)**

(i) The Company uses bond forwards to manage its interest risk related to future debt issuances.

(ii) 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 was included in other liabilities.

			October 4, 2025[(i)]		
			(16 weeks)		(40 weeks)
(millions of Canadian dollars)	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	$ —	$ —	$ —	$ (1)	$ (2)
Bond Forwards[(ii)]	—	1	(1)	3	(3)
Energy Hedge[(iii)]	(21)	(1)	(2)	(5)	(5)
Total derivatives designated as cash flow hedges	$ (21)	$ —	$ (3)	$ (3)	$ (10)
Derivatives not designated in a formal hedging relationship					
Foreign Exchange and Other Forwards	$ 1	$ —	$ 10	$ —	$ (10)
Other Non-Financial Derivatives	—	—	(4)	—	6
Total derivatives not designated in a formal hedging relationship	$ 1	$ —	$ 6	$ —	$ (4)
Total derivatives from continuing operations	$ (20)	$ —	$ 3	$ (3)	$ (14)

(i) Adjusted to reflect discontinued operations. See note 4 "Assets Held for Sale and Discontinued Operations".

(ii) The Company uses bond forwards to manage its interest risk related to future debt issuances. During the third quarter of 2025, the Company settled all of its outstanding bond forwards.

(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 was 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 Corporation ("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 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 plaintiffs' appeal was allowed to correct the amount Shoppers Drug Mart received in professional allowances during the class period. A hearing has been scheduled for December 2026 to establish a procedure for determining individual issues. 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 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 January 2025, the case was certified as a class action and, in June 2026, the Court of Appeal dismissed the appeal and upheld the certification order. The common issues trial is scheduled to start in February 2028. 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 July 2026, the civil British Columbia case was dismissed on consent. 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 May 2026, Loblaws Inc. and Weston were served with the claim.
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.

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. Subsequent Event

On November 18, 2026, the Company sold its interest in QHR Technologies Inc. to LGI Healthcare Solutions Inc. for cash consideration of approximately $236 million. The gain on sale is being finalized and will be recognized in the fourth quarter of 2026.

Corporate Profile

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. The Company's continuing retail operations are comprised of several operating segments and now represent the only reportable segment due to the similar nature of the products and services offered. All material operations are carried out in Canada. The segment consists primarily of corporate and franchise-owned retail food and Associate-owned drug stores and e-commerce sites, and includes in-store pharmacies, healthcare services, other health and beauty products, apparel, other general merchandise, wireless products and services, the PC Optimum™ loyalty program, and complementary businesses, including supply chain as a service, retail media and data, and Lifemark. The Company also provided credit card and everyday banking services and insurance brokerage services through its PC Financial business, until its sale to EQB Inc. on July 1, 2026. PC Financial's results, net of intersegment eliminations, have been presented separately as discontinued operations in the Company's current and comparative results.

Trademarks

Loblaw Companies Limited and its subsidiaries own a number of trademarks. Several subsidiaries are licensees of additional trademarks. These trademarks are the exclusive property of Loblaw Companies Limited, its subsidiaries or the licensor and where used in this report, are marked with ™ or ® symbols, or written in italics.

2025 Annual Report and 2026 Third Quarter Report to Shareholders

The Company's 2025 Annual Report and 2026 Third Quarter Report to Shareholders are available in the "Investors" section of the Company's website at loblaw.ca and sedarplus.ca.

Additional financial information has been filed electronically with various securities regulators in Canada through SEDAR+ and with the Office of the Superintendent of Financial Institutions (OSFI) as the primary regulator for the Company's former subsidiary, President's Choice Bank, which was acquired by EQB on July 1, 2026. The Company holds an analyst call shortly following the release of its quarterly results.

Conference Call and Webcast

Loblaw will host a conference call as well as an audio webcast on November 19, 2026 at 10:00 a.m. (ET).

To access via audio webcast please go to the "Investors" section of loblaw.ca, and note that pre-registration will be available. Alternatively, please dial (647) 932-3411 or Toll-Free (800) 715-9871. Following the live event, the webcast will be archived and available to replay for 12 months.

Full details about the conference call and webcast, including archived calls, are available on the Loblaw website at loblaw.ca.

2026 Investor Day: Retail and Beyond

Loblaw hosted an Investor Day on September 9, 2026, an event that showcased the strategy for the Company's core retail businesses and emerging growth platforms.

To watch a replay of the event, or to download the event presentation, please go to the "Investors" section of the Company's website at loblaw.ca.

Shareholder Information

Registrar and Transfer Agent

Computershare Investor Services Inc.
320 Bay Street, 14th Floor
Toronto, Canada
M5H 4A6

Toll free: 1-800-564-6253 (Canada and U.S)
Fax: (416) 263-9394
Toll free fax: 1-888-453-0330
International direct dial: (514) 982-7555

To change your address or eliminate multiple mailings or for other shareholder account inquiries, please contact Computershare Investor Services Inc.

Investor Relations

Roy MacDonald
Vice President, Investor Relations
investor@loblaw.ca

Media Relations

Scott Bonikowsky
Senior Vice President, Corporate Affairs and Communications
pr@loblaw.ca

Ce rapport est disponible en français.

Loblaw Companies Limited

Apps

PC Express™

PC Optimum™

PC Health™

Shoppers Drug Mart®

PC Financial®

Joe Fresh®

T&T®

loblaw.ca

pcexpress.ca

shoppersdrugmart.ca

pharmaprix.ca

pcfinancial.ca

presidentschoice.ca

pcoptimum.ca

joefresh.com

noname.ca

tntsupermarket.com

loblawadvance.ca