INTERIM REPORT

12-week period ended March 15, 2025

2nd Quarter 2025

HIGHLIGHTS

2025 SECOND QUARTER

- **Sales of $4,909.9 million, up 5.5%**
- **Food same-store sales(1) up 5.3% and up 3.9% when adjusting for the Christmas week shift(3)**
- **Pharmacy same-store sales(1) up 7.0%**
- **Net earnings of $220.0 million, up 17.6% and adjusted net earnings(1) of $226.6 million, up 9.8%**
- **Fully diluted net earnings per share of $0.99, up 19.3% and adjusted fully diluted net earnings per share(1) of $1.02, up 12.1%**

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

(3) This measure compares same-store-sales(1) for the 12-week period ending March 15, 2025 with that ending March 16, 2024.

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REPORT TO SHAREHOLDERS

Dear Shareholders,

I am pleased to present our interim report for the second quarter of Fiscal 2025 ended March 15, 2025.

Sales in the second quarter of Fiscal 2025 ended on March 15, 2025 were $4,909.9 million, up 5.5% versus the second quarter of the prior year which ended on March 16, 2024. Sales were positively impacted by the transfer of two significant pre-Christmas shopping days to the second quarter this year.

Food same-store sales(1) were up 5.3% in the second quarter of Fiscal 2025 and up 3.9% when adjusting for the Christmas shift(3). Online food sales(1) were up 26.2% versus last year. When adjusting for the sales tax holiday, our food basket inflation was slightly lower than the reported CPI for food purchased from stores. Pharmacy same-store sales(1) were up 7.0% with a 7.8% increase in prescription drugs(1) and a 5.3% increase in front-store sales(1). When adjusting for the Christmas shift(3), the increase in front-store sales was 3.7%.

Second quarter net earnings were $220.0 million in Fiscal 2025 compared with $187.1 million in 2024 and fully diluted net earnings per share were $0.99 compared with $0.83 in 2024, up 17.6% and 19.3% respectively. Adjusted net earnings(1) for the second quarter of Fiscal 2025 totalled $226.6 million compared with $206.4 million for the corresponding quarter of 2024, and adjusted fully diluted net earnings per share(1) for second quarter of Fiscal 2025 were $1.02, versus $0.91 in 2024, up 9.8% and 12.1% respectively. The second quarters of 2025 and 2024 included an adjustment for the after-tax amortization of intangible assets acquired in connection with the Jean Coutu Group acquisition. The second quarter of 2024, also included adjustments for a non-cash $18.1 million impairment of a loyalty program, net of taxes of $2.7 million and a $5.4 million gain on disposal of an investment in an associate, net of taxes of $1.6 million.

On April 15, 2025, the Board of Directors declared a quarterly dividend of $0.37 per share, the same amount declared last quarter.

We delivered solid results in the second quarter, driven by strong sales growth in both food and pharmacy as our teams continue to focus on bringing value to our customers across our different banners. We are actively promoting and highlighting Canadian products in our stores and online, as well as sourcing products from our international supplier base to respond to the needs of our customers. Despite the current uncertain economic environment, we are confident that our sustained investments in our retail networks and supply chain combined with strong execution will continue to fuel our growth(2).

Eric La Flèche
President and Chief Executive Officer

April 16, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (MD&A) sets out the financial position and consolidated results of METRO INC. (the Corporation) on March 15, 2025 and for the 12 and 24-week periods then ended. It should be read in conjunction with the unaudited interim condensed consolidated financial statements and accompanying notes in this interim report.

The unaudited interim condensed consolidated financial statements for the 12 and 24-week periods ended March 15, 2025 have been prepared by management in accordance with IAS 34 *Interim Financial Reporting*. They should be read in conjunction with the audited annual consolidated financial statements and accompanying notes and the MD&A presented in the Corporation's 2024 Annual Report. Unless otherwise stated, the interim report is based on information as at April 4, 2025.

Additional information, including the Certification of Interim Filings for the quarter ended March 15, 2025 signed by the President and Chief Executive Officer and the Executive Vice President, Chief Financial Officer and Treasurer, will also be available on the SEDAR website at: www.sedarplus.ca.

OPERATING RESULTS

SALES

Sales in the second quarter of Fiscal 2025 ended on March 15, 2025 were $4,909.9 million, up 5.5% versus the second quarter of the prior year which ended on March 16, 2024. Sales were positively impacted by the transfer of two significant pre-Christmas shopping days to the second quarter this year.

Food same-store sales(1) were up 5.3% in the second quarter of Fiscal 2025 and up 3.9% when adjusting for the Christmas shift(3). Online food sales(1) were up 26.2% versus last year. When adjusting for the sales tax holiday, our food basket inflation was slightly lower than the reported CPI for food purchased from stores. Pharmacy same-store sales(1) were up 7.0% with a 7.8% increase in prescription drugs(1) and a 5.3% increase in front-store sales(1). When adjusting for the Christmas shift(3), the increase in front-store sales was 3.7%.

Sales in the first 24 weeks of Fiscal 2025 totalled $10,027.0 million, up 4.1% compared to $9,629.7 million for the corresponding period of 2024.

OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION AND IMPAIRMENTS OF ASSETS

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

Operating income before depreciation and amortization and impairments of assets for the second quarter of Fiscal 2025 totalled $461.0 million, or 9.4% of sales, an increase of 5.0% versus the corresponding quarter of Fiscal 2024. The second quarter of 2024 benefited from a gain on sale of assets of $7.2 million. Operating income before depreciation and amortization and impairments of assets for the first 24 weeks of Fiscal 2025 totalled $942.5 million, or 9.4% of sales, up 3.9% versus the corresponding period of 2024.

Gross margin(1) for the second quarter and the first 24 weeks of Fiscal 2025 was 20.0% and 19.9% respectively versus 19.9% and 19.7% for the corresponding periods of 2024.

Operating expenses as a percentage of sales for the second quarter of Fiscal 2025 were 10.6% versus 10.7% in the corresponding quarter of 2024. Operating expenses in the second quarter of 2025 were favorably impacted as we cycled high transition and duplication costs related to our automated distribution center for fresh and frozen products in Terrebonne in the second quarter of 2024. This was partly offset by higher energy costs in Ontario and fees related to the increase in online partnership sales in the second quarter of 2025.

For the first 24 weeks of Fiscal 2025, operating expenses as a percentage of sales were 10.5% versus 10.4% for the corresponding period of 2024. The increase in operating expenses is mainly due to the launch of the Moi Rewards program in Ontario in the first quarter of 2025 and the recording of professional fees regarding the resolution of a tax position related to prior years.

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DEPRECIATION AND AMORTIZATION

Total depreciation and amortization expense for the second quarter of Fiscal 2025 was $136.1 million versus $129.5 million for the corresponding quarter of 2024. For the first 24 weeks of Fiscal 2025, total depreciation and amortization expense was $269.7 million versus $260.6 million for the corresponding period of 2024. The increase in depreciation and amortization expense is mainly due to the timing of retail investments and the commissioning of investments in our supply chain, including some automation technology in the Pharmacy division and the final phase of our fresh distribution centre in Toronto last summer.

IMPAIRMENTS OF ASSETS

During the second quarter of Fiscal 2024, the Corporation recorded $20.8 million of impairments of assets resulting from the decision to have Metro stores in Ontario withdraw from the Air Miles® loyalty program in the summer of 2024. This impairment represents the entire carrying value of the loyalty program asset.

NET FINANCIAL COSTS

Net financial costs for the second quarter of Fiscal 2025 were $33.4 million compared with $34.1 million for the corresponding quarter of 2024. For the first 24 weeks of Fiscal 2025, net financial costs were $64.1 million compared with $66.5 million for the corresponding period of 2024. The decrease in financial costs is mainly due to lower interest expense on net debt partly offset by lower capitalized interest.

INCOME TAXES

The income tax expense of $71.5 million for the second quarter of Fiscal 2025 represented an effective tax rate of 24.5% compared with an income tax expense of $67.6 million and an effective tax rate of 26.5% for the second quarter of Fiscal 2024. The decrease in the effective tax rate in 2025 is mainly attributable to a provincial tax holiday of $6.0 million related to the commissioning of our new automated distribution center for fresh and frozen products in Terrebonne.

The 24-week period income tax expense of $129.2 million for Fiscal 2025 and $143.7 million for Fiscal 2024 represented effective tax rates of 21.2% and 25.7% respectively. The decrease in the effective tax rate in 2025 is mainly attributable to a provincial tax holiday of $12.1 million related to the commissioning of our new automated distribution center for fresh and frozen products in Terrebonne. The total tax holiday represents approximately $66 million and we estimate it will be recognized over a period of 3 years(2). The first quarter of 2025 also included a favorable $20.6 million income tax adjustment in respect of prior years.

NET EARNINGS AND ADJUSTED NET EARNINGS(1)

Net earnings for the second quarter of Fiscal 2025 were $220.0 million compared with $187.1 million for the corresponding quarter of 2024, while fully diluted net earnings per share were $0.99 compared with $0.83 in 2024, up 17.6% and 19.3% respectively. Excluding the specific items shown in the table below, adjusted net earnings(1) for the second quarter of Fiscal 2025 totalled $226.6 million compared with $206.4 million for the corresponding quarter of 2024, and adjusted fully diluted net earnings per share(1) for second quarter of Fiscal 2025 were $1.02, versus $0.91 in 2024, up 9.8% and 12.1% respectively.

Net earnings for the first 24 weeks of Fiscal 2025 were $479.5 million compared with $415.6 million for the corresponding period of 2024, while fully diluted net earnings per share were $2.15 compared with $1.82 in 2024, up 15.4% and 18.1% respectively. Excluding the specific items shown in the table below, adjusted net earnings(1) for the first 24 weeks of Fiscal 2025 totalled $472.0 million compared with $441.4 million for the corresponding period of 2024, and adjusted fully diluted net earnings per share(1) amounted to $2.12 versus $1.93, up 6.9% and 9.8% respectively.

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

	12 weeks / Fiscal Year					
	2025		2024		Change (%)	
	Net earnings (Millions of dollars)	**Fully diluted EPS (Dollars)**	Net earnings (Millions of dollars)	Fully diluted EPS (Dollars)	Net earnings	Fully diluted EPS
Per financial statements	**220.0**	**0.99**	187.1	0.83	17.6	19.3
Loss on impairment of a loyalty program, net of taxes of $2.7	**—**		18.1			
Gain on disposal of an investment in an associate, net of taxes of $1.6	**—**		(5.4)			
Amortization of intangible assets acquired in connection with the Jean Coutu Group acquisition, net of taxes of $2.3	**6.6**		6.6			
Adjusted measures[1]	**226.6**	**1.02**	206.4	0.91	9.8	12.1

	24 weeks / Fiscal Year					
	2025		2024		Change (%)	
	Net earnings (Millions of dollars)	**Fully diluted EPS (Dollars)**	Net earnings (Millions of dollars)	Fully diluted EPS (Dollars)	Net earnings	Fully diluted EPS
Per financial statements	**479.5**	**2.15**	415.6	1.82	15.4	18.1
Loss on impairment of a loyalty program, net of taxes of $2.7	**—**		18.1			
Gain on disposal of an investment in an associate, net of taxes of $1.6	**—**		(5.4)			
Amortization of intangible assets acquired in connection with the Jean Coutu Group acquisition, net of taxes of $4.7	**13.1**		13.1			
Favorable resolution of a tax position in respect of prior years	**(20.6)**		—			
Adjusted measures[1]	**472.0**	**2.12**	441.4	1.93	6.9	9.8

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(3) This measure compares same-store-sales[1] for the 12-week period ending March 15, 2025 with that ending March 16, 2024.

QUARTERLY HIGHLIGHTS

(Millions of dollars, unless otherwise indicated)	**2025**	2024	2023	Change *(%)*
Sales				
Q2[4]	**4,909.9**	4,655.5	—	5.5
Q1[4]	**5,117.1**	4,974.2	—	2.9
Q4[5]	—	4,938.4	5,071.7	(2.6)
Q3[6]	—	6,651.8	6,427.5	3.5
Net earnings				
Q2[4]	**220.0**	187.1	—	17.6
Q1[4]	**259.5**	228.5	—	13.6
Q4[5]	—	219.9	222.2	(1.0)
Q3[6]	—	296.2	346.7	(14.6)
Adjusted net earnings[1]				
Q2[4]	**226.6**	206.4	—	9.8
Q1[4]	**245.4**	235.0	—	4.4
Q4[5]	—	226.5	228.8	(1.0)
Q3[6]	—	305.0	314.8	(3.1)
Fully diluted net earnings per share ***(Dollars)***				
Q2[4]	**0.99**	0.83	—	19.3
Q1[4]	**1.16**	0.99	—	17.2
Q4[5]	—	0.98	0.96	2.1
Q3[6]	—	1.31	1.49	(12.1)
Adjusted fully diluted net earnings per share[1] ***(Dollars)***				
Q2[4]	**1.02**	0.91	—	12.1
Q1[4]	**1.10**	1.02	—	7.8
Q4[5]	—	1.02	0.99	3.0
Q3[6]	—	1.35	1.35	—

[4] 12 weeks
[5] 12 weeks in 2025 and 2024, 13 weeks in 2023
[6] 16 weeks

Sales in the second quarter of Fiscal 2025 ended on March 15, 2025 were $4,909.9 million, up 5.5% versus the second quarter of the prior year which ended on March 16, 2024. Sales were positively impacted by the transfer of two significant pre-Christmas shopping days to the second quarter this year. Food same-store sales[1] were up 5.3% in the second quarter of Fiscal 2025 and up 3.9% when adjusting for the Christmas shift[3]. Online food sales[1] were up 26.2% versus last year. When adjusting for the sales tax holiday, our food basket inflation was slightly lower than the reported CPI for food purchased from stores. Pharmacy same-store sales[1] were up 7.0% with a 7.8% increase in prescription drugs[1] and a 5.3% increase in front-store sales[1]. When adjusting for the Christmas shift[3], the increase in front-store sales was 3.7%.

Sales in the first quarter of Fiscal 2025 ended on December 21, 2024 were $5,117.1 million, up 2.9% versus the first quarter of the prior year which ended on December 23, 2023. Sales were negatively impacted by the transfer of two significant pre-Christmas shopping days to the second quarter this year. Food same-store sales[1] were up 1.0% in the first quarter of Fiscal 2025 and up 2.4% when adjusting for the Christmas shift[3]. Online food sales[1] were up 18.6% versus last year. When adjusting for the sales tax holiday, our food basket inflation was slightly higher than the reported CPI for food purchased from stores. Pharmacy same-store sales[1] were up 5.1% with a 7.3% increase in prescription drugs[1] and a 0.5% increase in front-store sales[1]. When adjusting for the Christmas shift[3], the increase in front-store sales was 1.9%.

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Sales in the fourth quarter of Fiscal 2024 ended on September 28, 2024 were $4,938.4 million, down 2.6% versus the fourth quarter of the prior year, and up 5.7% based on 12 weeks in 2023, driven by higher sales in our retail network this year and the negative impact of a labour conflict at 27 Metro stores in the Greater Toronto Area in the fourth quarter of 2023. Our food basket inflation was slightly higher than the reported CPI for food purchased from stores of 1.7%. Food Same-store sales[(1)] were up 2.2% in the fourth quarter of Fiscal 2024 (6.8% in the fourth quarter of 2023). Online food sales[(1)] were up 27.6% versus the comparable 12-week period last year (116.0% in the fourth quarter of 2023). Pharmacy same-store sales[(1)] were up 5.7% (5.5% in the fourth quarter of 2023), with a 6.8% increase in prescription drugs[(1)] and a 3.3% increase in front-store sales[(1)], primarily driven by over-the-counter products, cosmetics and health and beauty.

Sales in the third quarter of Fiscal 2024 ended on July 6, 2024 were $6,651.8 million, up 3.5% versus the third quarter of the prior year which ended on July 1, 2023, driven by higher sales in our retail network. Our food basket inflation was slightly lower than the reported CPI for food purchased from stores of 1.1%. Food same-store sales[(1)] were up 2.4% in the third quarter of Fiscal 2024 (9.4% in the third quarter of 2023). Pharmacy same-store sales[(1)] were up 5.2% (5.9% in the third quarter of 2023), with a 6.3% increase in prescription drugs[(1)] and a 3.0% increase in front-store sales[(1)], primarily driven by over-the-counter products, cosmetics and health and beauty.

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

Net earnings for the first quarter of Fiscal 2025 were $259.5 million compared with $228.5 million for the corresponding quarter of 2024, while fully diluted net earnings per share were $1.16 compared with $0.99 in 2024, up 13.6% and 17.2% respectively. Adjusted net earnings[(1)] for the first quarter of Fiscal 2025 totalled $245.4 million compared with $235.0 million for the corresponding quarter of 2024, up 4.4%. Adjusted fully diluted net earnings per share[(1)] for the first quarter of Fiscal 2025 were $1.10, versus $1.02 in 2024, up 7.8%. The first quarters of 2025 and 2024 included an adjustment for the pre-tax amortization of intangible assets acquired in connection with the Jean Coutu Group acquisition of $8.9 million, as well as the income taxes relating to this item and the first quarter of 2025 also included a $20.6 million adjustment regarding the favorable resolution of an income tax position related to prior years.

Net earnings for the fourth quarter of Fiscal 2024 were $219.9 million compared with $222.2 million for the corresponding quarter of 2023, while fully diluted net earnings per share were $0.98 compared with $0.96 in 2023, down 1.0% and up 2.1% respectively. Adjusted net earnings[(1)] for the fourth quarter of Fiscal 2024 totalled $226.5 million compared with $228.8 million for the corresponding quarter of 2023, down 1.0%. Adjusted fully diluted net earnings per share[(1)] for the fourth quarter of Fiscal 2024 were $1.02, versus $0.99 in 2023, up 3.0%. In the fourth quarter of 2023, the labour conflict at 27 Metro stores in the Greater Toronto Area had an unfavorable impact of approximately $27.0 million after-tax or $0.12 per share and the 13th week had a favorable impact of $27.0 million net of tax or $0.12 per share. The fourth quarters of 2024 and 2023 included an adjustment for the pre-tax amortization of intangible assets acquired in connection with the Jean Coutu Group acquisition of $9.0 million, as well as the income taxes relating to this item.

Net earnings for the third quarter of Fiscal 2024 were $296.2 million compared with $346.7 million for the corresponding quarter of 2023, while fully diluted net earnings per share were $1.31 compared with $1.49 in 2023, down 14.6% and 12.1% respectively. Adjusted net earnings[(1)] for the third quarter of Fiscal 2024 totalled $305.0 million compared with $314.8 million for the corresponding quarter of 2023, down 3.1% and adjusted fully diluted net earnings per share[(1)] were $1.35, the same amount as the corresponding quarter of 2023. The third quarters of 2024 and 2023 included an adjustment for the pre-tax amortization of intangible assets acquired in connection with the Jean Coutu Group acquisition of $11.9 million, as well as the income taxes relating to this item and the third quarter of 2023 also included an adjustment for a favorable $40.7 million income tax entry in respect of prior years.

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(3) This measure compares same-store-sales[(1)] for the 12-week period ending March 15, 2025 with that ending March 16, 2024.

(Millions of dollars)	**2025**		2024				2023	
	Q2	**Q1**	Q4	Q3	Q2	Q1	Q4	Q3
Net earnings	**220.0**	**259.5**	219.9	296.2	187.1	228.5	222.2	346.7
Loss on impairment of a loyalty program, net of taxes	**—**	**—**	—	—	18.1	—	—	—
Gain on disposal of an investment in an associate, net of taxes	**—**	**—**	—	—	(5.4)	—	—	—
Amortization of intangible assets acquired in connection with the Jean Coutu Group acquisition, net of taxes	**6.6**	**6.5**	6.6	8.8	6.6	6.5	6.6	8.8
Favorable resolution of a tax position in respect of prior years	**—**	**(20.6)**	—	—	—	—	—	(40.7)
Adjusted net earnings(1)	**226.6**	**245.4**	226.5	305.0	206.4	235.0	228.8	314.8

(Dollars)	**2025**		2024				2023	
	Q2	**Q1**	Q4	Q3	Q2	Q1	Q4	Q3
Fully diluted net earnings per share	**0.99**	**1.16**	0.98	1.31	0.83	0.99	0.96	1.49
Adjustments impact	**0.03**	**(0.06)**	0.04	0.04	0.08	0.03	0.03	(0.14)
Adjusted fully diluted net earnings per share(1)	**1.02**	**1.10**	1.02	1.35	0.91	1.02	0.99	1.35

CASH POSITION

OPERATING ACTIVITIES

In the second quarter of Fiscal 2025, operating activities generated cash inflows of $383.2 million compared with $457.4 million in the corresponding quarter of 2024. The decrease is mainly due to changes in non-cash working capital items during the quarter compared to last year.

In the first 24 weeks of Fiscal 2025, operating activities generated cash inflows of $548.7 million compared with $629.7 million for the corresponding period of 2024. The decrease is mainly due to changes in non-cash working capital items during the first 24 weeks of Fiscal 2025 compared to last year and to higher taxes paid in 2025.

INVESTING ACTIVITIES

Investing activities required cash outflows of $57.5 million for the second quarter of Fiscal 2025 compared with $69.6 million for the corresponding quarter of 2024. This difference stemmed mainly from lower investments in tangible and intangible assets of $21.7 million in 2025.

In the first 24 weeks of Fiscal 2025, investing activities required cash outflows of $114.3 million compared with $156.8 million for the corresponding period of 2024. This difference stemmed mainly from lower investments in tangible and intangible assets of $49.7 million in 2025.

During the first 24 weeks of Fiscal 2025, we and our retailers opened 2 stores, carried out major expansions and renovations of 8 stores and 3 stores were closed for a net increase of 18,100 square feet or 0.1% of our food retail network.

FINANCING ACTIVITIES

In the second quarter of 2025, financing activities required cash outflows of $287.1 million compared with $388.3 million in the corresponding quarter of 2024. The variation is mainly due to a favorable variation in net debt of $184.3 million in 2025 compared to 2024, partly offset by higher share repurchases of $76.0 million in 2025.

In the first 24 weeks of Fiscal 2025, financing activities required cash outflows of $425.2 million compared with $502.4 million for the corresponding period of 2024. This difference is mainly due to a favorable variation in net debt of $151.8 million in 2025 compared to 2024, partly offset by higher share repurchases of $64.5 million in 2025.

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FINANCIAL POSITION

We do not anticipate[2] any liquidity risk and consider our financial position at the end of the second quarter of 2025 as very solid. We had an unused authorized revolving credit facility of $516.3 million.

At the end of the second quarter of 2025, the main elements of our debt were as follows:

	Interest Rate	Maturity	Notional *(Millions of dollars)*
Revolving Credit Facility	Rates fluctuate with changes in bankers' acceptance rates	December 11, 2029	83.7
Series G Notes	3.39% fixed nominal rate	December 6, 2027	450.0
Series L Notes	4.00% fixed nominal rate	November 27, 2029	500.0
Series K Notes	4.66% fixed nominal rate	February 7, 2033	300.0
Series B Notes	5.97% fixed nominal rate	October 15, 2035	400.0
Series D Notes	5.03% fixed nominal rate	December 1, 2044	300.0
Series H Notes	4.27% fixed nominal rate	December 4, 2047	450.0
Series I Notes	3.41% fixed nominal rate	February 28, 2050	400.0

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

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

CAPITAL STOCK, STOCK OPTIONS AND PERFORMANCE SHARE UNITS

	As at March 15, 2025	As at September 28, 2024
Number of Common Shares outstanding *(Thousands)*	**219,491**	222,414
Stock options:		
Number outstanding *(Thousands)*	**2,193**	2,179
Exercise prices *(Dollars)*	**47.51 to 93.15**	41.16 to 77.75
Weighted average exercise price *(Dollars)*	**67.44**	61.15
Performance share units:		
Number outstanding *(Thousands)*	**558**	571

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

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

(3) This measure compares same-store-sales[1] for the 12-week period ending March 15, 2025 with that ending March 16, 2024.

NORMAL COURSE ISSUER BID PROGRAM

Under the current normal course issuer bid program, the Corporation may repurchase up to 10,000,000 of its Common Shares between November 27, 2024 and November 26, 2025. Between November 27, 2024 and April 4, 2025, the Corporation has repurchased 2,849,000 Common Shares at an average price of $92.65, for a total consideration of $264.0 million.

DIVIDENDS

On April 15, 2025, the Board of Directors declared a quarterly dividend of $0.37 per share, the same amount declared last quarter.

SHARE TRADING

The value of METRO shares remained in the $81.01 to $97.25 range over the first 24 weeks of Fiscal 2025. During this period, a total of 59.2 million shares were traded on the Toronto Stock Exchange. The closing price on April 4, 2025 was $100.42 compared with $84.84 at the end of Fiscal 2024.

NEW ACCOUNTING STANDARD

ACCOUNTING STANDARD ISSUED BUT NOT YET EFFECTIVE

Presentation and Disclosures in Financial Statements

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

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

FORWARD-LOOKING INFORMATION

We have used, throughout this report, different statements that could, within the context of regulations issued by the Canadian Securities Administrators, be construed as being forward-looking information. In general, any statement contained herein that does not constitute a historical fact may be deemed a forward-looking statement. Expressions such as "anticipate", "continue", "estimate", "predict" and other similar expressions are generally indicative of forward-looking statements. The forward-looking statements contained herein are based upon certain assumptions regarding the Canadian food and pharmaceutical industries, the general economy, our annual budget, as well as our 2025 action plan.

These forward-looking statements do not provide any guarantees as to the future performance of the Corporation and are subject to potential risks, known and unknown, as well as uncertainties that could cause the outcome to differ significantly. Risk factors that could cause actual results or events to differ materially from our expectations as expressed in, or implied by, our forward-looking statements are described and discussed under the "Risk Management" section in our Annual Report 2024.

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

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

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

(3) *This measure compares same-store-sales(1) for the 12-week period ending March 15, 2025 with that ending March 16, 2024.*

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NON-GAAP AND OTHER FINANCIAL MEASUREMENTS

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

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

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

NON-GAAP FINANCIAL MEASURES

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

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

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

NON-GAAP RATIOS

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

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

SUPPLEMENTARY FINANCIAL MEASURES

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

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

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

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

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

(3) This measure compares same-store-sales(1) for the 12-week period ending March 15, 2025 with that ending March 16, 2024.

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

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

OUTLOOK[(2)]

The significant investments in the modernization of our supply chain are largely behind us, and we are now focussed on realizing efficiency gains and improving the service to our store network. These investments position us well for growth through the expansion of our retail network in the years ahead. As we begin our third quarter, we face an uncertain economic environment, and it is difficult to predict how this environment will evolve and how it will impact our operations and our customers. To date, the recently introduced tariffs and counter-tariffs have not had a material impact on our business, however the situation remains highly volatile. We remain steadfast in our focus to deliver value to our customers through our robust merchandising programs, our strong private label and loyalty offers and working with our supply chain partners.

Montréal, April 16, 2025

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

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

(3) This measure compares same-store-sales(1) for the 12-week period ending March 15, 2025 with that ending March 16, 2024.

Interim Condensed Consolidated Financial Statements
(*Unaudited)*

METRO INC.

March 15, 2025

metro

Table of contents

	Page
Consolidated statements of net income	15
Consolidated statements of comprehensive income	16
Consolidated statements of financial position	17
Consolidated statements of changes in equity	18
Consolidated statements of cash flows	19
Notes to interim condensed consolidated financial statements	20
1- Statement presentation	20
2- New accounting standard	20
3- Sales	20
4- Impairments of assets	21
5- Income taxes	21
6- Net earnings per share	21
7- Debt	22
8- Capital stock	22
9- Financial instruments	24
10- Changes in defined benefit plans	24
11- Approval of financial statements	25

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Consolidated statements of net income

Periods ended March 15, 2025 and March 16, 2024

(Unaudited) (Millions of dollars, except for net earnings per share)

	12 weeks Fiscal Year		24 weeks Fiscal Year	
	2025	2024	**2025**	2024
Sales *(note 3)*	**4,909.9**	4,655.5	**10,027.0**	9,629.7
Cost of sales	**(3,927.5)**	(3,727.4)	**(8,036.3)**	(7,728.3)
Gross profit	**982.4**	928.1	**1,990.7**	1,901.4
Operating expenses	**(521.3)**	(496.2)	**(1,049.8)**	(1,002.6)
Gains (losses) on disposal of assets	**(0.1)**	7.2	**1.6**	8.4
Operating income before depreciation and amortization and impairments of assets	**461.0**	439.1	**942.5**	907.2
Depreciation and amortization	**(136.1)**	(129.5)	**(269.7)**	(260.6)
Impairments of assets *(note 4)*	**—**	(20.8)	**—**	(20.8)
Net financial costs	**(33.4)**	(34.1)	**(64.1)**	(66.5)
Earnings before income taxes	**291.5**	254.7	**608.7**	559.3
Income taxes *(note 5)*	**(71.5)**	(67.6)	**(129.2)**	(143.7)
Net earnings	**220.0**	187.1	**479.5**	415.6
Attributable to:				
Equity holders of the parent	**219.4**	187.0	**478.2**	414.0
Non-controlling interest	**0.6**	0.1	**1.3**	1.6
	220.0	187.1	**479.5**	415.6
Net earnings per share *(Dollars) (note 6)*				
Basic	**0.99**	0.83	**2.16**	1.82
Fully diluted	**0.99**	0.83	**2.15**	1.82

See accompanying notes

metro

Consolidated statements of comprehensive income

Periods ended March 15, 2025 and March 16, 2024

(Unaudited) (Millions of dollars)

	12 weeks Fiscal Year		24 weeks Fiscal Year	
	2025	2024	**2025**	2024
Net earnings	**220.0**	187.1	**479.5**	415.6
Other comprehensive income				
Items that will not be reclassified to net earnings				
Changes in defined benefit plans				
Actuarial gains *(note 10)*	**15.4**	29.0	**25.9**	4.7
Asset ceiling effect	**(0.9)**	(4.5)	**(1.0)**	(3.2)
Corresponding income taxes	**(3.8)**	(6.5)	**(6.6)**	(0.4)
	10.7	18.0	**18.3**	1.1
Items that will be reclassified later to net earnings				
Change in fair value of derivatives designated as cash flow hedges	**—**	—	**(0.7)**	—
Reclassification of the change in fair value of derivatives designated as cash flow hedges to net earnings	**0.1**	—	**0.1**	—
Corresponding income taxes	**—**	—	**0.2**	—
	0.1	—	**(0.4)**	—
	10.8	18.0	**17.9**	1.1
Comprehensive income	**230.8**	205.1	**497.4**	416.7
Attributable to:				
Equity holders of the parent	**230.2**	205.0	**496.1**	415.1
Non-controlling interest	**0.6**	0.1	**1.3**	1.6
	230.8	205.1	**497.4**	416.7

See accompanying notes

metro

Consolidated statements of financial position

(Unaudited) (Millions of dollars)

	As at March 15, 2025	As at September 28, 2024
ASSETS		
Current assets		
Cash and cash equivalents	**38.6**	29.4
Accounts receivable	**769.8**	749.7
Accounts receivable on subleases	**95.0**	96.1
Inventories	**1,602.1**	1,508.3
Prepaid expenses	**83.0**	73.2
Current taxes	**66.2**	17.3
	2,654.7	2,474.0
Non-current assets		
Fixed assets	**3,946.4**	3,951.3
Right-of-use assets	**926.3**	953.9
Intangible assets	**2,680.5**	2,698.9
Goodwill	**3,317.1**	3,314.2
Deferred taxes	**36.0**	35.9
Defined benefit assets	**236.0**	225.9
Accounts receivable on subleases	**373.4**	404.7
Other assets	**79.1**	81.8
	14,249.5	14,140.6
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	**1,504.3**	1,645.9
Deferred revenues	**51.9**	42.7
Current taxes	**23.8**	16.2
Current portion of debt *(note 7)*	**17.3**	317.2
Current portion of lease liabilities	**277.0**	263.6
	1,874.3	2,285.6
Non-current liabilities		
Debt *(note 7)*	**2,905.7**	2,357.1
Lease liabilities	**1,281.6**	1,372.6
Defined benefit liabilities	**39.0**	37.5
Deferred taxes	**1,053.6**	1,042.2
Other liabilities	**3.2**	6.7
	7,157.4	7,101.7
Equity		
Attributable to equity holders of the parent	**7,074.7**	7,021.7
Attributable to non-controlling interest	**17.4**	17.2
	7,092.1	7,038.9
	14,249.5	14,140.6

See accompanying notes

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Consolidated statements of changes in equity

Periods ended March 15, 2025 and March 16, 2024

(Unaudited) (Millions of dollars)

	Attributable to the equity holders of the parent							
	Capital stock *(note 8)*	Treasury shares *(note 8)*	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Total	Non-controlling interest	Total equity
Balance as at September 28, 2024	**1,575.5**	**(19.6)**	**25.5**	**5,441.4**	**(1.1)**	**7,021.7**	**17.2**	**7,038.9**
Net earnings	**—**	**—**	**—**	**478.2**	**—**	**478.2**	**1.3**	**479.5**
Other comprehensive income	**—**	**—**	**—**	**18.3**	**(0.4)**	**17.9**	**—**	**17.9**
Comprehensive income	**—**	**—**	**—**	**496.5**	**(0.4)**	**496.1**	**1.3**	**497.4**
Stock options exercised	**14.8**	**—**	**(1.8)**	**—**	**—**	**13.0**	**—**	**13.0**
Shares redeemed *(note 8)*	**(23.5)**	**—**	**—**	**—**	**—**	**(23.5)**	**—**	**(23.5)**
Share redemption premium *(note 8)*	**—**	**—**	**—**	**(275.8)**	**—**	**(275.8)**	**—**	**(275.8)**
Tax on share redemption	**—**	**—**	**—**	**(5.9)**	**—**	**(5.9)**	**—**	**(5.9)**
Share-based compensation cost	**—**	**—**	**4.4**	**—**	**—**	**4.4**	**—**	**4.4**
Performance share units settlement	**—**	**5.8**	**(5.2)**	**—**	**—**	**0.6**	**—**	**0.6**
Dividends	**—**	**—**	**—**	**(155.9)**	**—**	**(155.9)**	**(0.3)**	**(156.2)**
Buyout of minority interests	**—**	**—**	**—**	**—**	**—**	**—**	**(0.8)**	**(0.8)**
	(8.7)	**5.8**	**(2.6)**	**(437.6)**	**—**	**(443.1)**	**(1.1)**	**(444.2)**
Balance as at March 15, 2025	**1,566.8**	**(13.8)**	**22.9**	**5,500.3**	**(1.5)**	**7,074.7**	**17.4**	**7,092.1**

	Attributable to the equity holders of the parent							
	Capital stock	Treasury shares	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Total	Non-controlling interest	Total equity
Balance as at September 30, 2023	1,601.1	(17.9)	23.6	5,195.6	(1.2)	6,801.2	15.1	6,816.3
Net earnings	—	—	—	414.0	—	414.0	1.6	415.6
Other comprehensive income	—	—	—	1.1	—	1.1	—	1.1
Comprehensive income	—	—	—	415.1	—	415.1	1.6	416.7
Stock options exercised	12.3	—	(1.4)	—	—	10.9	—	10.9
Shares redeemed *(note 8)*	(23.7)	—	—	—	—	(23.7)	—	(23.7)
Share redemption premium *(note 8)*	—	—	—	(211.1)	—	(211.1)	—	(211.1)
Share-based compensation cost	—	—	7.1	—	—	7.1	—	7.1
Performance share units settlement	—	5.8	(7.9)	—	—	(2.1)	—	(2.1)
Dividends	—	—	—	(145.1)	—	(145.1)	(0.4)	(145.5)
	(11.4)	5.8	(2.2)	(356.2)	—	(364.0)	(0.4)	(364.4)
Balance as at March 16, 2024	1,589.7	(12.1)	21.4	5,254.5	(1.2)	6,852.3	16.3	6,868.6

See accompanying notes

metro

Consolidated statements of cash flows

Periods ended March 15, 2025 and March 16, 2024

(Unaudited) (Millions of dollars)

	12 weeks Fiscal Year		24 weeks Fiscal Year	
	2025	2024	**2025**	2024
Operating activities				
Earnings before income taxes	**291.5**	254.7	**608.7**	559.3
Non-cash items				
Depreciation and amortization	**136.1**	129.5	**269.7**	260.6
(Gains) losses on disposal of assets	**0.1**	(7.2)	**(1.6)**	(8.4)
Impairment losses of assets *(note 4)*	**—**	20.8	**—**	20.8
Share-based compensation cost	**3.2**	3.0	**6.2**	5.9
Difference between amounts paid for employee benefits and current period cost	**10.2**	6.8	**20.1**	7.1
Net financial costs	**33.4**	34.1	**64.1**	66.5
	474.5	441.7	**967.2**	911.8
Net change in non-cash working capital items	**(34.6)**	89.3	**(247.0)**	(151.3)
Income taxes paid	**(56.7)**	(73.6)	**(171.5)**	(130.8)
	383.2	457.4	**548.7**	629.7
Investing activities				
Net proceed on disposal of an investment in an associate	**—**	13.3	**—**	13.3
Buyout of minority interests	**—**	—	**(1.0)**	—
Net change in other assets	**0.8**	(2.6)	**0.9**	(0.5)
Additions to fixed assets	**(73.4)**	(92.7)	**(149.9)**	(189.8)
Disposal of fixed assets	**0.2**	0.1	**5.1**	0.4
Additions to intangible assets	**(12.4)**	(14.8)	**(25.2)**	(35.0)
Payments received from subleases	**23.7**	23.4	**47.9**	47.4
Interest received from subleases	**3.6**	3.7	**7.9**	7.4
	(57.5)	(69.6)	**(114.3)**	(156.8)
Financing activities				
Shares issued	**5.7**	7.6	**13.0**	10.9
Shares redeemed	**(194.3)**	(118.3)	**(299.3)**	(234.8)
Performance share units settlement	**(3.0)**	(2.1)	**(3.0)**	(2.1)
Increase in debt *(note 7)*	**83.9**	2.4	**582.4**	211.6
Repayment of debt *(note 7)*	**(0.8)**	(103.6)	**(336.3)**	(117.3)
Interest paid on debt	**(14.4)**	(17.8)	**(60.7)**	(64.3)
Payment of lease liabilities (principal)	**(69.2)**	(68.0)	**(138.9)**	(136.6)
Payment of lease liabilities (interest)	**(12.9)**	(12.4)	**(26.4)**	(24.5)
Net change in other liabilities	**(0.5)**	(0.1)	**(0.1)**	(0.2)
Dividends	**(81.6)**	(76.0)	**(155.9)**	(145.1)
	(287.1)	(388.3)	**(425.2)**	(502.4)
Net change in cash and cash equivalents	**38.6**	(0.5)	**9.2**	(29.5)
Cash and cash equivalents — beginning of period	**—**	0.5	**29.4**	29.5
Cash and cash equivalents — end of period	**38.6**	—	**38.6**	—

see accompanying notes

(Unaudited) (Millions of dollars, unless otherwise indicated)

1. STATEMENT PRESENTATION

METRO INC. (the Corporation), is incorporated under the laws of Québec. The Corporation is one of Canada's leading food and pharmacy retailers and distributors. It operates a network of supermarkets, discount stores and drugstores. Its head office is located at 11011 Maurice-Duplessis Blvd., Montréal, Québec, Canada, H1C 1V6. Its business segments, food operations and pharmaceutical operations, are combined into a single reportable operating segment due to the similar nature of their operations.

The unaudited interim condensed consolidated financial statements for the 12 and 24-week periods ended March 15, 2025 have been prepared by management in accordance with IAS 34 *Interim Financial Reporting* and using the same accounting policies and methods of computation as those used in preparing the audited annual consolidated financial statements for the year ended September 28, 2024. They should be read in conjunction with the audited annual consolidated financial statements and accompanying notes which were presented in the Corporation’s 2024 Annual Report.

2. NEW ACCOUNTING STANDARD

ACCOUNTING STANDARD ISSUED BUT NOT YET EFFECTIVE

Presentation and Disclosures in Financial Statements

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

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

3. SALES

The following table disaggregates the Corporation's sales based upon where the ultimate sales to consumers occur in our network of stores:

	12 weeks Fiscal Year		24 weeks Fiscal Year	
	2025	2024	**2025**	2024
Food	**3,825.6**	3,622.4	**7,770.0**	7,492.2
Pharmacy	**1,084.3**	1,033.1	**2,257.0**	2,137.5
	4,909.9	4,655.5	**10,027.0**	9,629.7

4. IMPAIRMENTS OF ASSETS

During the second quarter of Fiscal 2024, the Corporation recorded $20.8 of impairments of assets resulting from the decision to have Metro stores in Ontario withdraw from the Air Miles® loyalty program in the summer of 2024. The loss represents the excess in the carrying value of the indefinite-lived intangible over the recoverable amount. The recoverable amount is based on fair value less costs of disposal over the remaining duration of the program. The fair value measurement was categorized as a Level 3 fair value based on the inputs in the valuation technique used. The key assumption is the discount rate of 8.3%.

5. INCOME TAXES

The effective income tax rates were as follows:

	12 weeks Fiscal Year		24 weeks Fiscal Year	
(Percentage)	**2025**	2024	**2025**	2024
Combined statutory income tax rate	**26.5**	26.5	**26.5**	26.5
Changes				
Favorable adjustment resulting from a tax holiday on a large investment project	**(2.1)**	—	**(2.0)**	—
Favorable tax adjustment in respect of prior years	**—**	—	**(3.4)**	(0.9)
Other	**0.1**	—	**0.1**	0.1
	24.5	26.5	**21.2**	25.7

6. NET EARNINGS PER SHARE

Basic net earnings per share and fully diluted net earnings per share were calculated using the following number of shares:

	12 weeks Fiscal Year		24 weeks Fiscal Year	
(Millions)	**2025**	2024	**2025**	2024
Weighted average number of shares outstanding – Basic	**220.5**	226.5	**221.2**	227.4
Dilutive effect under:				
Stock option plan	**0.6**	0.4	**0.6**	0.4
Performance share unit plan	**0.2**	0.2	**0.2**	0.2
Weighted average number of shares outstanding – Fully diluted	**221.3**	227.1	**222.0**	228.0

7. DEBT

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

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

8. CAPITAL STOCK

COMMON SHARES ISSUED

The Common Shares issued and the changes during the 24-week period ended March 15, 2025 were summarized as follows:

	Number *(Thousands)*	
Balance as at September 30, 2023	228,949	1,601.1
Shares redeemed for cash, excluding premium of $431.2	(6,680)	(47.0)
Stock options exercised	433	21.4
Balance as at September 28, 2024	**222,702**	**1,575.5**
Shares redeemed for cash, excluding premium of $275.8	**(3,299)**	**(23.5)**
Stock options exercised	**277**	**14.8**
Balance as at March 15, 2025	**219,680**	**1,566.8**

TREASURY SHARES

The treasury shares changes during the 24-week period ended March 15, 2025 were summarized as follows:

	Number *(Thousands)*	
Balance as at September 30, 2023	296	(17.9)
Acquisition	105	(7.5)
Release	(113)	5.8
Balance as at September 28, 2024	**288**	**(19.6)**
Release	**(99)**	**5.8**
Balance as at March 15, 2025	**189**	**(13.8)**

Treasury shares are held in trust for the performance share unit (PSU) plan. They will be released into circulation when the PSUs settle. The trust, considered a structured entity, is consolidated in the Corporation's financial statements.

Excluding treasury shares from the Common Shares issued, the Corporation had 219,491,000 outstanding Common Shares issued as at March 15, 2025 (222,414,000 as at September 28, 2024).

Notes to interim condensed consolidated financial statements

Periods ended March 15, 2025 and March 16, 2024

(Unaudited) (Millions of dollars, unless otherwise indicated)

STOCK OPTION PLAN

The outstanding options and the changes during the 24-week period ended March 15, 2025 were summarized as follows:

	Number	Weighted average exercise price
	(Thousands)	*(Dollars)*
Balance as at September 30, 2023	2,226	56.42
Granted	407	68.86
Exercised	(433)	43.62
Cancelled	(21)	70.47
Balance as at September 28, 2024	**2,179**	**61.15**
Granted	**311**	**93.15**
Exercised	**(277)**	**46.89**
Cancelled	**(20)**	**67.14**
Balance as at March 15, 2025	**2,193**	**67.44**

The exercise prices of the outstanding options ranged from $47.51 to $93.15 as at March 15, 2025 with expiration dates up to 2031. Of these options, 778,954 could be exercised at a weighted average exercise price of $57.08.

The compensation expense for these options amounted to $1.0 and $1.8 for the 12 and 24-week periods ended March 15, 2025 ($1.0 and $1.7 in 2024).

PERFORMANCE SHARE UNIT PLAN

PSUs outstanding and the changes during the 24-week period ended March 15, 2025 were summarized as follows:

	Number
	(Thousands)
Balance as at September 30, 2023	572
Granted	210
Exercised	(151)
Cancelled	(60)
Balance as at September 28, 2024	**571**
Granted	**170**
Exercised	**(133)**
Cancelled	**(50)**
Balance as at March 15, 2025	**558**

The compensation expense for the PSU plan amounted to $2.2 and $4.4 for the 12 and 24-week periods ended March 15, 2025 ($2.0 and $4.2 in 2024).

(Unaudited) (Millions of dollars, unless otherwise indicated)

9. FINANCIAL INSTRUMENTS

The book and fair values of financial instruments, other than those with carrying amounts which were a reasonable approximation of their fair values, were as follows:

	As at March 15, 2025		As at September 28, 2024	
	Book value	**Fair value**	Book value	Fair value
Other assets				
Assets measured at amortized cost				
Loans to certain customers	**45.3**	**45.3**	47.1	47.1
Debt				
Liabilities measured at amortized cost				
Revolving Credit Facility	**83.7**	**83.7**	35.4	35.4
Series J Notes *(note 7)*	**—**	**—**	298.8	298.8
Series G Notes	**450.0**	**455.2**	450.0	453.1
Series L Notes *(note 7)*	**500.0**	**514.4**	—	—
Series K Notes	**300.0**	**312.0**	300.0	314.5
Series B Notes	**400.0**	**459.3**	400.0	462.7
Series D Notes	**300.0**	**303.2**	300.0	310.6
Series H Notes	**450.0**	**407.6**	450.0	418.9
Series I Notes	**400.0**	**307.8**	400.0	317.8
Loans, nets of deferred financing costs	**39.3**	**39.3**	40.1	40.1
	2,923.0	**2,882.5**	2,674.3	2,651.9

The fair value of loans to certain customers and loans payable are equivalent to their carrying values since their interest rates are comparable to market rates. The Corporation categorized the fair value measurement in Level 2, as it is derived from observable market inputs.

The fair value of notes represents the obligations that the Corporation would have to meet in the event of the negotiation of similar notes under current market conditions. The Corporation categorized the fair value measurement in Level 2, as it is derived from observable market inputs.

10. CHANGES IN DEFINED BENEFIT PLANS

On February 6, 2025, the Corporation entered into annuity buy-out contracts with a Canadian insurance company for six of its seven defined benefit pension plans. These contracts eliminated all further legal or constructive obligations to the Corporation for payments due after June 30, 2025 in respect of 519 annuities in payment. All six plans remain open. The pension plans paid a total premium of $127.6 to transfer and settle $128.9 of pension benefit obligations. Accordingly, the Corporation derecognized the buy-out annuity assets and defined benefit obligations previously recognized on a net basis. The transactions resulted in a net settlement gain of $1.3 in total for the six plans, which was recognized in the consolidated statements of net income.

During the 12 and 24-week periods ended March 15, 2025, the Corporation recorded, in the consolidated statements of comprehensive income, actuarial gains of $15.4 and $25.9 respectively, attributable to the variation in the fair value on plan assets and to the variation in discount rates from 4.75% as at September 28, 2024 to 4.88% as at March 15, 2025.

During the 12 and 24-week periods ended March 16, 2024, the Corporation recorded, in the consolidated statements of comprehensive income, actuarial gains of $29.0 and $4.7 respectively, attributable to the variation in the fair value on plan assets and to the decrease in discount rates from 5.60% as at September 30, 2023 to 4.96% as at March 16, 2024.

Post-employment benefits expense recorded in the consolidated statements of income during the 12 and 24-week periods ending March 15, 2025 was $18.9 and $38.1, respectively ($17.1 and $34.3 in 2024).

11. APPROVAL OF FINANCIAL STATEMENTS

The interim condensed consolidated financial statements for the 12 and 24-week periods ended March 15, 2025 (including comparative figures) were approved for issue by the Board of Directors on April 15, 2025.

INFORMATION

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