



SHOPKO ANNOUNCES COURT APPROVAL OF FIRST DAY MOTIONS ALLOWING BUSINESS OPERATIONS TO PROCEED IN ORDINARY COURSE

GREEN BAY, WI – January 17, 2019 – Shopko (the “Company”), a leading operator of general merchandise stores throughout the Central, Western and Pacific Northwest regions of the U.S., announced today that its first-day motions to help facilitate continued operations while the Company operates under Chapter 11 protection were approved yesterday (January 16, 2019) by Honorable Thomas L. Saladino of the U.S. Bankruptcy Court for the District of Nebraska.

“We truly appreciate and are encouraged by the outpouring of support that we have received over the last 24 hours from our customers, communities, landlords, vendors, and government officials,” said Russ Steinhorst, Chief Executive Officer. “I also want to thank all of our teammates for their ongoing hard work and commitment.”

As part of the Court’s approval of first day motions, Shopko received authorization on a final basis from the Court to provide employee wages, healthcare coverages and other benefits, including retirement benefits, without interruption, and pay vendors and suppliers for authorized goods and services provided on or after the filing date. Additionally, customer programs, including gift cards and loyalty program, will be honored and continued in the ordinary course.

The Court’s approval also affirmed on an interim basis access to \$480M debtor-in-possession (DIP) financing from certain of its prepetition secured lenders, led by Wells Fargo, N.A. as administrative agent, to help fund and protect its operations during the Chapter 11 process. This incremental liquidity will ensure that suppliers and other business partners and vendors will be paid in a timely manner for authorized goods and services provided during the Chapter 11 process, in accordance with customary terms.

Related to these activities, Kirkland & Ellis LLP is acting as the Company’s legal counsel, BRG is serving as restructuring advisor and Houlihan Lokey is acting as financial advisor.

Additional information is available on the Company’s restructuring website at <http://info.shopko.com> or by clicking on the Restructuring link on www.shopko.com. Court filings and other documents related to the court-supervised process are available at <https://cases.primeclerk.com/shopko> or by calling the Company’s claims agent, Prime Clerk, at (844) 205-7495 (toll-free in the U.S.) or +1 (347) 576-1550 (for parties outside the U.S.).

ABOUT SHOPKO

Founded in 1962 and headquartered in Green Bay, Wisconsin, Shopko Stores Operating Co., LLC is a \$3 billion retailer that operates more than 360 stores in 26 states throughout the Central, Western and Pacific Northwest regions. Retail formats include 126 Shopko stores, providing quality name-brand merchandise, great values, pharmacy and optical services in small to mid-sized cities; 5 Shopko Express Rx stores, a convenient neighborhood drugstore concept; 6 Shopko Pharmacy locations; 4 Shopko Optical locations and 234 Shopko Hometown stores, a smaller concept store developed to meet the needs of smaller communities. For more information, visit www.shopko.com.

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