



PRESS RELEASE

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AWG PARTNERS WITH COBORN'S TO EXPAND DISTRIBUTION FOOTPRINT IN UPPER MIDWEST

KANSAS CITY, KS, and ST. CLOUD, MN, July 16, 2021 – Associated Wholesale Grocers, Inc. (AWG) and Coborn's, Inc. (Coborn's) announced they have reached an agreement for AWG to serve as the primary wholesale supplier to Coborn's. Based in St. Cloud, Minnesota, Coborn's is a 100-year-old employee-owned grocery retailer with nearly 9,300 employees and 59 grocery stores across Minnesota, North Dakota, South Dakota, and Wisconsin operating under the Coborn's, Cash Wise Foods, Marketplace Foods, and Hornbacher's banners.

AWG will commence supply of grocery products to the Coborn's stores in January 2022 from AWG's new Upper Midwest Division in St. Cloud, Minnesota situated in the former Creative Memories warehouse facility located in St. Cloud's I-94 Business Park at Opportunity Drive and I-94. Fresh and frozen products will temporarily ship from AWG's Nebraska and Great Lakes Divisions.

Later in 2022, AWG will complete a new fresh and frozen warehouse at a location still to be determined. Once completed, these warehouses will provide more than 650,000 square feet of warehouse space and accommodate the full-line distribution of products to Coborn's and other AWG member stores in the region. Additionally, once a site is selected for the new fresh and frozen warehouse and completed, AWG plans a future expansion into a single state-of-the-art facility with automated high-tech operations and with up to one million square feet of space, based on retail demand. In total, AWG expects this project to create over 400 new jobs.

The Upper Midwest Division will supply and support current and future cooperative members closer to the new operation. The service area will include Minnesota, North Dakota, South Dakota, Iowa, and Wisconsin, providing those member-retailers a more localized assortment, lower cost of goods, and saving those AWG members millions of dollars annually through reduced freight expenses.

This expansion will create AWG's ninth full-line wholesale Division. AWG currently operates Divisions in Kansas City, KS; Springfield, MO; Oklahoma City, OK; Southaven, MS; Goodlettsville, TN; Pearl River, LA; Kenosha, WI; and Norfolk, NE. The new Upper Midwest Division will be overseen by Danny Lane, AWG Senior Vice President, and long-time industry veteran.

"We are excited about the prospect of AWG's newest facility opening in St. Cloud bringing investment, jobs, and services in support of existing local businesses," said St. Cloud Mayor Dave Kleis. "The proposed state-of-the-art facility aligns with the City's key industry sectors in automation and food manufacturing."

David Smith, AWG's President, and CEO said, "The upper Midwest is home to Coborn's and other extraordinary independent grocers. We have experienced strong growth in this region, but distance and distribution costs weren't favorable for our members or us. We believe this new Division will be a game-changer for grocers in the area and will quickly become our highest growth Division".

"We are excited to embark on this new partnership with AWG and to be a part of their plans to expand into Minnesota. This partnership provides Coborn's a strong wholesale partner and positions our company well for future long-term growth and stability," said Chris Coborn, Chairman, President and CEO, Coborn's. "As an employee-owned company, we are proud to join the AWG co-op which allows us to continue to serve our guests in a remarkable way. As community members, we are also pleased about the additional jobs this will create for Central Minnesota."

"Coborn's is one of the nation's top independent grocers, with a rich history and impressive 100-year track record of retail excellence and growth while serving and supporting their communities. We're very excited to welcome Coborn's to the AWG cooperative family, and it's a blessing to know that we can now support them as they enter the next century of their history", said Smith.

ABOUT ASSOCIATED WHOLESALE GROCERS, INC.

Associated Wholesale Grocers, Inc. (AWG) is the nation's largest cooperative food wholesaler to independently owned supermarkets, serving over 1,000 member companies and over 3,100 locations throughout 28 states from 8 full-line wholesale Divisions. The consolidated sales for AWG are \$10.6 billion. In addition to its cooperative wholesale operations, the company also operates subsidiary companies that provide specific real estate and supermarket development services, print and digital marketing services, health and beauty care, general merchandise, pharmaceutical products, specialty foods, and natural and organic products. For more information, visit AWGinc.com and follow [@AWGCorporate](https://twitter.com/AWGCorporate) on Twitter.

ABOUT COBORN'S, INC.

St. Cloud, Minn.-based Coborn's, Inc. is a 100-year-old employee-owned grocery retailer with nearly 9,300 employees and 59 grocery stores across Minnesota, North Dakota, South Dakota, and Wisconsin under the Coborn's, Cash Wise Foods, Marketplace Foods, and Hornbacher's banners. Coborn's, Inc. also owns and operates numerous liquor, fuel and pharmacy locations. To support its 130 various retail business units, Coborn's, Inc. operates its central bakery, dry cleaning facility, and grocery distribution center. In 2021, Coborn's, Inc. was recognized by the Shelby Report Midwest as their Retailer of the Year.

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