WESTON GEORGE WESTON LIMITED

NEWS RELEASE

George Weston Limited Reports Third Quarter 2020 Results(2)

Toronto, Ontario November 17, 2020 George Weston Limited (TSX: WN) ("GWL" or the "Company") today announced its consolidated unaudited results for the 16 weeks ended October 3, 2020.

GWL's 2020 Third Quarter Report has been filed on SEDAR and is available at sedar.com and in the Investor Centre section of the Company's website at weston.ca.

"Our financial results in the third quarter underscore the resiliency of our businesses, with each showing improved financial performance over the second quarter of 2020," said Galen G. Weston, Chairman and Chief Executive Officer, George Weston Limited. "Loblaw generated strong same-store sales and furthered key strategic initiatives. Choice Properties collected close to 98% of rents in the quarter and made significant progress in its capital recycling program to further improve the quality of its portfolio. And after a very challenging second quarter, Weston Foods experienced an improvement in foodservice sales and better service levels and manufacturing efficiency, all while continuing to advance its transformation program."

Loblaw Companies Limited ("Loblaw") delivered strong results in a quarter still significantly affected by COVID-19, with same-store sales increases, strong online growth and an improving margin trend, supported by significant investments of $85 million to ensure the safety and security of customers and colleagues. Loblaw maintained its commitment to enhance the overall value proposition for consumers, maintaining its promotional intensity. In the quarter, Loblaw made two important announcements in its strategic growth areas of Payments and Rewards and Connected Health, with the launch of the *PC Money Account* and an investment in Maple Corporation and the launch of a *PC Health* app, providing Canadians with digital financial services and health and wellness services bolstered by *PC Optimum* loyalty rewards.

Choice Properties Real Estate Investment Trust ("Choice Properties") results reflected solid earnings, increased rent collections, lower bad debt provisions and the resumption of investment activity after a difficult second quarter. During the third quarter, Choice Properties collected 98% of contractual rents, further underscoring the stability of its necessity-based portfolio. Choice Properties continued to support tenants negatively impacted by the pandemic by providing rent relief through rent deferrals and other arrangements, including participating in the Canada Emergency Commercial Rent Assistance ("CECRA") rent relief program, recording a bad debt provision of $4 million for certain past due amounts. Additionally, Choice Properties completed three acquisitions and one disposition in the third quarter, consistent with its ongoing commitment to strengthen its balance sheet by improving the quality of the portfolio and reducing leverage.

Weston Foods sales and earnings improved in the third quarter of 2020 compared to the second quarter, as food retailers began to reopen bakery display cases and government mandated restrictions for dine-in restaurants eased in several regions. During the third quarter of 2020, Weston Foods incurred $4 million in COVID-19 costs relating to increased health and safety measures to protect its colleagues. Despite the easing of certain COVID-19 restrictions in the quarter, Weston Foods' year-over-year financial results continue to reflect the negative impact of the pandemic on sales in certain retail categories and foodservice channels. Operationally, service levels and manufacturing efficiency improved, and the benefits of Weston Foods' transformation program continued.

The Company's strong liquidity and ability to respond to the ever-changing demands of the current environment positions us well for the long term.

2020 THIRD QUARTER HIGHLIGHTS

Net earnings available to common shareholders of the Company in the third quarter of 2020 were $303 million ($1.96 per common share), an increase of $234 million ($1.52 per common share) compared to the same period in 2019. The increase was due to the favourable year-over-year net impact of adjusting items totaling $263 million ($1.71 per common share), which was primarily due to the favourable year-over-year impact of the fair value adjustment of the Trust Unit liability of $181 million ($1.19 per common share) as a result of the decrease of Choice Properties' unit price in the third quarter of 2020, partially offset by a decline of $29 million ($0.19 per common share) in the Company's consolidated underlying operating performance.

Adjusted net earnings available to common shareholders of the Company[1] in the third quarter of 2020 were $362 million ($2.35 per common share) compared to the same period in 2019, this represented a decrease of $29 million ($0.19 per common share), or 7.4%, due to the impact of higher adjusted income tax expense[1] and higher adjusted net interest expense and other financing charges[1], partially offset by the overall improvement in the underlying operating performance of the Company's operating segments including the impact of COVID-19, and certain one-time gains.

Quarterly common share dividend to be increased by $0.025, or 4.8%, from $0.525 per common share to $0.550 per common share.

CONSOLIDATED RESULTS OF OPERATIONS

The Company's results reflect the impact of COVID-19 and the year-over-year impact of the fair value adjustment of the Trust Unit liability as a result of the significant changes in Choice Properties' unit price, recorded in net interest expense and other financing charges. The Company's results are impacted by market price fluctuations of Choice Properties' Trust Units on the basis that the Trust Units held by unitholders, other than the Company, are redeemable for cash at the option of the holder and are presented as a liability on the Company's consolidated balance sheet. The Company's financial results are negatively impacted when the Trust Unit price rises and positively impacted when the Trust Unit price declines.

(unaudited) ($ millions except where otherwise indicated)	16 Weeks Ended				40 Weeks Ended			
For the periods ended as indicated	**Oct. 3, 2020**	Oct. 5, 2019	$ Change	% Change	**Oct. 3, 2020**	Oct. 5, 2019	$ Change	% Change
Revenue	**$ 16,209**	**$ 15,226**	**$ 983**	**6.5%**	**$ 40,899**	**$ 38,002**	**$ 2,897**	**7.6%**
Operating income	**$ 983**	**$ 884**	**$ 99**	**11.2%**	**$ 1,982**	**$ 2,240**	**$ (258)**	**(11.5)%**
Adjusted EBITDA[1]	**$ 1,715**	$ 1,661	$ 54	3.3%	**$ 4,106**	$ 4,132	$ (26)	(0.6)%
Adjusted EBITDA margin[1]	**10.6%**	10.9%			**10.0%**	10.9%		
Net earnings (loss) attributable to shareholders of the Company	**$ 317**	**$ 83**	**$ 234**	**281.9%**	**$ 664**	**$ (201)**	**$ 865**	**430.3%**
Net earnings (loss) available to common shareholders of the Company	**$ 303**	**$ 69**	**$ 234**	**339.1%**	**$ 630**	**$ (235)**	**$ 865**	**368.1%**
Adjusted net earnings available to common shareholders of the Company[1]	**$ 362**	$ 391	$ (29)	(7.4)%	**$ 743**	$ 855	$ (112)	(13.1)%
Diluted net earnings (loss) per common share ($)	**$ 1.96**	**$ 0.44**	**$ 1.52**	**345.5%**	**$ 4.08**	**$ (1.55)**	**$ 5.63**	**363.2%**
Adjusted diluted net earnings per common share[1] ($)	**$ 2.35**	$ 2.54	$ (0.19)	(7.5)%	**$ 4.82**	$ 5.54	$ (0.72)	(13.0)%

In the third quarter of 2020, the Company recorded net earnings available to common shareholders of the Company of $303 million ($1.96 per common share), an increase of $234 million ($1.52 per common share) compared to the same period in 2019. The increase was due to the favourable year-over-year net impact of adjusting items totaling $263 million ($1.71 per common share), partially offset by a decline of $29 million ($0.19 per common share) in the Company's consolidated underlying operating performance, as set out below:

- The favourable year-over-year net impact of adjusting items totaling $263 million ($1.71 per common share) was due to:
  - the favourable year-over-year impact of the fair value adjustment of the Trust Unit liability of $181 million ($1.19 per common share) as a result of the decrease in Choice Properties' unit price in the third quarter of 2020;
  - the favourable year-over-year impact of the fair value adjustment on investment properties of $39 million ($0.25 per common share); and
  - the favourable year-over-year impact of the fair value adjustment of the forward sale agreement for 9.6 million Loblaw common shares of $22 million ($0.14 per common share).

- The decline in the Company's consolidated underlying operating performance of $29 million ($0.19 per common share) was due to:
  - the increase in adjusted income tax expense[(1)] due to the unfavourable year-over-year impact of the prior year non-taxable portion of the gain from the Choice Properties' portfolio transaction and the impact of certain non-deductible tax items;
  - an increase in depreciation and amortization;
  - an increase in adjusted net interest expense and other financing charges[(1)]; and
  - the unfavourable underlying operating performance of Weston Foods driven by the impact of COVID-19 and related costs;

  partially offset by,
  - the favourable underlying operating performance of Loblaw including the impact of COVID-19 and related costs; and
  - certain one-time gains recorded on consolidation in Other and Intersegment related to Choice Properties' transactions described in "Consolidated Other Business Matters".

Adjusted net earnings available to common shareholders of the Company[(1)] in the third quarter of 2020 were $362 million ($2.35 per common share), a decrease of $29 million ($0.19 per common share), or 7.4%, compared to the same period in 2019, due to the decline in the Company's consolidated underlying operating performance described above.

CONSOLIDATED OTHER BUSINESS MATTERS

COVID-19 RELATED COSTS As previously disclosed, in the second quarter of 2020, the Company made significant COVID-19 investments related to temporary pay premiums, pay protection safeguards, additional security, customer convenience and increased health and safety measures, resulting in COVID-19 related costs of approximately $312 million. In the third quarter of 2020, the Company incurred COVID-19 related costs of approximately $93 million primarily related to safety and security measures to protect colleagues, customers, tenants and other stakeholders. The estimated COVID-19 related costs incurred by each of the Company's reportable operating segments were as follows:

(unaudited) **($ millions except where otherwise indicated)** **For the periods ended as indicated**	**16 Weeks Ended** **Oct. 3, 2020**	**12 Weeks Ended** **Jun. 13, 2020**
Loblaw	**$ 85**	$ 282
Choice Properties[(i)]	**4**	14
Weston Foods	**4**	16
Consolidated	**$ 93**	$ 312

(i) Choice Properties recorded a provision of $14 million and $4 million in the second and third quarter of 2020, respectively, for certain past due amounts, reflecting increased collectability risk and potential abatements to be granted under the CECRA program.

Refer to the "COVID-19 Update" section of this News Release for more information.

CERTAIN ONE-TIME GAINS RECORDED ON CONSOLIDATION Choice Properties completed various property acquisitions and dispositions and financing activities in the third quarters of 2019 and 2020, improving the strength of its portfolio and reducing leverage. As a result of certain of these transactions, the Company recorded the consolidation impact in Other and Intersegment as set out below:

(unaudited) ($ millions except where otherwise indicated) For the periods ended as indicated	16 Weeks Ended Oct. 3, 2020	40 Weeks Ended Oct. 3, 2020
Choice Properties' Ground Lease	$ 15	$ 15
Transaction between Choice Properties and Wittington	10	10
Operating income	$ 25	$ 25
Choice Properties' Portfolio Transaction	$ 7	$ 20
Net interest expense and other financing charges	$ 7	$ 20

CHOICE PROPERTIES' GROUND LEASE In the third quarter of 2020, Choice Properties entered into a 99-year ground lease for a parcel of land on a property with an equity accounted joint venture in which Choice Properties has a 50% ownership interest. Under IFRS 16 "Leases", this arrangement was accounted for as a disposition by Choice Properties to the equity accounted joint venture. On consolidation, the Company recorded the property including the parcel of land in fixed assets as own-use property because Loblaw continues to be a tenant on the property. The approximate fair value of the parcel of land on the property was $22 million. As a result of the disposition, the Company recorded a lease receivable of $22 million, a disposition of the property at a cost of $7 million, and a gain of $15 million in operating income.

TRANSACTION BETWEEN CHOICE PROPERTIES AND WITTINGTON On July 31, 2020, Choice Properties acquired two real estate assets from Wittington Properties Limited, a related party and subsidiary of Wittington Investments, Limited ("Wittington"), at market terms and conditions, for an aggregate purchase price of $209 million, excluding transaction costs, which was satisfied in full by the issuance of 16.5 million Trust Units of Choice Properties. The assets acquired included: (i) the Weston Centre, an office and retail property in Toronto, Ontario for $129 million and (ii) the remaining 60% interest in a joint venture between Choice Properties and Wittington Properties Limited for $80 million, less a cost-to-complete receivable of $16 million, giving Choice Properties 100% ownership of the joint venture.

Weston Centre The Company had multiple lease arrangements with Wittington, in addition to existing leases with Choice Properties at the Weston Centre. Upon acquisition of the property, the Company recognized a gain of $6 million in operating income from the derecognition of its net impact of lease obligations and right-of-use assets associated with the property and will cease paying rents to Wittington. Due to continued tenancy on the property through its group of companies, $51 million was recorded in fixed assets as own-use property and $78 million was recorded in investment properties.

Joint Venture In 2014, a joint venture, partnership known as West Block between Choice Properties and Wittington Properties Limited, completed the acquisition of a parcel of land located on 500 Lakeshore Boulevard West in Toronto, Ontario from Loblaw. Choice Properties used the equity method of accounting to record its 40% interest in the joint venture.

During the second quarter of 2020, Loblaw recognized $65 million of right-of-use assets and lease liabilities related to the leases of retail stores and a corporate office with the joint venture.

During the third quarter of 2020, Choice Properties acquired the remaining 60% interest of the joint venture, after which the investment was accounted for on a consolidated basis. As a result of the increase in ownership, the Company recorded a $5 million fair value loss before income taxes in other comprehensive income, and a gain of $4 million in operating income from the derecognition of its net impact of lease obligations and right-of-use assets associated with the property and will cease paying rents to Wittington. Due to continued tenancy on the property through its group of companies, $95 million was recorded in fixed assets as own-use property and $13 million was recorded in investment properties. Wittington will continue to act as the development and construction manager for the commercial space until development is completed.

CHOICE PROPERTIES' PORTFOLIO TRANSACTION In 2019, Choice Properties sold 31 properties consisting of Loblaw stand-alone retail properties and Loblaw distribution centres. On consolidation, the transactions were not recognized as a sale of assets as under the terms of the leases, Loblaw did not relinquish control of the properties for purposes of IFRS 16 "Leases" and IFRS 15 "Revenue from Contracts with Customers". Instead, the proceeds from the transactions were recognized as financial liabilities on the Company's consolidated balance sheet with corresponding interest expense recognized in the consolidated statement of earnings. Included in the third quarter of 2020, interest expense was $7 million (2019 – nil) and year-to-date was $20 million (2019 – nil). In 2019, for tax purposes, this transaction was treated as a sale, and income tax expense reflects the benefit from the non-taxable portion of the gain from the sale of the portfolio of properties by Choice Properties.

REPORTABLE OPERATING SEGMENTS

The Company operates through its three reportable operating segments, Loblaw, Choice Properties and Weston Foods. Other and Intersegment includes eliminations, intersegment adjustments related to the consolidation and cash and short-term investments held by the Company. All other company level activities that are not allocated to the reportable operating segments, such as interest expense, corporate activities and administrative costs are included in Other and Intersegment.

Loblaw has two reportable operating segments, retail and financial services. Loblaw provides Canadians with grocery, pharmacy, health and beauty, apparel, general merchandise and financial services.

Choice Properties owns, manages and develops a high-quality portfolio of commercial retail, industrial, office and residential properties across Canada.

Weston Foods is a North American bakery making bread, rolls, cupcakes, donuts, biscuits, cakes, pies, cones and wafers, artisan baked goods and more.

Loblaw Operating Results

(unaudited) ($ millions except where otherwise indicated)	16 Weeks Ended				40 Weeks Ended			
For the periods ended as indicated	**Oct. 3, 2020**	Oct. 5, 2019	$ Change	% Change	**Oct. 3, 2020**	Oct. 5, 2019	$ Change	% Change
Revenue	**$ 15,671**	$ 14,655	$ 1,016	6.9%	**$ 39,428**	$ 36,447	$ 2,981	8.2%
Operating income	**$ 716**	$ 688	$ 28	4.1%	**$ 1,657**	$ 1,723	$ (66)	(3.8)%
Adjusted EBITDA[1]	**$ 1,522**	$ 1,490	$ 32	2.1%	**$ 3,703**	$ 3,701	$ 2	0.1%
Adjusted EBITDA margin[1]	**9.7%**	10.2%			**9.4%**	10.2%		
Depreciation and amortization[i]	**$ 795**	$ 775	$ 20	2.6%	**$ 1,987**	$ 1,935	$ 52	2.7%

(i) Depreciation and amortization in the third quarter of 2020 includes $155 million (2019 – $157 million) and $392 million (2019 – $392 million) year-to-date of amortization of intangible assets acquired with Shoppers Drug Mart Corporation ("Shoppers Drug Mart").

Loblaw's operating results include the impacts of COVID-19 and the consolidation of franchises.

Revenue Loblaw revenue in the third quarter of 2020 was $15,671 million, an increase of $1,016 million, or 6.9%, compared to the same period in 2019, primarily driven by retail sales, partially offset by a decrease in financial services revenue.

Retail sales in the third quarter of 2020 increased by $1,044 million, or 7.2%, compared to the same period in 2019 and included food retail sales of $11,215 million (2019 – $10,423 million) and drug retail sales of $4,249 million (2019 – $3,997 million). Excluding the consolidation of franchises, retail sales increased by $939 million, or 6.7%, primarily driven by the following factors:

- food retail same-store sales growth was 6.9% for the quarter. Food retail same-store sales growth was positively impacted by COVID-19. Food retail basket size increased and traffic decreased in the quarter;
- Loblaw's food retail average article price was higher by 5.3% (2019 – 2.2%), which reflects the year-over-year growth in food retail revenue over the average number of articles sold in Loblaw's stores in the quarter. The increase in average article price was due to sales mix; and
- drug retail same-store sales growth was 6.1% for the quarter. Pharmacy same-store sales growth was 10.3% and front store same-store sales growth was 2.4%. Drug retail same-store sales was positively impacted by COVID-19.

In the last 12 months, 16 food and drug stores were opened and 6 food and drug stores were closed, resulting in a net increase in retail square footage of 0.3 million square feet, or 0.4%.

Financial services revenue in the third quarter of 2020 decreased by $31 million compared to the same period in 2019 mainly due to lower interest income from lower volume of credit card receivables, and lower interchange income and credit card related fees primarily driven by lower customer spending, partially offset by higher sales attributable to *The Mobile Shop.*

Operating income Loblaw operating income in the third quarter of 2020 was $716 million, an increase of $28 million, or 4.1%, compared to the same period in 2019. The increase included an improvement in underlying operating performance of $10 million and the favourable year-over-year net impact of adjusting items totaling $18 million, as described below:

- the improvement in underlying operating performance of $10 million was primarily due to an increase in financial services and retail. The improvement in retail included the unfavourable contribution from the consolidation of franchises of $1 million. In the third quarter of 2020, Loblaw invested approximately $85 million in COVID-19 related costs in the quarter to ensure the safety and security of customers and colleagues.
- the favourable year-over-year net impact of adjusting items totaling $18 million was primarily due to the following:
    - the favourable year-over-year impact of restructuring and other related costs of $10 million;
    - the favourable year-over-year impact of the impact of fair value adjustments on derivatives of $3 million; and
    - the favourable year-over-year impact of a net gain on sale of non-operating properties compared to a net loss on sale of non-operating properties in the same period of 2019 of $3 million.

Adjusted EBITDA[1] Loblaw adjusted EBITDA[1] in the third quarter of 2020 was $1,522 million, an increase of $32 million, or 2.1%, compared to the same period in 2019. The increase was due to the improved underlying operating performace in retail and financial services.

Retail adjusted EBITDA[1] increased by $22 million, including the favourable impact of the consolidation of franchises of $8 million and was driven by an increase in retail gross profit, partially offset by an increase in retail selling, general and administrative expenses ("SG&A").

- Retail gross profit percentage of 29.3% decreased by 30 basis points compared to the same period in 2019. Excluding the consolidation of franchises, retail gross profit percentage was 26.7%, a decrease of 60 basis points compared to the same period of 2019. Food retail margins were negatively impacted as a result of COVID-19 related changes in sales mix, and pricing investments. Drug retail margins were negatively impacted as a result of COVID-19 related changes in prescription refill limits from 30 days back to 90 days.
- Excluding the consolidation of franchises, retail SG&A increased by $139 million and SG&A as a percentage of sales was 17.2%, a decrease of 10 basis points compared to the same period of 2019. The favourable decrease of 10 basis points was primarily related to sales leverage and process and efficiency gains, which was partially offset by COVID-19 related costs and incremental e-Commerce labour costs as a result of increased online sales.

Financial services adjusted EBITDA[1] increased by $10 million compared to the same period in 2019, primarily driven by lower credit losses and expected credit losses primarily due to lower customer spending which resulted in a decline in related receivables and lower customer acquisition costs, partially offset by lower revenue as described above.

In the third quarter of 2020, Loblaw adjusted EBITDA[1] included gains of nil (2019 – $2 million) related to the sale and leaseback of properties to Choice Properties.

Depreciation and Amortization Loblaw's depreciation and amortization in the third quarter of 2020 was $795 million, an increase of $20 million compared to the same period in 2019, primarily driven by the consolidation of franchises and an increase in information technology ("IT") assets. Included in depreciation and amortization is the amortization of intangible assets acquired with Shoppers Drug Mart of $155 million (2019 – $157 million).

Loblaw Other Business Matters

Process and Efficiency In the third quarter of 2020, Loblaw recorded approximately $12 million ($48 million year-to-date) of restructuring and other related costs, primarily related to Process and Efficiency initiatives. Included in the restructuring charges is $6 million ($30 million year-to-date) related to the closure of the two distribution centres in Laval and Ottawa, that were previously announced in the first quarter of 2020. Loblaw is investing to build a modern and efficient expansion to its Cornwall distribution centre to serve its food and drug retail businesses in Ontario and Quebec. Over the next two years, the distribution centres in Laval and Ottawa will be transferring their volumes to Cornwall. Loblaw expects to incur additional restructuring costs in 2020 and 2021 related to these closures.

Consolidation of Franchises Loblaw has more than 500 franchise food retail stores in its network. As at the end of the first quarter of 2020, Loblaw consolidated all of its remaining franchisees for accounting purposes under a simplified franchise agreement implemented in 2015.

Consolidation of franchises in the third quarter of 2020 resulted in a year-over-year increase in revenue of $105 million, an increase in adjusted EBITDA[1] of $8 million, an increase in depreciation and amortization of $9 million and a decrease in net earnings attributable to non-controlling interests of $4 million.

Choice Properties Operating Results

(unaudited) ($ millions except where otherwise indicated) For the periods ended as indicated	16 Weeks Ended Oct. 3, 2020	Oct. 5, 2019	$ Change	% Change	40 Weeks Ended Oct. 3, 2020	Oct. 5, 2019	$ Change	% Change
Revenue	**$ 309**	$ 324	$ (15)	(4.6)%	**$ 949**	$ 971	$ (22)	(2.3)%
Net interest expense (income) and other financing charges[(i)]	**$ 145**	$ 434	$ (289)	(66.6)%	**$ (44)**	$ 1,546	$ (1,590)	(102.8)%
Net income (loss)	**$ 97**	$ (211)	$ 308	146.0%	**$ 334**	$ (875)	$ 1,209	138.2%
Funds from Operations[(1)(ii)]	**$ 169**	$ 174	$ (5)	(2.9)%	**$ 480**	$ 514	$ (34)	(6.6)%

(i) Net interest expense (income) and other financing charges includes a fair value adjustment on Exchangeable Units.
(ii) Funds from operations is calculated in accordance with the Real Property Association of Canada's White Paper on Funds from Operations & Adjusted Funds from Operations for IFRS issued in February 2019.

Revenue Revenue in the third quarter of 2020 was $309 million, a decrease of $15 million, or 4.6%, compared to the same period in 2019, and included $176 million (2019 – $190 million) generated from tenants from Loblaw retail. The decrease in revenue was primarily driven by:

- foregone revenue from sold properties including those sold as part of the Choice Properties' portfolio transaction in the third quarter of 2019;

partially offset by,

- additional revenue generated from properties acquired in 2019 and 2020 and from tenant openings in newly developed leasable space.

Net Interest Expense and Other Financing Charges Net interest expense and other financing charges in the third quarter of 2020 were $145 million compared to $434 million in the same period in 2019. The change of $289 million was primarily driven by:

- the favourable year-over-year impact of the fair value adjustment on Class B LP units ("Exchangeable Units") of $282 million; and
- lower overall debt levels compared to the prior year and the completion of refinancing activity at lower interest rates.

Net Income (Loss) Net income in the third quarter of 2020 was $97 million, compared to a net loss of $211 million in the same period in 2019. The increase of $308 million was primarily driven by:

- the favourable impact of lower net interest expense and other financing charges described above; and
- the favourable year-over-year impact of the fair value adjustment on investment properties;

partially offset by,

- an increase in expected credit loss provisions.

Funds from Operations[(1)] Funds from Operations[(1)] in the third quarter of 2020 was $169 million, a decrease of $5 million compared to the same period in 2019, primarily driven by an increase in expected credit loss provisions and the reduction in net operating income from sold properties including those sold as part of the Choice Properties' portfolio transaction in the third quarter of 2019, partially offset by lower borrowing costs as a result of a reduction in indebtedness.

Choice Properties Other Business Matters

Investment Property Transactions Subsequent to the end of the third quarter of 2020, Choice Properties completed or entered into agreements to acquire or dispose of certain properties as set out below.

On October 13, 2020, Choice Properties completed the acquisition of an industrial portfolio for an aggregate purchase price of $86 million comprising of four assets. The portfolio is fully leased to a national logistics company with long-term leases in place.

On October 30, 2020, Choice Properties completed the disposition of a 50% non-managing interest in a retail property portfolio for an aggregate sale price of $151 million, excluding transaction costs, comprising of ten assets to an institutional partner. The purchaser has the option to acquire three additional assets for an aggregate sale price of $51 million.

Additionally, Choice Properties entered into an agreement to dispose of two retail property portfolios comprising of eight assets for an aggregate sale price of $107 million.

Weston Foods Operating Results

(unaudited) ($ millions except where otherwise indicated) For the periods ended as indicated	16 Weeks Ended				40 Weeks Ended			
	Oct. 3, 2020	Oct. 5, 2019	$ Change	% Change	**Oct. 3, 2020**	Oct. 5, 2019	$ Change	% Change
Sales	**$ 592**	$ 638	$ (46)	(7.2)%	**$ 1,539**	$ 1,633	$ (94)	(5.8)%
Operating income (loss)	**$ 16**	$ 23	$ (7)	(30.4)%	**$ (32)**	$ 45	$ (77)	(171.1)%
Adjusted EBITDA(1)	**$ 62**	$ 72	$ (10)	(13.9)%	**$ 121**	$ 167	$ (46)	(27.5)%
Adjusted EBITDA margin(1)	**10.5%**	11.3%			**7.9%**	10.2%		
Depreciation and amortization(i)	**$ 47**	$ 44	$ 3	6.8%	**$ 134**	$ 111	$ 23	20.7%

(i) Depreciation and amortization in the third quarter of 2020 includes $3 million (2019 – $4 million) and $22 million (2019 – $6 million) year-to-date of accelerated depreciation related to restructuring and other related costs.

Sales Weston Foods sales in the third quarter of 2020 were $592 million, a decrease of $46 million, or 7.2%, compared to the same period in 2019. Sales included the positive impact of foreign currency translation of approximately 0.5%. Excluding the favourable impact of foreign currency translation, sales decreased by 7.7%. Sales were impacted by a decrease in volumes in certain retail categories and foodservice channels as a result of the COVID-19 pandemic, the unfavourable impact of product rationalization, and the combined negative impact of pricing and changes in sales mix.

Operating Income Weston Foods operating income in the third quarter of 2020 was $16 million compared to $23 million in the third quarter of 2019, a decrease of $7 million. The decrease was due to the decline in underlying operating performance of $14 million, driven by the decline in sales and COVID-19 related costs from increasing health and safety measures at its facilities. This decline was partially offset by the favourable year-over-year net impact of adjusting items totaling $7 million. The year-over-year net impact of adjusting items included the following:

- the favourable year-over-year impact of restructuring and other related costs of $7 million; and
- the favourable year-over-year impact of the fair value adjustment of derivatives of $2 million;

partially offset by,

- the unfavourable year-over-year impact of insurance proceeds on a prior year inventory loss of $2 million.

Adjusted EBITDA(1) Weston Foods adjusted EBITDA(1) in the third quarter of 2020 was $62 million compared to $72 million in the same period in 2019, a decrease of $10 million, or 13.9%. The decrease was driven by the decline in sales, higher input costs and an increase in COVID-19 related expenses, partially offset by productivity improvements, the net benefits realized from Weston Foods' transformation program and cost savings initiatives.

Weston Foods adjusted EBITDA margin(1) in the third quarter of 2020 decreased to 10.5% compared to 11.3% in the same period in 2019. The decline in adjusted EBITDA margin(1) in the third quarter of 2020 was driven by the factors described above.

Depreciation and Amortization Weston Foods depreciation and amortization in the third quarter of 2020 was $47 million, an increase of $3 million compared to the same period in 2019. Depreciation and amortization in the third quarter of 2020 included $3 million (2019 – $4 million) of accelerated depreciation related to Weston Foods' transformation program. Excluding this amount, depreciation and amortization in the third quarter of 2020 increased by $4 million due to capital investments.

Weston Foods Other Business Matters

Restructuring and other related costs Weston Foods continuously evaluates strategic and cost reduction initiatives related to its manufacturing assets, distribution networks and administrative infrastructure with the objective of ensuring a low cost operating structure. In the third quarter of 2020 and year-to-date, Weston Foods recorded restructuring and other related costs of $2 million (2019 – $9 million) and $37 million (2019 – $15 million), respectively, which were primarily related to Weston Foods' transformation program.

COVID-19 UPDATE(2)

General The COVID-19 pandemic had a significant impact on the Company's operating segments, colleagues, customers, tenants and other stakeholders in the third quarter of 2020.

As disclosed previously, starting in March, Loblaw reacted quickly to changing circumstances by ramping up investments in various areas. In the third quarter of 2020, these costs were approximately $85 million to ensure the safety and security of customers and colleagues. In the four weeks following the end of the third quarter, Loblaw observed continued sales volatility and changes in sales mix as the pandemic impacted consumer behaviour. Food retail same-store sales trends and COVID-19 related costs were in line with third quarter results, however, drug retail same-store sales have decelerated when compared to the third quarter.

As one of Canada's largest landlords, Choice Properties continued to support tenants who have been negatively impacted by the pandemic by providing rent relief through rent deferrals and other arrangements, including participating in the CECRA program. During the three-month period ended September 30, 2020, Choice Properties collected 98% of the contractual rents which is at the higher end of collections within the industry and is primarily due to the stability of its necessity-based portfolio. In the third quarter of 2020, Choice Properties recorded a $4 million provision for certain past due amounts reflecting the collectability risk and abatements to be granted under the CECRA program.

Weston Foods' third quarter financial results were stronger compared to the second quarter in 2020. At the onset of the crisis, many food retailers temporarily closed in-store bakeries and bakery display cases which negatively impacted retail sales. Similarly, government mandated closures of non-essential businesses including restaurants and social distancing protocols negatively impacted foodservice sales. During the third quarter of 2020, Weston Foods sales improved as food retailers began to reopen bakery display cases and government mandated restrictions for dine-in restaurants eased in several regions. In addition, Weston Foods incurred approximately $4 million in COVID-19 related costs. In the four weeks following the end of the third quarter, the sales trend continued to improve and the run rate for incremental COVID-19 related costs was approximately $0.4 million. The volatility associated with the pandemic makes it difficult to reliably estimate future sales trends, the run rate for incremental costs or the overall financial performance of Weston Foods.

In light of the uncertainty surrounding the duration and severity of the pandemic, it is not possible to reliably estimate the length and severity of COVID-19 related impacts on the financial results and operations of the Company. As announced on April 9, 2020, the Company has withdrawn its 2020 Outlook that is contained in its Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2019.

Liquidity The Company and its operating segments maintain strong balance sheets and liquidity. As at the end of the third quarter of 2020, the liquidity position of the operating segments was as follows: Loblaw's consolidated cash and short-term investments balance was $1.8 billion. In the third quarter, Loblaw extended the maturity of its existing $1 billion credit facility to October 7, 2023. The aggregate available liquidity at Loblaw was approximately $3.8 billion including undrawn amounts under committed credit facilities. Choice Properties had $1.5 billion of available liquidity under its committed credit facility with no significant debt maturities for the remainder of the year. The Company (excluding Loblaw and Choice Properties) had cash and short-term investments of $0.9 billion with no debt maturities in 2020.

Risk Factor For more information on the risks presented to the Company by the COVID-19 pandemic, see Section 6, "Enterprise Risks and Risk Management", of the MD&A in the Company's 2020 Third Quarter Report.

DECLARATION OF QUARTERLY DIVIDENDS

Subsequent to the end of the third quarter of 2020, the Company's Board of Directors declared a quarterly dividend on GWL Common Shares, Preferred Shares, Series I, Preferred Shares, Series III, Preferred Shares, Series IV and Preferred Shares, Series V payable as follows:

Common Shares	$0.550 per share payable January 1, 2021, to shareholders of record as of December 15, 2020;
Preferred Shares, Series I	$0.3625 per share payable December 15, 2020, to shareholders of record as of November 30, 2020;
Preferred Shares, Series III	$0.3250 per share payable January 1, 2021, to shareholders of record as of December 15, 2020;
Preferred Shares, Series IV	$0.3250 per share payable January 1, 2021, to shareholders of record as of December 15, 2020; and
Preferred Shares, Series V	$0.296875 per share payable January 1, 2021, to shareholders of record as of December 15, 2020.

NON-GAAP FINANCIAL MEASURES

The Company uses non-GAAP financial measures as it believes these measures provide useful information to both management and investors with regard to accurately assessing the Company's financial performance and financial condition.

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

For reconciliation to, and description of the Company's non-GAAP financial measures and financial metrics, see Section 9, "Non-GAAP Financial Measures", of the MD&A in the Company's 2020 Third Quarter Report.

FORWARD-LOOKING STATEMENTS

This News Release 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 News Release 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 News Release including, without limitation, in the "COVID-19 Update" section of this News Release. Forward-looking statements are typically identified by words such as "expect", "anticipate", "believe", "foresee", "could", "estimate", "goal", "intend", "plan", "seek", "strive", "will", "may", "maintain", "achieve", "grow", "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 expectation of operating and financial performance in 2020 is based on certain assumptions, including assumptions about the COVID-19 pandemic, healthcare reform impacts, anticipated cost savings and operating efficiencies and anticipated benefits from strategic initiatives. The Company's estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events, including the COVID-19 pandemic 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 Section 8, "Enterprise Risks and Risk Management", of the MD&A in the Company's 2019 Annual Report and the Company's Annual Information Form for the year ended December 31, 2019 as well as COVID-19 related risks that have been added to Section 6, "Enterprise Risks and Risk Management", of the MD&A in the Company's 2020 Third Quarter Report.

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 News Release. 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.

SEGMENT INFORMATION

The Company has three reportable operating segments: Loblaw, Choice Properties and Weston Foods. Other and Intersegment includes eliminations, intersegment adjustments related to the consolidation, cash and short-term investments held by the Company and all other company level activities that are not allocated to the reportable operating segments, as further illustrated below.

The accounting policies of the reportable operating segments are the same as those described in the Company's 2019 audited annual consolidated financial statements. The Company measures each reportable operating segment's performance based on adjusted EBITDA[(1)] and adjusted operating income[(1)]. No reportable operating segment is reliant on any single external customer.

16 Weeks Ended

(unaudited) ($ millions)	Oct. 3, 2020 Loblaw	Choice Properties	Weston Foods	Other and Intersegment	Total	Oct. 5, 2019 Loblaw	Choice Properties	Weston Foods	Other and Intersegment	Total
Revenue	**$ 15,671**	**$ 309**	**$ 592**	**$ (363)**	**$ 16,209**	$ 14,655	$ 324	$ 638	$ (391)	$ 15,226
Operating income (loss)	$ 716	$ 242	$ 16	$ 9	$ 983	$ 688	$ 221	$ 23	$ (48)	$ 884
Net interest expense (income) and other financing charges	228	145	1	(51)	323	223	434	1	(141)	517
Earnings (loss) before income taxes	**$ 488**	**$ 97**	**$ 15**	**$ 60**	**$ 660**	$ 465	$ (213)	$ 22	$ 93	$ 367
Operating income (loss)	**$ 716**	**$ 242**	**$ 16**	**$ 9**	**$ 983**	$ 688	$ 221	$ 23	$ (48)	$ 884
Depreciation and amortization	795	1	47	(114)	729	775	–	44	(118)	701
Adjusting items(i)	11	(18)	(1)	11	3	27	5	5	39	76
Adjusted EBITDA(i)	$ 1,522	$ 225	$ 62	$ (94)	$ 1,715	$ 1,490	$ 226	$ 72	$ (127)	$ 1,661
Depreciation and amortization(ii)	640	1	44	(114)	571	618	–	40	(118)	540
Adjusted operating income (loss)(i)	**$ 882**	**$ 224**	**$ 18**	**$ 20**	**$ 1,144**	$ 872	$ 226	$ 32	$ (9)	$ 1,121

(i) Certain items are excluded from operating income (loss) to derive adjusted EBITDA(1). Adjusted EBITDA(1) is used internally by management when analyzing segment underlying operating performance.
(ii) Excludes $155 million (2019 – $157 million) of amortization of intangible assets acquired with Shoppers Drug Mart, recorded by Loblaw and $3 million (2019 – $4 million) of accelerated depreciation recorded by Weston Foods, related to restructuring and other related costs.

40 Weeks Ended

(unaudited) ($ millions)	Oct. 3, 2020 Loblaw	Choice Properties	Weston Foods	Other and Intersegment	Total	Oct. 5, 2019 Loblaw	Choice Properties	Weston Foods	Other and Intersegment	Total
Revenue	**$ 39,428**	**$ 949**	**$ 1,539**	**$ (1,017)**	**$ 40,899**	$ 36,447	$ 971	$ 1,633	$ (1,049)	$ 38,002
Operating income (loss)	$ 1,657	$ 290	$ (32)	$ 67	$ 1,982	$ 1,723	$ 670	$ 45	$ (198)	$ 2,240
Net interest expense (income) and other financing charges	576	(44)	(1)	55	586	571	1,546	1	(421)	1,697
Earnings (loss) before income taxes	**$ 1,081**	**$ 334**	**$ (31)**	**$ 12**	**$ 1,396**	$ 1,152	$ (876)	$ 44	$ 223	$ 543
Operating income (loss)	**$ 1,657**	**$ 290**	**$ (32)**	**$ 67**	**$ 1,982**	$ 1,723	$ 670	$ 45	$ (198)	$ 2,240
Depreciation and amortization	1,987	2	134	(268)	1,855	1,935	1	111	(277)	1,770
Adjusting items(i)	59	361	19	(170)	269	43	18	11	50	122
Adjusted EBITDA(i)	$ 3,703	$ 653	$ 121	$ (371)	$ 4,106	$ 3,701	$ 689	$ 167	$ (425)	$ 4,132
Depreciation and amortization(ii)	1,595	2	112	(268)	1,441	1,543	1	105	(277)	1,372
Adjusted operating income (loss)(i)	**$ 2,108**	**$ 651**	**$ 9**	**$ (103)**	**$ 2,665**	$ 2,158	$ 688	$ 62	$ (148)	$ 2,760

(i) Certain items are excluded from operating income (loss) to derive adjusted EBITDA(1). Adjusted EBITDA(1) is used internally by management when analyzing segment underlying operating performance.
(ii) Excludes $392 million (2019 – $392 million) of amortization of intangible assets acquired with Shoppers Drug Mart, recorded by Loblaw and $22 million (2019 – $6 million) of accelerated depreciation recorded by Weston Foods, related to restructuring and other related costs.

2020 THIRD QUARTER REPORT

The Company's 2019 Annual Report and 2020 Third Quarter Report are available in the Investor Centre section of the Company's website at www.weston.ca and have been filed on SEDAR and are available at www.sedar.com.

INVESTOR RELATIONS

Shareholders, security analysts and investment professionals should direct their requests to Tara Speers, Senior Director, Investor Relations, at the Company's Executive Office or by e-mail at investor@weston.ca.

Additional financial information has been filed electronically with various securities regulators in Canada through SEDAR. This News Release includes selected information on Loblaw, a public company with shares trading on the Toronto Stock Exchange ("TSX"). For information regarding Loblaw, readers should refer to the materials filed by Loblaw on SEDAR from time to time. These filings are also maintained on Loblaw's corporate website at www.loblaw.ca.

This News Release also includes selected information on Choice Properties, a public real estate investment trust with units trading on the TSX. For information regarding Choice Properties, readers should refer to the materials filed by Choice Properties on SEDAR from time to time. These filings are also maintained on Choice Properties' website at www.choicereit.ca.

THIRD QUARTER CONFERENCE CALL AND WEBCAST

George Weston Limited will host a conference call as well as an audio webcast on Tuesday, November 17, 2020 at 9:00 a.m. (ET). To access via tele-conference, please dial (647) 427-7450 or 1-888-231-8191. The playback will be available two hours after the event at (416) 849-0833 or 1-855-859-2056, passcode: 9788788#. To access via audio webcast, please visit the Investor Centre section of www.weston.ca. Pre-registration will be available.

Ce rapport est disponible en français.

Endnotes

(1) See the "Non-GAAP Financial Measures" section of the Company's 2020 Third Quarter Report, which includes the reconciliation of such non-GAAP measures to the most directly comparable GAAP measures.

(2) This News Release contains forward-looking information. See "Forward-Looking Statements" section of this News Release and the Company's 2020 Third Quarter Report for a discussion of material factors that could cause actual results to differ materially from the forecasts and projections herein and of the material factors and assumptions that were used when making these statements. This News Release should be read in conjunction with GWL's filings with securities regulators made from time to time, all of which can be found at www.weston.ca and www.sedar.com.