

**FORM 51-102F3**  
**Material Change Report**

**Item 1 Name and Address of Company**

George Weston Limited  
22 St Clair Avenue East  
Toronto, Ontario  
M4T 2S7

**Item 2 Date of Material Change**

October 25, 2021

**Item 3 News Release**

A news release was issued by George Weston Limited (“**George Weston**”) on October 26, 2021 through the facilities of Cision and filed on SEDAR at [www.sedar.com](http://www.sedar.com). A copy of the news release is attached hereto as Schedule “A”.

**Item 4 Summary of Material Change**

On October 26, 2021, George Weston announced that it signed a definitive agreement to sell its Weston Foods fresh and frozen bakery businesses to affiliated entities of FGF Brands Inc. (“**FGF**”) for aggregate cash consideration of \$1.2 billion (the “**Transaction**”).

**Item 5 Full Description of Material Change**

On October 26, 2021, George Weston announced that it signed a definitive agreement to sell its Weston Foods fresh and frozen bakery businesses to affiliated entities of FGF for aggregate cash consideration of \$1.2 billion. The purchase price represents approximately a 10.0x multiple on the 2021 estimated EBITDA of the Weston Foods fresh and frozen bakery businesses. The fresh and frozen bakery businesses comprised approximately 75% of Weston Foods’ 2020 net sales. George Weston continues to be committed to selling its remaining ambient business – comprised of cookies, cones, crackers and wafers, and is actively engaged in that process.

George Weston announced on March 23, 2021 that it decided to sell its bakery segment and to focus on its Retail and Real Estate businesses. George Weston expects to return the net proceeds from the transaction to shareholders through share repurchases over time. In the interim, George Weston is committed to ensuring that a smooth transition plan is in place as Weston Foods continues to support its customers and workforce.

The Transaction is subject to compliance with the *Competition Act* (Canada) and the *Hart-Scott Rodino Antitrust Improvements Act of 1976* and other closing conditions customary in transactions of this nature. Subject to the receipt of all regulatory approvals and satisfaction of customary transaction closing conditions, George Weston expects to close the Transaction before the end of the first quarter of 2022.

The news release attached hereto as Schedule “A” contains a full description of the material change.

**Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

For further information, please contact Andrew Bunston, Vice President, General Counsel & Secretary, at 416-965-5433.

**Item 9 Date of Report**

November 4, 2021

**SCHEDULE "A"**

**George Weston Limited announces the sale of its Weston Foods Fresh and Frozen Businesses**

TORONTO, ON, October 26, 2021 – George Weston Limited (“George Weston” or the “Company”) (TSX:WN) today announced that it has signed a definitive agreement to sell its Weston Foods fresh and frozen bakery businesses to affiliated entities of FGF Brands Inc. (“FGF”) for aggregate cash consideration of \$1.2 billion. The purchase price represents approximately a 10.0x multiple on the 2021 estimated EBITDA of the Weston Foods fresh and frozen bakery businesses. The fresh and frozen bakery businesses comprised approximately 75% of Weston Foods’ 2020 net sales. George Weston continues to be committed to selling its remaining ambient business – comprised of cookies, cones, crackers and wafers, and is actively engaged in that process.

“The Weston Foods business has been the foundation for the Weston Group in Canada since its establishment in 1882 and the decision to sell it was a difficult one” said Galen G. Weston, the Company’s Chairman and Chief Executive Officer. “However, we are pleased that the purchaser of the fresh and frozen businesses is FGF, another long-standing family business with a strong presence in bakery and a significant footprint in Canada. With FGF as the new owner, the business will be in good hands.”

“We are thrilled to be acquiring the fresh and frozen businesses of Weston Foods, a Canadian company with over 100 years of baking experience,” said FGF Co-Founder Tejus Ajmera. “And we look forward to building on that legacy by investing in people, facilities, and innovation across our entire operations, in collaboration with Weston Foods president Luc Mongeau and his team.”

“FGF remains a startup at heart and this acquisition allows us to bring that same drive for disruption to more teams, brands, and customers than ever before, as we pursue our vision to become the world’s greatest baker,” added FGF Co-Founder Ojus Ajmera.

George Weston announced on March 23, 2021 that it decided to sell its bakery segment and to focus on its Retail and Real Estate businesses. The Company expects to return the net proceeds from the transaction to shareholders through share repurchases over time. In the interim, the Company is committed to ensuring that a smooth transition plan is in place as Weston Foods continues to support its customers and workforce.

The transaction is subject to compliance with the *Competition Act (Canada)* and the *Hart-Scott Rodino Antitrust Improvements Act of 1976* and other closing conditions customary in transactions of this nature. Subject to the receipt of all regulatory approvals and satisfaction of customary transaction closing conditions, George Weston expects to close the transaction before the end of the first quarter of 2022.

Houlihan Lokey and CIBC Capital Markets are serving as financial advisors to George Weston and Mayer Brown LLP and Torys LLP are acting as legal advisors.

Scotiabank is serving as financial advisor to FGF and Stikeman Elliott LLP and Kirkland & Ellis LLP are acting as legal advisors.

## **About Weston Foods' Fresh and Frozen Bakery Businesses**

The Weston Foods fresh and frozen bakery businesses comprise a leading North American manufacturer, serving retail and foodservice customers with packaged fresh bread and rolls and alternatives, as well as frozen and artisan bread and rolls, cakes, donuts and pies throughout Canada and the United States. The company produces private label products and many well-known brands including Wonder®, ACE Bakery®, Country Harvest®, D'Italiano®, Casa Mendosa™, Dave's Killer Bread\* and Gadoua®.

## **About George Weston Limited**

George Weston Limited is a Canadian public company founded in 1882. The Company operates through its three reportable operating segments, Loblaw Companies Limited, Choice Properties Real Estate Investment Trust and Weston Foods. Loblaw provides Canadians with grocery, pharmacy, health and beauty, apparel, general merchandise, financial services and wireless mobile products and services. Choice Properties owns, manages and develops a high-quality portfolio of commercial retail, industrial, office and residential properties across Canada. The Weston Foods operating segment includes a leading North American bakery that offers packaged bread and rolls in Canada as well as frozen and artisan bread and rolls, cakes, donuts, pies, biscuits and alternatives throughout Canada and the United States.

## **About FGF**

FGF Brands is a Canadian, family-owned bakery company founded in 2004. "A technology company that bakes," FGF combines innovations in robotics, AI systems, and supply chain solutions with a commitment to making quality food with the cleanest possible ingredients. FGF operates in 7 bakery categories and owns multiple brands, including Stonefire Authentic Flatbreads and Simple Joys Bakery, manufactured in bakery locations across Canada and the United States, with its Home Office in Toronto, Ontario. FGF takes a product-first approach to its business, with a focus on long-term capital investment, focused Team Member development, and a culture of continuous improvement.

## **Forward Looking Statements**

This press release may contain forward-looking information within the meaning of applicable securities legislation, which reflects the Company's current expectations regarding future events. There can be no assurance regarding (a) the ability of the Company to successfully complete the sale of the Weston Foods fresh and frozen businesses as described in this press release or to sell its cookies, cones, crackers and wafers business, (b) the proceeds to be derived from the transactions referenced in this press release, and (c) the timing of closing of any such sale.

Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Company's control, that could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Such risks and uncertainties include, but are not limited to, the factors discussed in the Company's current Annual MD&A and Annual Information Form and uncertainty relating to the ongoing COVID-19 pandemic. The Company does not undertake any obligation to update such forward-looking information, future events or otherwise, except as expressly required

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by applicable law. All forward-looking statements contained in this press release are made as of the date hereof and are qualified by these cautionary statements.

**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 its financial performance and financial condition. Management uses 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 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 a description of, the Company's non-GAAP financial measures and financial metrics, see Section 8 "Non-GAAP Financial Measures" of the Management Discussion and Analysis in the Company's 2021 Second Quarter Report.

Shareholders, security analysts and investment professionals should direct their requests to Roy MacDonald, Vice President, Investor Relations, at the Company's Executive Office or by e-mail at [investor@weston.ca](mailto:investor@weston.ca).