WESTON GEORGE WESTON LIMITED

NEWS RELEASE

George Weston Limited Reports Third Quarter 2023 Results

Toronto, Ontario November 21, 2023 George Weston Limited (TSX: WN) ("GWL" or the "Company") today announced its consolidated unaudited results for the 16 weeks ended October 7, 2023[(2)].

GWL's 2023 Third Quarter Report has been filed on SEDAR+ and is available at sedarplus.ca and in the Investor Centre section of the Company's website at weston.ca.

"George Weston delivered another quarter of positive results, underpinned by the consistent strong operational and financial performance of its businesses," said Galen G. Weston, Chairman and Chief Executive Officer of George Weston Limited. "Choice Properties delivered stable cash flows and strong occupancy, and customers responded favourably to Loblaw's offering of value, service, and quality. With strong performance from both of its market-leading businesses, George Weston is well positioned for the rest of the year."

Loblaw Companies Limited ("Loblaw") delivered another quarter of strong operational and financial results as it continued to execute on retail excellence. Loblaw's focus on providing value across its food and drug retail businesses led to sales growth, increased market share, and higher unit sales. Drug retail sales reflected ongoing strength in front store beauty products and increased prescription sales. In food retail, Loblaw's discount stores benefited from increased traffic from customers seeking quality and value from its private label brands and personalized PC Optimum™ offers. Loblaw continued to invest in opening new discount stores, including its 150th discount Maxi location in the community of Ville-des-Laurentides, which celebrated its first full-shop discount grocery store. Retail gross margin declined in both food and drug as a result of targeted promotional investments and increased shrink. Increased investments to lower food prices were reflected in Loblaw's internal food inflation, which was lower than Canada's food CPI. Higher sales and ongoing cost control initiatives drove adjusted net earnings growth in the quarter.

Choice Properties Real Estate Investment Trust ("Choice Properties") delivered positive operating and financial results in the third quarter. Choice Properties performance is supported by stable cash flows, reflecting the strength of its necessity-based portfolio and demand for its well-located industrial assets, as well as an industry leading balance sheet. In a volatile economic environment, Choice Properties is well positioned to execute on its strategic priorities and deliver strong and consistent operating performance.

2023 THIRD QUARTER HIGHLIGHTS

- Net earnings available to common shareholders of the Company from continuing operations were $610 million, a decrease of $279 million, or 31.4%. Diluted net earnings per common share from continuing operations were $4.41, a decrease of $1.73 per common share, or 28.2%. The decrease was due to the unfavourable year-over-year net impact of adjusting items, primarily driven by the unfavourable year-over-year impact of the fair value adjustment on investment properties.
- Adjusted net earnings available to common shareholders of the Company[(1)] from continuing operations were $466 million, an increase of $13 million, or 2.9%.
- Adjusted diluted net earnings per common share[(1)] from continuing operations were $3.36, an increase of $0.24 per common share, or 7.7%.
- Repurchased for cancellation 2.4 million common shares at a cost of $364 million.
- GWL Corporate[(3)] free cash flow[(1)] from continuing operations was $319 million.

CONSOLIDATED RESULTS OF OPERATIONS

The Company's results reflect 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 positively impacted when the Trust Unit price declines and negatively impacted when the Trust Unit price increases.

Unless otherwise indicated, all financial information represents the Company's results from continuing operations.

($ millions except where otherwise indicated) For the periods ended as indicated	16 Weeks Ended Oct. 7, 2023	Oct. 8, 2022	$ Change	% Change
Revenue	**$ 18,407**	**$ 17,520**	**$ 887**	**5.1%**
Operating income	**$ 1,231**	**$ 1,474**	**$ (243)**	**(16.5)%**
Adjusted EBITDA[1]	**$ 2,019**	$ 1,951	$ 68	3.5%
Adjusted EBITDA margin[1]	**11.0%**	11.1%		
Net earnings attributable to shareholders of the Company from continuing operations	**$ 624**	**$ 903**	**$ (279)**	**(30.9)%**
Net earnings available to common shareholders of the Company from continuing operations	**$ 610**	**$ 889**	**$ (279)**	**(31.4)%**
Adjusted net earnings available to common shareholders of the Company[1] from continuing operations	**$ 466**	$ 453	$ 13	2.9%
Diluted net earnings per common share from continuing operations ($)	**$ 4.41**	**$ 6.14**	**$ (1.73)**	**(28.2)%**
Adjusted diluted net earnings per common share[1] from continuing operations ($)	**$ 3.36**	$ 3.12	$ 0.24	7.7%

In the third quarter of 2023, the Company recorded net earnings available to common shareholders of the Company from continuing operations of $610 million ($4.41 per common share), a decrease of $279 million ($1.73 per common share) compared to the same period in 2022. The decrease was due to the unfavourable year-over-year net impact of adjusting items totaling $292 million ($1.97 per common share), partially offset by an improvement of $13 million ($0.24 per common share) in the consolidated underlying operating performance of the Company described below.

- The unfavourable year-over-year net impact of adjusting items totaling $292 million ($1.97 per common share) was primarily due to:
  - the unfavourable year-over-year impact of the fair value adjustment on investment properties of $263 million ($1.83 per common share) driven by Choice Properties, net of consolidation adjustments in Other and Intersegment; and
  - the unfavourable year-over-year impact of the fair value adjustment of the Trust Unit liability of $58 million ($0.32 per common share) as a result of the decrease in Choice Properties' unit price;

  partially offset by,
  - the favourable year-over-year impact of the fair value adjustment on Choice Properties' investment in Allied Properties Real Estate Investment Trust ("Allied") of $22 million ($0.15 per common share) as a result of the decrease in Allied's unit price.

- The improvement in the Company's consolidated underlying operating performance of $13 million ($0.24 per common share) was primarily due to:
    - the favourable underlying operating performance of Loblaw;
    - the favourable underlying operating performance of Choice Properties; and
    - a decrease in the adjusted effective tax rate[1] driven by the favourable impact from adjustments to certain tax provisions;

  partially offset by,
    - the unfavourable year-over-year impact of Other and Intersegment, primarily driven by the elimination of internal lease arrangements and the prior year elimination of Loblaw's accelerated depreciation;
    - an increase in depreciation and amortization; and
    - an increase in adjusted net interest expense and other financing charges[1].

- Diluted net earnings per common share from continuing operations also included the favourable impact of shares purchased for cancellation over the last 12 months ($0.15 per common share) pursuant to the Company's Normal Course Issuer Bid ("NCIB").

Adjusted net earnings available to common shareholders of the Company[1] from continuing operations were $466 million, an increase of $13 million, or 2.9%, compared to the same period in 2022 due to the improvement in the Company's consolidated underlying operating performance described above.

Adjusted diluted net earnings per common share[1] from continuing operations in the third quarter of 2023 were $3.36, an increase of $0.24 per common share, or 7.7%, compared to the same period in 2022. The increase was due to the favourable performance in adjusted net earnings available to common shareholders[1] from continuing operations and the favourable impact of share repurchases.

CONSOLIDATED OTHER BUSINESS MATTERS

The Company completed the following GWL Corporate[3] financing activities:

NCIB – Purchased and Cancelled Shares In the third quarter of 2023, the Company purchased and cancelled 2.4 million shares under its NCIB (2022 – 2.5 million shares) for aggregate consideration of $364 million (2022 – $376 million). As at October 7, 2023, the Company had 135.5 million shares issued and outstanding, net of shares held in trusts (October 8, 2022 – 142.2 million shares).

In the third quarter of 2023, the Toronto Stock Exchange ("TSX") accepted an amendment to the Company's NCIB to allow Wittington Investments, Limited ("Wittington"), the Company's controlling shareholder, to participate in the NCIB in a fixed proportion of 50% of Wittington's pro rata share of the issued and outstanding common shares of the Company.

In the third quarter of 2023, the Company entered into an automatic share purchase plan ("ASPP") with a broker in order to facilitate the repurchase of the Company's common shares under its NCIB. During the effective period of the ASPP, the Company's broker may purchase common shares at times when the Company would not be active in the market.

Refer to Note 11, "Share Capital" of the Company's third quarter 2023 unaudited interim period condensed consolidated financial statements for more information.

Participation in Loblaw's NCIB The Company participates in Loblaw's NCIB in order to maintain its proportionate percentage ownership interest. In the third quarter of 2023, the Company received proceeds of $171 million (2022 – $190 million) from the sale of Loblaw common shares.

REPORTABLE OPERATING SEGMENTS

The Company operates through its two reportable operating segments: Loblaw and Choice Properties. 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's retail segment consists primarily of food retail and drug retail. Loblaw provides Canadians with grocery, pharmacy and healthcare services, health and beauty products, apparel, general merchandise and financial services.

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

Excerpt of Segment Information

The accounting policies of the reportable operating segments are the same as those described in the Company's 2022 audited annual consolidated financial statements. The Company measures each reportable operating segment's performance based on adjusted EBITDA[1]. No reportable operating segment is reliant on any single external customer.

	16 Weeks Ended											
	Oct. 7, 2023						Oct. 8, 2022					
($ millions)	Loblaw	Choice Properties	Other and Inter-segment	Total Segment Measure	Elim-inations	Total	Loblaw	Choice Properties	Other and Inter-segment	Total Segment Measure	Elim-inations	Total
Revenue	**$ 18,265**	**$ 325**	**$ 2**	**$ 18,592**	**$ (185)**	**$ 18,407**	$ 17,388	$ 309	$ 2	$ 17,699	$ (179)	$ 17,520
Operating income	$ 1,063	$ 214	$ (46)	$ 1,231	$ –	$ 1,231	$ 989	$ 501	$ (16)	$ 1,474	$ –	$ 1,474
Net interest expense (income) and other financing charges	234	(221)	72	85	–	85	217	(447)	243	13	–	13
Earnings before income taxes from continuing operations	**$ 829**	**$ 435**	**$ (118)**	**$ 1,146**	**$ –**	**$ 1,146**	$ 772	$ 948	$ (259)	$ 1,461	$ –	$ 1,461
Operating income	**$ 1,063**	**$ 214**	**$ (46)**	**$ 1,231**	**$ –**	**$ 1,231**	$ 989	$ 501	$ (16)	$ 1,474	$ –	$ 1,474
Depreciation and amortization	880	1	(118)	763			864	–	(135)	729		
Adjusting items[i]	(19)	19	25	25			(9)	(278)	35	(252)		
Adjusted EBITDA[i]	**$ 1,924**	**$ 234**	**$ (139)**	**$ 2,019**			$ 1,844	$ 223	$ (116)	$ 1,951		

(i) Certain items are excluded from operating income to derive adjusted EBITDA[1].

Other and Intersegment includes the following items:

	16 Weeks Ended					
	Oct. 7, 2023			Oct. 8, 2022		
($ millions)	Revenue	Operating Income	Net Interest Expense and Other Financing Charges	Revenue	Operating Income	Net Interest Expense and Other Financing Charges
Internal lease arrangements	**$ 2**	**$ (1)**	**$ (39)**	$ 2	$ 19	$ (35)
Recognition of depreciation on Choice Properties' investment properties classified as fixed assets by the Company and measured at cost	**–**	**(8)**	**–**	–	12	–
Fair value adjustment on investment properties	**–**	**(27)**	**–**	–	(34)	(3)
Fair value adjustment on Choice Properties' Exchangeable Units	**–**	**–**	**352**	–	–	578
Fair value adjustment on Trust Unit liability	**–**	**–**	**(219)**	–	–	(277)
Unit distributions on Exchangeable Units paid by Choice Properties to GWL	**–**	**–**	**(74)**	–	–	(73)
Unit distributions on Trust Units paid by Choice Properties, excluding amounts paid to GWL	**–**	**–**	**53**	–	–	51
Intersegment consolidation adjustments	**–**	**(1)**	**–**	–	(3)	–
Other	**–**	**(9)**	**(1)**	–	(10)	2
Total	**$ 2**	**$ (46)**	**$ 72**	$ 2	$ (16)	$ 243
Elimination of intercompany rental revenue	**(185)**	**–**	**–**	(179)	–	–
Total including Eliminations	**$ (183)**	**$ (46)**	**$ 72**	$ (177)	$ (16)	$ 243

Loblaw Operating Results

($ millions except where otherwise indicated) For the periods ended as indicated	16 Weeks Ended Oct. 7, 2023	Oct. 8, 2022	$ Change	% Change
Revenue	**$ 18,265**	$ 17,388	$ 877	5.0%
Operating income	**$ 1,063**	$ 989	$ 74	7.5%
Adjusted EBITDA[(1)]	**$ 1,924**	$ 1,844	$ 80	4.3%
Adjusted EBITDA margin[(1)]	**10.5%**	10.6%		
Depreciation and amortization	**$ 880**	$ 864	$ 16	1.9%

Revenue Loblaw revenue in the third quarter of 2023 was $18,265 million, an increase of $877 million, or 5.0%, compared to the same period in 2022, driven by an increase in retail sales and in financial services revenue.

Retail sales were $17,982 million, an increase of $852 million, or 5.0%, compared to the same period in 2022. The increase was primarily driven by the following factors:

- food retail sales were $12,843 million (2022 – $12,221 million) and food retail same-store sales growth was 4.5% (2022 – 6.9%);
  - the Consumer Price Index ("CPI") as measured by The Consumer Price Index for Food Purchased from Stores was 7.1% (2022 – 10.7%) which was higher than Loblaw's internal food inflation; and
  - food retail traffic increased and basket size decreased.

- drug retail sales were $5,139 million (2022 – $4,909 million) and drug retail same-store sales growth was 4.6% (2022 – 7.7%);
  - pharmacy and healthcare services same-store sales growth was 7.4% (2022 – 4.7%). On a same-store basis, the number of prescriptions dispensed increased by 0.9% (2022 – 0.9%) and the average prescription value increased by 5.1% (2022 – 3.3%); and
  - front store same-store sales growth was 1.8% (2022 – 10.7%).

In the third quarter of 2023, seven food and drug stores were opened, and one store was 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 2023 increased by $29 million, or 8.3%, compared to the same period in 2022. The increase was primarily driven by higher interest income from growth in credit card receivables and higher interchange income and other credit card related revenue from an increase in customer spending, partially offset by lower sales attributable to *The Mobile Shop*.

Operating Income Loblaw operating income in the third quarter of 2023 was $1,063 million, an increase of $74 million, or 7.5%, compared to the same period in 2022.

Adjusted EBITDA[(1)] Loblaw adjusted EBITDA[(1)] in the third quarter of 2023 was $1,924 million, an increase of $80 million, or 4.3%, compared to the same period in 2022, driven by an increase in retail of $61 million and an increase in financial services of $19 million.

Retail adjusted EBITDA[(1)] increased by $61 million compared to the same period in 2022, driven by an increase in retail gross profit of $230 million, partially offset by an increase in retail selling, general and administrative expenses ("SG&A") of $169 million.

- Retail gross profit percentage of 30.6% decreased by 20 basis points compared to the same period in 2022. Retail margins declined slightly, primarily driven by higher shrink.

- Retail SG&A as a percentage of sales was 20.3%, which remained constant when compared to 2022 as operating leverage from higher sales was partially offset by higher in-quarter investments in network optimization and process and efficiency initiatives totaling approximately $50 million.

Financial services adjusted EBITDA[(1)] increased by $19 million compared to the same period in 2022, primarily driven by higher revenue as described above, partially offset by higher contractual charge-offs from growth in the credit card portfolio and the year-over-year impact of the expected credit loss provision.

Depreciation and Amortization Loblaw depreciation and amortization in the third quarter of 2023 was $880 million, an increase of $16 million compared to the same period in 2022. The increase in depreciation and amortization was primarily driven by an increase in depreciation of fixed assets related to conversions of retail locations, information technology ("IT") assets and leased assets, and accelerated depreciation of $2 million (2022 – nil) as a result of network optimization, partially offset by the impact of prior year accelerated depreciation due to the reassessment of the estimated useful life of certain IT assets.

Depreciation and amortization in the third quarter of 2023 included $154 million (2022 – $151 million) of amortization of intangible assets related to the acquisitions of Shoppers Drug Mart Corporation ("Shoppers Drug Mart") and Lifemark Health Group ("Lifemark").

Loblaw Other Business Matters

Network Optimization During the third quarter of 2023, Loblaw recorded charges of $13 million associated with network optimization. Included in the charges was accelerated depreciation of $2 million as described above, and other charges. Loblaw now expects to record total charges related to network optimization of approximately $60 million to $70 million during 2023, an increase from $50 million to $60 million, as a result of incremental network optimization activity.

Choice Properties Operating Results

($ millions except where otherwise indicated)	16 Weeks Ended			
For the periods ended as indicated	**Oct. 7, 2023**	Oct. 8, 2022	$ Change	% Change
Revenue	**$ 325**	$ 309	$ 16	5.2%
Net interest income and other financing charges	**$ (221)**	$ (447)	$ 226	50.6%
Net income	**$ 435**	$ 948	$ (513)	(54.1)%
Funds from Operations[1]	**$ 181**	$ 173	$ 8	4.6 %

Revenue Choice Properties revenue in the third quarter of 2023 was $325 million, an increase of $16 million, or 5.2%, compared to the same period in 2022 and included $186 million (2022 – $180 million) generated from tenants within Loblaw. The increase in revenue was primarily driven by:

- higher rental rates primarily in the retail and industrial portfolios;
- higher capital and operating recoveries;
- acquisitions and completed developments; and
- higher lease surrender revenue.

Net Interest Income and Other Financing Charges Choice Properties net interest income and other financing charges in the third quarter of 2023 were $221 million compared to $447 million in the same period in 2022. The decrease of $226 million was primarily driven by:

- the unfavourable year-over-year change of the fair value adjustment on the Class B LP units ("Exchangeable Units") of $226 million as a result of the decrease in the unit price in the quarter; and
- an increase in interest expense on long-term debt due to higher interest rates and a higher average balance compared to the same period in 2022;

partially offset by,

- the favourable year-over-year change of the fair value adjustment on the financial real estate assets; and
- an increase in interest income due to a higher average outstanding balance on mortgages and loans receivable.

Net Income Choice Properties recorded net income of $435 million in the third quarter of 2023, compared to $948 million in the same period in 2022. The decrease of $513 million was primarily driven by:

- the unfavourable year-over-year change in the adjustment to fair value of investment properties, including those held within equity accounted joint ventures of $321 million as a result of lower fair value gains recognized in the current year; and
- lower net interest income and other financing charges as described above;

partially offset by,

- the favourable year-over-year change in the adjustment to fair value of investment in real estate securities of $24 million as a result of the decrease in Allied's unit price; and
- an increase in rental revenue as described above.

Funds from Operations[1] Funds from operations[1] in the third quarter of 2023 were $181 million, an increase of $8 million compared to the same period in 2022. The increase was primarily due to the increase in rental revenue and an increase in interest income, which was partially offset by increases in interest expense and general and administrative expenses.

Choice Properties Other Business Matters

Subsequent Event Subsequent to the end of the third quarter of 2023, Choice Properties completed the disposition of one retail property and one office property for aggregate proceeds of $81 million.

OUTLOOK[2]

The Company's 2023 outlook remains unchanged and it continues to expect adjusted net earnings[1] from continuing operations to increase due to the results from its operating segments, and to use excess cash to repurchase shares.

Loblaw Loblaw will continue to execute on retail excellence while advancing its growth initiatives in 2023. Loblaw's businesses remain well placed to service the everyday needs of Canadians. However, Loblaw cannot predict the precise impacts of global economic uncertainties, including the inflationary environment, on its 2023 financial results.

For the full year 2023, Loblaw continues to expect:
- its retail business to grow earnings faster than sales;
- adjusted net earnings per common share[1] growth in the low double digits;
- to increase investments in its store network and distribution centres by investing a net amount of $1.6 billion in capital expenditures, which reflects gross capital investments of approximately $2.1 billion offset by approximately $500 million of proceeds from real estate dispositions; and
- to return capital to shareholders by allocating a significant portion of free cash flow to share repurchases.

Choice Properties Choice Properties is focused on capital preservation, delivering stable and growing cash flows and net asset value appreciation, all with a long-term focus. Choice Properties' high-quality portfolio is primarily leased to necessity-based tenants and logistics providers, who are less sensitive to economic volatility and therefore provide stability to its overall portfolio. Choice Properties continues to experience positive leasing momentum across its portfolio and has successfully completed its 2023 lease renewals. Choice Properties also continues to advance its development program, with a focus on industrial opportunities, which provides it with the best opportunity to add high-quality real estate to its portfolio at a reasonable cost and drive net asset value appreciation over time.

Choice Properties is confident that its business model, stable tenant base, strong balance sheet and disciplined approach to financial management will continue to position it well for future success. However, Choice Properties cannot predict the precise impacts of the broader economic environment on its 2023 financial results. In 2023, Choice Properties has continued to focus on its core business of essential retail and industrial, its growing residential platform and its robust development pipeline, and based on its year-to-date operating and financial performance, including certain non-recurring items now expects:
- stable occupancy across the portfolio, resulting in 4-5% year-over-year growth in Same-Asset NOI, Cash Basis[4];
- annual FFO[1] per unit Diluted[4] in a range of $0.99 to $1.00, reflecting 3-4% year-over-year growth; and
- stable leverage metrics, targeting Adjusted Debt to EBITDAFV[4] of approximately 7.5x.

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 "Outlook" 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", "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 estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events, 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 the "Enterprise Risks and Risk Management" sections of the MD&A in the Company's 2022 Annual Report and the Company's Annual Information Form for the year ended December 31, 2022.

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.

DECLARATION OF QUARTERLY DIVIDENDS

Subsequent to the end of the third quarter of 2023, 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	\$0.713 per share payable January 1, 2024, to shareholders of record December 15, 2023;
Preferred Shares, Series I	\$0.3625 per share payable December 15, 2023, to shareholders of record November 30, 2023;
Preferred Shares, Series III	\$0.3250 per share payable January 1, 2024, to shareholders of record December 15, 2023;
Preferred Shares, Series IV	\$0.3250 per share payable January 1, 2024, to shareholders of record December 15, 2023;
Preferred Shares, Series V	\$0.296875 per share payable January 1, 2024, to shareholders of record December 15, 2023.

2023 THIRD QUARTER REPORT

The Company's 2022 Annual Report and 2023 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.sedarplus.ca.

INVESTOR RELATIONS

Shareholders, security analysts and investment professionals should direct their requests to Roy MacDonald, Group Vice-President, 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 TSX, and selected information on Choice Properties, a public real estate investment trust with units trading on the TSX. For information regarding Loblaw or Choice Properties, readers should refer to the respective materials filed on SEDAR+ from time to time. These filings are also maintained on the respective companies' corporate website: www.loblaw.ca and www.choicereit.ca.

Ce rapport est disponible en français.

Endnotes

(1) See the "Non-GAAP and Other Financial Measures" section in Appendix 1 of this News Release, which includes the reconciliation of such non-GAAP and other financial 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 2022 Annual 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.sedarplus.ca.

(3) GWL Corporate refers to the non-consolidated financial results and metrics of GWL. GWL Corporate is a subset of Other and Intersegment.

(4) For more information on Choice Properties measures see the 2022 Annual Report filed by Choice Properties, which is available on www.sedarplus.ca or at www.choicereit.ca.

APPENDIX 1: NON-GAAP AND OTHER FINANCIAL MEASURES

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

Further, certain non-GAAP measures and other financial measures of Loblaw and Choice Properties are included in this document. For more information on these measures, refer to the materials filed by Loblaw and Choice Properties, which are available on www.sedarplus.ca or at www.loblaw.ca or www.choicereit.ca, respectively.

Management uses these and other non-GAAP and other 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 adjusts for these 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. Unless otherwise indicated, all financial information represents the Company's results from continuing operations.

ADJUSTED EBITDA The Company believes adjusted EBITDA is useful in assessing and making decisions regarding the underlying operating performance of the Company's ongoing operations and in assessing the Company's ability to generate cash flows to fund its cash requirements, including its capital investment program.

The following table reconciles adjusted EBITDA to operating income, which is reconciled to GAAP net earnings attributable to shareholders of the Company from continuing operations reported for the periods ended as indicated.

	16 Weeks Ended							
	Oct. 7, 2023				Oct. 8, 2022			
($ millions)	Loblaw	Choice Properties	Other & Intersegment	Consolidated	Loblaw	Choice Properties	Other & Intersegment	Consolidated
Net earnings attributable to shareholders of the Company from continuing operations				$ 624				$ 903
Add impact of the following:								
Non-controlling interests				320				282
Income taxes				202				276
Net interest expense and other financing charges				85				13
Operating income	$1,063	$ 214	$ (46)	$ 1,231	$ 989	$ 501	$ (16)	$ 1,474
Add (deduct) impact of the following:								
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	$ 154	$ –	$ –	$ 154	$ 151	$ –	$ –	$ 151
Fair value adjustment of investment in real estate securities	–	45	–	45	–	69	–	69
Fair value adjustment on investment properties	–	(26)	27	1	–	(347)	34	(313)
Gain on sale of non-operating properties	(13)	–	(2)	(15)	(3)	–	–	(3)
Fair value adjustment of derivatives	(6)	–	–	(6)	(6)	–	–	(6)
Foreign currency translation and other company level activities	–	–	–	–	–	–	1	1
Adjusting items	$ 135	$ 19	$ 25	$ 179	$ 142	$ (278)	$ 35	$ (101)
Adjusted operating income	$1,198	$ 233	$ (21)	$ 1,410	$ 1,131	$ 223	$ 19	$ 1,373
Depreciation and amortization excluding the impact of the above adjustment(i)	726	1	(118)	609	713	–	(135)	578
Adjusted EBITDA	$1,924	$ 234	$ (139)	$ 2,019	$1,844	$ 223	$ (116)	$ 1,951

(i) Depreciation and amortization for the calculation of adjusted EBITDA excludes amortization of intangible assets, acquired with Shoppers Drug Mart and Lifemark, recorded by Loblaw.

The following items impacted adjusted EBITDA in the third quarter of 2023 and 2022:

Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark The acquisition of Shoppers Drug Mart in 2014 included approximately $6 billion of definite life intangible assets, which are being amortized over their estimated useful lives. Annual amortization associated with the acquired intangible assets will be approximately $500 million until 2024 and will decrease thereafter.

The acquisition of Lifemark in the second quarter of 2022 included approximately $299 million of definite life intangible assets, which are being amortized over their estimated useful lives.

Fair value adjustment of investment in real estate securities Choice Properties received Allied Class B Units as part of the consideration for the Choice Properties' disposition of six office assets to Allied on March 31, 2022. Choice Properties recognized these units as investments in real estate securities. The investment in real estate securities is exposed to market price fluctuations of Allied trust units. An increase (decrease) in the market price of Allied trust units results in income (a charge) to operating income.

Fair value adjustment on investment properties The Company measures investment properties at fair value. Under the fair value model, investment properties are initially measured at cost and subsequently measured at fair value. Fair value is determined based on available market evidence. If market evidence is not readily available in less active markets, the Company uses alternative valuation methods such as discounted cash flow projections or recent transaction prices. Gains and losses on fair value are recognized in operating income in the period in which they are incurred. Gains and losses from disposal of investment properties are determined by comparing the fair value of disposal proceeds and the carrying amount and are recognized in operating income.

Gain on sale of non-operating properties In the third quarter of 2023, Loblaw recorded a gain related to the sale of non-operating properties of $13 million (2022 – $3 million).

In the third quarter of 2023, Choice Properties disposed of a property and incurred a loss which was recognized in fair value adjustment of investment properties. On consolidation, the Company recorded the property in fixed assets, which was recognized at cost less accumulated depreciation. As a result, in the third quarter of 2023, on consolidation, an incremental gain of $2 million was recognized in operating income.

Fair value adjustment of derivatives Loblaw is exposed to commodity price and U.S. dollar exchange rate fluctuations. In accordance with Loblaw's commodity risk management policy, Loblaw enters into exchange traded futures contracts and forward contracts to minimize cost volatility relating to fuel prices and the U.S. dollar exchange rate. These derivatives are not acquired for trading or speculative purposes. Pursuant to Loblaw's derivative instruments accounting policy, changes in the fair value of these instruments, which include realized and unrealized gains and losses, are recorded in operating income. Despite the impact of accounting for these commodity and foreign currency derivatives on Loblaw's reported results, the derivatives have the economic impact of largely mitigating the associated risks arising from price and exchange rate fluctuations in the underlying commodities and U.S. dollar commitments.

ADJUSTED NET EARNINGS AVAILABLE TO COMMON SHAREHOLDERS FROM CONTINUING OPERATIONS AND ADJUSTED DILUTED NET EARNINGS PER COMMON SHARE FROM CONTINUING OPERATIONS The Company believes that adjusted net earnings available to common shareholders from continuing operations and adjusted diluted net earnings per common share from continuing operations are useful in assessing the Company's underlying operating performance and in making decisions regarding the ongoing operations of its business.

The following table reconciles adjusted net earnings available to common shareholders of the Company from continuing operations and adjusted net earnings attributable to shareholders of the Company from continuing operations to net earnings attributable to shareholders of the Company and then to net earnings available to common shareholders of the Company from continuing operations reported for the periods ended as indicated.

	16 Weeks Ended	
($ millions except where otherwise indicated)	**Oct. 7, 2023**	Oct. 8, 2022
Net earnings attributable to shareholders of the Company	**$ 624**	$ 903
Less: Net loss from discontinued operations	**–**	–
Net earnings attributable to shareholders of the Company from continuing operations	**$ 624**	$ 903
Less: Prescribed dividends on preferred shares in share capital	**(14)**	(14)
Net earnings available to common shareholders of the Company from continuing operations	**$ 610**	$ 889
Less: Reduction in net earnings due to dilution at Loblaw	**(4)**	(4)
Net earnings available to common shareholders from continuing operations for diluted earnings per share	**$ 606**	$ 885
Net earnings attributable to shareholders of the Company from continuing operations	**$ 624**	$ 903
Adjusting items (refer to the following table)	**(144)**	(436)
Adjusted net earnings attributable to shareholders of the Company from continuing operations	**$ 480**	$ 467
Less: Prescribed dividends on preferred shares in share capital	**(14)**	(14)
Adjusted net earnings available to common shareholders of the Company from continuing operations	**$ 466**	$ 453
Less: Reduction in net earnings due to dilution at Loblaw	**(4)**	(4)
Adjusted net earnings available to common shareholders for diluted earnings per share from continuing operations	**$ 462**	$ 449
Diluted weighted average common shares outstanding (in millions)	**137.3**	144.1

The following table reconciles adjusted net earnings available to common shareholders of the Company from continuing operations and adjusted diluted net earnings per common share from continuing operations to GAAP net earnings available to common shareholders of the Company from continuing operations and diluted net earnings per common share from continuing operations as reported for the periods ended as indicated.

	16 Weeks Ended			
	Oct. 7, 2023		Oct. 8, 2022	
($ except where otherwise indicated)	Net Earnings Available to Common Shareholders of the Company ($ millions)	Diluted Net Earnings Per Common Share	Net Earnings Available to Common Shareholders of the Company ($ millions)	Diluted Net Earnings Per Common Share
Continuing Operations	$ 610	$ 4.41	$ 889	$ 6.14
Add (deduct) impact of the following[i]:				
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	$ 60	$ 0.43	$ 60	$ 0.42
Fair value adjustment of investment in real estate securities	42	0.30	64	0.45
Fair value adjustment on investment properties	1	0.01	(262)	(1.82)
Gain on sale of non-operating properties	(8)	(0.05)	(1)	(0.01)
Fair value adjustment of derivatives	(2)	(0.01)	(3)	(0.02)
Fair value adjustment of the Trust Unit liability[ii]	(219)	(1.60)	(277)	(1.92)
Outside basis difference in certain Loblaw shares[iii]	(18)	(0.13)	(18)	(0.13)
Foreign currency translation and other company level activities	–	–	1	0.01
Adjusting items Continuing Operations	$ (144)	$ (1.05)	$ (436)	$ (3.02)
Adjusted Continuing Operations	$ 466	$ 3.36	$ 453	$ 3.12

(i) Net of income taxes and non-controlling interests, as applicable.

(ii) Trust Units held by unitholders other than the Company are presented as a liability on the Company's consolidated balance sheets as they are redeemable for cash at the option of the holder, subject to certain restrictions. This liability is recorded at fair value at each reporting date based on the market price of Trust Units at the end of each period through net interest expense and other financing charges.

(iii) The Company recorded a deferred tax recovery on temporary differences in respect of GWL's investment in certain Loblaw shares that are expected to reverse in the foreseeable future as a result of GWL's participation in Loblaw's NCIB.

GWL CORPORATE[(3)] FREE CASH FLOW FROM CONTINUING OPERATIONS GWL Corporate[(3)] free cash flow from continuing operations is generated from the dividends received from Loblaw, distributions received from Choice Properties, and proceeds from participation in Loblaw's Normal Course Issuer Bid, less corporate expenses, interest and income taxes paid.

	16 Weeks Ended	
($ millions)	**Oct. 7, 2023**	Oct. 8, 2022
Dividends from Loblaw	**$ 148**	$ 139
Distributions from Choice Properties	**84**	83
GWL Corporate[(3)] cash flow from operating businesses from Continuing Operations	**$ 232**	$ 222
Proceeds from participation in Loblaw's Normal Course Issuer Bid	**171**	190
GWL Corporate, financing, and other costs[(i)]	**(64)**	(14)
Income taxes paid	**(20)**	(24)
GWL Corporate[(3)] free cash flow from Continuing Operations	**$ 319**	$ 374

(i) Included in Other and Intersegment. GWL Corporate includes all other company level activities that are not allocated to the reportable operating segments, such as net interest expense, corporate activities and administrative costs. Also included are preferred share dividends.

CHOICE PROPERTIES' FUNDS FROM OPERATIONS Choice Properties considers funds from operations to be a useful measure of operating performance as it adjusts for items included in net income that do not arise from operating activities or do not necessarily provide an accurate depiction of its performance.

Funds from operations is calculated in accordance with the Real Property Association of Canada's Funds from Operations & Adjusted Funds from Operations for International Financial Reporting Standards issued in January 2022.

The following table reconciles Choice Properties' funds from operations to net income for the periods ended as indicated.

	16 Weeks Ended	
($ millions)	**Oct. 7, 2023**	Oct. 8, 2022
Net income	**$ 435**	$ 948
Add (deduct) impact of the following:		
Fair value adjustment on Exchangeable Units	**(352)**	(578)
Fair value adjustment on investment properties	**(27)**	(141)
Fair value adjustment on investment property held in equity accounted joint ventures	**1**	(203)
Fair value adjustment of investment in real estate securities	**45**	69
Capitalized interest on equity accounted joint ventures	**3**	3
Unit distributions on Exchangeable Units	**74**	73
Internal expenses for leasing	**2**	2
Funds from Operations	**$ 181**	$ 173