Management's Discussion and Analysis

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Management’s Discussion and Analysis

The following Management’s Discussion and Analysis (“MD&A”) for George Weston Limited (“GWL” or the “Company”) should be read in conjunction with the Company’s third quarter 2025 unaudited interim period condensed consolidated financial statements and the accompanying notes (“interim financial statements”) of this Quarterly Report, the audited annual consolidated financial statements and the accompanying notes for the year ended December 31, 2024 and the related annual MD&A included in the Company’s 2024 Annual Report.

The Company’s third quarter 2025 interim financial statements are prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting”, as issued by the International Accounting Standards Board. These interim financial statements include the accounts of the Company and other entities that the Company controls and are reported in Canadian dollars, except where otherwise noted.

Under International Financial Reporting Standards (“IFRS Accounting Standards” or “GAAP”), certain expenses and income must be recognized that are not necessarily reflective of the Company’s underlying operating performance. Non-GAAP and other financial measures exclude the impact of certain items and are used internally when analyzing consolidated and segment underlying operating performance. These non-GAAP and other financial measures are also helpful in assessing underlying operating performance on a consistent basis. See Section 8, “Non-GAAP and Other Financial Measures”, of this MD&A for more information on the Company’s non-GAAP and other financial measures.

The Company operates through its two reportable operating segments: Loblaw Companies Limited (“Loblaw”) and Choice Properties Real Estate Investment Trust (“Choice Properties”). The effect of consolidation includes eliminations, intersegment adjustments and other consolidation adjustments. Cash and short-term investments and other investments held by the Company, and all other company level activities that are not allocated to the reportable operating segments, such as net interest expense, corporate activities and administrative costs are included in GWL Corporate. For further details on the effect of consolidation, refer to Section 8, “Non-GAAP and Other Financial Measures”, of this MD&A. Loblaw has two reportable operating segments, retail and financial services, with all material operations carried out in Canada. Loblaw’s retail segment consists primarily of food retail and drug retail. Loblaw provides Canadians with grocery, pharmacy and healthcare services, other 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. In this MD&A, unless otherwise indicated, “Consolidated” refers to the consolidated results of GWL including its subsidiaries.

A glossary of terms and ratios used throughout this Quarterly Report can be found beginning on page 157 of the Company’s 2024 Annual Report.

This MD&A contains forward-looking statements, which are subject to risks and uncertainties that could cause the Company’s actual results to differ materially from the forward-looking statements. For additional information related to forward-looking statements, material assumptions and material risks associated with them, see Section 6, “Enterprise Risks and Risk Management”, Section 7, “Outlook” and Section 9, “Forward-Looking Statements” of this MD&A.

The information in this MD&A is current to November 13, 2025, unless otherwise noted.

At a Glance

Key Financial Highlights

As at or for the 16 weeks ended October 4, 2025, October 5, 2024 and December 31, 2024
($ millions except where otherwise indicated)

Consolidated

REVENUE	OPERATING INCOME	ADJUSTED EBITDA[1]	ADJUSTED EBITDA MARGIN[1] (%)
$19,548	**$1,638**	**$2,340**	**12.0%**
+4.6% vs. Q3 2024	**+1.2%** vs. Q3 2024	**+8.4%** vs. Q3 2024	**+50bps** vs. Q3 2024

NET EARNINGS AVAILABLE TO COMMON SHAREHOLDERS	ADJUSTED NET EARNINGS AVAILABLE TO COMMON SHAREHOLDERS[1]	DILUTED NET EARNINGS PER COMMON SHARE[2] ($)	ADJUSTED DILUTED NET EARNINGS PER COMMON SHARE[1][2] ($)
$477	**$533**	**$1.23**	**$1.37**
+3,080.0% vs. Q3 2024	**+12.0%** vs. Q3 2024	**+4,000.0%** vs. Q3 2024	**+15.1%** vs. Q3 2024

GWL Corporate

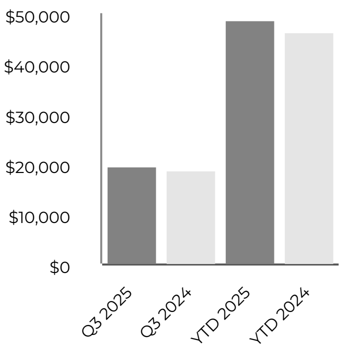
GWL CORPORATE CASH FLOW FROM OPERATING BUSINESSES[1]	GWL CORPORATE FREE CASH FLOW[1]	QUARTERLY DIVIDENDS DECLARED PER SHARE[2] ($)	GWL CORPORATE CASH AND CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS
$291	**$433**	**$0.297933**	**$140**
+5.1% vs. Q3 2024	**+2.6%** vs. Q3 2024	**+9.0%** vs. Q3 2024	**-73.2%** vs. Q4 2024

(1) Refer to Section 8, “Non-GAAP and Other Financial Measures”, of this MD&A.
(2) Adjusted to reflect the three-for-one stock split effective at the close of business on August 18, 2025. For further details, refer to Section 1.2, “Consolidated Other Business Matters”, of this MD&A.

Key Performance Indicators

For the 16 weeks and 40 weeks ended October 4, 2025 and October 5, 2024
($ millions except where otherwise indicated)

REVENUE

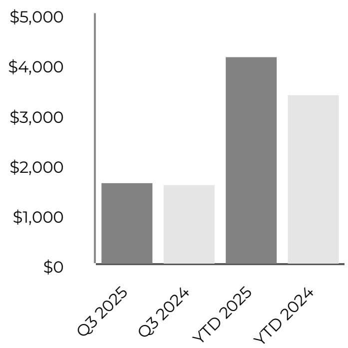


Q3 2025	**$**	**19,548**	**+4.6%**
Q3 2024	$	18,685	
YTD 2025	**$**	**48,656**	**+4.6%**
YTD 2024	$	46,511	

How we performed

Revenue increased in the third quarter of 2025 and year-to-date due to growth at Loblaw and Choice Properties.

OPERATING INCOME



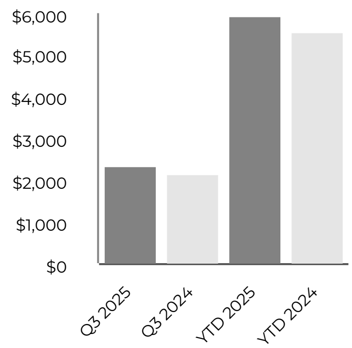
Q3 2025	**$**	**1,638**	**+1.2%**
Q3 2024	$	1,618	
YTD 2025	**$**	**4,155**	**+22.8%**
YTD 2024	$	3,384	

How we performed

Operating income increased in the third quarter of 2025 due to an improvement in the underlying operating performance of Loblaw and Choice Properties, and the favourable year-over-year impact of GWL Corporate, partially offset by the unfavourable year-over-year net impact of adjusting items.

Year-to-date, the increase was due to the favourable year-over-year net impact of adjusting items, an improvement in the underlying operating performance of Loblaw and Choice Properties, and the favourable year-over-year impact of GWL Corporate.

ADJUSTED EBITDA[1]



Q3 2025	**$**	**2,340**	**+8.4%**
Q3 2024	$	2,158	
YTD 2025	**$**	**5,953**	**+6.6%**
YTD 2024	$	5,587	

How we performed

Adjusted EBITDA[1] increased in the third quarter of 2025 and year-to-date due to an increase at Loblaw and Choice Properties, and the favourable year-over-year impact of GWL Corporate.

Adjusted EBITDA margin[1] in the third quarter of 2025 increased primarily due to an increase in Loblaw retail gross profit percentage driven by an improvement in shrink, and a favourable decrease in the Company's selling, general and administrative expenses ("SG&A") as a percentage of sales.

Year-to-date, adjusted EBITDA margin[1] increased primarily due to an increase in Loblaw retail gross profit percentage and a favourable decrease in the Company's SG&A as a percentage of sales.

ADJUSTED EBITDA MARGIN[1] (%)

12.0%	**+50bps**
Q3 2025	vs. Q3 2024
12.2%	**+20bps**
YTD 2025	vs. 2024

ADJUSTED NET EARNINGS AVAILABLE TO COMMON SHAREHOLDERS[1]

Q3 2025	**$**	**533**	**+12.0%**
Q3 2024	$	476	
YTD 2025	**$**	**1,273**	**+7.7%**
YTD 2024	$	1,182	

How we performed

Adjusted net earnings available to common shareholders[1] increased in the third quarter of 2025 due to an increase in the contribution from the publicly traded operating companies[i], and the favourable year-over-year impact of GWL Corporate.

Year-to-date, the increase was due to an increase in the contribution from the publicly traded operating companies[i], partially offset by the unfavourable year-over-year impact of GWL Corporate.

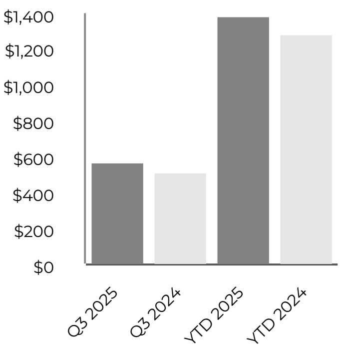
Adjusted diluted net earnings per common share[1] increased in the third quarter of 2025 and year-to-date due to the growth in adjusted net earnings available to common shareholders[1] and lower weighted average common shares due to share repurchases.

ADJUSTED DILUTED NET EARNINGS PER COMMON SHARE[1][2] ($)

$ 1.37	**+15.1%**
Q3 2025	vs. Q3 2024
$ 3.26	**+11.6%**
YTD 2025	vs. 2024

As at or for the 16 weeks and 40 weeks ended October 4, 2025, October 5, 2024 and December 31, 2024
($ millions except where otherwise indicated)

CONTRIBUTION TO ADJUSTED NET EARNINGS[1] FROM THE PUBLICLY TRADED OPERATING COMPANIES[i]

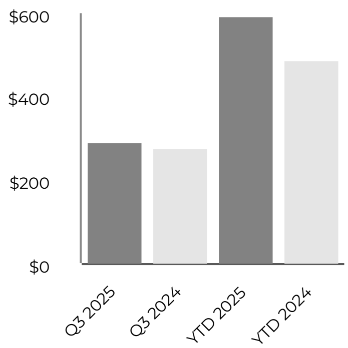


Q3 2025	**$**	**568**	**+10.1%**
Q3 2024	$	516	
YTD 2025	**$**	**1,388**	**+7.8%**
YTD 2024	$	1,287	

How we performed

Contribution to adjusted net earnings available to common shareholders of the Company[1] from the publicly traded operating companies[i] increased in the third quarter of 2025 and year-to-date due to the improvement in the underlying operating performance of Loblaw and Choice Properties.

GWL CORPORATE CASH FLOW FROM OPERATING BUSINESSES[1]



Q3 2025	**$**	**291**	**+5.1%**
Q3 2024	$	277	
YTD 2025	**$**	**596**	**+21.6%**
YTD 2024	$	490	

How we performed

GWL Corporate cash flow from operating businesses[1] increased in the third quarter of 2025 and year-to-date primarily driven by higher dividends received from Loblaw.

GWL CORPORATE FREE CASH FLOW[1]

Q3 2025	**$**	**433**	**+2.6%**
Q3 2024	$	422	
YTD 2025	**$**	**760**	**-10.1%**
YTD 2024	$	845	

How we performed

The increase in GWL Corporate free cash flow[1] in the third quarter of 2025 was primarily due to higher proceeds from GWL's participation in Loblaw's Normal Course Issuer Bid ("NCIB").

The decrease year-to-date was primarily due to the payment of a provision[ii], partially offset by higher GWL Corporate cash flow from operating businesses[1] and higher proceeds from GWL's participation in Loblaw's NCIB.

GWL CORPORATE CASH AND CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS

Q3 2025	**$**	**140**	**-73.2%**
Q4 2024	$	523	

How we performed

The decrease in GWL Corporate cash and cash equivalents and short-term investments since 2024 year end was primarily due to GWL share repurchases and the payment of a provision[ii], partially offset by proceeds received from GWL's participation in Loblaw's NCIB.

GWL Corporate Free Cash Flow[1]

GWL Corporate free cash flow[1] is generated from the dividends received from Loblaw, distributions received from Choice Properties, and proceeds from participation in Loblaw's NCIB, less corporate expenses, interest and income taxes paid.

	16 Weeks Ended		40 Weeks Ended	
($ millions)	**Oct. 4, 2025**	Oct. 5, 2024	**Oct. 4, 2025**	Oct. 5, 2024
Dividends from Loblaw[iii]	**$ 176**	$ 164	**$ 339**	$ 237
Distributions from Choice Properties	**115**	113	**257**	253
GWL Corporate cash flow from operating businesses[1]	**$ 291**	$ 277	**$ 596**	$ 490
Proceeds from participation in Loblaw's NCIB	**203**	190	**605**	562
GWL Corporate, financing, and other costs[ii][iv]	**(41)**	(27)	**(338)**	(69)
Income taxes paid	**(20)**	(18)	**(103)**	(138)
GWL Corporate free cash flow[1]	**$ 433**	$ 422	**$ 760**	$ 845

(i) Publicly traded operating companies is the combined results from Loblaw and Choice Properties after the effect of consolidation.
(ii) Includes a payment of a provision of $247 million recorded in the first quarter of 2025. Refer to note 14, "Contingent Liabilities", of the Company's third quarter 2025 interim financial statements for additional details.
(iii) Loblaw's fourth quarter of 2024 dividends were recognized in the first quarter of 2025.
(iv) GWL Corporate, financing, and other costs includes all other company level activities that are not allocated to the reportable operating segments such as net interest expense, corporate activities, administrative costs and changes in non-cash working capital. Also included are preferred share dividends.
(1) Refer to Section 8, "Non-GAAP and Other Financial Measures", of this MD&A.
(2) Adjusted to reflect the three-for-one stock split effective at the close of business on August 18, 2025. For further details, refer to Section 1.2, "Consolidated Other Business Matters", of this MD&A.

Management's Discussion and Analysis

1. Overall Financial Performance

Loblaw delivered another quarter of consistent operational and financial performance. The combination of everyday value offerings, personalized PC Optimum™ loyalty rewards, impactful promotions, and new store openings drove higher levels of customer engagement. Canadians recognized its differentiated value, quality, service, and convenience across its nationwide network of stores and digital platforms, driving sales growth of $857 million in the quarter. The food retail business attracted more customers and larger baskets, resulting in both the Super Market and Hard Discount banners outperforming their peer group on tonnage market share growth in the quarter. Loblaw's Hard Discount and Real Canadian Superstore banners again outperformed conventional stores, benefitting from the consumer shift to value. Loblaw opened 19 Maxi and NoFrills stores in the quarter, bringing discount options to more communities across the country. In drug retail, pharmacy and healthcare services contributed to strong results, led by specialty drug growth. Front store sales momentum continued in cosmetics and over-the-counter ("OTC") categories, which were only partially offset by the previously announced strategic exit from certain electronics items. Loblaw remains on track with its full-year plan to open approximately 76 new stores and 100 new pharmacy clinics, opening 47 new stores and 55 new pharmacy clinics year-to-date, providing access to affordable, quality groceries and healthcare to underserved communities across Canada.

Choice Properties had another strong quarter, with Same-Asset NOI[4] and Funds from Operations[1] growth reflecting robust tenant demand for its grocery-anchored retail portfolio and its well-located industrial assets. Choice Properties continued to progress its commercial development pipeline, completing seven retail intensifications in the quarter, and strengthened its financial position by extending its debt maturity profile. Looking ahead, Choice Properties remains focused on disciplined financial management while creating long-term value for unitholders.

1.1 Consolidated Results of Operations

The Company operates through its two reportable operating segments: Loblaw and Choice Properties, each of which are publicly traded entities. As such, the Company's financial statements reflect and are impacted by the consolidation of Loblaw and Choice Properties. The consolidation of these entities into the Company's financial statements reflects the impact of eliminations, intersegment adjustments and other consolidation adjustments, which can positively or negatively impact the Company's consolidated results. Additionally, cash and short-term investments and other investments held by the Company, and all other company level activities that are not allocated to the reportable operating segments, such as net interest expense, corporate activities and administrative costs are included in GWL Corporate. To help our investors and stakeholders understand the Company's financial statements and the effect of consolidation, the Company reports its results in a manner that differentiates between the Loblaw segment, the Choice Properties segment, the effect of consolidation of Loblaw and Choice Properties, and lastly, GWL Corporate.

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 negatively impacted when the Trust Unit price increases and positively impacted when the Trust Unit price declines.

($ millions except where otherwise indicated) For the periods ended as indicated	16 Weeks Ended Oct. 4, 2025	Oct. 5, 2024	$ Change	% Change	40 Weeks Ended Oct. 4, 2025	Oct. 5, 2024	$ Change	% Change
Revenue	**$ 19,548**	**$ 18,685**	**$ 863**	**4.6%**	**$ 48,656**	**$ 46,511**	**$ 2,145**	**4.6%**
Operating income	**$ 1,638**	**$ 1,618**	**$ 20**	**1.2%**	**$ 4,155**	**$ 3,384**	**$ 771**	**22.8%**
Adjusted EBITDA[1]	**$ 2,340**	$ 2,158	$ 182	8.4%	**$ 5,953**	$ 5,587	$ 366	6.6%
Adjusted EBITDA margin[1]	**12.0%**	11.5%			**12.2%**	12.0%		
Depreciation and amortization	**$ 692**	**$ 787**	**$ (95)**	**(12.1)%**	**$ 1,837**	**$ 1,998**	**$ (161)**	**(8.1)%**
Net interest expense and other financing charges	**$ 418**	**$ 875**	**$ (457)**	**(52.2)%**	**$ 1,352**	**$ 1,087**	**$ 265**	**24.4%**
Adjusted net interest expense and other financing charges[1]	**$ 351**	$ 317	$ 34	10.7%	**$ 934**	$ 862	$ 72	8.4%
Income taxes	**$ 338**	**$ 303**	**$ 35**	**11.6%**	**$ 923**	**$ 698**	**$ 225**	**32.2%**
Adjusted income taxes[1]	**$ 357**	$ 314	$ 43	13.7%	**$ 935**	$ 852	$ 83	9.7%
Effective tax rate	**27.7%**	**40.8%**			**32.9%**	**30.4%**		
Adjusted effective tax rate[1]	**27.2%**	26.0%			**28.2%**	27.4%		
Net earnings attributable to shareholders of the Company	**$ 491**	**$ 29**	**$ 462**	**1,593.1%**	**$ 852**	**$ 685**	**$ 167**	**24.4%**
Loblaw[i]	**$ 419**	$ 409	$ 10	2.4%	**$ 1,061**	$ 893	$ 168	18.8%
Choice Properties	**242**	(663)	905	136.5%	**(8)**	(7)	(1)	(14.3)%
Effect of consolidation	**(157)**	291	(448)	(154.0)%	**(93)**	73	(166)	(227.4)%
Publicly traded operating companies	**$ 504**	$ 37	$ 467	1,262.2%	**$ 960**	$ 959	$ 1	0.1%
GWL Corporate	**(27)**	(22)	(5)	(22.7)%	**(142)**	(308)	166	53.9%
Net earnings available to common shareholders of the Company	**$ 477**	**$ 15**	**$ 462**	**3,080.0%**	**$ 818**	**$ 651**	**$ 167**	**25.7%**
Diluted net earnings per common share[2] ($)	**$ 1.23**	**$ 0.03**	**$ 1.20**	**4,000.0%**	**$ 2.08**	**$ 1.60**	**$ 0.48**	**30.0%**
Loblaw[i]	**$ 437**	$ 405	$ 32	7.9%	**$ 1,118**	$ 1,039	$ 79	7.6%
Choice Properties	**119**	102	17	16.7%	**340**	316	24	7.6%
Effect of consolidation[1]	**12**	9	3	33.3%	**(70)**	(68)	(2)	(2.9)%
Publicly traded operating companies	**$ 568**	$ 516	$ 52	10.1%	**$ 1,388**	$ 1,287	$ 101	7.8%
GWL Corporate	**(35)**	(40)	5	12.5%	**(115)**	(105)	(10)	(9.5)%
Adjusted net earnings available to common shareholders of the Company[1]	**$ 533**	$ 476	$ 57	12.0%	**$ 1,273**	$ 1,182	$ 91	7.7%
Adjusted diluted net earnings per common share[1][2] ($)	**$ 1.37**	$ 1.19	$ 0.18	15.1%	**$ 3.26**	$ 2.92	$ 0.34	11.6%

(i) Contribution from Loblaw, net of non-controlling interests.

NET EARNINGS AVAILABLE TO COMMON SHAREHOLDERS OF THE COMPANY

Net earnings available to common shareholders of the Company in the third quarter of 2025 were $477 million ($1.23 per common share), an increase of $462 million ($1.20 per common share) compared to the same period in 2024. The increase was due to the favourable year-over-year net impact of adjusting items totaling $405 million ($1.02 per common share) and an improvement of $57 million ($0.18 per common share) in the consolidated underlying operating performance of the Company.

The favourable year-over-year net impact of adjusting items totaling $405 million ($1.02 per common share) was primarily due to:
- the favourable year-over-year impact of the fair value adjustment of the Trust Unit liability of $501 million ($1.26 per common share) due to an increase in Choice Properties' unit price, which resulted in a fair value loss of $67 million in the third quarter of 2025 compared to a fair value loss of $568 million in the prior year; and
- the favourable year-over-year impact of lower amortization of intangible assets at Loblaw of $56 million ($0.15 per common share) primarily related to certain intangible assets associated with the 2014 acquisition of Shoppers Drug Mart Corporation ("Shoppers Drug Mart") which are now fully amortized;

partially offset by,
- the unfavourable year-over-year impact of the prior year recovery related to the President's Choice Bank ("PC Bank") commodity tax matter at Loblaw of $66 million ($0.17 per common share);
- the unfavourable year-over-year impact of the fair value adjustment on investment properties of $50 million ($0.13 per common share) driven by Choice Properties, net of the effect of consolidation;
- the unfavourable year-over-year impact of the fair value adjustment on Choice Properties' investment in real estate securities of Allied Properties Real Estate Investment Trust ("Allied") of $14 million ($0.03 per common share) as a result of the change in Allied's unit price;
- the unfavourable impact of the wind-down of the Theodore & Pringle optical business at Loblaw of $12 million ($0.03 per common share); and
- the unfavourable year-over-year impact of the deferred tax recovery of $10 million ($0.03 per common share) related to the outside basis difference in certain Loblaw shares as a result of GWL's participation in Loblaw's Normal Course Issuer Bid ("NCIB").

Adjusted net earnings available to common shareholders of the Company[1] in the third quarter of 2025 were $533 million, an increase of $57 million, or 12.0%, compared to the same period in 2024. The increase was driven by the favourable year-over-year impact of $52 million from the contribution of the publicly traded operating companies, and the favourable year-over-year impact of $5 million at GWL Corporate due to a fair value gain on other investments, partially offset by an increase in adjusted net interest expense and other financing charges[1] and an increase in income tax expense related to GWL's participation in Loblaw's NCIB.

Adjusted diluted net earnings per common share[1] were $1.37 in the third quarter of 2025, an increase of $0.18 per common share, or 15.1%, compared to the same period in 2024. The increase was due to the performance in adjusted net earnings available to common shareholders[1] as described above and the favourable impact of shares purchased for cancellation over the last 12 months ($0.04 per common share) pursuant to the Company's NCIB.

Year-to-date net earnings available to common shareholders of the Company were $818 million ($2.08 per common share) compared to $651 million ($1.60 per common share), an increase of $167 million ($0.48 per common share) compared to the same period in 2024. The increase was due to the favourable year-over-year net impact of adjusting items totaling $76 million ($0.14 per common share) and an improvement of $91 million ($0.34 per common share) in the consolidated underlying operating performance of the Company.

The favourable year-over-year net impact of adjusting items totaling $76 million ($0.14 per common share) was primarily due to:

- the favourable year-over-year impact of prior year charges related to the settlement of class action lawsuits of $253 million ($0.63 per common share);
- the favourable year-over-year impact of lower amortization of intangible assets at Loblaw of $96 million ($0.23 per common share) primarily related to certain intangible assets associated with the 2014 acquisition of Shoppers Drug Mart which are now fully amortized; and
- the favourable year-over-year impact of the fair value adjustment on Choice Properties' investment in real estate securities of Allied of $39 million ($0.10 per common share) as a result of the change in Allied's unit price;

partially offset by,

- the unfavourable year-over-year impact of the fair value adjustment of the Trust Unit liability of $183 million ($0.49 per common share) as a result of the increase in Choice Properties' unit price;
- the unfavourable year-over-year impact of the prior year recovery related to the PC Bank commodity tax matter at Loblaw of $66 million ($0.16 per common share);
- the unfavourable year-over-year impact of the prior year reversal of a transaction related provision of $39 million ($0.10 per common share) that was determined to be no longer required at Choice Properties;
- the unfavourable impact of the wind-down of the Theodore & Pringle optical business at Loblaw of $12 million ($0.03 per common share); and
- the unfavourable year-over-year impact of the deferred tax expense of $13 million ($0.04 per common share) related to the outside basis difference in certain Loblaw shares as a result of GWL's participation in Loblaw's NCIB.

Year-to-date adjusted net earnings available to common shareholders of the Company[1] were $1,273 million, an increase of $91 million, or 7.7%, compared to the same period in 2024. The increase was driven by the favourable year-over-year impact of $101 million from the contribution of the publicly traded operating companies, partially offset by the unfavourable year-over-year impact of $10 million at GWL Corporate. The unfavourable year-over-year impact at GWL Corporate was primarily due to an increase in adjusted net interest expense and other financing charges[1] and an increase in income tax expense as a result of GWL's participation in Loblaw's NCIB, partially offset by the favourable year-over-year impact of the fair value adjustment on other investments.

Adjusted diluted net earnings per common share[1] were $3.26, an increase of $0.34 per common share, or 11.6%, compared to the same period in 2024. The increase was due to the performance in adjusted net earnings available to common shareholders[1] as described above and the favourable impact of shares purchased for cancellation over the last 12 months ($0.11 per common share) pursuant to the Company's NCIB.

REVENUE

($ millions except where otherwise indicated) For the periods ended as indicated	16 Weeks Ended **Oct. 4, 2025**	Oct. 5, 2024	$ Change	% Change	40 Weeks Ended **Oct. 4, 2025**	Oct. 5, 2024	$ Change	% Change
Loblaw	**$ 19,395**	$ 18,538	$ 857	4.6%	**$ 48,202**	$ 46,066	$ 2,136	4.6%
Choice Properties	**362**	340	22	6.5%	**1,060**	1,025	35	3.4%
Effect of consolidation[1]	**(209)**	(193)	(16)	(8.3)%	**(606)**	(580)	(26)	(4.5)%
Publicly traded operating companies	**$ 19,548**	$ 18,685	$ 863	4.6%	**$ 48,656**	$ 46,511	$ 2,145	4.6%
GWL Corporate	**—**	—			**—**	—		
Consolidated	**$ 19,548**	$ 18,685	$ 863	4.6%	**$ 48,656**	$ 46,511	$ 2,145	4.6%

Revenue in the third quarter of 2025 was $19,548 million, an increase of $863 million, or 4.6%, compared to the same period in 2024. The increase in revenue was impacted by each of the Company's reportable operating segments as follows:

- Positively by 4.6% due to revenue growth of 4.6% at Loblaw, primarily driven by an increase in retail sales of $823 million, or 4.5%, and an increase in financial services revenue of $21 million, or 5.5%. The increase in retail sales was due to positive same-store sales growth and an increase in retail square footage due to the opening of new stores.
- Positively by 0.1% due to revenue growth of 6.5% at Choice Properties. The increase of $22 million was mainly due to higher rental rates, contributions from acquisitions, net of dispositions, and completed developments, and higher lease surrender revenue.

Year-to-date revenue was $48,656 million, an increase of $2,145 million, or 4.6%, compared to the same period in 2024. The increase in revenue was impacted by each of the Company's reportable operating segments as follows:

- Positively by 4.6% due to revenue growth of 4.6% at Loblaw, primarily driven by an increase in retail sales of $2,101 million, or 4.6%, and an increase in financial services revenue of $43 million, or 3.9%. The increase in retail sales was due to positive same-store sales growth and an increase in retail square footage due to the opening of new stores.
- Positively by 0.1% due to revenue growth of 3.4% at Choice Properties. The increase of $35 million included the impact of revenue from the sale of residential inventory in 2024 of $11 million. Excluding the impact of the sale of residential inventory in the prior year, revenue increased by $46 million, or 4.5%, driven by higher rental rates, contributions from acquisitions, net of dispositions, and completed developments, and higher lease surrender revenue.

OPERATING INCOME

($ millions except where otherwise indicated) For the periods ended as indicated	16 Weeks Ended Oct. 4, 2025	Oct. 5, 2024	$ Change	% Change	40 Weeks Ended Oct. 4, 2025	Oct. 5, 2024	$ Change	% Change
Loblaw	**$ 1,374**	$ 1,319	$ 55	4.2%	**$ 3,515**	$ 3,044	$ 471	15.5%
Choice Properties	**315**	376	(61)	(16.2)%	**941**	856	85	9.9%
Effect of consolidation(1)	**(53)**	(69)	16	23.2%	**(284)**	(237)	(47)	(19.8)%
Publicly traded operating companies	**$ 1,636**	$ 1,626	$ 10	0.6%	**$ 4,172**	$ 3,663	$ 509	13.9%
GWL Corporate	**2**	(8)	10	125.0%	**(17)**	(279)	262	93.9%
Consolidated	**$ 1,638**	$ 1,618	$ 20	1.2%	**$ 4,155**	$ 3,384	$ 771	22.8%

Operating income in the third quarter of 2025 was $1,638 million compared to $1,618 million in the same period in 2024, an increase of $20 million, or 1.2%. The increase was attributable to an improvement in the underlying operating performance of the Company of $136 million driven by an increase at Loblaw and Choice Properties, and the favourable year-over-year impact of GWL Corporate. The increase was partially offset by the unfavourable year-over-year net impact of adjusting items totaling $116 million, as described below.

The unfavourable year-over-year net impact of adjusting items totaling $116 million was primarily driven by:
- the unfavourable year-over-year impact of the prior year recovery related to the PC Bank commodity tax matter at Loblaw of $155 million;
- the unfavourable year-over-year impact of the fair value adjustment of investment properties of $55 million driven by Choice Properties, net of the effect of consolidation;
- the unfavourable impact of the wind-down of the Theodore & Pringle optical business at Loblaw of $30 million; and
- the unfavourable year-over-year impact of the fair value adjustment on Choice Properties' investment in real estate securities of Allied of $16 million;

partially offset by,
- the favourable year-over-year impact of lower amortization of intangible assets at Loblaw of $141 million primarily related to certain intangible assets associated with the 2014 acquisition of Shoppers Drug Mart which are now fully amortized.

Year-to-date operating income was $4,155 million compared to $3,384 million in the same period in 2024, an increase of $771 million, or 22.8%. The increase was attributable to the favourable year-over-year net impact of adjusting items totaling $489 million, as described below, and an improvement in the underlying operating performance of the Company of $282 million driven by an increase at Loblaw and Choice Properties, and the favourable year-over-year impact of GWL Corporate.

The favourable year-over-year net impact of adjusting items totaling $489 million was primarily driven by:
- the favourable year-over-year impact of prior year charges related to the settlement of class action lawsuits of $420 million;
- the favourable year-over-year impact of lower amortization of intangible assets at Loblaw of $245 million primarily related to certain intangible assets associated with the 2014 acquisition of Shoppers Drug Mart which are now fully amortized; and
- the favourable year-over-year impact of the fair value adjustment on Choice Properties' investment in real estate securities of Allied of $42 million;

partially offset by,
- the unfavourable year-over-year impact of the prior year recovery related to the PC Bank commodity tax matter at Loblaw of $155 million;
- the unfavourable year-over-year impact of the prior year reversal of a transaction related provision of $39 million that was determined to be no longer required at Choice Properties; and
- the unfavourable impact of the wind-down of the Theodore & Pringle optical business at Loblaw of $30 million.

ADJUSTED EBITDA[1]

($ millions except where otherwise indicated) For the periods ended as indicated	16 Weeks Ended				40 Weeks Ended			
	Oct. 4, 2025	Oct. 5, 2024	$ Change	% Change	**Oct. 4, 2025**	Oct. 5, 2024	$ Change	% Change
Loblaw	**$ 2,215**	$ 2,067	$ 148	7.2%	**$ 5,642**	$ 5,320	$ 322	6.1%
Choice Properties	**261**	237	24	10.1%	**759**	718	41	5.7%
Effect of consolidation[1]	**(138)**	(139)	1	0.7%	**(433)**	(431)	(2)	(0.5)%
Publicly traded operating companies	**$ 2,338**	$ 2,165	$ 173	8.0%	**$ 5,968**	$ 5,607	$ 361	6.4%
GWL Corporate	**2**	(7)	9	128.6%	**(15)**	(20)	5	25.0%
Consolidated	**$ 2,340**	$ 2,158	$ 182	8.4%	**$ 5,953**	$ 5,587	$ 366	6.6%

Adjusted EBITDA[1] in the third quarter of 2025 was $2,340 million compared to $2,158 million in the same period in 2024, an increase of $182 million, or 8.4%. The increase was impacted by each of the Company's segments as follows:

- positively by 6.9% due to growth of 7.2% in adjusted EBITDA[1] at Loblaw, driven by an increase in retail and in financial services. The increase in Loblaw retail adjusted EBITDA[1] of 6.8% was driven by an increase in retail gross profit, partially offset by an increase in retail selling, general and administrative expenses ("SG&A");
- positively by 1.1% due to an increase of 10.1% in adjusted EBITDA[1] at Choice Properties, driven by an increase in rental income including higher lease surrender revenue, and lower general and administrative expenses; and
- positively by 0.4% due to an increase of 128.6% at GWL Corporate, primarily due to a fair value gain on other investments.

Year-to-date adjusted EBITDA[1] was $5,953 million compared to $5,587 million in the same period in 2024, an increase of $366 million, or 6.6%. The increase was impacted by each of the Company's segments as follows:

- positively by 5.8% due to growth of 6.1% in adjusted EBITDA[1] at Loblaw, driven by an increase in retail and in financial services. The increase in Loblaw retail adjusted EBITDA[1] of 6.0% was driven by an increase in retail gross profit, partially offset by an increase in retail SG&A;
- positively by 0.7% due to an increase of 5.7% in adjusted EBITDA[1] at Choice Properties, driven by an increase in rental income including higher lease surrender revenue, and lower general and administrative expenses, partially offset by the impact of income from the sale of residential inventory in the prior year; and
- positively by 0.1% due to an increase of 25.0% at GWL Corporate primarily due to the favourable year-over-year impact of the fair value adjustment on other investments.

DEPRECIATION AND AMORTIZATION

($ millions except where otherwise indicated) For the periods ended as indicated	16 Weeks Ended							40 Weeks Ended						
		Oct. 4, 2025		Oct. 5, 2024		$ Change	% Change		**Oct. 4, 2025**		Oct. 5, 2024		$ Change	% Change
Loblaw	**$**	**810**	$	903	$	(93)	(10.3)%	**$**	**2,115**	$	2,272	$	(157)	(6.9)%
Choice Properties		**1**		1		—	—%		**3**		3		—	—%
Effect of consolidation		**(119)**		(118)		(1)	(0.8)%		**(283)**		(280)		(3)	(1.1)%
Publicly traded operating companies	**$**	**692**	$	786	$	(94)	(12.0)%	**$**	**1,835**	$	1,995	$	(160)	(8.0)%
GWL Corporate		**—**		1		(1)	(100.0)%		**2**		3		(1)	(33.3)%
Consolidated	**$**	**692**	$	787	$	(95)	(12.1)%	**$**	**1,837**	$	1,998	$	(161)	(8.1)%

Depreciation and amortization in the third quarter of 2025 and year-to-date was $692 million and $1,837 million, respectively, a decrease of $95 million and $161 million compared to the same periods in 2024. The decrease was driven by lower amortization of intangible assets at Loblaw primarily related to certain intangible assets associated with the 2014 acquisition of Shoppers Drug Mart which are now fully amortized, partially offset by an increase in depreciation at Loblaw.

Depreciation and amortization in the third quarter of 2025 and year-to-date included $14 million (2024 – $155 million) and $139 million (2024 – $384 million), respectively, of amortization of intangible assets related to the acquisitions of Shoppers Drug Mart and Lifemark Health Group (“Lifemark”), recorded by Loblaw.

NET INTEREST EXPENSE AND OTHER FINANCING CHARGES

($ millions except where otherwise indicated) For the periods ended as indicated	16 Weeks Ended							40 Weeks Ended						
		Oct. 4, 2025		Oct. 5, 2024		$ Change	% Change		**Oct. 4, 2025**		Oct. 5, 2024		$ Change	% Change
Net interest expense and other financing charges	**$**	**418**	$	875	$	(457)	(52.2)%	**$**	**1,352**	$	1,087	$	265	24.4%
(Deduct) add impact of the following:														
Fair value adjustment of the Trust Unit liability		**(67)**		(568)		501	88.2%		**(418)**		(235)		(183)	(77.9)%
Recovery related to PC Bank commodity tax matter		**—**		10		(10)	(100.0)%		**—**		10		(10)	(100.0)%
Adjusted net interest expense and other financing charges[1]	**$**	**351**	$	317	$	34	10.7%	**$**	**934**	$	862	$	72	8.4%

Net interest expense and other financing charges in the third quarter of 2025 were $418 million, a decrease of $457 million compared to the same period in 2024. The decrease was due to the favourable year-over-year net impact of adjusting items totaling $491 million, itemized in the table above, partially offset by an increase in adjusted net interest expense and other financing charges[1] of $34 million. Included in the adjusting items was the favourable year-over-year impact of the fair value adjustment of the Trust Unit liability of $501 million due to an increase in Choice Properties’ unit price, which resulted in a fair value loss of $67 million in the third quarter of 2025 compared to a fair value loss of $568 million in the prior year.

In the third quarter of 2025, adjusted net interest expense and other financing charges[1] increased by $34 million, primarily driven by:

- an increase in interest expense on long-term debt;
- a decrease in interest income at Choice Properties and GWL Corporate; and
- an increase in interest expense from lease liabilities at Loblaw, net of the effect of consolidation.

Year-to-date net interest expense and other financing charges were $1,352 million, an increase of $265 million compared to the same period in 2024. The increase was due to the unfavourable year-over-year net impact of adjusting items totaling $193 million, itemized in the table above, and an increase in adjusted net interest expense and other financing charges[1] of $72 million. Included in the adjusting items was the unfavourable year-over-year impact of the fair value adjustment of the Trust Unit liability of $183 million as a result of the increase in Choice Properties’ unit price in 2025.

Year-to-date, adjusted net interest expense and other financing charges[1] increased by $72 million, primarily driven by:

- an increase in interest expense on long-term debt;
- an increase in interest expense from lease liabilities at Loblaw, net of the effect of consolidation; and
- a decrease in interest income.

INCOME TAXES

($ millions except where otherwise indicated) For the periods ended as indicated	16 Weeks Ended				40 Weeks Ended			
	Oct. 4, 2025	Oct. 5, 2024	$ Change	% Change	**Oct. 4, 2025**	Oct. 5, 2024	$ Change	% Change
Income taxes	**$ 338**	$ 303	$ 35	11.6%	**$ 923**	$ 698	$ 225	32.2%
Add (deduct) impact of the following:								
Tax impact of items excluded from adjusted earnings before taxes[i]	**11**	(7)	18	257.1%	**39**	168	(129)	(76.8)%
Outside basis difference in certain Loblaw shares	**8**	18	(10)	(55.6)%	**(27)**	(14)	(13)	(92.9)%
Adjusted income taxes[1]	**$ 357**	$ 314	$ 43	13.7%	**$ 935**	$ 852	$ 83	9.7%
Effective tax rate applicable to earnings before taxes	**27.7%**	40.8%			**32.9%**	30.4%		
Adjusted effective tax rate applicable to adjusted earnings before taxes[1]	**27.2%**	26.0%			**28.2%**	27.4%		

(i) See the adjusted EBITDA table and the adjusted net interest expense and other financing charges table included in Section 8, “Non-GAAP and Other Financial Measures”, of this MD&A for a complete list of items excluded from adjusted earnings before taxes.

The effective tax rate in the third quarter of 2025 was 27.7%, compared to 40.8% in the same period in 2024. The decrease in the effective tax rate was primarily attributable to the quarter-over-quarter impact of the non-taxable fair value adjustment of the Trust Unit liability, partially offset by the non-taxable portion of the gain from real estate dispositions during the third quarter of 2024 and an increase in tax expense related to temporary differences in respect of the Company’s investment in certain Loblaw shares as a result of GWL’s participation in Loblaw’s NCIB.

The adjusted effective tax rate[1] in the third quarter of 2025 was 27.2%, compared to 26.0% in the same period in 2024. The increase in the effective tax rate was primarily attributable to the non-taxable portion of the gain from real estate dispositions during the third quarter of 2024, partially offset by the impact of other non-deductible items.

The year-to-date effective tax rate was 32.9%, compared to 30.4% in the same period in 2024. The increase in the effective tax rate was primarily attributable to the year-over-year impact of the non-taxable fair value adjustment of the Trust Unit liability and the non-taxable portion of the gain from real estate dispositions during the third quarter of 2024.

The year-to-date adjusted effective tax rate[1] was 28.2%, compared to 27.4% in the same period in 2024. The increase in the effective tax rate was primarily attributable to the non-taxable portion of the gain from real estate dispositions during the third quarter of 2024.

1.2 Consolidated Other Business Matters

GWL CORPORATE FINANCING ACTIVITIES The Company completed the following financing activities during the periods indicated below. The cash impacts of these activities are set out below:

	16 Weeks Ended		40 Weeks Ended	
($ millions)	**Oct. 4, 2025**	Oct. 5, 2024	**Oct. 4, 2025**	Oct. 5, 2024
NCIB – purchased and cancelled(i)	**$ (231)**	$ (289)	**$ (702)**	$ (779)
Participation in Loblaw's NCIB(ii)	**203**	190	**605**	562
Debenture repaid - 4.12%, due June 17, 2024	**—**	(200)	**—**	(200)
Debenture issued - 4.19%, due September 5, 2029	**—**	250	**—**	250
Net cash flow used in above activities	**$ (28)**	$ (49)	**$ (97)**	$ (167)

(i) Included in the third quarter of 2025 and year-to-date is a net cash timing adjustment of $(4) million (2024 – $(5) million) and $1 million (2024 – $2 million), respectively, of common shares repurchased under the NCIB for cancellation.
(ii) Included in the third quarter of 2025 and year-to-date is a net cash timing adjustment of $8 million (2024 – $(3) million) and $(1) million (2024 – $(3) million), respectively, of common shares sold under Loblaw's NCIB for cancellation.

NCIB - Purchased and Cancelled Shares In the third quarter of 2025 and year-to-date, the Company purchased and cancelled 2.6 million common shares (2024 – 4.0 million common shares) for aggregate consideration of $227 million (2024 – $284 million) and 8.3 million common shares (2024 – 12.1 million common shares) for aggregate consideration of $703 million (2024 – $781 million), respectively, under its NCIB. As at October 4, 2025, the Company had 382.3 million common shares issued and outstanding, net of shares held in trusts (October 5, 2024 – 392.5 million common shares).

The Company has 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.

In the third quarter of 2025, 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 to maintain its proportionate ownership interest in the Company at approximately 59.2%. Purchases of common shares from Wittington will be made during the TSX's Special Trading Session pursuant to an automatic disposition plan agreement among the Company's broker, the Company and Wittington. The maximum number of common shares that may be purchased pursuant to the NCIB will be reduced by the number of common shares purchased from Wittington.

Refer to note 11, "Share Capital", of the Company's third quarter 2025 interim 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 2025 and year-to-date, Loblaw repurchased 3.5 million common shares(i) (2024 – 4.5 million common shares(i)) from the Company for aggregate consideration of $195 million (2024 – $193 million) and 11.8 million common shares(i) (2024 – 14.5 million common shares(i)) for aggregate consideration of $606 million (2024 – $565 million), respectively.

(i) Adjusted retrospectively to reflect Loblaw's four-for-one stock split effective at the close of business on August 18, 2025.

GWL STOCK SPLIT In the third quarter of 2025, the Company completed a three-for-one stock split of its outstanding common shares. The stock split was implemented by way of a stock dividend, with shareholders receiving two additional common shares for each common share held. The stock split was effective at the close of business on August 18, 2025, for shareholders of record as of the close of business on August 14, 2025. All share, equity award and per share amounts presented herein have been retrospectively adjusted to reflect the stock split.

2. Results of Reportable Operating Segments

The following discussion provides details of the third quarter of 2025 results of operations of each of the Company's reportable operating segments.

2.1 Loblaw Operating Results

($ millions except where otherwise indicated) For the periods ended as indicated	16 Weeks Ended Oct. 4, 2025	Oct. 5, 2024	$ Change	% Change	40 Weeks Ended Oct. 4, 2025	Oct. 5, 2024	$ Change	% Change
Revenue	**$ 19,395**	$ 18,538	$ 857	4.6%	**$ 48,202**	$ 46,066	$ 2,136	4.6%
Operating income	**$ 1,374**	$ 1,319	$ 55	4.2%	**$ 3,515**	$ 3,044	$ 471	15.5%
Adjusted EBITDA[1]	**$ 2,215**	$ 2,067	$ 148	7.2%	**$ 5,642**	$ 5,320	$ 322	6.1%
Adjusted EBITDA margin[1]	**11.4%**	11.2%			**11.7%**	11.5%		
Depreciation and amortization	**$ 810**	$ 903	$ (93)	(10.3)%	**$ 2,115**	$ 2,272	$ (157)	(6.9)%

REVENUE Loblaw revenue in the third quarter of 2025 was $19,395 million, an increase of $857 million, or 4.6%, compared to the same period in 2024, driven by an increase in retail sales and in financial services revenue. The sale of Wellwise by Shoppers™ ("*Wellwise*") was completed in the first quarter of 2025. Revenue related to *Wellwise* in the third quarter of 2025 was nil (2024 – $27 million). Excluding the impact of revenue related to *Wellwise*, revenue increased by 4.8%.

Retail sales were $19,082 million, an increase of $823 million, or 4.5%, compared to the same period in 2024. The increase was primarily driven by the following factors:

- food retail sales were $13,588 million, an increase of $622 million, or 4.8%, compared to the same period in 2024, and same-store sales growth was 2.0% (2024 – 0.5%);
    - Loblaw's internal food inflation was lower than the Consumer Price Index for Food Purchased from Stores of 3.6% (2024 – 2.3%); and
    - food retail traffic increased and basket size increased.
- drug retail sales were $5,494 million, an increase of $201 million, or 3.8%, compared to the same period in 2024, and same-store sales growth was 4.0% (2024 – 2.9%);
    - pharmacy and healthcare services same-store sales growth was 5.9% (2024 – 6.3%), led by specialty prescriptions. The number of prescriptions increased by 2.8% (2024 – 2.3%). On a same-store basis, the number of prescriptions increased by 2.8% (2024 – 2.3%) and the average prescription value increased by 3.7% (2024 – 3.5%); and
    - front store same-store sales growth was 1.9% (2024 – decline of 0.5%). Front store same-store sales growth was primarily driven by higher sales of beauty and OTC products, partially offset by the decision to exit certain low margin electronics categories.
- retail square footage was 72.9 million square feet, a net increase of 1.4 million square feet, or 2.0%, compared to the same period in 2024. In the third quarter of 2025, 27 food and drug stores were opened and 7 food and drug stores were closed.

Financial services revenue was $403 million, an increase of $21 million, or 5.5%, compared to the same period in 2024, primarily driven by higher interest income, higher insurance commission income and higher sales attributable to The Mobile Shop™.

On a year-to-date basis, Loblaw revenue was $48,202 million, an increase of $2,136 million, or 4.6%, compared to the same period in 2024, driven by an increase in retail sales and in financial services revenue. Year-to-date, revenue related to *Wellwise* was $21 million (2024 – $68 million). Excluding the impact of revenue related to *Wellwise*, revenue increased by 4.7%.

Retail sales were $47,308 million, an increase of $2,101 million, or 4.6% when compared to the same period in 2024. Food retail sales were $33,588 million, an increase of $1,560 million, or 4.9%, compared to the same period in 2024. Food retail same-store sales growth was 2.5% (2024 – 1.3%). Drug retail sales were $13,720 million, an increase of $541 million, or 4.1%, compared to the same period in 2024. Drug retail same-store sales growth was 4.0% (2024 – 2.8%), with pharmacy and healthcare services same-store sales growth of 6.1% (2024 – 6.3%), and front store same-store sales growth of 1.6% (2024 – decline of 0.7%).

Year-to-date financial services revenue was $1,153 million, an increase of $43 million, or 3.9%, compared to the same period in 2024. The increase was primarily driven by higher sales attributable to *The Mobile Shop*, higher insurance commission income, and higher interchange income.

OPERATING INCOME Loblaw operating income in the third quarter of 2025 was $1,374 million, an increase of $55 million, or 4.2%, compared to the same period in 2024. The increase was driven by an improvement in underlying operating performance of $100 million and an unfavourable year-over-year net impact of adjusting items totaling $45 million as described below:

- the improvement in underlying operating performance of $100 million was primarily due to:
    - an improvement in retail due to an increase in retail gross profit, partially offset by an increase in SG&A and depreciation and amortization; and
    - an improvement in the underlying operating performance of financial services.

- the unfavourable year-over-year net impact of adjusting items totaling $45 million was primarily due to:
    - the unfavourable year-over-year impact of the prior year recovery related to the PC Bank commodity tax matter of $155 million; and
    - the unfavourable impact of the wind-down of the Theodore & Pringle optical business of $30 million;

    partially offset by,
    - the favourable year-over-year impact of lower amortization of intangible assets of $141 million primarily related to certain intangible assets associated with the 2014 acquisition of Shoppers Drug Mart which are now fully amortized.

Year-to-date Loblaw operating income was $3,515 million, an increase of $471 million, or 15.5%, compared to the same period in 2024. The increase was driven by a favourable year-over-year net impact of adjusting items totaling $237 million and an improvement in underlying operating performance of $234 million, as described below:

- the favourable year-over-year net impact of adjusting items totaling $237 million was primarily due to:
    - the favourable year-over-year impact of lower amortization of intangible assets of $245 million primarily related to certain intangible assets associated with the 2014 acquisition of Shoppers Drug Mart which are now fully amortized;
    - the favourable year-over-year impact of the prior year charges related to the settlement of class action lawsuits of $164 million;
    - the favourable impact of the gain on sale of non-operating properties of $13 million; and
    - the favourable impact of the gain related to the sale of *Wellwise* of $5 million;

    partially offset by,
    - the unfavourable impact of the prior year recovery related to the PC Bank commodity tax matter of $155 million;
    - the unfavourable impact of the wind-down of the Theodore & Pringle optical business of $30 million; and
    - the unfavourable year-over-year impact of fair value adjustments on fuel and foreign currency contracts of $5 million.

- the improvement in underlying operating performance of $234 million was primarily due to:
    - an improvement in the underlying operating performance of retail due to an increase in retail gross profit, partially offset by an increase in retail SG&A and depreciation and amortization.

ADJUSTED EBITDA[(1)] Loblaw adjusted EBITDA[(1)] in the third quarter of 2025 was $2,215 million, an increase of $148 million, or 7.2%, compared to the same period in 2024, driven by an increase in retail of $134 million and an increase in financial services of $14 million.

Retail adjusted EBITDA[(1)] increased by $134 million compared to the same period in 2024, driven by an increase in retail gross profit of $298 million, partially offset by an increase in retail SG&A of $164 million.

- Retail gross profit percentage of 31.1% increased by 20 basis points compared to the same period in 2024, primarily driven by improvements in shrink.

- Retail SG&A as a percentage of sales was 20.0%, flat compared to the same period in 2024, primarily due to operating leverage from higher sales, offset by incremental costs related to opening new stores and the automated distribution facility and the year-over-year impact of certain real estate activities.

Financial services adjusted EBITDA[(1)] increased by $14 million compared to the same period in 2024, primarily driven by higher revenue as described above, and the year-over-year favourable impact of the expected credit loss provision. The increase was partially offset by higher customer acquisition expense from lapping of prior year ongoing benefits associated with the renewal of a long-term agreement with Mastercard International Incorporated.

Year-to-date Loblaw adjusted EBITDA[(1)] was $5,642 million, an increase of $322 million, or 6.1%, compared to the same period in 2024, driven by an increase in retail of $303 million and an increase in financial services of $19 million.

Year-to-date retail adjusted EBITDA[(1)] increased by $303 million, compared to the same period in 2024, driven by an increase in retail gross profit of $692 million, partially offset by an increase in retail SG&A of $389 million.

- Retail gross profit percentage of 31.5% increased by 10 basis points compared to the same period in 2024, primarily driven by improvements in shrink, partially offset by changes in sales mix in drug retail pharmacy categories.
- Retail SG&A as a percentage of sales was 20.1%, a favourable decrease of 10 basis points compared to the same period in 2024, primarily due to operating leverage from higher sales and the year-over-year impact of certain real estate activities, partially offset by incremental costs related to opening new stores and the automated distribution facility.

Year-to-date financial services adjusted EBITDA[(1)] increased by $19 million compared to the same period in 2024, primarily driven by higher revenue as described above, and the year-over-year favourable impact of the expected credit loss provision and lower credit card charge-offs, partially offset by higher customer acquisition expenses and operating costs from lapping of prior year ongoing benefits associated with the renewal of a long-term agreement with Mastercard International Incorporated, and higher loyalty program costs.

DEPRECIATION AND AMORTIZATION Loblaw depreciation and amortization in the third quarter of 2025 was $810 million, a decrease of $93 million compared to the same period in 2024. The decrease was primarily driven by the impact of lower amortization related to certain intangible assets associated with the 2014 acquisition of Shoppers Drug Mart which are now fully amortized, partially offset by an increase in depreciation of leased assets, and an increase in depreciation of fixed assets related to opening new stores and conversions of retail locations.

Year-to-date Loblaw depreciation and amortization was $2,115 million, a decrease of $157 million compared to the same period in 2024. The decrease was primarily driven by the impact of lower amortization related to certain intangible assets associated with the 2014 acquisition of Shoppers Drug Mart which are now fully amortized, a decrease in depreciation of information technology ("IT") assets and the impact of prior year accelerated depreciation as a result of network optimization. This was partially offset by an increase in depreciation of leased assets, and an increase in depreciation of fixed assets related to opening new stores and conversions of retail locations.

Depreciation and amortization in the third quarter of 2025 and year-to-date included the amortization of intangible assets related to the acquisitions of Shoppers Drug Mart and Lifemark of $14 million (2024 – $155 million) and $139 million (2024 – $384 million), respectively.

CONSOLIDATION OF FRANCHISES Loblaw has more than 500 franchise food retail stores in its network. Non-controlling interests at Loblaw represents the share of earnings that relates to Loblaw's food retail franchisees and is impacted by the timing of when profit sharing with franchisees is agreed and finalized under the terms of the agreements. In the third quarter of 2025 and year-to-date, Loblaw's net earnings attributable to non-controlling interests were $16 million and $78 million, respectively, a decrease of $24 million or 60.0%, and a decrease of $27 million or 25.7%, when compared to the same periods in 2024. The decrease in non-controlling interests in the third quarter of 2025 and year-to-date, was primarily driven by a decrease in franchisee earnings after profit sharing.

2.2 Choice Properties Operating Results

($ millions except where otherwise indicated) For the periods ended as indicated	16 Weeks Ended Oct. 4, 2025	Oct. 5, 2024	$ Change	% Change	40 Weeks Ended Oct. 4, 2025	Oct. 5, 2024	$ Change	% Change
Revenue	**$ 362**	$ 340	$ 22	6.5%	**$ 1,060**	$ 1,025	$ 35	3.4%
Net interest expense and other financing charges	**$ 73**	$ 1,039	$ (966)	(93.0)%	**$ 949**	$ 863	$ 86	10.0%
Net income (loss)	**$ 242**	$ (663)	$ 905	136.5%	**$ (8)**	$ (7)	$ (1)	(14.3)%
Funds from Operations(1)	**$ 201**	$ 187	$ 14	7.5%	**$ 584**	$ 559	$ 25	4.5%

REVENUE Choice Properties revenue in the third quarter of 2025 was $362 million, an increase of $22 million, or 6.5%, compared to the same period in 2024 and included revenue of $213 million (2024 – $196 million) generated from tenants within Loblaw. The increase in revenue in the third quarter of 2025 was primarily driven by:

- higher rental rates primarily in the retail and industrial portfolios;
- contributions from acquisitions, net of dispositions, and completed developments; and
- higher lease surrender revenue.

Year-to-date revenue was $1,060 million, an increase of $35 million, or 3.4%, compared to the same period in 2024 and included revenue of $613 million (2024 – $586 million) generated from tenants within Loblaw. Year-to-date 2024 revenue included $11 million from the sale of residential inventory. Excluding the impact of the sale of residential inventory in the prior year, year-to-date revenue increased by $46 million, or 4.5%, compared to the same period in 2024, primarily driven by:

- higher rental rates primarily in the retail and industrial portfolios;
- contributions from acquisitions, net of dispositions, and completed developments; and
- higher lease surrender revenue.

NET INTEREST EXPENSE AND OTHER FINANCING CHARGES Choice Properties net interest expense and other financing charges in the third quarter of 2025 were $73 million, compared to $1,039 million in the same period in 2024. The change of $966 million was primarily driven by:

- the favourable year-over-year change in the fair value adjustment on the Class B LP units ("Exchangeable Units") of $974 million, as a result of the change in the unit price;

partially offset by,

- lower interest income earned on excess cash; and
- higher interest expense due to new debt issuances over the past twelve months bearing interest at higher rates than maturing debt.

Year-to-date net interest expense and other financing charges were $949 million, compared to $863 million in the same period in 2024. The change of $86 million was primarily driven by:

- the unfavourable year-over-year change in the fair value adjustment on the Exchangeable Units of $67 million, as a result of the change in the unit price;
- lower interest income earned on excess cash; and
- higher interest expense due to new debt issuances over the past twelve months bearing interest at higher rates than maturing debt.

NET INCOME (LOSS) Choice Properties recorded net income of $242 million in the third quarter of 2025, compared to a net loss of $663 million in the same period in 2024. The favourable change of $905 million was primarily driven by:

- lower net interest expense and other financing charges as described above; and
- an increase in rental revenue as described above;

partially offset by,

- the unfavourable year-over-year change in the fair value adjustment on investment properties, including those held within equity accounted joint ventures, of $69 million; and
- the unfavourable year-over-year change in the fair value adjustment of investment in real estate securities of $16 million driven by the change in Allied's unit price.

Year-to-date, Choice Properties recorded a net loss of $8 million, compared to $7 million in the same period in 2024. The unfavourable change of $1 million was primarily driven by:

- higher net interest expense and other financing charges as described above; and
- the unfavourable year-over-year impact of the prior year reversal of a transaction related provision of $39 million that was determined to be no longer required;

partially offset by,

- the favourable year-over-year change in the fair value adjustment on investment properties, including those held within equity accounted joint ventures, of $41 million;
- the favourable year-over-year change in the fair value adjustment of investment in real estate securities of $42 million as a result of the change 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 2025 were $201 million, an increase of $14 million compared to the same period in 2024. The increase was primarily due to an increase in rental income including higher lease surrender revenue, and lower general and administrative expenses including the impact of certain non-recurring items in the prior year. The increase was partially offset by lower interest income and higher interest expense.

Funds from Operations(1) year-to-date were $584 million, an increase of $25 million, compared to the same period in 2024. The increase was primarily due to an increase in rental income including higher lease surrender revenue, and lower general and administrative expenses including the impact of certain non-recurring items in the prior year. The increase was partially offset by lower interest income and higher interest expense.

CHOICE PROPERTIES OTHER BUSINESS MATTERS

Related Party Transactions

Transaction with Wittington In the first quarter of 2025, cash consideration for the disposition of a retail property held within assets held for sale of $7 million, as well as a retail property held within an equity accounted joint venture of $18 million, both located in Aurora, Ontario, included fees paid by Wittington of $1 million and $1 million, respectively.

Transaction with Other Related Party In the first quarter of 2025, a mortgage receivable and interest accrued thereon totalling $114 million, previously issued to an entity in which Choice Properties has an ownership interest, was repaid.

Subsequent Events

Subsequent to the end of the third quarter of 2025, Choice Properties completed the disposition of several retail properties for aggregate net proceeds of $77 million.

Subsequent to the end of the third quarter of 2025, Choice Properties disposed of its interest in a retail property located in Edmonton, Alberta, which was held in an equity accounted joint venture. The proceeds of the sale were distributed to Choice Properties in the amount of $23 million.

3. Liquidity and Capital Resources

3.1 Cash Flows

($ millions) For the periods ended as indicated	16 Weeks Ended Oct. 4, 2025	Oct. 5, 2024	$ Change	40 Weeks Ended Oct. 4, 2025	Oct. 5, 2024	$ Change
Cash and cash equivalents, beginning of period	**$ 1,174**	$ 2,420	$ (1,246)	**$ 2,048**	$ 2,451	$ (403)
Cash flows from (used in):						
Operating activities	**$ 1,850**	$ 2,116	$ (266)	**$ 3,956**	$ 4,376	$ (420)
Investing activities	**(381)**	(451)	70	**(1,560)**	(1,451)	(109)
Financing activities	**(1,100)**	(2,456)	1,356	**(2,895)**	(3,752)	857
Effect of foreign currency exchange rate changes on cash and cash equivalents	**2**	(1)	3	**(4)**	4	(8)
Increase (decrease) in cash and cash equivalents	**$ 371**	$ (792)	$ 1,163	**$ (503)**	$ (823)	$ 320
Cash and cash equivalents, end of period	**$ 1,545**	$ 1,628	$ (83)	**$ 1,545**	$ 1,628	$ (83)

CASH FLOWS FROM OPERATING ACTIVITIES Cash flows from operating activities were $1,850 million in the third quarter of 2025, a decrease of $266 million compared to the same period in 2024. The decrease in cash flows from operating activities in the third quarter of 2025 was primarily driven by an unfavourable year-over-year change in non-cash working capital and an increase in credit card receivables, partially offset by a decrease in other long term receivables.

Year-to-date cash flows from operating activities were $3,956 million in 2025, a decrease of $420 million compared to the same period in 2024. The decrease in cash flows from operating activities was primarily driven by payments related to provisions and an unfavourable year-over-year change in non-cash working capital, partially offset by higher cash earnings, lower income taxes paid and a decrease in other long term receivables.

CASH FLOWS USED IN INVESTING ACTIVITIES Cash flows used in investing activities were $381 million in the third quarter of 2025, a decrease of $70 million compared to the same period in 2024. The decrease in cash flows used in investing activities was primarily driven by higher disposals of short-term investments and a decrease in security deposits, partially offset by lower proceeds from disposals of assets.

Year-to-date cash flows used in investing activities were $1,560 million in 2025, an increase of $109 million compared to the same period in 2024. The increase in cash flows used in investing activities was primarily driven by higher purchases of short-term investments and lower proceeds from disposals of assets, partially offset by higher repayments of mortgages, loans, and notes receivable and a decrease in capital investments.

The following table summarizes the Company’s capital investments by each of its reportable operating segments:

($ millions) For the periods ended as indicated	16 Weeks Ended Oct. 4, 2025	Oct. 5, 2024	$ Change	40 Weeks Ended Oct. 4, 2025	Oct. 5, 2024	$ Change
Loblaw	**$ 685**	$ 690	$ (5)	**$ 1,340**	$ 1,572	$ (232)
Choice Properties	**50**	129	(79)	**471**	251	220
Effect of consolidation	**—**	(86)	86	**(201)**	(144)	(57)
Publicly traded operating companies	**$ 735**	$ 733	$ 2	**$ 1,610**	$ 1,679	$ (69)
GWL Corporate	**—**	—	—	**—**	—	—
Total capital investments[i]	**$ 735**	$ 733	$ 2	**$ 1,610**	$ 1,679	$ (69)

(i) Capital investments are the sum of fixed asset and investment properties purchases and intangible asset additions as presented in the Company’s condensed consolidated statements of cash flows, and prepayments transferred to fixed assets in the current period.

CASH FLOWS USED IN FINANCING ACTIVITIES Cash flows used in financing activities were $1,100 million in the third quarter of 2025, a decrease of $1,356 million compared to the same period in 2024. The decrease in cash flows used in financing activities was primarily driven by higher net issuances of long-term debt and an increase in demand deposits from customers.

Year-to-date cash flows used in financing activities were $2,895 million in 2025, a decrease of $857 million compared to the same period in 2024. The decrease in cash flows used in financing activities was primarily driven by higher net issuances of long-term debt and an increase in demand deposits from customers, partially offset by the redemption of all issued and outstanding Loblaw Preferred Shares, Series B, higher bank indebtedness in the prior year, and the timing of the fourth quarter 2024 Loblaw dividend payment.

FREE CASH FLOW[1]

($ millions) For the periods ended as indicated	16 Weeks Ended **Oct. 4, 2025**	 Oct. 5, 2024	 $ Change	40 Weeks Ended **Oct. 4, 2025**	 Oct. 5, 2024	 $ Change
Cash flows from operating activities	**$ 1,850**	$ 2,116	$ (266)	**$ 3,956**	$ 4,376	$ (420)
Less: Capital investments[i]	**735**	733	2	**1,610**	1,679	(69)
Interest paid	**297**	300	(3)	**762**	750	12
Lease payments, net	**320**	300	20	**793**	747	46
Free cash flow[1]	**$ 498**	$ 783	$ (285)	**$ 791**	$ 1,200	$ (409)

(i) Capital investments are the sum of fixed asset and investment properties purchases and intangible asset additions as presented in the Company's condensed consolidated statements of cash flows, and prepayments transferred to fixed assets in the current period.

Free cash flow[1] from the third quarter 2025 was $498 million, a decrease of $285 million compared to the same period in 2024. The decrease in free cash flow[1] was primarily driven by an unfavourable year-over-year change in non-cash working capital and an increase in credit card receivables, partially offset by a decrease in other long term receivables.

On a year-to-date basis, free cash flow[1] was $791 million, a decrease of $409 million compared to the same period in 2024. The decrease in free cash flow[1] was primarily driven by payments related to provisions and an unfavourable year-over-year change in non-cash working capital, partially offset by higher cash earnings, lower income taxes paid and a decrease in other long term receivables.

3.2 Liquidity

The Company (excluding Loblaw and Choice Properties) expects that cash and cash equivalents, short-term investments, future operating cash flows and the amounts available to be drawn against its committed credit facility will enable it to finance its capital investment program and fund its ongoing business requirements, including working capital, pension plan funding requirements and financial obligations, over the next 12 months. The Company (excluding Loblaw and Choice Properties) does not foresee any impediments in obtaining financing to satisfy its long-term obligations.

Loblaw expects that cash and cash equivalents, short-term investments, future operating cash flows and the amounts available to be drawn against committed credit facilities will enable it to finance its capital investment program and fund its ongoing business requirements over the next 12 months, including working capital, pension plan funding requirements and financial obligations. PC Bank expects to obtain long-term financing for its credit card portfolio through the issuance of Eagle Credit Card Trust ("Eagle") notes and guaranteed investment certificates.

Choice Properties expects to fund its ongoing operations and finance future growth primarily through the use of: existing cash, cash flows from operations, short-term financing through the committed credit facility, the issuance of unsecured debentures and equity (including Exchangeable Units) (subject to market conditions), and secured mortgages. Given reasonable access to capital markets, Choice Properties does not foresee any impediments in obtaining financing to satisfy its short-term and long-term financial obligations, including its capital investment commitments.

For details on the Company's cash flows, see Section 3.1, "Cash Flows", of this MD&A.

TOTAL DEBT The following table presents total debt:

								As at							
					Oct. 4, 2025					Oct. 5, 2024					Dec. 31, 2024
($ millions)	**Loblaw**	**Choice Properties**	**Effect of consolidation**	**GWL Corporate**	**Total**	Loblaw	Choice Properties	Effect of consolidation	GWL Corporate	Total	Loblaw	Choice Properties	Effect of consolidation	GWL Corporate	Total
Bank indebtedness	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	$ 167	$ —	$ —	$ —	$ 167	$ —	$ —	$ —	$ —	$ —
Demand deposits from customers	**847**	**—**	**—**	**—**	**847**	187	—	—	—	187	353	—	—	—	353
Short-term debt	**550**	**—**	**—**	**—**	**550**	600	—	—	—	600	800	—	—	—	800
Long-term debt due within one year	**545**	**96**	**—**	**—**	**641**	686	446	—	—	1,132	631	682	—	—	1,313
Long-term debt[(i)]	**8,374**	**6,768**	**(55)**	**498**	**15,585**	7,297	6,197	2	498	13,994	7,570	6,003	—	498	14,071
Certain other liabilities[(ii)]	**306**	**—**	**506**	**—**	**812**	294	—	515	—	809	294	—	512	—	806
Total debt excluding lease liabilities	**$ 10,622**	**$ 6,864**	**$ 451**	**$ 498**	**$ 18,435**	$ 9,231	$ 6,643	$ 517	$ 498	$ 16,889	$ 9,648	$ 6,685	$ 512	$ 498	$ 17,343
Lease liabilities due within one year	**1,577**	**—**	**(574)**	**1**	**1,004**	1,501	—	(586)	—	915	1,648	—	(603)	—	1,045
Lease liabilities	**8,878**	**1**	**(3,595)**	**—**	**5,284**	8,500	1	(3,412)	2	5,091	8,535	1	(3,561)	2	4,977
Total debt including lease liabilities	**$ 21,077**	**$ 6,865**	**$ (3,718)**	**$ 499**	**$ 24,723**	$ 19,232	$ 6,644	$ (3,481)	$ 500	$ 22,895	$ 19,831	$ 6,686	$ (3,652)	$ 500	$ 23,365

(i) In the second quarter of 2025, the maturity dates of the credit facilities were extended as follows: GWL from December 14, 2026 to March 27, 2028; Loblaw from July 15, 2027 to March 27, 2030; and Choice Properties from June 13, 2029 to May 21, 2030. All other terms and conditions remained substantially the same.

(ii) As at October 4, 2025, certain other liabilities include financial liabilities of $699 million related to the sale and leaseback of retail and industrial properties (October 5, 2024 – $706 million; December 31, 2024 – $704 million).

Management targets credit metrics consistent with those of an investment grade profile. GWL Corporate holds cash and cash equivalents and short-term investments, and as a result monitors its leverage on a net debt basis. GWL Corporate has total debt including lease liabilities of $499 million (October 5, 2024 – $500 million; December 31, 2024 – $500 million) and cash and cash equivalents and short-term investments of $140 million (October 5, 2024 – $468 million; December 31, 2024 – $523 million), resulting in a net debt (cash) position of $359 million (October 5, 2024 – $32 million; December 31, 2024 – $(23) million).

Loblaw's management is focused on managing its capital structure on a segmented basis to ensure that each of its operating segments is employing a capital structure that is appropriate for the industry in which it operates.

- Loblaw targets maintaining retail segment credit metrics consistent with those of investment grade retailers. Loblaw monitors the retail segment's debt to rolling year retail adjusted EBITDA[1] ratio as a measure of the leverage being employed. Loblaw retail segment debt to rolling year retail adjusted EBITDA[1] ratio as at October 4, 2025 remained flat compared to October 5, 2024. Loblaw retail segment debt to rolling year retail adjusted EBITDA[1] ratio as at October 4, 2025 remained flat compared to December 31, 2024.

- PC Bank's capital management objectives are to maintain a consistently strong capital position while considering the economic risks generated by its credit card receivables portfolio and to meet all regulatory requirements as defined by the Office of the Superintendent of Financial Institutions.

In the second quarter of 2025, the total capacity of the independent funding trusts increased from $700 million to $1 billion and the maturity date of the trusts were extended from May 29, 2027 to March 27, 2028 with all other terms and conditions remaining substantially the same.

Choice Properties targets maintaining credit metrics consistent with those of investment grade Real Estate Investment Trusts ("REIT"). Choice Properties monitors metrics relevant to the REIT industry including targeting an appropriate debt to total assets ratio.

COVENANTS AND REGULATORY REQUIREMENTS The Company, Loblaw and Choice Properties are required to comply with certain financial covenants for various debt instruments. As at the end of and throughout the third quarter of 2025, the Company, Loblaw and Choice Properties were in compliance with their respective covenants. As at the end of and throughout the third quarter of 2025, PC Bank has met all applicable regulatory requirements.

3.3 Components of Total Debt

For details on the Company's components of total debt, refer to note 10, "Long-Term Debt", of the Company's third quarter 2025 interim financial statements.

3.4 Financial Condition

	As at		
	Oct. 4, 2025	Oct. 5, 2024	Dec. 31, 2024
Rolling year adjusted return on average equity attributable to common shareholders of the Company[1]	**34.0%**	27.0%	28.3%
Rolling year adjusted return on capital[1]	**14.7%**	14.1%	14.5%

The rolling year adjusted return on average equity attributable to common shareholders of the Company[1] increased as at the end of the third quarter of 2025 compared to the end of the third quarter of 2024 and year end 2024, primarily due to a decrease in average equity attributable to common shareholders of the Company[1] and an improvement in the Company's consolidated underlying performance.

The rolling year adjusted return on capital[1] increased as at the end of the third quarter of 2025 compared to the end of the third quarter of 2024 and year end 2024, primarily due to an improvement in the Company's consolidated underlying performance, partially offset by an increase in average capital[1].

3.5 Credit Ratings

The following table sets out the current credit ratings of GWL:

	DBRS		S&P	
Credit Ratings (Canadian Standards)	Credit Rating	Trend	Credit Rating	Outlook
Issuer rating	BBB	Positive	BBB+	Stable
Medium term notes	BBB	Positive	BBB	n/a
Preferred shares	Pfd-3	Positive	P-2 (low)	n/a

In the second quarter of 2025, Morningstar DBRS ("DBRS") confirmed the credit ratings of GWL and changed the trend from stable to positive, and Standard and Poor's Global Ratings ("S&P") confirmed the credit ratings and outlook of GWL.

The following table sets out the current credit ratings of Loblaw:

	DBRS		S&P	
Credit Ratings (Canadian Standards)	Credit Rating	Trend	Credit Rating	Outlook
Issuer rating	BBB (high)	Positive	BBB+	Stable
Medium term notes	BBB (high)	Positive	BBB+	n/a

In the second quarter of 2025, DBRS confirmed the credit ratings of Loblaw and changed the trend from stable to positive, and S&P confirmed the credit ratings and outlook of Loblaw.

The following table sets out the current credit ratings of Choice Properties:

	DBRS		S&P	
Credit Ratings (Canadian Standards)	Credit Rating	Trend	Credit Rating	Outlook
Issuer rating	BBB (high)	Positive	BBB+	Stable
Senior unsecured debentures	BBB (high)	Positive	BBB+	n/a

In the second quarter of 2025, DBRS confirmed the credit ratings of Choice Properties and changed the trend from stable to positive, and S&P confirmed the credit ratings and outlook of Choice Properties.

3.6 Dividends and Share Repurchases

DIVIDENDS The following table summarizes the Company's cash dividends declared for the periods ended as indicated:

($)	16 Weeks Ended **Oct. 4, 2025**	16 Weeks Ended Oct. 5, 2024	40 Weeks Ended **Oct. 4, 2025**	40 Weeks Ended Oct. 5, 2024
Dividends declared per share(i):				
Common share(2)	**$ 0.297933**	$ 0.273333	**$ 0.869199**	$ 0.784333
Preferred share:				
Series I	**$ 0.3625**	$ 0.3625	**$ 1.0875**	$ 1.0875
Series III	**$ 0.3250**	$ 0.3250	**$ 0.9750**	$ 0.9750
Series IV	**$ 0.3250**	$ 0.3250	**$ 0.9750**	$ 0.9750
Series V	**$ 0.296875**	$ 0.296875	**$ 0.890625**	$ 0.890625

(i) Dividends declared in the third quarter of 2025 on common shares and Preferred Shares, Series III, Series IV and Series V were payable on October 1, 2025. Dividends declared in the third quarter of 2025 on Preferred Shares, Series I were payable on September 15, 2025.

The following table summarizes the Company's quarterly dividends declared subsequent to the end of the third quarter of 2025:

($)		
Dividends declared per share(i)	– Common share	$ 0.297933
	– Preferred share:	
	Series I	$ 0.3625
	Series III	$ 0.3250
	Series IV	$ 0.3250
	Series V	$ 0.296875

(i) Dividends declared in the fourth quarter of 2025 on common shares and Preferred Shares, Series III, Series IV and Series V are payable on January 1, 2026. Dividends declared in the fourth quarter of 2025 on Preferred Shares, Series I are payable on December 15, 2025.

SHARE REPURCHASES In the third quarter of 2025 and year-to-date, the Company purchased and cancelled 2.6 million common shares (2024 – 4.0 million common shares) for aggregate consideration of $227 million (2024 – $284 million) and 8.3 million common shares (2024 – 12.1 million common shares) for aggregate consideration of $703 million (2024 – $781 million), respectively, under its NCIB. As at October 4, 2025, the Company had 382.3 million common shares issued and outstanding, net of shares held in trusts (October 5, 2024 – 392.5 million common shares).

For details on the Company's share capital, refer to note 11, "Share Capital", of the Company's third quarter 2025 interim financial statements.

3.7 Off-Balance Sheet Arrangements

The Company uses off-balance sheet arrangements including letters of credit, guarantees and cash collateralization in connection with certain obligations. There were no significant changes to these off-balance sheet arrangements during the third quarter of 2025. For a discussion of the Company's significant off-balance sheet arrangements, see Section 3.7, "Off-Balance Sheet Arrangements", of the Company's 2024 Annual Report.

4. Quarterly Results of Operations

The Company's year end is December 31. Activities are reported on a fiscal year ending on the Saturday closest to December 31. As a result, the Company's fiscal year is usually 52 weeks in duration but includes a 53rd week every five to six years. Each of the years ended December 31, 2024 and December 31, 2023 contained 52 weeks. The 52-week reporting cycle is divided into four quarters of 12 weeks each except for the third quarter, which is 16 weeks in duration. When a fiscal year such as 2025 contains 53 weeks, the fourth quarter is 13 weeks in duration.

The following is a summary of selected consolidated quarterly financial information for each of the eight most recently completed quarters.

SELECTED QUARTERLY INFORMATION

	Third Quarter		Second Quarter		First Quarter		Fourth Quarter	
	2025	2024	2025	2024	2025	2024	2024	2023
($ millions except where otherwise indicated)	**(16 weeks)**	(16 weeks)	(12 weeks)	(12 weeks)	(12 weeks)	(12 weeks)	(12 weeks)	(12 weeks)
Revenue	**$ 19,548**	$ 18,685	$ 14,823	$ 14,091	$ 14,285	$ 13,735	$ 15,097	$ 14,700
Operating income	**$ 1,638**	$ 1,618	$ 1,440	$ 795	$ 1,077	$ 971	$ 992	$ 1,076
Adjusted EBITDA(1)	**$ 2,340**	$ 2,158	$ 1,923	$ 1,806	$ 1,690	$ 1,623	$ 1,814	$ 1,694
Depreciation and amortization	**$ 692**	$ 787	$ 518	$ 598	$ 627	$ 613	$ 613	$ 602
Net earnings	**$ 882**	$ 440	$ 648	$ 667	$ 350	$ 492	$ 897	$ 247
Net earnings (loss) attributable to shareholders of the Company	**$ 491**	$ 29	$ 268	$ 410	$ 93	$ 246	$ 674	$ (28)
Loblaw(i)	**$ 419**	$ 409	$ 377	$ 241	$ 265	$ 243	$ 245	$ 285
Choice Properties	**242**	(663)	(154)	514	(96)	142	792	(445)
Effect of consolidation	**(157)**	291	61	(154)	3	(64)	(356)	142
Publicly traded operating companies	**$ 504**	$ 37	$ 284	$ 601	$ 172	$ 321	$ 681	$ (18)
GWL Corporate	**(27)**	(22)	(26)	(201)	(89)	(85)	(17)	(20)
Net earnings (loss) available to common shareholders of the Company	**$ 477**	$ 15	$ 258	$ 400	$ 83	$ 236	$ 664	$ (38)
Net earnings (loss) per common share(2) ($) - basic	**$ 1.24**	$ 0.04	$ 0.67	$ 1.00	$ 0.21	$ 0.59	$ 1.70	$ (0.09)
Net earnings (loss) per common share(2) ($) - diluted	**$ 1.23**	$ 0.03	$ 0.65	$ 0.99	$ 0.21	$ 0.58	$ 1.68	$ (0.10)
Adjusted diluted net earnings per common share(1)(2) ($)	**$ 1.37**	$ 1.19	$ 1.02	$ 0.98	$ 0.86	$ 0.77	$ 1.05	$ 0.84

(i) Contribution from Loblaw, net of non-controlling interests.

REVENUE Over the last eight quarters, consolidated revenue was impacted by each of the Company's reportable operating segments as follows:

- Loblaw revenue was impacted by various factors including the following:
    - seasonality, which was greatest in the fourth quarter and least in the first quarter;
    - the timing of holidays;
    - macro-economic conditions impacting food and drug retail prices; and
    - changes in net retail square footage. Over the past eight quarters, net retail square footage has increased by 1.7 million square feet to 72.9 million square feet.
- Choice Properties revenue was impacted by the following:
    - higher rental rates in the retail and industrial portfolio;
    - contributions from acquisitions, net of dispositions, and development transfers;
    - increased capital and operating recoveries;
    - lease surrender revenue; and
    - the sale of residential inventory.

NET EARNINGS (LOSS) AVAILABLE TO COMMON SHAREHOLDERS OF THE COMPANY AND DILUTED NET EARNINGS (LOSS) PER COMMON SHARE Net earnings (loss) available to common shareholders of the Company and diluted net earnings (loss) per common share for the last eight quarters were impacted by the underlying operating performance of each of the Company's reportable operating segments and certain adjusting items as described in Section 8.1, "Non-GAAP and Other Financial Measures - Selected Comparative Reconciliation", of this MD&A.

The Company's underlying operating performance for the last eight quarters included the following:

- change in Loblaw's underlying operating performance driven by:
    - seasonality, which was greatest in the fourth quarter and least in the first quarter;
    - the timing of holidays; and
    - cost savings from operating efficiencies and benefits from strategic initiatives.
- change in Choice Properties' underlying operating performance driven by:
    - changes in revenue as described above;
    - the impact of acquisitions and dispositions of investment properties and development transfers; and
    - changes in general and administrative expenses.
- the year-over-year impact of changes in the effect of consolidation. Refer to Section 8, "Non-GAAP and Other Financial Measures", of this MD&A for a breakdown of effect of consolidation.
- the year-over-year impact of changes in GWL Corporate due to:
    - fluctuations in the fair value adjustment on other investments.
- diluted net earnings (loss) per common share included the favourable impact of shares purchased for cancellation.

5. Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining a system of disclosure controls and procedures to provide reasonable assurance that all material information relating to the Company and its subsidiaries is gathered and reported to senior management on a timely basis so that appropriate decisions can be made regarding public disclosure.

Management is also responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS Accounting Standards.

In designing such controls, it should be recognized that due to inherent limitations, any control, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and may not prevent or detect misstatements. Projections of any evaluations of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Additionally, management is required to use judgment in evaluating controls and procedures.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING There were no changes in the Company's internal control over financial reporting in the third quarter of 2025 that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

6. Enterprise Risks and Risk Management

A detailed full set of risks inherent in the Company's business are included in the Company's Annual Information Form ("AIF") for the year ended December 31, 2024 and the MD&A included in the Company's 2024 Annual Report, which are hereby incorporated by reference. The Company's 2024 Annual Report and AIF are available at www.sedarplus.ca. Those risks and risk management strategies remain unchanged.

7. Outlook[3]

The Company continues to expect adjusted net earnings[1] 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 with the goal of delivering consistent operational and financial results in 2025. Loblaw's businesses remain well positioned to meet the everyday needs of Canadians.

In 2025, Loblaw's results will include the impact of a 53rd week, which is expected to benefit adjusted net earnings per common share[1] growth by approximately 2%. On a full-year comparative basis, excluding the impact of the 53rd week, Loblaw continues to expect:

- its retail business to grow earnings faster than sales;
- to continue investing in its store network and distribution centres by investing a net amount of $1.9 billion in capital expenditures, which reflects gross capital investments of approximately $2.2 billion, net of approximately $300 million of proceeds from property disposals; and
- to return capital to shareholders by allocating a significant portion of free cash flow to share repurchases.

Based on its year-to-date operating and financial performance and momentum exiting the third quarter, Loblaw now expects full year adjusted net earnings per common share[1] growth to increase slightly from high single-digits into the low double-digits, excluding the impact of the 53rd week.

Choice Properties Choice Properties is focused on capital preservation, delivering stable and growing cash flows and net asset value appreciation. Its 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 will continue to advance its development program, with a focus on commercial developments, which provides 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 benefit its operations. Supported by the strength of its year-to-date financial and operating performance, Choice Properties raised its 2025 outlook for FFO[1] per unit diluted[4]. In 2025, Choice Properties is now targeting:

- stable occupancy across the portfolio, resulting in approximately 2% - 3% year-over-year growth in Same-Asset NOI, cash basis[4];
- annual FFO[1] per unit diluted[4] in a range of $1.06 to $1.07, reflecting approximately 3% - 4% year-over-year growth; and
- strong leverage metrics, targeting Adjusted Debt to EBITDAFV[4] below 7.5x.

8. Non-GAAP and Other Financial Measures

The Company uses non-GAAP and other financial measures and ratios in this document, such as: adjusted EBITDA and adjusted EBITDA margin, adjusted net earnings attributable to shareholders of the Company, adjusted net earnings available to common shareholders of the Company, adjusted diluted net earnings per common share, effect of consolidation, rolling year adjusted return on average equity attributable to common shareholders of the Company, rolling year adjusted return on capital, GWL Corporate free cash flow, free cash flow and Choice Properties Funds from Operations, among others. In addition to these items, the following measures are used by management in calculating adjusted diluted net earnings per common share: adjusted operating income, adjusted net interest expense and other financing charges, adjusted earnings before income taxes, adjusted income taxes and adjusted effective tax rate. The Company believes these non-GAAP and other financial measures provide useful information to both management and investors with regard to accurately assessing the Company's financial performance and financial condition for the reasons outlined below.

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.

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 reported for the periods ended as indicated.

	16 Weeks Ended									
	Oct. 4, 2025					Oct. 5, 2024				
($ millions)	**Loblaw**	**Choice Properties**	**Effect of consol-idation**	**GWL Corporate**	**Consolidated**	Loblaw	Choice Properties	Effect of consol-idation	GWL Corporate	Consolidated
Net earnings attributable to shareholders of the Company					**$ 491**					$ 29
Add impact of the following:										
Non-controlling interests					**391**					411
Income taxes					**338**					303
Net interest expense and other financing charges					**418**					875
Operating income	**$ 1,374**	**$ 315**	**$ (53)**	**$ 2**	**$ 1,638**	$ 1,319	$ 376	$ (69)	$ (8)	$ 1,618
Add (deduct) impact of the following:										
Wind-down of Theodore & Pringle optical business	**$ 30**	**$ —**	**$ —**	**$ —**	**$ 30**	$ —	$ —	$ —	$ —	$ —
Fair value adjustment on investment properties	**—**	**(13)**	**34**	**—**	**21**	—	(82)	48	—	(34)
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	**14**	**—**	**—**	**—**	**14**	155	—	—	—	155
Loss on sale of non-operating properties	**2**	**—**	**—**	**—**	**2**	—	—	—	—	—
Fair value adjustment of investment in real estate securities	**—**	**(42)**	**—**	**—**	**(42)**	—	(58)	—	—	(58)
Fair value adjustment of derivatives	**(1)**	**—**	**—**	**—**	**(1)**	—	—	—	—	—
Recovery related to PC Bank commodity tax matter	**—**	**—**	**—**	**—**	**—**	(155)	—	—	—	(155)
Adjusting items	**$ 45**	**$ (55)**	**$ 34**	**$ —**	**$ 24**	$ —	$ (140)	$ 48	$ —	$ (92)
Adjusted operating income	**$ 1,419**	**$ 260**	**$ (19)**	**$ 2**	**$ 1,662**	$ 1,319	$ 236	$ (21)	$ (8)	$ 1,526
Depreciation and amortization excluding the impact of the above adjustment[(i)]	**796**	**1**	**(119)**	**—**	**678**	748	1	(118)	1	632
Adjusted EBITDA	**$ 2,215**	**$ 261**	**$ (138)**	**$ 2**	**$ 2,340**	$ 2,067	$ 237	$ (139)	$ (7)	$ 2,158

(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.

($ millions)	40 Weeks Ended Oct. 4, 2025 Loblaw	Choice Properties	Effect of consol-idation	GWL Corporate	Consolidated	Oct. 5, 2024 Loblaw	Choice Properties	Effect of consol-idation	GWL Corporate	Consolidated
Net earnings attributable to shareholders of the Company					**$ 852**					$ 685
Add impact of the following:										
Non-controlling interests					**1,028**					914
Income taxes					**923**					698
Net interest expense and other financing charges					**1,352**					1,087
Operating income	**$ 3,515**	**$ 941**	**$ (284)**	**$ (17)**	**$ 4,155**	$ 3,044	$ 856	$ (237)	$ (279)	$ 3,384
Add (deduct) impact of the following:										
Wind-down of Theodore & Pringle optical business	**$ 30**	**$ —**	**$ —**	**$ —**	**$ 30**	$ —	$ —	$ —	$ —	$ —
Fair value adjustment on investment properties	**—**	**(143)**	**134**	**—**	**(9)**	—	(102)	86	—	(16)
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	**139**	**—**	**—**	**—**	**139**	384	—	—	—	384
Gain on sale of non-operating properties	**(13)**	**—**	**—**	**—**	**(13)**	—	—	—	—	—
Fair value adjustment of investment in real estate securities	**—**	**(42)**	**—**	**—**	**(42)**	—	—	—	—	—
Fair value adjustment of derivatives	**—**	**—**	**—**	**—**	**—**	(5)	—	—	—	(5)
Recovery related to PC Bank commodity tax matter	**—**	**—**	**—**	**—**	**—**	(155)	—	—	—	(155)
Sale of *Wellwise*	**(5)**	**—**	**—**	**—**	**(5)**	—	—	—	—	—
Charges related to settlement of class action lawsuits	**—**	**—**	**—**	**—**	**—**	164	—	—	256	420
Transaction costs and other related recoveries	**—**	**—**	**—**	**—**	**—**	—	(39)	—	—	(39)
Adjusting items	**$ 151**	**$ (185)**	**$ 134**	**$ —**	**$ 100**	$ 388	$ (141)	$ 86	$ 256	$ 589
Adjusted operating income	**$ 3,666**	**$ 756**	**$ (150)**	**$ (17)**	**$ 4,255**	$ 3,432	$ 715	$ (151)	$ (23)	$ 3,973
Depreciation and amortization excluding the impact of the above adjustment(i)	**1,976**	**3**	**(283)**	**2**	**1,698**	1,888	3	(280)	3	1,614
Adjusted EBITDA	**$ 5,642**	**$ 759**	**$ (433)**	**$ (15)**	**$ 5,953**	$ 5,320	$ 718	$ (431)	$ (20)	$ 5,587

(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 2025 and 2024:

Wind-down of Theodore & Pringle optical business In the third quarter of 2025, Loblaw entered into an agreement with Specsavers Canada Inc. ("Specsavers") to open Specsavers locations in select Loblaw grocery stores nationwide, resulting in the wind-down of the Theodore & Pringle optical business operations. Accordingly, Loblaw recorded charges of $30 million in SG&A, primarily related to the write-down of optical equipment, labour and other closure costs.

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.

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. In 2024, the annual amortization associated with the acquired intangibles was $479 million. The annual amortization will decrease to approximately $130 million in 2025, of which $110 million, $6 million and $8 million was recorded in the first, second and third quarters of 2025, respectively. Annual amortization will be approximately $30 million in 2026 and thereafter.

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

Loss (gain) on sale of non-operating properties In the third quarter of 2025, Loblaw recorded a loss related to the sale of non-operating properties to a third party of $2 million (2024 – nil). Year-to-date, Loblaw recorded a gain related to the sale of non-operating properties of $13 million (2024 – nil).

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 in 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 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.

Recovery related to PC Bank commodity tax matter In 2022, the Tax Court of Canada ("Tax Court") released a decision relating to PC Bank, a subsidiary of Loblaw. The Tax Court ruled that PC Bank is not entitled to claim notional input tax credits for certain payments it made to Loblaws Inc. in respect of redemptions of loyalty points. PC Bank subsequently filed a Notice of Appeal with the Federal Court of Appeal ("FCA") and in March 2024, the matter was heard by the FCA. In the third quarter of 2024, the FCA released its decision and reversed the decision of the Tax Court. As a result, PC Bank reversed charges of $155 million, including $111 million initially recorded in 2022. In addition, $10 million was recorded related to interest income on cash tax refunds.

Sale of *Wellwise* In the fourth quarter of 2024, Loblaw entered into an agreement with a third party to sell all of the shares of its *Wellwise* business, including 42 *Wellwise* locations, for cash proceeds and recorded a net fair value write-down of $23 million in SG&A. The transaction closed in the first quarter of 2025 and Loblaw recorded a gain of $5 million in SG&A.

Charges related to settlement of class action lawsuits On July 24, 2024, the Company and Loblaw entered into binding Minutes of Settlement and on January 31, 2025, the Company and Loblaw entered into a Settlement Agreement to resolve nationwide class action lawsuits against them relating to their role in an industry-wide price-fixing arrangement involving certain packaged bread products. In the second quarter of 2024, the Company and Loblaw recorded charges of $256 million and $164 million, respectively, in SG&A, relating to the settlement and related costs. The Settlement Agreement was approved by the Ontario Superior Court of Justice in May 2025 and the Quebec Superior Court in July 2025.

Transaction costs and other related recoveries In the second quarter of 2024, Choice Properties recorded a reversal of a transaction related provision for $39 million that was determined to be no longer required.

ADJUSTED NET INTEREST EXPENSE AND OTHER FINANCING CHARGES The Company believes adjusted net interest expense and other financing charges is useful in assessing the ongoing net financing costs of the Company.

The following table reconciles adjusted net interest expense and other financing charges to GAAP net interest expense and other financing charges reported for the periods ended as indicated.

	16 Weeks Ended		40 Weeks Ended	
($ millions)	**Oct. 4, 2025**	Oct. 5, 2024	**Oct. 4, 2025**	Oct. 5, 2024
Net interest expense and other financing charges	**$ 418**	$ 875	**$ 1,352**	$ 1,087
(Deduct) add impact of the following:				
Fair value adjustment of the Trust Unit liability	**(67)**	(568)	**(418)**	(235)
Recovery related to PC Bank commodity tax matter	**—**	10	**—**	10
Adjusted net interest expense and other financing charges	**$ 351**	$ 317	**$ 934**	$ 862

The following items impacted adjusted net interest expense and other financing charges in 2025 and 2024:

Fair value adjustment of the Trust Unit liability The Company is exposed to market price fluctuations as a result of the Choice Properties Trust Units held by Unitholders other than the Company. These Trust Units 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. An increase (decrease) in the market price of Trust Units results in a charge (income) to net interest expense and other financing charges.

Recovery related to PC Bank commodity tax matter In the third quarter of 2024, $10 million was recorded related to interest income on cash tax refunds on the PC Bank commodity tax matter discussed above.

ADJUSTED INCOME TAXES AND ADJUSTED EFFECTIVE TAX RATE The Company believes the adjusted effective tax rate applicable to adjusted earnings before taxes is useful in assessing the underlying operating performance of its business.

The following table reconciles the effective tax rate applicable to adjusted earnings before taxes to the GAAP effective tax rate applicable to earnings before taxes as reported for the periods ended as indicated.

	16 Weeks Ended		40 Weeks Ended	
($ millions except where otherwise indicated)	**Oct. 4, 2025**	Oct. 5, 2024	**Oct. 4, 2025**	Oct. 5, 2024
Adjusted operating income(i)	**$ 1,662**	$ 1,526	**$ 4,255**	$ 3,973
Adjusted net interest expense and other financing charges(i)	**351**	317	**934**	862
Adjusted earnings before taxes	**$ 1,311**	$ 1,209	**$ 3,321**	$ 3,111
Income taxes	**$ 338**	$ 303	**$ 923**	$ 698
Add (deduct) impact of the following:				
Tax impact of items excluded from adjusted earnings before taxes(ii)	**11**	(7)	**39**	168
Outside basis difference in certain Loblaw shares	**8**	18	**(27)**	(14)
Adjusted income taxes	**$ 357**	$ 314	**$ 935**	$ 852
Effective tax rate applicable to earnings before taxes	**27.7%**	40.8%	**32.9%**	30.4%
Adjusted effective tax rate applicable to adjusted earnings before taxes	**27.2%**	26.0%	**28.2%**	27.4%

(i) See reconciliations of adjusted operating income and adjusted net interest expense and other financing charges above.
(ii) See the adjusted EBITDA table and the adjusted net interest expense and other financing charges table above for a complete list of items excluded from adjusted earnings before taxes.

In addition to certain items described in the "Adjusted EBITDA" and "Adjusted Net Interest Expense and Other Financing Charges" sections above, the following item impacted adjusted income taxes and the adjusted effective tax rate in 2025 and 2024:

Outside basis difference in certain Loblaw shares The Company recorded a deferred tax recovery of $8 million in the third quarter of 2025 (2024 – $18 million) and a deferred tax expense of $27 million year-to-date (2024 – $14 million) 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.

ADJUSTED NET EARNINGS AVAILABLE TO COMMON SHAREHOLDERS AND ADJUSTED DILUTED NET EARNINGS PER COMMON SHARE The Company believes that adjusted net earnings available to common shareholders and adjusted diluted net earnings per common share 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 and adjusted net earnings attributable to shareholders of the Company to net earnings attributable to shareholders of the Company and then to net earnings available to common shareholders of the Company reported for the periods ended as indicated.

	16 Weeks Ended		40 Weeks Ended	
($ millions except where otherwise indicated)	**Oct. 4, 2025**	Oct. 5, 2024	**Oct. 4, 2025**	Oct. 5, 2024
Net earnings attributable to shareholders of the Company	**$ 491**	$ 29	**$ 852**	$ 685
Less: Prescribed dividends on preferred shares in share capital	**(14)**	(14)	**(34)**	(34)
Net earnings available to common shareholders of the Company	**$ 477**	$ 15	**$ 818**	$ 651
Less: Reduction in net earnings due to dilution at Loblaw	**(4)**	(4)	**(10)**	(9)
Net earnings available to common shareholders for diluted earnings per share	**$ 473**	$ 11	**$ 808**	$ 642
Net earnings attributable to shareholders of the Company	**$ 491**	$ 29	**$ 852**	$ 685
Adjusting items (refer to the following tables)	**56**	461	**455**	531
Adjusted net earnings attributable to shareholders of the Company	**$ 547**	$ 490	**$ 1,307**	$ 1,216
Less: Prescribed dividends on preferred shares in share capital	**(14)**	(14)	**(34)**	(34)
Adjusted net earnings available to common shareholders of the Company	**$ 533**	$ 476	**$ 1,273**	$ 1,182
Less: Reduction in net earnings due to dilution at Loblaw	**(4)**	(4)	**(10)**	(9)
Adjusted net earnings available to common shareholders for diluted earnings per share	**$ 529**	$ 472	**$ 1,263**	$ 1,173
Diluted weighted average common shares outstanding[(2)] (in millions)	**385.2**	396.4	**388.0**	401.5

Management's Discussion and Analysis

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

	16 Weeks Ended											
	Oct. 4, 2025						Oct. 5, 2024					
	Net Earnings Available to Common Shareholders of the Company					**Diluted Net Earnings Per Common Share(2) ($)**	Net Earnings (Loss) Available to Common Shareholders of the Company					Diluted Net Earnings Per Common Share(2) ($)
($ millions except where otherwise indicated)	**Loblaw(i)**	**Choice Properties**	**Effect of consolidation**	**GWL Corporate**	**Consolidated**	**Consolidated**	Loblaw(i)	Choice Properties	Effect of consolidation	GWL Corporate	Consolidated	Consolidated
As reported	**$ 419**	**$ 242**	**$ (157)**	**$ (27)**	**$ 477**	**$ 1.23**	$ 409	$ (663)	$ 291	$ (22)	$ 15	$ 0.03
Add (deduct) impact of the following(ii):												
Wind-down of Theodore & Pringle optical business	**$ 12**	**$ —**	**$ —**	**$ —**	**$ 12**	**$ 0.03**	$ —	$ —	$ —	$ —	$ —	$ —
Fair value adjustment on investment properties	**—**	**(13)**	**31**	**—**	**18**	**0.05**	—	(83)	51	—	(32)	(0.08)
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	**6**	**—**	**—**	**—**	**6**	**0.01**	62	—	—	—	62	0.16
Loss on sale of non-operating properties	**1**	**—**	**—**	**—**	**1**	**—**	—	—	—	—	—	—
Fair value adjustment of investment in real estate securities	**—**	**(42)**	**3**	**—**	**(39)**	**(0.10)**	—	(58)	5	—	(53)	(0.13)
Fair value adjustment of derivatives	**(1)**	**—**	**—**	**—**	**(1)**	**—**	—	—	—	—	—	—
Recovery related to PC Bank commodity tax matter	**—**	**—**	**—**	**—**	**—**	**—**	(66)	—	—	—	(66)	(0.17)
Fair value adjustment of the Trust Unit liability	**—**	**—**	**67**	**—**	**67**	**0.17**	—	—	568	—	568	1.43
Outside basis difference in certain Loblaw shares	**—**	**—**	**—**	**(8)**	**(8)**	**(0.02)**	—	—	—	(18)	(18)	(0.05)
Fair value adjustment on Choice Properties' Exchangeable Units	**—**	**(68)**	**68**	**—**	**—**	**—**	—	906	(906)	—	—	—
Adjusting items	**$ 18**	**$ (123)**	**$ 169**	**$ (8)**	**$ 56**	**$ 0.14**	$ (4)	$ 765	$ (282)	$ (18)	$ 461	$ 1.16
Adjusted	**$ 437**	**$ 119**	**$ 12**	**$ (35)**	**$ 533**	**$ 1.37**	$ 405	$ 102	$ 9	$ (40)	$ 476	$ 1.19

(i) Contribution from Loblaw, net of non-controlling interests.
(ii) Net of income taxes and non-controlling interests, as applicable.

	40 Weeks Ended											
						Oct. 4, 2025						Oct. 5, 2024
	Net Earnings (Loss) Available to Common Shareholders of the Company					**Diluted Net Earnings Per Common Share[2] ($)**	Net Earnings (Loss) Available to Common Shareholders of the Company					Diluted Net Earnings Per Common Share[2] ($)
($ millions except where otherwise indicated)	**Loblaw[i]**	**Choice Properties**	**Effect of consol-idation**	**GWL Corporate**	**Consol-idated**	**Consol-idated**	Loblaw[i]	Choice Properties	Effect of consol-idation	GWL Corporate	Consol-idated	Consol-idated
As reported	**$ 1,061**	**$ (8)**	**$ (93)**	**$ (142)**	**$ 818**	**$ 2.08**	$ 893	$ (7)	$ 73	$ (308)	$ 651	$ 1.60
Add (deduct) impact of the following[ii]:												
Wind-down of Theodore & Pringle optical business	**$ 12**	**$ —**	**$ —**	**$ —**	**$ 12**	**$ 0.03**	$ —	$ —	$ —	$ —	$ —	$ —
Fair value adjustment on investment properties	**—**	**(144)**	**136**	**—**	**(8)**	**(0.02)**	—	(105)	91	—	(14)	(0.03)
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	**54**	**—**	**—**	**—**	**54**	**0.14**	150	—	—	—	150	0.37
Gain on sale of non-operating properties	**(6)**	**—**	**—**	**—**	**(6)**	**(0.01)**	—	—	—	—	—	—
Fair value adjustment of investment in real estate securities	**—**	**(42)**	**3**	**—**	**(39)**	**(0.10)**	—	—	—	—	—	—
Fair value adjustment of derivatives	**—**	**—**	**—**	**—**	**—**	**—**	(2)	—	—	—	(2)	(0.01)
Recovery related to PC Bank commodity tax matter	**—**	**—**	**—**	**—**	**—**	**—**	(66)	—	—	—	(66)	(0.16)
Sale of *Wellwise*	**(3)**	**—**	**—**	**—**	**(3)**	**(0.01)**	—	—	—	—	—	—
Charges related to settlement of class action lawsuits	**—**	**—**	**—**	**—**	**—**	**—**	64	—	—	189	253	0.63
Transaction costs and other related recoveries	**—**	**—**	**—**	**—**	**—**	**—**	—	(39)	—	—	(39)	(0.10)
Fair value adjustment of the Trust Unit liability	**—**	**—**	**418**	**—**	**418**	**1.08**	—	—	235	—	235	0.59
Outside basis difference in certain Loblaw shares	**—**	**—**	**—**	**27**	**27**	**0.07**	—	—	—	14	14	0.03
Fair value adjustment on Choice Properties' Exchangeable Units	**—**	**534**	**(534)**	**—**	**—**	**—**	—	467	(467)	—	—	—
Adjusting items	**$ 57**	**$ 348**	**$ 23**	**$ 27**	**$ 455**	**$ 1.18**	$ 146	$ 323	$ (141)	$ 203	$ 531	$ 1.32
Adjusted	**$ 1,118**	**$ 340**	**$ (70)**	**$ (115)**	**$ 1,273**	**$ 3.26**	$ 1,039	$ 316	$ (68)	$ (105)	$ 1,182	$ 2.92

(i) Contribution from Loblaw, net of non-controlling interests.
(ii) Net of income taxes and non-controlling interests, as applicable.

EFFECT OF CONSOLIDATION The Company believes that a breakdown of the effect of consolidation is useful in assessing the Company's underlying operating performance and in making decisions regarding the ongoing operations of its business.

The following table provides a breakdown of the effect of consolidation for certain key performance metrics.

	16 Weeks Ended									
	Oct. 4, 2025					Oct. 5, 2024				
($ millions)	**Revenue**	**Operating Income**	Adjusted EBITDA(i)	**Net Interest Expense and Other Financing Charges**	Adjusted Net Earnings Available to Common Shareholders(i)	Revenue	Operating Income	Adjusted EBITDA(i)	Net Interest Expense and Other Financing Charges	Adjusted Net Earnings Available to Common Shareholders(i)
Elimination of intercompany rental revenue	**$ (214)**	**$ 44**	$ 44	**$ —**	$ 36	$ (195)	$ 56	$ 56	$ —	$ 47
Elimination of internal lease arrangements	**5**	**(39)**	(170)	**(48)**	6	2	18	(108)	(44)	45
Elimination of intersegment real estate transactions	**—**	**(12)**	(12)	**—**	(9)	—	(87)	(87)	—	(77)
Recognition of depreciation on Choice Properties' investment properties classified as fixed assets by the Company and measured at cost	**—**	**(12)**	—	**—**	(13)	—	(8)	—	—	(9)
Fair value adjustment on investment properties	**—**	**(34)**	—	**—**	—	—	(48)	—	1	—
Unit distributions on Exchangeable Units paid by Choice Properties to GWL	**—**	**—**	—	**(76)**	76	—	—	—	(75)	75
Unit distributions on Trust Units paid by Choice Properties, excluding amounts paid to GWL	**—**	**—**	—	**54**	(54)	—	—	—	52	(52)
Fair value adjustment on Choice Properties' Exchangeable Units	**—**	**—**	—	**68**	—	—	—	—	(906)	—
Fair value adjustment of the Trust Unit liability	**—**	**—**	—	**67**	—	—	—	—	568	—
Tax expense on Choice Properties related earnings	**—**	**—**	—	**—**	(30)	—	—	—	—	(20)
Total	**$ (209)**	**$ (53)**	$ (138)	**$ 65**	$ 12	$ (193)	$ (69)	$ (139)	$ (404)	$ 9

(i) See reconciliation of adjusted EBITDA and adjusted net earnings available to common shareholders of the Company above.

	40 Weeks Ended									
	Oct. 4, 2025					Oct. 5, 2024				
($ millions)	**Revenue**	**Operating Income**	Adjusted EBITDA[(i)]	**Net Interest Expense and Other Financing Charges**	Adjusted Net Earnings Available to Common Shareholders[(i)]	Revenue	Operating Income	Adjusted EBITDA[(i)]	Net Interest Expense and Other Financing Charges	Adjusted Net Earnings Available to Common Shareholders[(i)]
Elimination of intercompany rental revenue	**$ (617)**	**$ 28**	$ 28	**$ —**	$ 23	$ (588)	$ 29	$ 29	$ —	$ 24
Elimination of internal lease arrangements	**11**	**(55)**	(380)	**(111)**	41	8	(26)	(341)	(102)	56
Elimination of intersegment real estate transactions	**—**	**(81)**	(81)	**—**	(71)	—	(119)	(119)	—	(105)
Recognition of depreciation on Choice Properties' investment properties classified as fixed assets by the Company and measured at cost	**—**	**(42)**	—	**—**	(42)	—	(35)	—	—	(36)
Fair value adjustment on investment properties	**—**	**(134)**	—	**1**	—	—	(86)	—	3	—
Unit distributions on Exchangeable Units paid by Choice Properties to GWL	**—**	**—**	—	**(228)**	228	—	—	—	(225)	225
Unit distributions on Trust Units paid by Choice Properties, excluding amounts paid to GWL	**—**	**—**	—	**160**	(160)	—	—	—	157	(157)
Fair value adjustment on Choice Properties' Exchangeable Units	**—**	**—**	—	**(534)**	—	—	—	—	(467)	—
Fair value adjustment of the Trust Unit liability	**—**	**—**	—	**418**	—	—	—	—	235	—
Tax expense on Choice Properties related earnings	**—**	**—**	—	**—**	(89)	—	—	—	—	(75)
Total	**$ (606)**	**$ (284)**	$ (433)	**$ (294)**	$ (70)	$ (580)	$ (237)	$ (431)	$ (399)	$ (68)

(i) See reconciliation of adjusted EBITDA and adjusted net earnings available to common shareholders of the Company above.

FREE CASH FLOW The Company believes free cash flow is useful in assessing the Company's cash available for additional financing and investing activities.

The following table reconciles free cash flow to GAAP measures reported for the periods ended as indicated.

	16 Weeks Ended		40 Weeks Ended	
($ millions)	**Oct. 4, 2025**	Oct. 5, 2024	**Oct. 4, 2025**	Oct. 5, 2024
Cash flows from operating activities	**$ 1,850**	$ 2,116	**$ 3,956**	$ 4,376
Less: Capital investments[(i)]	**735**	733	**1,610**	1,679
Interest paid	**297**	300	**762**	750
Lease payments, net	**320**	300	**793**	747
Free cash flow	**$ 498**	$ 783	**$ 791**	$ 1,200

(i) Capital investments are the sum of fixed asset and investment properties purchases and intangible asset additions as presented in the Company's condensed consolidated statements of cash flows, and prepayments transferred to fixed assets in the current period.

ROLLING YEAR ADJUSTED RETURN ON AVERAGE EQUITY ATTRIBUTABLE TO COMMON SHAREHOLDERS OF THE COMPANY AND ROLLING YEAR ADJUSTED RETURN ON CAPITAL The Company uses the following metrics to measure its leverage and profitability. The definitions of these ratios are presented below.

Rolling Year Adjusted Return on Average Equity Attributable to Common Shareholders of the Company Adjusted net earnings available to common shareholders of the Company for the last four quarters divided by average total equity attributable to common shareholders of the Company. Refer to Section 3.4, "Financial Condition", of this MD&A.

Rolling Year Adjusted Return on Capital Tax-effected adjusted operating income for the last four quarters divided by average capital where capital is defined as total debt, plus equity attributable to shareholders of the Company, less cash and cash equivalents, and short-term investments. Refer to Section 3.4, "Financial Condition", of this MD&A.

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 IFRS Accounting 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		40 Weeks Ended	
($ millions)	**Oct. 4, 2025**	Oct. 5, 2024	**Oct. 4, 2025**	Oct. 5, 2024
Net income (loss)	**$ 242**	$ (663)	**$ (8)**	$ (7)
Add (deduct) impact of the following:				
Amortization of intangible assets	**1**	—	**1**	1
Transaction costs and other related recoveries	**—**	—	**—**	(39)
Adjustment to fair value of unit-based compensation	**—**	3	**1**	1
Fair value adjustment on Exchangeable Units	**(68)**	906	**534**	467
Fair value adjustment on investment properties	**(19)**	(82)	**(142)**	(109)
Fair value adjustment on investment properties to proportionate share	**6**	(1)	**(2)**	4
Fair value adjustment of investment in real estate securities	**(42)**	(58)	**(42)**	—
Capitalized interest on equity accounted joint ventures	**2**	4	**7**	9
Unit distributions on Exchangeable Units	**76**	75	**228**	225
Internal expenses for leasing	**3**	3	**7**	7
Funds from Operations	**$ 201**	$ 187	**$ 584**	$ 559

8.1 Non-GAAP and Other Financial Measures - Selected Comparative Reconciliation

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

	Third Quarter		Second Quarter		First Quarter		Fourth Quarter	
	2025	2024	2025	2024	2025	2024	2024	2023
($ millions)	**(16 weeks)**	(16 weeks)	(12 weeks)	(12 weeks)	(12 weeks)	(12 weeks)	(12 weeks)	(12 weeks)
Net earnings (loss) attributable to shareholders of the Company	**$ 491**	$ 29	$ 268	$ 410	$ 93	$ 246	$ 674	$ (28)
Add (deduct) impact of the following:								
Non-controlling interests	**$ 391**	$ 411	$ 380	$ 257	$ 257	$ 246	$ 223	$ 275
Income taxes	**$ 338**	$ 303	$ 302	$ 131	$ 283	$ 264	$ 210	$ 169
Net interest expense (income) and other financing charges	**$ 418**	$ 875	$ 490	$ (3)	$ 444	$ 215	$ (115)	$ 660
Operating income	**$ 1,638**	$ 1,618	$ 1,440	$ 795	$ 1,077	$ 971	$ 992	$ 1,076
Add (deduct) impact of the following:								
Wind-down of Theodore & Pringle optical business	**$ 30**	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Fair value adjustment on investment properties	**21**	(34)	(27)	2	(3)	16	21	34
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	**14**	155	9	115	116	114	115	115
Loss (gain) on sale of non-operating properties	**2**	—	(1)	—	(14)	—	(3)	(1)
Fair value adjustment of investment in real estate securities	**(42)**	(58)	(9)	28	9	30	36	(27)
Fair value adjustment of derivatives	**(1)**	—	2	2	(1)	(7)	—	14
Recovery related to PC Bank commodity tax matters	**—**	(155)	—	—	—	—	—	(13)
Sale of *Wellwise*	**—**	—	—	—	(5)	—	23	—
Charges related to settlement of class action lawsuits	**—**	—	—	420	—	—	—	—
Transaction costs and other related recoveries	**—**	—	—	(39)	—	—	—	—
PC Optimum loyalty program	**—**	—	—	—	—	—	129	—
Fair value adjustment on non-operating properties	**—**	—	—	—	—	—	3	9
Adjusting items	**$ 24**	$ (92)	$ (26)	$ 528	$ 102	$ 153	$ 324	$ 131
Adjusted operating income	**$ 1,662**	$ 1,526	$ 1,414	$ 1,323	$ 1,179	$ 1,124	$ 1,316	$ 1,207
Depreciation and amortization excluding the impact of the above adjustment(i)	**$ 678**	$ 632	$ 509	$ 483	$ 511	$ 499	$ 498	$ 487
Adjusted EBITDA	**$ 2,340**	$ 2,158	$ 1,923	$ 1,806	$ 1,690	$ 1,623	$ 1,814	$ 1,694

(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.

Management's Discussion and Analysis

ADJUSTED NET EARNINGS AVAILABLE TO COMMON SHAREHOLDERS AND ADJUSTED DILUTED NET EARNINGS PER COMMON SHARE The following tables reconcile adjusted net earnings available to common shareholders of the Company and adjusted diluted net earnings per common share to GAAP net earnings (loss) available to common shareholders of the Company and diluted net earnings (loss) per common share as reported for the periods ended as indicated.

	Third Quarter		Second Quarter		First Quarter		Fourth Quarter	
	2025	2024	2025	2024	2025	2024	2024	2023
($ millions)	**(16 weeks)**	(16 weeks)	(12 weeks)	(12 weeks)	(12 weeks)	(12 weeks)	(12 weeks)	(12 weeks)
As reported	**$ 477**	$ 15	$ 258	$ 400	$ 83	$ 236	$ 664	$ (38)
Add (deduct) impact of the following[i]:								
Wind-down of Theodore & Pringle optical business	**$ 12**	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Fair value adjustment on investment properties	**18**	(32)	(25)	4	(1)	14	17	(7)
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	**6**	62	2	43	46	45	44	45
Loss (gain) on sale of non-operating properties	**1**	—	—	—	(7)	—	(2)	(1)
Fair value adjustment of investment in real estate securities	**(39)**	(53)	(8)	25	8	28	33	(25)
Fair value adjustment of derivatives	**(1)**	—	2	2	(1)	(4)	—	5
Recoveries related to PC Bank commodity tax matters	**—**	(66)	—	—	—	—	—	(6)
Sale of *Wellwise*	**—**	—	—	—	(3)	—	15	—
Charges related to settlement of class action lawsuits	**—**	—	—	253	—	—	—	—
Transaction costs and other related recoveries	**—**	—	—	(39)	—	—	—	—
Fair value adjustment of the Trust Unit liability	**67**	568	188	(274)	163	(59)	(399)	382
Outside basis difference in certain Loblaw shares	**(8)**	(18)	(16)	(20)	51	52	(8)	(16)
PC Optimum loyalty program	**—**	—	—	—	—	—	49	—
Fair value adjustment on non-operating properties	**—**	—	—	—	—	—	2	3
Adjusting items	**$ 56**	$ 461	$ 143	$ (6)	$ 256	$ 76	$ (249)	$ 380
Adjusted	**$ 533**	$ 476	$ 401	$ 394	$ 339	$ 312	$ 415	$ 342

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

	Third Quarter		Second Quarter		First Quarter		Fourth Quarter	
	2025[2]	2024[2]	2025[2]	2024[2]	2025[2]	2024[2]	2024[2]	2023[2]
($ except where otherwise indicated)	**(16 weeks)**	(16 weeks)	(12 weeks)	(12 weeks)	(12 weeks)	(12 weeks)	(12 weeks)	(12 weeks)
As reported	**$ 1.23**	$ 0.03	$ 0.65	$ 0.99	$ 0.21	$ 0.58	$ 1.68	$ (0.10)
Add (deduct) impact of the following[i]:								
Wind-down of Theodore & Pringle optical business	**$ 0.03**	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Fair value adjustment on investment properties	**0.05**	(0.08)	(0.06)	0.01	—	0.04	0.04	(0.02)
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	**0.01**	0.16	0.01	0.11	0.12	0.11	0.11	0.11
Gain on sale of non-operating properties	**—**	—	—	—	(0.02)	—	(0.01)	—
Fair value adjustment of investment in real estate securities	**(0.10)**	(0.13)	(0.02)	0.06	0.02	0.07	0.09	(0.06)
Fair value adjustment of derivatives	**—**	—	0.01	0.01	—	(0.01)	—	0.01
Recoveries related to PC Bank commodity tax matters	**—**	(0.17)	—	—	—	—	—	(0.01)
Sale of *Wellwise*	**—**	—	—	—	(0.01)	—	0.04	—
Charges related to settlement of class action lawsuits	**—**	—	—	0.63	—	—	—	—
Transaction costs and other related recoveries	**—**	—	—	(0.10)	—	—	—	—
Fair value adjustment of the Trust Unit liability	**0.17**	1.43	0.47	(0.68)	0.41	(0.15)	(1.02)	0.94
Outside basis difference in certain Loblaw shares	**(0.02)**	(0.05)	(0.04)	(0.05)	0.13	0.13	(0.02)	(0.04)
PC Optimum loyalty program	**—**	—	—	—	—	—	0.13	—
Fair value adjustment on non-operating properties	**—**	—	—	—	—	—	0.01	0.01
Adjusting items	**$ 0.14**	$ 1.16	$ 0.37	$ (0.01)	$ 0.65	$ 0.19	$ (0.63)	$ 0.94
Adjusted	**$ 1.37**	$ 1.19	$ 1.02	$ 0.98	$ 0.86	$ 0.77	$ 1.05	$ 0.84
Diluted weighted average common shares outstanding (in millions)	**385.2**	396.4	388.7	400.7	391.1	404.6	392.9	404.4

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

9. Forward-Looking Statements

The Quarterly Report, including the MD&A, 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 Quarterly Report 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 Quarterly Report including, without limitation, in Section 3, "Liquidity and Capital Resources", Section 7, "Outlook", and Section 8, "Non-GAAP and Other Financial Measures", of this MD&A. 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 Section 8, "Enterprise Risks and Risk Management" of the Company's 2024 Annual Report and the Company's AIF for the year ended December 31, 2024. Such risks and uncertainties include:

- changes in economic conditions, including inflation, impact of tariffs, price increases from suppliers, levels of employment, costs of borrowing, household debt, political uncertainty and government regulation, the impact of natural disasters, war or acts of terrorism, pandemics, changes in interest rates, tax rates, or exchange rates, and access to consumer credit;
- inability of the Company's IT infrastructure to support the requirements of the Company's business, or the occurrence of any internal or external security breaches, denial of service attacks, viruses, worms and other known or unknown cybersecurity or data breaches;
- failure to realize benefits from investments in the Company's new IT systems and related processes, including automation;
- inability of the Company to manage inventory to minimize the impact of obsolete or excess inventory or control shrink;
- changes to the regulation of generic prescription drug prices, the reduction of reimbursements under public drug benefit plans and the elimination or reduction of professional allowances paid by drug manufacturers;
- failure to maintain an effective supply chain and consequently an appropriate assortment of available product at the store and digital retail level;
- failure to realize the anticipated benefits associated with the Company's strategic priorities and major initiatives, including revenue growth, anticipated cost savings and operating efficiencies, or organizational changes that may impact the relationships with franchisees and pharmacist owners of corporations licensed to operate retail drug stores at specific locations using Loblaw's trademarks ("Associates");
- failure by Choice Properties to realize the anticipated benefits associated with its strategic priorities and major initiatives, including failure to develop quality assets and effectively manage development, redevelopment, and renovation initiatives and the timelines and costs related to such initiatives;
- failure to execute the Company's e-commerce initiatives or to adapt its business model to shifts in the retail landscape caused by digital advances;
- changes to any of the laws, rules, regulations or policies applicable to the Company's business;
- failure to attract and retain colleagues may impact the Company's ability to effectively operate and achieve financial performance goals;
- failure by Choice Properties to effectively and efficiently manage its property and leasing management processes;
- failure to effectively respond to consumer trends or heightened competition, whether from current competitors or new entrants to the marketplace;
- public health events including those related to food and drug safety;
- errors made through medication dispensing or errors related to patient services or consultation;
- failure to achieve desired results in labour negotiations, including the terms of future collective bargaining agreements;
- failure to adapt to environmental and social risks, including failure to execute against the Company's climate change and social equity initiatives;
- adverse outcomes of legal and regulatory proceedings and related matters;
- reliance on the performance and retention of third party service providers, including those associated with the Company's supply chain and apparel business and located in both advanced and developing markets; and
- the inability of the Company to effectively develop and execute its strategy.

This is not an exhaustive list of the factors that may affect the Company's forward-looking statements. Other risks and uncertainties not presently known to the Company or that the Company presently believes are not material could also cause actual results or events to differ materially from those expressed in its forward-looking statements. Additional risks and uncertainties are discussed in the Company's materials filed with the Canadian securities regulatory authorities from time to time, including, without limitation, the section entitled "Operating and Financial Risks and Risk Management" in the Company's AIF for the year ended December 31, 2024. 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 MD&A. 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.

10. Additional Information

Additional information about the Company has been filed electronically with various securities regulators in Canada through SEDAR+ and is available at www.sedarplus.ca.

This Quarterly Report 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 also refer to the respective materials filed on SEDAR+ from time to time. These filings are also maintained on the respective companies' corporate websites at www.loblaw.ca and www.choicereit.ca.

Toronto, Canada
November 13, 2025

Footnote Legend

(1) Refer to Section 8, “Non-GAAP and Other Financial Measures”, of the Company’s 2025 Third Quarter Management’s Discussion and Analysis.

(2) Adjusted to reflect the three-for-one stock split effective at the close of business on August 18, 2025. For further details, refer to Section 1.2, “Consolidated Other Business Matters”, of the Company’s 2025 Third Quarter Management’s Discussion and Analysis.

(3) To be read in conjunction with Section 9, “Forward-Looking Statements”, of the Company’s 2025 Third Quarter Management’s Discussion and Analysis.

(4) For more information on Choice Properties measures see the 2024 Annual Report filed by Choice Properties, which is available on www.sedarplus.ca or at www.choicereit.ca.