

Financial Results

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Condensed Consolidated Statements of Earnings

(unaudited) (millions of Canadian dollars except where otherwise indicated)	12 Weeks Ended		24 Weeks Ended	
	Jun. 14, 2025	Jun. 15, 2024	Jun. 14, 2025	Jun. 15, 2024
Revenue	\$ 14,823	\$ 14,091	\$ 29,108	\$ 27,826
Operating Expenses				
Cost of inventories sold	9,823	9,326	19,343	18,461
Selling, general and administrative expenses	3,560	3,970	7,248	7,599
	13,383	13,296	26,591	26,060
Operating Income	1,440	795	2,517	1,766
Net Interest Expense (Income) and Other Financing Charges (note 4)	490	(3)	934	212
Earnings Before Income Taxes	950	798	1,583	1,554
Income Taxes (note 5)	302	131	585	395
Net Earnings	648	667	998	1,159
Attributable to:				
Shareholders of the Company (note 6)	268	410	361	656
Non-Controlling Interests	380	257	637	503
Net Earnings	\$ 648	\$ 667	\$ 998	\$ 1,159
Net Earnings per Common Share (\$) (note 6)				
Basic	\$ 2.00	\$ 3.01	\$ 2.64	\$ 4.76
Diluted	\$ 1.96	\$ 2.97	\$ 2.58	\$ 4.70

See accompanying notes to the unaudited interim period condensed consolidated financial statements.

Condensed Consolidated Statements of Comprehensive Income

(unaudited) (millions of Canadian dollars)	12 Weeks Ended		24 Weeks Ended	
	Jun. 14, 2025	Jun. 15, 2024	Jun. 14, 2025	Jun. 15, 2024
Net Earnings	\$ 648	\$ 667	\$ 998	\$ 1,159
Other comprehensive (loss) income, net of taxes				
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation adjustment	(5)	2	(5)	2
Unrealized gains (losses) on cash flow hedges (note 13)	6	(10)	(7)	(7)
Items that will not be reclassified to profit or loss:				
Net defined benefit plan actuarial (losses) gains (note 12)	(71)	70	(105)	33
Adjustment to fair value of investment properties	—	12	—	19
Other comprehensive (loss) income	(70)	74	(117)	47
Comprehensive Income	578	741	881	1,206
Attributable to:				
Shareholders of the Company	231	453	298	690
Non-Controlling Interests	347	288	583	516
Comprehensive Income	\$ 578	\$ 741	\$ 881	\$ 1,206

See accompanying notes to the unaudited interim period condensed consolidated financial statements.

Condensed Consolidated Balance Sheets

(unaudited) (millions of Canadian dollars)	As at		
	Jun. 14, 2025	Jun. 15, 2024	Dec. 31, 2024
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 1,174	\$ 2,420	\$ 2,048
Short-term investments	954	412	648
Security deposits (note 8)	300	250	—
Accounts receivable	1,389	1,290	1,503
Credit card receivables (note 8)	3,975	3,954	4,230
Inventories	6,479	5,774	6,332
Prepaid expenses and other assets	651	758	737
Assets held for sale (note 9)	45	63	62
Total Current Assets	14,967	14,921	15,560
Fixed Assets	12,754	12,099	12,686
Right-of-Use Assets	5,122	4,516	4,920
Investment Properties	5,645	5,399	5,506
Equity Accounted Joint Ventures	883	852	884
Intangible Assets	5,278	5,740	5,460
Goodwill	4,907	4,884	4,902
Deferred Income Taxes	126	135	128
Security Deposits	38	35	38
Other Assets	1,128	1,026	1,352
Total Assets	\$ 50,848	\$ 49,607	\$ 51,436
LIABILITIES			
Current Liabilities			
Bank indebtedness	\$ 59	\$ 38	\$ —
Trade payables and other liabilities	7,003	6,204	7,894
Loyalty liability	220	129	212
Provisions	103	547	509
Income taxes payable	194	131	141
Demand deposits from customers	673	175	353
Short-term debt (note 8)	500	650	800
Long-term debt due within one year (note 10)	949	1,953	1,313
Lease liabilities due within one year	989	891	1,045
Associate interest	353	378	255
Total Current Liabilities	11,043	11,096	12,522
Provisions	100	94	105
Long-Term Debt (note 10)	15,009	14,045	14,071
Lease Liabilities	5,196	4,617	4,977
Trust Unit Liability	4,066	3,545	3,715
Deferred Income Taxes	1,582	1,716	1,675
Other Liabilities	1,203	1,174	1,234
Total Liabilities	38,199	36,287	38,299
EQUITY			
Share Capital (note 11)	3,286	3,319	3,293
Retained Earnings	5,088	5,432	5,490
Contributed Surplus	(3,022)	(2,541)	(2,787)
Accumulated Other Comprehensive Income	229	221	246
Total Equity Attributable to Shareholders of the Company	5,581	6,431	6,242
Non-Controlling Interests	7,068	6,889	6,895
Total Equity	12,649	13,320	13,137
Total Liabilities and Equity	\$ 50,848	\$ 49,607	\$ 51,436

Contingent liabilities (note 14).

See accompanying notes to the unaudited interim period condensed consolidated financial statements.

Condensed Consolidated Statements of Changes in Equity

(millions of Canadian dollars except where otherwise indicated) (unaudited)	Common Shares	Preferred Shares	Total Share Capital	Retained Earnings	Contributed Surplus	Foreign Currency Translation Adjustment	Cash Flow Hedges	Adjustment to Fair Value on Transfer of Investment Properties	Total Accumulated Other Comprehensive Income	Non-Controlling Interests	Total Equity
Balance as at Dec. 31, 2024	\$ 2,476	\$ 817	\$ 3,293	\$ 5,490	\$ (2,787)	\$ 31	\$ (5)	\$ 220	\$ 246	\$ 6,895	\$ 13,137
Net earnings	—	—	—	361	—	—	—	—	—	637	998
Other comprehensive loss ⁽ⁱ⁾	—	—	—	(55)	—	(4)	(4)	—	(8)	(54)	(117)
Comprehensive income (loss)	\$ —	\$ —	\$ —	\$ 306	\$ —	\$ (4)	\$ (4)	\$ —	\$ (8)	\$ 583	\$ 881
Transfer of revaluation reserve upon disposal of investment properties	—	—	—	9	—	—	—	(9)	(9)	—	—
Effect of equity-based compensation (note 11)	30	—	30	—	(8)	—	—	—	—	(7)	15
Shares purchased and cancelled (note 11)	(38)	—	(38)	(478)	—	—	—	—	—	—	(516)
Net effect of shares held in trusts (note 11)	1	—	1	4	—	—	—	—	—	—	5
Loblaw capital transactions and dividends	—	—	—	—	(227)	—	—	—	—	(403)	(630)
Dividends declared											
Per common share (\$) (note 11)											
– \$1.7138	—	—	—	(221)	—	—	—	—	—	—	(221)
Per preferred share (\$) (note 11)											
– Series I – \$0.7250	—	—	—	(7)	—	—	—	—	—	—	(7)
– Series III – \$0.6500	—	—	—	(5)	—	—	—	—	—	—	(5)
– Series IV – \$0.6500	—	—	—	(5)	—	—	—	—	—	—	(5)
– Series V – \$0.593750	—	—	—	(5)	—	—	—	—	—	—	(5)
	\$ (7)	\$ —	\$ (7)	\$ (708)	\$ (235)	\$ —	\$ —	\$ (9)	\$ (9)	\$ (410)	\$ (1,369)
Balance as at Jun. 14, 2025	\$ 2,469	\$ 817	\$ 3,286	\$ 5,088	\$ (3,022)	\$ 27	\$ (9)	\$ 211	\$ 229	\$ 7,068	\$ 12,649

(millions of Canadian dollars except where otherwise indicated) (unaudited)	Common Shares	Preferred Shares	Total Share Capital	Retained Earnings	Contributed Surplus	Foreign Currency Translation Adjustment	Cash Flow Hedges	Adjustment to Fair Value on Transfer of Investment Properties	Total Accumulated Other Comprehensive Income	Non-Controlling Interests	Total Equity
Balance as at Dec. 31, 2023	\$ 2,508	\$ 817	\$ 3,325	\$ 5,421	\$ (2,275)	\$ 28	\$ 1	\$ 175	\$ 204	\$ 6,788	\$ 13,463
Net earnings	—	—	—	656	—	—	—	—	—	503	1,159
Other comprehensive income (loss) ⁽ⁱ⁾	—	—	—	17	—	1	(3)	19	17	13	47
Comprehensive income	\$ —	\$ —	\$ —	\$ 673	\$ —	\$ 1	\$ (3)	\$ 19	\$ 17	\$ 516	\$ 1,206
Effect of equity-based compensation (note 11)	39	—	39	—	(16)	—	—	—	—	(15)	8
Shares purchased and cancelled (note 11)	(47)	—	(47)	(443)	—	—	—	—	—	—	(490)
Net effect of shares held in trusts (note 11)	2	—	2	7	—	—	—	—	—	—	9
Loblaw capital transactions and dividends	—	—	—	—	(250)	—	—	—	—	(400)	(650)
Dividends declared											
Per common share (\$) (note 11)											
– \$1.533	—	—	—	(204)	—	—	—	—	—	—	(204)
Per preferred share (\$) (note 11)											
– Series I – \$0.7250	—	—	—	(7)	—	—	—	—	—	—	(7)
– Series III – \$0.6500	—	—	—	(5)	—	—	—	—	—	—	(5)
– Series IV – \$0.6500	—	—	—	(5)	—	—	—	—	—	—	(5)
– Series V – \$0.593750	—	—	—	(5)	—	—	—	—	—	—	(5)
	\$ (6)	\$ —	\$ (6)	\$ (662)	\$ (266)	\$ —	\$ —	\$ —	\$ —	\$ (415)	\$ (1,349)
Balance as at Jun. 15, 2024	\$ 2,502	\$ 817	\$ 3,319	\$ 5,432	\$ (2,541)	\$ 29	\$ (2)	\$ 194	\$ 221	\$ 6,889	\$ 13,320

(i) Other comprehensive income (loss) includes an actuarial loss of \$105 million (2024 – gain of \$33 million), of which \$55 million (2024 – gain of \$17 million) is presented in retained earnings, and \$50 million (2024 – gain of \$16 million) in non-controlling interests. Also included in non-controlling interests is a \$3 million loss on cash flow hedges (2024 – \$4 million loss) and a \$1 million loss on foreign currency translation adjustments (2024 – \$1 million gain).

See accompanying notes to the unaudited interim period condensed consolidated financial statements.

Condensed Consolidated Statements of Cash Flows

(unaudited) (millions of Canadian dollars)	12 Weeks Ended		24 Weeks Ended	
	Jun. 14, 2025	Jun. 15, 2024	Jun. 14, 2025	Jun. 15, 2024
Operating Activities				
Net earnings	\$ 648	\$ 667	\$ 998	\$ 1,159
Add (deduct):				
Net interest expense (income) and other financing charges (note 4)	490	(3)	934	212
Income taxes (note 5)	302	131	585	395
Depreciation and amortization	518	598	1,145	1,211
Asset impairments, net of recoveries	1	—	1	—
Adjustment to fair value of investment properties and assets held for sale	(27)	2	(30)	18
Adjustment to fair value of investment in real estate securities (note 13)	(9)	28	—	58
Change in allowance for credit card receivables (note 8)	2	1	10	10
Change in provisions	(1)	421	(411)	424
Change in non-cash working capital (note 7)	(87)	(56)	(834)	(729)
Change in gross credit card receivables (note 8)	(180)	(109)	245	168
Income taxes paid	(263)	(328)	(566)	(730)
Interest received	11	25	49	42
Other	(10)	29	(20)	22
Cash Flows from Operating Activities	1,395	1,406	2,106	2,260
Investing Activities				
Fixed asset and investment properties purchases	(519)	(435)	(727)	(784)
Intangible asset additions	(78)	(82)	(148)	(162)
Disposal (purchase) of short-term investments	49	(91)	(306)	60
Proceeds from disposal of assets	81	37	167	61
Lease payments received from finance leases	3	2	3	6
(Advances) repayments of mortgages, loans, and notes receivable	(3)	(2)	120	18
Disposal of long-term securities	50	64	80	63
Increase in security deposits (note 8)	(299)	(249)	(300)	(247)
Other	(10)	(19)	(68)	(15)
Cash Flows used in Investing Activities	(726)	(775)	(1,179)	(1,000)
Financing Activities				
Increase in bank indebtedness	37	37	59	25
Increase (decrease) in short-term debt (note 8)	—	200	(300)	(200)
Increase in demand deposits from customers	160	5	320	9
Long-term debt – Issued (note 10)	343	1,483	1,132	1,941
– Repayments (note 10)	(186)	(665)	(552)	(935)
Interest paid	(209)	(205)	(465)	(450)
Cash rent paid on lease liabilities – Interest (note 4)	(62)	(52)	(123)	(104)
Cash rent paid on lease liabilities – Principal	(178)	(177)	(353)	(349)
Share capital – Issued (note 11)	17	19	27	35
– Purchased and cancelled (note 11)	(297)	(345)	(471)	(490)
Loblaw common share capital – Issued	24	69	46	126
– Purchased and cancelled	(240)	(319)	(483)	(580)
Loblaw preferred share capital – Purchased and cancelled	—	—	(225)	—
Tax paid on repurchases of share capital	—	—	(57)	—
Dividends – To common shareholders	(106)	(96)	(213)	(183)
– To preferred shareholders	(8)	(8)	(19)	(19)
– To non-controlling interests	(72)	(67)	(148)	(67)
Other	(17)	(32)	30	(55)
Cash Flows used in Financing Activities	(794)	(153)	(1,795)	(1,296)
Effect of foreign currency exchange rate changes on cash and cash equivalents	(5)	1	(6)	5
(Decrease) increase in Cash and Cash Equivalents	(130)	479	(874)	(31)
Cash and Cash Equivalents, Beginning of Period	1,304	1,941	2,048	2,451
Cash and Cash Equivalents, End of Period	\$ 1,174	\$ 2,420	\$ 1,174	\$ 2,420

See accompanying notes to the unaudited interim period condensed consolidated financial statements.

Notes to the Unaudited Interim Period Condensed Consolidated Financial Statements

Note 1. Nature and Description of the Reporting Entity

George Weston Limited (“GWL” or the “Company”) is a Canadian public company incorporated in 1928, with its registered office located at 22 St. Clair Avenue East, Toronto, Canada M4T 2S5. The Company’s parent is Wittington Investments, Limited (“Wittington”).

The Company operates through its two reportable operating segments: Loblaw Companies Limited (“Loblaw”) and Choice Properties Real Estate Investment Trust (“Choice Properties”). 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.

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.

Quarterly net earnings are affected by seasonality and the timing of holidays, relative to the Company’s interim periods. Accordingly, quarterly performance is not necessarily indicative of annual performance. Historically, Loblaw has earned more revenue in the fourth quarter relative to the preceding quarters in its fiscal year.

Note 2. Material Accounting Policies

The material accounting policies and critical accounting estimates and judgments as disclosed in the Company’s 2024 audited annual consolidated financial statements have been applied consistently in the preparation of these unaudited interim period condensed consolidated financial statements.

These unaudited interim period condensed consolidated financial statements are presented in Canadian dollars.

STATEMENT OF COMPLIANCE These unaudited interim period condensed consolidated financial statements are prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting”, as issued by the International Accounting Standards Board (“IFRS Accounting Standards” or “GAAP”) and should be read in conjunction with the Company’s 2024 audited annual consolidated financial statements and accompanying notes.

These unaudited interim period condensed consolidated financial statements were approved for issuance by the Company’s Board of Directors on July 28, 2025.

Note 3. Subsidiaries

The table below summarizes the Company's principal subsidiaries. The proportion of ownership interests held equals the voting rights held by the Company. GWL's ownership in Loblaw and Choice Properties is impacted by changes in Loblaw's common share equity and Choice Properties' Trust Units, respectively.

	Jun. 14, 2025		As at Jun. 15, 2024		Dec. 31, 2024	
	Number of shares / units held	Ownership interest	Number of shares / units held	Ownership interest	Number of shares / units held	Ownership interest
Loblaw						
Common shares ⁽ⁱ⁾	156,777,479	52.6%	160,983,608	52.6%	158,853,468	52.6%
Class B LP Units ⁽ⁱⁱ⁾	395,786,525	n/a	395,786,525	n/a	395,786,525	n/a
Trust Units	50,661,415	n/a	50,661,415	n/a	50,661,415	n/a
Choice Properties	446,447,940	61.7%	446,447,940	61.7%	446,447,940	61.7%

(i) GWL participates in Loblaw's Normal Course Issuer Bid ("NCIB") program in order to maintain its proportionate percentage ownership.

(ii) Class B LP Units ("Exchangeable Units") are economically equivalent to Trust Units, receive distributions equal to the distributions paid on Trust Units and are exchangeable, at the holder's option, into Trust Units.

Note 4. Net Interest Expense and Other Financing Charges

The components of net interest expense and other financing charges were as follows:

(\$ millions)	12 Weeks Ended		24 Weeks Ended	
	Jun. 14, 2025	Jun. 15, 2024	Jun. 14, 2025	Jun. 15, 2024
Interest expense:				
Long-term debt	\$ 170	\$ 166	\$ 332	\$ 317
Lease liabilities	62	52	123	104
Borrowings related to credit card receivables	14	13	34	32
Trust Unit distributions	53	53	106	105
Independent funding trusts	8	10	15	20
Post-employment and other long-term employee benefits ^(note 12)	2	1	1	2
Financial liabilities	11	10	22	22
Capitalized interest	(6)	(10)	(18)	(11)
	\$ 314	\$ 295	\$ 615	\$ 591
Interest income:				
Accretion income	\$ —	\$ —	\$ (1)	\$ (1)
Interest income	(12)	(24)	(31)	(45)
	\$ (12)	\$ (24)	\$ (32)	\$ (46)
Fair value adjustment of the Trust Unit liability	\$ 188	\$ (274)	\$ 351	\$ (333)
Net interest expense (income) and other financing charges	\$ 490	\$ (3)	\$ 934	\$ 212

Note 5. Income Taxes

For the second quarter of 2025, income tax expense was \$302 million (2024 – \$131 million) and the effective tax rate was 31.8% (2024 – 16.4%). On a year-to-date basis, income tax expense was \$585 million (2024 – \$395 million) and the effective tax rate was 37.0% (2024 – 25.4%). The increase in the effective tax rate in the second quarter of 2025 and year-to-date was primarily attributable to the year-over-year impact of the non-taxable fair value adjustment of the Trust Unit liability, 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, and the impact of other non-deductible items.

Notes to the Unaudited Interim Period Condensed Consolidated Financial Statements

Note 6. Basic and Diluted Net Earnings per Common Share

(\$ millions except where otherwise indicated)	12 Weeks Ended		24 Weeks Ended	
	Jun. 14, 2025	Jun. 15, 2024	Jun. 14, 2025	Jun. 15, 2024
Net earnings attributable to shareholders of the Company	\$ 268	\$ 410	\$ 361	\$ 656
Prescribed dividends on preferred shares in share capital	(10)	(10)	(20)	(20)
Net earnings available to common shareholders of the Company	\$ 258	\$ 400	\$ 341	\$ 636
Reduction in net earnings due to dilution at Loblaw	(4)	(3)	(6)	(5)
Net earnings available to common shareholders for diluted earnings per share	\$ 254	\$ 397	\$ 335	\$ 631
Weighted average common shares outstanding (in millions) (note 11)	128.9	133.0	129.2	133.6
Dilutive effect of equity-based compensation ⁽ⁱ⁾ (in millions)	0.7	0.6	0.7	0.6
Diluted weighted average common shares outstanding (in millions)	129.6	133.6	129.9	134.2
Basic net earnings per common share (\$)	\$ 2.00	\$ 3.01	\$ 2.64	\$ 4.76
Diluted net earnings per common share (\$)	\$ 1.96	\$ 2.97	\$ 2.58	\$ 4.70

(i) In the second quarter of 2025 and year-to-date, nominal (2024 – nominal) potentially dilutive instruments were excluded from the computation of diluted net earnings per common share as they were anti-dilutive.

Note 7. Change in Non-Cash Working Capital

(\$ millions)	12 Weeks Ended		24 Weeks Ended	
	Jun. 14, 2025	Jun. 15, 2024	Jun. 14, 2025	Jun. 15, 2024
Change in:				
Accounts receivable	\$ 99	\$ (9)	\$ 130	\$ 83
Prepaid expenses and other assets	13	34	(58)	(94)
Inventories	(176)	176	(147)	55
Trade payables and other liabilities	(7)	(261)	(741)	(767)
Other	(16)	4	(18)	(6)
Change in non-cash working capital	\$ (87)	\$ (56)	\$ (834)	\$ (729)

Note 8. Credit Card Receivables

The components of credit card receivables were as follows:

(\$ millions)	Jun. 14, 2025	As at	
		Jun. 15, 2024	Dec. 31, 2024
Gross credit card receivables	\$ 4,248	\$ 4,220	\$ 4,493
Allowance for credit card receivables	(273)	(266)	(263)
Credit card receivables	\$ 3,975	\$ 3,954	\$ 4,230
Securitized to independent securitization trusts:			
Securitized to Eagle Credit Card Trust (note 10)	\$ 1,750	\$ 1,700	\$ 1,450
Securitized to Other Independent Securitization Trusts	500	650	800
Total securitized to independent securitization trusts	\$ 2,250	\$ 2,350	\$ 2,250

Loblaw, through President's Choice Bank ("PC Bank"), participates in various securitization programs that provide a source of funds for the operation of its credit card business. PC Bank maintains and monitors a co-ownership interest in credit card receivables with independent securitization trusts, including Eagle Credit Card Trust ("Eagle") and Other Independent Securitization Trusts, in accordance with its financing requirements.

The associated liability of Eagle is recorded in long-term debt (see note 10). The associated liabilities of credit card receivables securitized to the Other Independent Securitization Trusts are recorded in short-term debt.

As at June 14, 2025, the aggregate gross potential liability under letters of credit for the benefit of the Other Independent Securitization Trusts was \$45 million (June 15, 2024 – \$59 million; December 31, 2024 – \$72 million), which represented 9% (June 15, 2024 – 9%; December 31, 2024 – 9%) of the securitized credit card receivables amount.

Under its securitization programs, PC Bank is required to maintain, at all times, a credit card receivable pool balance equal to a minimum of 107% of the outstanding securitized liability. PC Bank was in compliance with this requirement as at the end of the second quarter of 2025 and throughout the first two quarters of 2025.

Security Deposits During the second quarter of 2025, a repayment accumulation process was triggered due to the upcoming maturity of the Eagle \$300 million senior and subordinated term notes due July 17, 2025. As at June 14, 2025, \$300 million had been accumulated and was recorded in security deposits.

Note 9. Assets Held for Sale and Dispositions

The components of assets held for sale, net of intercompany transactions, were as follows:

(\$ millions)	Jun. 14, 2025	As at	
		Jun. 15, 2024	Dec. 31, 2024
Loblaw ⁽ⁱ⁾⁽ⁱⁱ⁾	\$ 45	\$ 29	\$ 43
Choice Properties ⁽ⁱⁱⁱ⁾	—	34	19
Assets Held for Sale	\$ 45	\$ 63	\$ 62

(i) In the second quarter of 2025, Loblaw disposed of one property included in assets held for sale for proceeds of \$2 million, and recognized a net gain of \$1 million. On a year-to-date basis, Loblaw disposed of two properties included in assets held for sale for proceeds of \$21 million, and recognized a net gain of \$15 million.

(ii) In the first quarter of 2025, Loblaw completed the sale of its Wellwise by Shoppers™ ("Wellwise") business, and recorded a gain of \$5 million, net of related costs, in selling, general and administrative expenses ("SG&A").

(iii) In the first quarter of 2025, Choice Properties disposed of the properties included in assets held for sale as at December 31, 2024.

Notes to the Unaudited Interim Period Condensed Consolidated Financial Statements

Note 10. Long-Term Debt

The components of long-term debt were as follows:

(\$ millions)	Jun. 14, 2025	As at	
		Jun. 15, 2024	Dec. 31, 2024
Debentures	\$ 10,555	\$ 10,707	\$ 10,606
Long-term debt secured by mortgage	1,286	1,054	1,300
Construction loans	5	84	5
Guaranteed investment certificates	1,380	1,565	1,477
Independent securitization trusts (note 8)	1,750	1,700	1,450
Independent funding trusts	634	577	590
Committed credit facilities	400	350	—
Transaction costs and other	(52)	(39)	(44)
Total long-term debt	\$ 15,958	\$ 15,998	\$ 15,384
Long-term debt due within one year	(949)	(1,953)	(1,313)
Long-term debt	\$ 15,009	\$ 14,045	\$ 14,071

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 first half of 2025, the Company, Loblaw and Choice Properties were in compliance with the financial covenants.

DEBENTURES The following table summarizes the debentures issued in the periods ended as indicated:

(\$ millions)	Interest Rate	Maturity Date	12 Weeks Ended		24 Weeks Ended	
			Jun. 14, 2025	Jun. 15, 2024	Jun. 14, 2025	Jun. 15, 2024
			Principal Amount	Principal Amount	Principal Amount	Principal Amount
Loblaw senior unsecured notes	5.12%	March 4, 2054	\$ —	\$ —	\$ —	\$ 400
Choice Properties senior unsecured debentures						
– Series V	4.29%	January 16, 2030	—	—	300	—
– Series U	5.03%	February 28, 2031	—	500	—	500
Total debentures issued			\$ —	\$ 500	\$ 300	\$ 900

The following table summarizes the debentures repaid in the periods ended as indicated:

(\$ millions)	Interest Rate	Maturity Date	12 Weeks Ended		24 Weeks Ended	
			Jun. 14, 2025	Jun. 15, 2024	Jun. 14, 2025	Jun. 15, 2024
			Principal Amount	Principal Amount	Principal Amount	Principal Amount
Loblaw senior unsecured notes	3.92%	June 20, 2024	\$ —	\$ 400	\$ —	\$ 400
Choice Properties senior unsecured debentures						
– Series J	3.55%	January 10, 2025	—	—	350	—
– Series D	4.29%	February 8, 2024	—	—	—	200
Total debentures repaid			\$ —	\$ 400	\$ 350	\$ 600

COMMITTED CREDIT FACILITIES The components of the committed lines of credit available were as follows:

(\$ millions)	Maturity Date	Jun. 14, 2025		As at			
		Available Credit	Drawn	Jun. 15, 2024		Dec. 31, 2024	
				Available Credit	Drawn	Available Credit	Drawn
George Weston ⁽ⁱ⁾	March 27, 2028	\$ 350	\$ —	\$ 350	\$ —	\$ 350	\$ —
Loblaw ⁽ⁱⁱ⁾	March 27, 2030	1,500	200	1,500	350	1,500	—
Choice Properties ⁽ⁱⁱⁱ⁾	May 21, 2030	1,500	200	1,500	—	1,500	—
Total committed credit facilities		\$ 3,350	\$ 400	\$ 3,350	\$ 350	\$ 3,350	\$ —

- (i) In the second quarter of 2025, the maturity date of the GWL credit facility was extended from December 14, 2026 to March 27, 2028 with all other terms and conditions remaining substantially the same.
- (ii) In the second quarter of 2025, the maturity date of the Loblaw credit facility was extended from July 15, 2027 to March 27, 2030 with all other terms and conditions remaining substantially the same.
- (iii) In the second quarter of 2025, the maturity date of the Choice Properties credit facility was extended from June 13, 2029 to May 21, 2030 with all other terms and conditions remaining substantially the same.

INDEPENDENT SECURITIZATION TRUSTS In the second quarter of 2025, Eagle issued \$300 million of senior subordinated term notes with a maturity date of June 17, 2030 (the "Eagle 2025-1 Series notes"). These notes have a weighted average interest rate of 4.02%. In connection with the issuance, \$150 million of bond forward agreements were settled. This resulted in a fair value loss of \$1 million before income taxes, which will be reclassified to net earnings over the life of the Eagle 2025-1 Series notes. Consequently, the net effective interest rate on Eagle 2025-1 Series notes issued is 4.07%.

INDEPENDENT FUNDING TRUSTS 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.

Notes to the Unaudited Interim Period Condensed Consolidated Financial Statements

Note 11. Share Capital

COMMON SHARE CAPITAL The following table summarizes the activity in the Company's common shares issued and outstanding for the periods ended as indicated:

	12 Weeks Ended				24 Weeks Ended			
	Jun. 14, 2025		Jun. 15, 2024		Jun. 14, 2025		Jun. 15, 2024	
(\$ millions except where otherwise indicated)	Number of Common Shares	Common Share Capital	Number of Common Shares	Common Share Capital	Number of Common Shares	Common Share Capital	Number of Common Shares	Common Share Capital
Issued and outstanding, beginning of period	129,339,015	\$ 2,471	133,803,851	\$ 2,510	130,044,778	\$ 2,478	134,546,581	\$ 2,511
Issued for settlement of stock options	162,939	19	194,327	22	253,601	30	345,102	39
Purchased and cancelled ⁽ⁱ⁾	(1,131,936)	(20)	(1,812,683)	(29)	(1,928,361)	(38)	(2,706,188)	(47)
Issued and outstanding, end of period	128,370,018	\$ 2,470	132,185,495	\$ 2,503	128,370,018	\$ 2,470	132,185,495	\$ 2,503
Shares held in trusts, beginning of period	(52,877)	\$ (1)	(41,701)	\$ (1)	(86,627)	\$ (2)	(123,895)	\$ (3)
Released for settlement of RSUs and PSUs	—	—	161	—	33,750	1	82,355	2
Shares held in trusts, end of period	(52,877)	\$ (1)	(41,540)	\$ (1)	(52,877)	\$ (1)	(41,540)	\$ (1)
Issued and outstanding, net of shares held in trusts, end of period	128,317,141	\$ 2,469	132,143,955	\$ 2,502	128,317,141	\$ 2,469	132,143,955	\$ 2,502
Weighted average outstanding, net of shares held in trusts (note 6)	128,852,441		132,966,134		129,245,712		133,564,920	

(i) Number of common shares repurchased and cancelled as at June 14, 2025 does not include shares that may be repurchased subsequent to the end of the quarter under the automatic share purchase plan ("ASPP"), as described below.

Subsequent to the end of the second quarter of 2025, the Company's Board of Directors approved a 3-for-1 stock split of the Company's outstanding common shares. The stock split will be implemented by way of a stock dividend where the Company will issue to shareholders two additional common shares for each common share held. The stock split will be effective at the close of business on August 18, 2025 for shareholders of record as of the close of business on August 14, 2025.

NORMAL COURSE ISSUER BID PROGRAM The following table summarizes the Company's activity under its NCIB:

(\$ millions except where otherwise indicated)	12 Weeks Ended		24 Weeks Ended	
	Jun. 14, 2025	Jun. 15, 2024	Jun. 14, 2025	Jun. 15, 2024
Purchased for current settlement of DSUs (number of shares)	—	1,721	—	1,721
Purchased and cancelled (number of shares)	1,131,936	1,812,683	1,928,361	2,706,188
Cash consideration paid ⁽ⁱ⁾	\$ (297)	\$ (345)	\$ (471)	\$ (490)
Premium charged to retained earnings ⁽ⁱⁱ⁾	\$ 270	\$ 271	\$ 478	\$ 443
Reduction in share capital ⁽ⁱⁱⁱ⁾	\$ 20	\$ 29	\$ 38	\$ 47

(i) Included in the second quarter of 2025 and year-to-date is a net cash timing adjustment of \$(2) million (2024 – \$(6) million) and \$5 million (2024 – \$7 million), respectively, of common shares repurchased under the NCIB for cancellation.

(ii) Includes \$111 million (2024 – \$108 million) related to the ASPP, as described below.

(iii) Includes \$9 million (2024 – \$12 million) related to the ASPP, as described below.

In the second quarter of 2025, GWL renewed its NCIB to purchase on the Toronto Stock Exchange (“TSX”) or through alternative trading systems up to 6,448,184 of its common shares, representing approximately 5% of issued and outstanding common shares.

Consistent with the exemption originally granted by the TSX in 2023, Wittington, the Company’s controlling shareholder, is permitted to participate in the NCIB in a fixed proportion equal to 50% of Wittington’s pro rata share of the issued and outstanding common shares of the Company. 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.

In the second quarter of 2025, 1,131,936 common shares (2024 – 1,812,683 common shares) were purchased under the NCIB for cancellation for aggregate consideration of \$295 million (2024 – \$339 million), including 333,652 common shares (2024 – 526,097 common shares) purchased from Wittington for aggregate consideration of \$87 million (2024 – \$98 million). On a year-to-date basis, 1,928,361 common shares (2024 – 2,706,188 common shares) were purchased under the NCIB for cancellation for aggregate consideration of \$476 million (2024 – \$497 million), including 567,798 common shares (2024 – 784,324 common shares) purchased from Wittington for aggregate consideration of \$140 million (2024 – \$144 million).

The Company participates in an 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. As at June 14, 2025, an obligation to repurchase shares of \$120 million (2024 – \$120 million) was recognized under the ASPP in trade payables and other liabilities.

As of June 14, 2025, 371,087 common shares were purchased under the Company’s current NCIB.

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

(\$)	12 Weeks Ended		24 Weeks Ended	
	Jun. 14, 2025	Jun. 15, 2024	Jun. 14, 2025	Jun. 15, 2024
Dividends declared per share ⁽ⁱ⁾ :				
Common share	\$ 0.8938	\$ 0.820	\$ 1.7138	\$ 1.533
Preferred share:				
Series I	\$ 0.3625	\$ 0.3625	\$ 0.7250	\$ 0.7250
Series III	\$ 0.3250	\$ 0.3250	\$ 0.6500	\$ 0.6500
Series IV	\$ 0.3250	\$ 0.3250	\$ 0.6500	\$ 0.6500
Series V	\$ 0.296875	\$ 0.296875	\$ 0.593750	\$ 0.593750

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

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

(\$)	
Dividends declared per share ⁽ⁱ⁾ – Common share (on a pre-stock split basis)	\$ 0.8938
– Preferred share:	
Series I	\$ 0.3625
Series III	\$ 0.3250
Series IV	\$ 0.3250
Series V	\$ 0.296875

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

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Note 12. Post-Employment and Other Long-Term Employee Benefits

The net cost recognized in earnings before income taxes for the Company's post-employment and other long-term benefit plans during the periods was as follows:

(\$ millions)	12 Weeks Ended		24 Weeks Ended	
	Jun. 14, 2025	Jun. 15, 2024	Jun. 14, 2025	Jun. 15, 2024
Current service cost				
Post-employment benefit costs ⁽ⁱ⁾	\$ 36	\$ 35	\$ 75	\$ 74
Other long-term employee benefit costs ⁽ⁱⁱ⁾	8	8	17	17
Net interest cost on net defined benefit plan obligations (note 4)	2	1	1	2
Total post-employment defined benefit cost	\$ 46	\$ 44	\$ 93	\$ 93

(i) Includes costs related to the Company's defined benefit plans, defined contribution pension plans and the multi-employer pension plans in which it participates.

(ii) Includes costs related to the Company's long-term disability plans.

The actuarial (losses) gains recognized in other comprehensive (loss) income net of income tax recoveries (expenses) for defined benefit plans during the periods were as follows:

(\$ millions)	12 Weeks Ended		24 Weeks Ended	
	Jun. 14, 2025	Jun. 15, 2024	Jun. 14, 2025	Jun. 15, 2024
(Loss) return on plan assets, excluding amounts included in net interest expense and other financing charges	\$ (28)	\$ 43	\$ (41)	\$ 66
Actuarial gains (losses) from changes in financial assumptions ⁽ⁱ⁾	65	(45)	65	22
Change in liability arising from asset ceiling ⁽ⁱ⁾	(133)	97	(167)	(44)
Total net actuarial (losses) gains recognized in other comprehensive (loss) income before income taxes	\$ (96)	\$ 95	\$ (143)	\$ 44
Income tax recoveries (expenses) on actuarial (losses) gains	25	(25)	38	(11)
Actuarial (losses) gains net of income tax recoveries (expenses)	\$ (71)	\$ 70	\$ (105)	\$ 33

(i) In the second quarter of 2025 and on a year-to-date basis, the actuarial gains from changes in financial assumptions and the change in liability arising from asset ceiling were primarily driven by an increase in the discount rate.

The assets and liabilities of the defined benefit and long-term disability plans were as follows:

(\$ millions)	Jun. 14, 2025	As at	
		Jun. 15, 2024	Dec. 31, 2024
Other assets			
Net accrued benefit plan asset	\$ 203	\$ 333	\$ 370
Other liabilities			
Net defined benefit plan obligation	\$ 264	\$ 280	\$ 271
Other long-term employee benefit obligation	\$ 136	\$ 135	\$ 134

Note 13. Financial Instruments

The following table presents the fair value and fair value hierarchy of the Company's financial instruments and excludes financial instruments measured at amortized cost that are short-term in nature, and certain other assets for which the carrying value approximates fair value. The carrying values of the Company's financial instruments approximate their fair values except for long-term debt.

(\$ millions)	Jun. 14, 2025				As at Jun. 15, 2024				Dec. 31, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets												
Amortized cost:												
Mortgages, loans and notes receivable ⁽ⁱ⁾	\$ —	\$ —	\$ 234	\$ 234	\$ —	\$ —	\$ 217	\$ 217	\$ —	\$ —	\$ 260	\$ 260
Fair value through other comprehensive income:												
Long-term securities ⁽ⁱ⁾	40	—	—	40	138	—	—	138	120	—	—	120
Derivatives included in prepaid expenses and other assets	—	—	—	—	—	3	—	3	—	1	—	1
Fair value through profit and loss:												
Security deposits	338	—	—	338	285	—	—	285	38	—	—	38
Mortgages, loans and notes receivable ⁽ⁱ⁾	—	—	48	48	—	—	138	138	—	—	163	163
Investments in real estate securities ⁽ⁱ⁾	—	203	—	203	—	181	—	181	—	203	—	203
Certain other assets ⁽ⁱ⁾	—	15	150	165	—	15	110	125	—	15	134	149
Derivatives included in prepaid expenses and other assets	1	5	3	9	—	10	—	10	—	11	—	11
Financial liabilities												
Amortized cost:												
Long-term debt	—	9,501	6,746	16,247	—	8,907	6,882	15,789	—	9,216	6,811	16,027
Associate interest	—	—	353	353	—	—	378	378	—	—	255	255
Certain other liabilities ⁽ⁱ⁾⁽ⁱⁱ⁾	—	—	819	819	—	—	815	815	—	—	813	813
Fair value through other comprehensive income:												
Derivatives included in trade payables and other liabilities	—	1	20	21	—	—	19	19	—	—	16	16
Fair value through profit and loss:												
Trust Unit liability	4,066	—	—	4,066	3,545	—	—	3,545	3,715	—	—	3,715
Derivatives included in trade payables and other liabilities	—	11	—	11	1	—	1	2	—	2	6	8

(i) Included in the condensed consolidated balance sheets in Other Assets or Other Liabilities.

(ii) Certain other liabilities relate primarily to financial liabilities associated with properties that did not meet the criteria for sale.

There were no transfers between the levels of the fair value hierarchy during the periods presented.

In the second quarter of 2025 and year-to-date, a loss of \$5 million (2024 – gain of \$2 million) and a loss of \$6 million (2024 – gain of \$5 million), respectively, was recognized in operating income on financial instruments designated as amortized cost. In addition, in the second quarter of 2025 and year-to-date, a net loss of \$182 million (2024 – net gain of \$260 million) and a net loss of \$349 million (2024 – net gain of \$297 million), respectively, was recognized in earnings before income taxes on financial instruments required to be classified as fair value through profit and loss.

Notes to the Unaudited Interim Period Condensed Consolidated Financial Statements

Investments in Real Estate Securities Choice Properties' investment in Allied Properties Real Estate Investment Trust ("Allied") Class B Units are recorded at their fair value based on market trading prices of Allied's publicly traded units. In the second quarter of 2025 and year-to-date, a fair value gain of \$9 million (2024 – loss of \$28 million) and a nominal fair value gain (2024 – loss of \$58 million), respectively, was recorded in SG&A.

Other Derivatives The Company uses bond forwards, interest rate swaps and foreign exchange forwards to mitigate the impact of increases in interest rates and manage its anticipated exposure to exchange rates on its underlying operations and anticipated fixed asset purchases. The Company also uses swaps, futures, options and forward contracts to manage its anticipated exposure to fluctuations in commodity prices and exchange rates in its underlying operations. The following is a summary of the fair values recognized in the unaudited interim period condensed consolidated balance sheets and the net realized and unrealized gains (losses) before income taxes related to the Company's other derivatives:

	Jun. 14, 2025					
	12 Weeks Ended			24 Weeks Ended		
(\$ millions)	Net asset (liability) fair value	Gain/(loss) recorded in OCI	Gain/(loss) recorded in operating income	Gain/(loss) recorded in OCI	Gain/(loss) recorded in operating income	
Derivatives designated as cash flow hedges						
Foreign Exchange Forwards ⁽ⁱ⁾	\$ (1)	\$ 1	\$ (2)	\$ (2)	\$ (2)	(2)
Bond Forwards ⁽ⁱⁱ⁾	—	2	(1)	—	—	(1)
Interest Rate Swaps and Other ⁽ⁱⁱⁱ⁾	1	1	—	(1)	—	—
Energy Hedge ^(iv)	(20)	6	(3)	(4)	(3)	(3)
Total derivatives designated as cash flow hedges	\$ (20)	\$ 10	\$ (6)	\$ (7)	\$ (6)	(6)
Derivatives not designated in a formal hedging relationship						
Foreign Exchange and Other Forwards	\$ (8)	\$ —	\$ (20)	\$ —	\$ (20)	(20)
Other Non-Financial Derivatives	5	—	6	—	10	10
Total derivatives not designated in a formal hedging relationship	\$ (3)	\$ —	\$ (14)	\$ —	\$ (10)	(10)
Total derivatives	\$ (23)	\$ 10	\$ (20)	\$ (7)	\$ (16)	(16)

- (i) PC Bank uses foreign exchange forwards, with a notional value of \$28 million USD, to manage its foreign exchange risk related to certain U.S. payables. The fair value of the derivatives is included in trade payables and other liabilities. During the first quarter of 2025, Loblaw entered into a foreign exchange forward agreement with a notional value of \$315 million USD, to hedge its foreign exchange exposure on certain borrowings denominated in USD. It was settled during the second quarter of 2025 and a loss of \$2 million was recorded in operating income.
- (ii) Loblaw uses bond forwards to manage its interest risk related to future debt issuances. The notional value of PC Bank's bond forwards is \$50 million. The fair value of the derivatives is included in trade payables and other liabilities.
- (iii) Choice Properties uses interest rate swaps, with a notional value of \$75 million as derivative assets and \$74 million as derivative liabilities, to manage its interest risk related to variable rate mortgages. Choice Properties also uses cross currency swaps, with a notional value of \$200 million as derivative liabilities, to hedge foreign exchange associated with the equivalent amount borrowed in USD on its credit facility. The fair values of the derivatives are included in other assets and other liabilities.
- (iv) In 2023, Loblaw entered into a 20-year arrangement to hedge energy pricing on its purchases in Alberta beginning on January 1, 2025. The hedge has a notional value of \$223 million. The fair value of the derivative is included in other liabilities.

(\$ millions)	12 Weeks Ended			24 Weeks Ended		
	Net asset (liability) fair value	Gain/(loss) recorded in OCI	Gain/(loss) recorded in operating income	Gain/(loss) recorded in OCI	Gain/(loss) recorded in operating income	
Derivatives designated as cash flow hedges						
Foreign Exchange Forwards ⁽ⁱ⁾	\$ 1	\$ —	\$ —	\$ —	\$ —	
Bond Forwards ⁽ⁱⁱ⁾	1	4	(1)	5	(2)	
Interest Rate Swaps ⁽ⁱⁱⁱ⁾	9	(2)	—	1	1	
Energy Hedge ^(iv)	(19)	(12)	—	(19)	—	
Total derivatives designated as cash flow hedges	\$ (8)	\$ (10)	\$ (1)	\$ (13)	\$ (1)	
Derivatives not designated in a formal hedging relationship						
Foreign Exchange and Other Forwards	\$ 2	\$ —	\$ 3	\$ —	\$ 12	
Other Non-Financial Derivatives	(1)	—	(1)	—	3	
Total derivatives not designated in a formal hedging relationship	\$ 1	\$ —	\$ 2	\$ —	\$ 15	
Total derivatives	\$ (7)	\$ (10)	\$ 1	\$ (13)	\$ 14	

- (i) PC Bank uses foreign exchange forwards, with a notional value of \$8 million USD, to manage its foreign exchange risk related to certain U.S. payables. The fair value of the derivatives is included in prepaid expenses and other assets.
- (ii) Loblaw uses bond forwards to manage its interest risk related to future debt issuances. The notional value of PC Bank's bond forwards is \$100 million. The fair value of the derivatives is included in both prepaid expenses and other assets.
- (iii) PC Bank uses interest rate swaps, with a notional value of \$180 million, to mitigate the impact of increases in interest rates. The fair value of the derivatives is included in prepaid expenses and other assets. Choice Properties uses interest rate swaps, with a notional value of \$78 million as derivative assets and \$76 million as derivative liabilities, to manage its interest risk related to variable rate mortgages. The fair values of the derivatives held by Choice Properties are included in other assets and other liabilities.
- (iv) In 2023, Loblaw entered into a 20-year arrangement to hedge energy pricing on its purchases in Alberta beginning on January 1, 2025. The hedge has a notional value of \$223 million. The fair value of the derivative is included in other liabilities.

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Note 14. Contingent Liabilities

In the ordinary course of business, the Company is involved in and potentially subject to, legal actions and proceedings. In addition, the Company is subject to tax audits from various tax authorities on an ongoing basis. As a result, from time to time, tax authorities may disagree with the positions and conclusions taken by the Company in its tax filings or legislation could be amended or interpretations of current legislation could change, any of which events could lead to reassessments.

There are a number of uncertainties involved in such matters, individually or in aggregate, and as such, there is a possibility that the ultimate resolution of these matters may result in a material adverse effect on the Company's reputation, operations, financial condition or performance in future periods. It is not currently possible to predict the outcome of the Company's legal actions and proceedings with certainty. Management regularly assesses its position on the adequacy of accruals or provisions related to such matters and will make any necessary adjustments.

The following is a description of the Company's significant legal proceedings:

Shoppers Drug Mart was previously served with an Amended Statement of Claim in a class action proceeding that has been filed in the Ontario Superior Court of Justice ("Superior Court") by licensed associates ("Associates"), claiming various declarations and damages resulting from Shoppers Drug Mart's alleged breaches of the Associate Agreement. The class action comprises all of Shoppers Drug Mart's current and former licensed Associates residing in Canada, other than in Quebec, who were parties to Shoppers Drug Mart's 2002 and 2010 forms of the Associate Agreement. On July 9, 2013, the Superior Court certified as a class proceeding portions of the action. A summary judgment trial of the matter was held in December 2022 and on February 17, 2023, the Superior Court released its decision in relation to those summary judgment motions (the "Decision"). The Superior Court dismissed the plaintiffs' claims on the majority of the issues including a request for damages at this stage of proceedings. The Superior Court also held that Shoppers Drug Mart breached the 2002 form of Associate Agreement when it did not remit certain amounts that it received from generic drug manufacturers to Associates. On March 20, 2023, the plaintiffs filed a Notice of Appeal and on April 4, 2023, Loblaw filed a Notice of Cross-Appeal. A hearing for the appeals was held on February 14, 2024 and on February 15, 2024. On August 29, 2024, the Court of Appeal dismissed both the appeal and cross appeal, with the exception that the plaintiff's appeal was allowed to correct the amount Shoppers Drug Mart received in professional allowances during the class period. Accordingly, Loblaw has not recorded any amounts related to the potential liability associated with this lawsuit. Loblaw does not believe that the ultimate resolution of this matter will have a material adverse impact on its financial condition or prospects.

In 2017, the Company and Loblaw announced actions taken to address their role in an industry-wide price-fixing arrangement involving certain packaged bread products. The arrangement involved the coordination of retail and wholesale prices of certain packaged bread products over a period extending from late 2001 to March 2015. Under the arrangement, the participants regularly increased prices on a coordinated basis. Class action lawsuits were commenced against the Company and Loblaw as well as a number of other major grocery retailers and another bread wholesaler. 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 with the lawyers representing consumers to settle those class action lawsuits for \$500 million. The Company and Loblaw will each pay for a portion of the settlement, with the Company paying \$247 million and Loblaw paying \$253 million. Loblaw will receive credit for the \$96 million it previously paid to customers in the form of Loblaw cards, resulting in it being required to pay \$157 million in cash towards the settlement. The Settlement Agreement was approved by the Ontario Superior Court in May 2025 but remains subject to the approval of the court in Quebec. On March 3, 2025, the settlement funds were paid into a trust account where they will remain until the courts decide whether to approve the settlement. In December 2019, a proposed class action on behalf of independent distributors was commenced against the Company (the "ID Class Action"). It is too early to predict the outcome of the ID Class Action but the Company does not believe that the ultimate resolution of such legal proceeding will have a material adverse impact on its financial condition or prospects. As a result of admission of participation in the arrangement and cooperation in the Competition Bureau's investigation, the Company and Loblaw will not face criminal charges or penalties. In response to such class action lawsuits, certain major grocery retailers have crossclaimed against the Company and Loblaw, and the Company and Loblaw believe such crossclaims are without merit.

In August 2018, the Province of British Columbia filed a class action against numerous opioid manufacturers and distributors, including Loblaw and its subsidiaries, Shoppers Drug Mart Inc. and Sanis Health Inc. The claim contains allegations of breach of the Competition Act, fraudulent misrepresentation and deceit and negligence, and seeks unquantified damages for the expenses incurred by the federal government, provinces, and territories of Canada in paying for opioid prescriptions and other healthcare costs related to opioid addiction and abuse in Canada. During the second quarter of 2021, the claim against Loblaw Companies Limited was discontinued. In May 2019, two further opioid-related class actions were commenced in each of Ontario and Quebec against a large group of defendants, including Sanis Health Inc. In February 2022, the plaintiff and Sanis Health Inc. agreed to settle the Quebec action for a nominal amount, with no admission of liability and for the express purpose of avoiding the delays, disruption, and expenses associated with the litigation. The settlement has been approved by the court and is now final. On December 12, 2024, the Ontario action was dismissed against Sanis Health Inc., with costs. In December 2019, a further opioid-related class action was commenced in British Columbia against a large group of defendants, including Sanis Health Inc., Shoppers Drug Mart Inc. and Loblaw. The allegations in the civil British Columbia class action are similar to the allegations against manufacturer defendants in the Province of British Columbia class action, except that the December 2019 claim seeks recovery of damages on behalf of opioid users directly. In April 2021, Loblaw, Shoppers Drug Mart Inc. and Sanis Health Inc. were served with another opioid-related class action that was started in Alberta against multiple defendants. In February 2025, the Company and Loblaw Inc. were also served with the claim. The claim seeks damages on behalf of municipalities and local governments in relation to public safety, social services, and criminal justice costs allegedly incurred due to the opioid crisis. In September 2021, Loblaw, Shoppers Drug Mart Inc. and Sanis Health Inc. were served with a class action started in Saskatchewan by Peter Ballantyne Cree Nation and Lac La Ronge Indian Band on behalf of all Indigenous, Metis, First Nation and Inuit communities and governments in Canada to recover costs they have incurred as a result of the opioid crisis, including healthcare costs, policing costs and societal costs. In October 2024, the claim was discontinued against Shoppers Drug Mart Inc. In January 2024, Shoppers Drug Mart Inc. was served with a second class action in Saskatchewan started by Lac La Ronge Indian Band. The case is brought on behalf of Band members and is claiming damages relating to abatement costs, the diversion of financial and other resources, the reduction in the value of the reserve lands and interests, and lost tax revenues. Shoppers Drug Mart Inc. is being sued as a representative of an international defendant subclass of opioid “dealers” and Sanis Health Inc. is a proposed supplier class member. Loblaw believes these proceedings are without merit and is vigorously defending them. Loblaw does not currently have any significant accruals or provisions for these matters recorded in the unaudited interim period condensed consolidated financial statements.

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 Loblaw 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. Certain taxation years subsequent to the periods covered by the FCA decision remain under review by the tax authorities.

INDEMNIFICATION PROVISIONS The Company from time to time enters into agreements in the normal course of its business, such as service and outsourcing arrangements, lease agreements in connection with business or asset acquisitions or dispositions, and other types of commercial agreements. These agreements by their nature may provide for indemnification of counterparties. These indemnification provisions may be in connection with breaches of representations and warranties or in respect of future claims for certain liabilities, including liabilities related to tax and environmental matters. The terms of these indemnification provisions vary in duration and may extend for an unlimited period of time. In addition, the terms of these indemnification provisions vary in amount and certain indemnification provisions do not provide for a maximum potential indemnification amount. Indemnity amounts are dependent on the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. As a result, the Company is unable to reasonably estimate its total maximum potential liability in respect of indemnification provisions. Historically, the Company has not made any significant payments in connection with these indemnification provisions.

Note 15. Related Party Transactions

CHOICE PROPERTIES

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.

Notes to the Unaudited Interim Period Condensed Consolidated Financial Statements

Note 16. Segment Information

The Company has two reportable operating segments: Loblaw and Choice Properties. 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.

The accounting policies of the reportable operating segments are the same as those described in the Company's summary of material accounting policies (see note 2). The Company measures each reportable operating segment's performance based on operating income less adjusting items and before depreciation and amortization ("Adjusted EBITDA"). No reportable operating segment is reliant on any single external customer.

(\$ millions)	12 Weeks Ended						Jun. 15, 2024					
	Jun. 14, 2025											
	Loblaw	Choice Properties	Total Segment Measure	Effect of consolidation	GWL Corporate	Total	Loblaw	Choice Properties	Total Segment Measure	Effect of consolidation	GWL Corporate	Total
Revenue	\$ 14,672	\$ 351	\$ 15,023	\$ (200)	\$ —	\$ 14,823	\$ 13,947	\$ 336	\$ 14,283	\$ (192)	\$ —	\$ 14,091
Cost of inventories sold	9,823	—	9,823	—	—	9,823	9,326	—	9,326	—	—	9,326
Selling, general and administrative expenses	3,612	1	3,613	(64)	11	3,560	3,755	63	3,818	(110)	262	3,970
Operating income	\$ 1,237	\$ 350	\$ 1,587	\$ (136)	\$ (11)	\$ 1,440	\$ 866	\$ 273	\$ 1,139	\$ (82)	\$ (262)	\$ 795
Net interest expense (income) and other financing charges	212	504	716	(231)	5	490	190	(241)	(51)	48	—	(3)
Earnings (loss) before income taxes	\$ 1,025	\$ (154)	\$ 871	\$ 95	\$ (16)	\$ 950	\$ 676	\$ 514	\$ 1,190	\$ (130)	\$ (262)	\$ 798
Operating income	\$ 1,237	\$ 350	\$ 1,587	\$ (136)	\$ (11)	\$ 1,440	\$ 866	\$ 273	\$ 1,139	\$ (82)	\$ (262)	\$ 795
Depreciation and amortization	600	1	601				679	1	680			
Adjusting items ⁽ⁱ⁾	1	(99)	(98)				166	(34)	132			
Adjusted EBITDA⁽ⁱ⁾	\$ 1,838	\$ 252	\$ 2,090				\$ 1,711	\$ 240	\$ 1,951			

(i) Certain items are excluded from operating income to derive adjusted EBITDA:

(\$ millions)	12 Weeks Ended			Jun. 15, 2024		
	Jun. 14, 2025					
	Loblaw	Choice Properties	Total Segment Measure	Loblaw	Choice Properties	Total Segment Measure
Fair value adjustment of derivatives	\$ 2	\$ —	\$ 2	\$ 2	\$ —	\$ 2
Fair value adjustment on investment properties	—	(90)	(90)	—	(23)	(23)
Fair value adjustment of investment in real estate securities	—	(9)	(9)	—	28	28
Gain on sale of non-operating property	(1)	—	(1)	—	—	—
Charges related to settlement of class action lawsuits	—	—	—	164	—	164
Transaction costs and other related recoveries	—	—	—	—	(39)	(39)
Adjusting Items	\$ 1	\$ (99)	\$ (98)	\$ 166	\$ (34)	\$ 132

24 Weeks Ended

(\$ millions)	Jun. 14, 2025						Jun. 15, 2024					
	Loblaw	Choice Properties	Total Segment Measure	Effect of consolidation	GWL Corporate	Total	Loblaw	Choice Properties	Total Segment Measure	Effect of consolidation	GWL Corporate	Total
Revenue	\$28,807	\$ 698	\$29,505	\$ (397)	\$ —	\$ 29,108	\$ 27,528	\$ 685	\$ 28,213	\$ (387)	\$ —	\$ 27,826
Cost of inventories sold	19,343	—	19,343	—	—	19,343	18,452	9	18,461	—	—	18,461
Selling, general and administrative expenses	7,323	72	7,395	(166)	19	7,248	7,351	196	7,547	(219)	271	7,599
Operating income	\$ 2,141	\$ 626	\$ 2,767	\$ (231)	\$ (19)	\$ 2,517	\$ 1,725	\$ 480	\$ 2,205	\$ (168)	\$ (271)	\$ 1,766
Net interest expense (Income) and other financing charges	410	876	1,286	(359)	7	934	384	(176)	208	5	(1)	212
Earnings (loss) before income taxes	\$ 1,731	\$ (250)	\$ 1,481	\$ 128	\$ (26)	\$ 1,583	\$ 1,341	\$ 656	\$ 1,997	\$ (173)	\$ (270)	\$ 1,554
Operating income	\$ 2,141	\$ 626	\$ 2,767	\$ (231)	\$ (19)	\$ 2,517	\$ 1,725	\$ 480	\$ 2,205	\$ (168)	\$ (271)	\$ 1,766
Depreciation and amortization	1,305	2	1,307				1,369	2	1,371			
Adjusting items ⁽ⁱ⁾	(19)	(130)	(149)				159	(1)	158			
Adjusted EBITDA⁽ⁱ⁾	\$ 3,427	\$ 498	\$ 3,925				\$ 3,253	\$ 481	\$ 3,734			

(i) Certain items are excluded from operating income to derive adjusted EBITDA:

24 Weeks Ended

(\$ millions)	Jun. 14, 2025			Jun. 15, 2024		
	Loblaw	Choice Properties	Total Segment Measure	Loblaw	Choice Properties	Total Segment Measure
Fair value adjustment of derivatives	\$ 1	\$ —	\$ 1	\$ (5)	\$ —	\$ (5)
Fair value adjustment on investment properties	—	(130)	(130)	—	(20)	(20)
Fair value adjustment of investment in real estate securities	—	—	—	—	58	58
Gain on sale of non-operating properties	(15)	—	(15)	—	—	—
Sale of <i>Wellwise</i>	(5)	—	(5)	—	—	—
Charges related to settlement of class action lawsuits	—	—	—	164	—	164
Transaction costs and other related recoveries	—	—	—	—	(39)	(39)
Adjusting Items	\$ (19)	\$ (130)	\$ (149)	\$ 159	\$ (1)	\$ 158

Notes to the Unaudited Interim Period Condensed Consolidated Financial Statements

Effect of consolidation includes the following items:

(\$ millions)	12 Weeks Ended					
	Jun. 14, 2025			Jun. 15, 2024		
	Revenue	Operating Income	Net Interest Expense and Other Financing Charges	Revenue	Operating Income	Net Interest Expense and Other Financing Charges
Elimination of intercompany rental revenue	\$ (202)	\$ (9)	\$ —	\$ (195)	\$ (13)	\$ —
Elimination of internal lease arrangements	2	3	(31)	3	(30)	(30)
Elimination of intersegment real estate transactions	—	(54)	—	—	(2)	—
Recognition of depreciation on Choice Properties' investment properties classified as fixed assets by the Company and measured at cost	—	(13)	—	—	(12)	—
Fair value adjustment on investment properties	—	(63)	—	—	(25)	3
Unit distributions on Exchangeable Units paid by Choice Properties to GWL	—	—	(76)	—	—	(75)
Unit distributions on Trust Units paid by Choice Properties, excluding amounts paid to GWL	—	—	53	—	—	52
Fair value adjustment on Choice Properties' Exchangeable Units	—	—	(365)	—	—	372
Fair value adjustment of the Trust Unit liability	—	—	188	—	—	(274)
Total	\$ (200)	\$ (136)	\$ (231)	\$ (192)	\$ (82)	\$ 48

(\$ millions)	24 Weeks Ended					
	Jun. 14, 2025			Jun. 15, 2024		
	Revenue	Operating Income	Net Interest Expense and Other Financing Charges	Revenue	Operating Income	Net Interest Expense and Other Financing Charges
Elimination of intercompany rental revenue	\$ (403)	\$ (16)	\$ —	\$ (393)	\$ (27)	\$ —
Elimination of internal lease arrangements	6	(16)	(63)	6	(44)	(58)
Elimination of intersegment real estate transactions	—	(69)	—	—	(32)	—
Recognition of depreciation on Choice Properties' investment properties classified as fixed assets by the Company and measured at cost	—	(30)	—	—	(27)	—
Fair value adjustment on investment properties	—	(100)	1	—	(38)	2
Unit distributions on Exchangeable Units paid by Choice Properties to GWL	—	—	(152)	—	—	(150)
Unit distributions on Trust Units paid by Choice Properties, excluding amounts paid to GWL	—	—	106	—	—	105
Fair value adjustment on Choice Properties' Exchangeable Units	—	—	(602)	—	—	439
Fair value adjustment of the Trust Unit liability	—	—	351	—	—	(333)
Total	\$ (397)	\$ (231)	\$ (359)	\$ (387)	\$ (168)	\$ 5

(\$ millions)	Jun. 14, 2025	As at	
		Jun. 15, 2024	Dec. 31, 2024
Total Assets			
Loblaw	\$ 40,450	\$ 38,612	\$ 40,880
Choice Properties	17,724	17,648	17,558
Total Segment Measure	\$ 58,174	\$ 56,260	\$ 58,438
GWL Corporate	11,889	12,215	12,376
Effect of consolidation	(19,215)	(18,868)	(19,378)
Consolidated	\$ 50,848	\$ 49,607	\$ 51,436

(\$ millions)	12 Weeks Ended		24 Weeks Ended	
	Jun. 14, 2025	Jun. 15, 2024	Jun. 14, 2025	Jun. 15, 2024
Capital Investments				
Loblaw	\$ 409	\$ 495	\$ 655	\$ 882
Choice Properties	356	42	421	122
Total Segment Measure	\$ 765	\$ 537	\$ 1,076	\$ 1,004
GWL Corporate	—	—	—	—
Effect of consolidation	(168)	(20)	(201)	(58)
Consolidated ⁽ⁱ⁾	\$ 597	\$ 517	\$ 875	\$ 946

- (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.