WESTON GEORGE WESTON LIMITED

NEWS RELEASE

George Weston Limited Reports 2020 Fourth Quarter and Fiscal Year Ended December 31, 2020 Results[(2)]

Toronto, Ontario March 2, 2021 George Weston Limited (TSX: WN) ("GWL" or the "Company") today announced its consolidated unaudited results for the 13 weeks ended December 31, 2020.

GWL's 2020 Annual Report includes the Company's audited annual consolidated financial statements and Management's Discussion and Analysis ("MD&A") for the fiscal year ended December 31, 2020. The 2020 Annual Report has been filed on SEDAR and is available at sedar.com and in the Investor Centre section of the Company's website at weston.ca.

As a result of the Company's reporting calendar, the fourth quarter and full year 2020 include an extra week of operations ("the 53rd week") compared to 2019.

"George Weston performed well during the fourth quarter," said Galen G. Weston, Chairman and Chief Executive Officer, George Weston Limited. "Our businesses showed resilience in the face of challenging circumstances as they delivered improved results across the board. Looking forward, as COVID-19 impacts continue to add short-term uncertainty, we remain confident in the long-term value creation opportunities for each of them."

Loblaw Companies Limited ("Loblaw") delivered positive results with strong same-store and e-commerce sales growth in a quarter heavily impacted by COVID-19. Costs remained elevated to ensure the safety and security of customers and colleagues. Loblaw continued to deliver value in categories that mean the most to its customers and focused on accelerating its three strategic growth areas of Everyday Digital Retail, Payments and Rewards, and Connected Healthcare Network.

Choice Properties Real Estate Investment Trust ("Choice Properties") generated solid results in the fourth quarter, reflecting stable earnings as it collected 98% of contractual rents. This strong performance was underpinned by improvements to the overall quality of the portfolio through effective capital recycling. In the fourth quarter, Choice Properties completed approximately $550 million of transactions, including four acquisitions and five dispositions, and remained disciplined in its capital spending on development initiatives. Choice Properties remains confident that this deliberate approach to financial and asset management will enable it to continue to manage the risks and uncertainties associated with the COVID-19 pandemic and position it for long-term growth.

Weston Foods' sales and earnings improved in the fourth quarter compared to the third quarter despite the negative impact of COVID-19. The reintroduction of government-mandated closures of non-essential businesses, stay-at-home orders and mandatory social distancing restrictions in several regions led to lower volumes, with the negative impact being more significant in the second half of the quarter. These pressures were offset in part by the on-going cost savings and productivity improvements and the benefits realized from Weston Foods' transformation program, as well as better sales performance in certain retail categories and foodservice channels. As a result, Weston Foods remains well-positioned to achieve long-term growth through its strategic framework while delivering superior products and services to its customers and consumers.

2020 FOURTH QUARTER HIGHLIGHTS

Net earnings available to common shareholders of the Company were $289 million ($1.88 per common share), a decrease of $144 million ($0.93 per common share) compared to the fourth quarter of 2019. The decrease was due to the unfavourable year-over-year net impact of adjusting items totaling $194 million ($1.27 per common share), which was primarily due to the unfavourable year-over-year impact of the fair value adjustment of the Trust Unit liability of $223 million ($1.44 per common share) as a result of the increase of Choice Properties' unit price in the fourth quarter of 2020, partially offset by an improvement of $50 million ($0.34 per common share) in the Company's consolidated underlying operating performance.

Adjusted net earnings available to common shareholders of the Company[1] in the fourth quarter of 2020 were $312 million ($2.03 per common share), an increase of $50 million ($0.34 per common share), or 19.1%, compared to the fourth quarter of 2019. The increase was mainly due to the improvement in the underlying operating performance of the Company's operating segments.

CONSOLIDATED RESULTS OF OPERATIONS

Unless otherwise indicated, the Company's results include an extra week of operations (the "53rd week") in the fourth quarter and full year 2020 results when compared to 2019 as a result of the Company's reporting calendar.

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

(unaudited) ($ millions except where otherwise indicated) For the periods ended as indicated	Quarters Ended				Years Ended			
	Dec. 31, 2020 (13 weeks)	Dec. 31, 2019 (12 weeks)	$ Change	% Change	**Dec. 31, 2020 (53 weeks)**	Dec. 31, 2019 (52 weeks)	$ Change	% Change
Revenue	**$ 13,806**	**$ 12,107**	**$ 1,699**	**14.0%**	**$ 54,705**	**$ 50,109**	**$ 4,596**	**9.2%**
Operating income	**$ 906**	**$ 718**	**$ 188**	**26.2%**	**$ 2,888**	**$ 2,958**	**$ (70)**	**(2.4)%**
Adjusted EBITDA[1]	**$ 1,501**	$ 1,351	$ 150	11.1%	**$ 5,607**	$ 5,483	$ 124	2.3%
Adjusted EBITDA margin[1]	**10.9%**	11.2%			**10.2%**	10.9%		
Net earnings attributable to shareholders of the Company	**$ 299**	**$ 443**	**$ (144)**	**(32.5)%**	**$ 963**	**$ 242**	**$ 721**	**297.9%**
Net earnings available to common shareholders of the Company	**$ 289**	**$ 433**	**$ (144)**	**(33.3)%**	**$ 919**	**$ 198**	**$ 721**	**364.1%**
Adjusted net earnings available to common shareholders of the Company[1]	**$ 312**	$ 262	$ 50	19.1%	**$ 1,055**	$ 1,117	$ (62)	(5.6)%
Diluted net earnings per common share ($)	**$ 1.88**	**$ 2.81**	**$ (0.93)**	**(33.1)%**	**$ 5.96**	**$ 1.26**	**$ 4.70**	**373.0%**
Adjusted diluted net earnings per common share[1] ($)	**$ 2.03**	$ 1.69	$ 0.34	20.1%	**$ 6.85**	$ 7.24	$ (0.39)	(5.4)%

The following table provides the approximate impact of the 53rd week on the consolidated results of the Company in the fourth quarter of 2020:

								53rd week 2020
($ millions except where otherwise indicated)		**Loblaw**		**Weston Foods**		**Other and Intersegment**		**Total**
Revenue	$	878	$	29	$	(10)	$	**897**
Adjusted EBITDA[1]	$	67	$	4	$	–	$	**71**
Adjusted EBITDA margin[1]		7.6%		13.8%				
Depreciation and amortization	$	–	$	–	$	–	$	**–**
Operating income	$	67	$	4	$	–	$	**71**
Net earnings available to common shareholders of the Company	$	18	$	3	$	–	$	**21**
Diluted net earnings per common share ($)	$	0.12	$	0.02	$	–	$	**0.14**

In the fourth quarter of 2020, the Company recorded net earnings available to common shareholders of the Company of $289 million ($1.88 per common share), a decrease of $144 million ($0.93 per common share) compared to the fourth quarter of 2019. The decrease was due to the unfavourable year-over-year net impact of adjusting items totaling $194 million ($1.27 per common share), partially offset by an improvement of $50 million ($0.34 per common share) in the Company's consolidated underlying operating performance, as set out below:

- The unfavourable year-over-year net impact of adjusting items totaling $194 million ($1.27 per common share) was due to:
  - the unfavourable year-over-year impact of the fair value adjustment of the Trust Unit liability of $223 million ($1.44 per common share) as a result of the increase in Choice Properties' unit price in the fourth quarter of 2020; and
  - the unfavourable year-over-year impact of asset impairments, net of recoveries of $9 million ($0.08 per common share);

  partially offset by,
  - the favourable year-over-year impact of the fair value adjustment on investment properties of $38 million ($0.25 per common share).

- The improvement in the Company's consolidated underlying operating performance of $50 million ($0.34 per common share) was due to:
  - the favourable underlying operating performance of Loblaw including the impact of COVID-19 and related costs;
  - the favourable underlying operating performance of Weston Foods including the impact of COVID-19 and related costs; and
  - the decrease in the adjusted effective tax rate[1] mainly due to the favourable impact of the non-taxable portion of the gain from the Choice Properties' transactions completed in the fourth quarter of 2020 and the year-over-year impact of certain non-deductible tax items;

  partially offset by,
  - an increase in adjusted net interest expense and other financing charges[1]; and
  - an increase in depreciation and amortization.

Adjusted net earnings available to common shareholders of the Company[1] in the fourth quarter of 2020 were $312 million ($2.03 per common share), an increase of $50 million ($0.34 per common share), or 19.1%, compared to the fourth quarter of 2019 due to the improvement in the Company's consolidated underlying operating performance described above. Excluding the impact of the 53rd week of $21 million ($0.14 per common share), adjusted net earnings available to common shareholders of the Company[1] increased by $29 million ($0.20 per common share), or 11.1%, compared to the same period in 2019.

CONSOLIDATED OTHER BUSINESS MATTERS

COVID-19 RELATED COSTS In 2020, the Company incurred significant COVID-19 costs related to temporary pay premiums, pay protection safeguards, additional security, customer convenience and increased health and safety measures, totaling approximately $490 million. The Company incurred COVID-19 related costs of approximately $50 million in the fourth quarter of 2020 primarily related to safety and security measures to protect colleagues, customers, tenants and other stakeholders. The estimated COVID-19 related costs incurred by each of the Company's reportable operating segments were as follows:

(unaudited) ($ millions)	Quarter Ended Dec. 31, 2020 (13 weeks)	Year Ended Dec. 31, 2020 (53 weeks)
Loblaw	$ 45	$ 445
Choice Properties[(i)]	3	21
Weston Foods	2	24
Consolidated	$ 50	$ 490

(i) Choice Properties recorded a provision of $3 million and $21 million in the fourth quarter and year-to-date of 2020, respectively, for certain past due amounts, reflecting increased collectability risk and potential abatements.

CONSOLIDATION IMPACTS OF CHOICE PROPERTIES' TRANSACTIONS Choice Properties completed various property acquisitions and dispositions in 2019 and 2020, improving the strength of its portfolio. As a result of certain of these transactions, the Company recorded the consolidation impact in Other and Intersegment.

(unaudited) ($ millions)	Quarters Ended Dec. 31, 2020 (13 weeks)	 Dec. 31, 2019 (12 weeks)	Years Ended Dec. 31, 2020 (53 weeks)	 Dec. 31, 2019 (52 weeks)
Choice Properties' transactions	$ 11	$ 7	$ 31	$ 7
Net interest expense and other financing charges	$ 11	$ 7	$ 31	$ 7

CHOICE PROPERTIES' TRANSACTIONS In 2020, Choice Properties disposed or partially disposed of 17 properties (2019 – 31 properties) to third parties for aggregate consideration of $233 million (2019 – $435 million). On consolidation, these transactions were not recognized as a sale of assets as under the terms of the leases, the Company did not relinquish control of the properties for purposes of IFRS 16 "Leases" and IFRS 15 "Revenue from Contracts with Customers". The proceeds from the transactions were recognized as financial liabilities totaling $233 million (2019 – $435 million) on the Company's consolidated balance sheets. As at December 31, 2020, the Company recognized $666 million (2019 – $435 million) in financial liabilities. The corresponding interest expense of $11 million in the fourth quarter of 2020 (2019 – $7 million) and $31 million year-to-date (2019 – $7 million) was recorded in the consolidated statements of earnings.

For tax purposes, these transactions were treated as a sale, and the income tax expense reflects the benefit from the non-taxable portion of the gain from the sale of properties by Choice Properties.

REPORTABLE OPERATING SEGMENTS

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

Loblaw has two reportable operating segments, retail and financial services. Loblaw's retail segment consists primarily of food retail and drug retail. Loblaw provides Canadians with grocery, pharmacy, health and beauty, apparel, general merchandise and financial services.

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

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

The Company's results in 2020 include an extra week of operation, the 53rd week, as described in the "Consolidated Results of Operations" section of this News Release.

Loblaw Operating Results

(unaudited) ($ millions except where otherwise indicated) For the periods ended as indicated	Quarters Ended Dec. 31, 2020 (13 weeks)	Dec. 31, 2019 (12 weeks)	$ Change	% Change	Years Ended Dec. 31, 2020 (53 weeks)	Dec. 31, 2019 (52 weeks)	$ Change	% Change
Revenue	**$ 13,286**	$ 11,590	$ 1,696	14.6%	**$ 52,714**	$ 48,037	$ 4,677	9.7%
Operating income	**$ 700**	$ 539	$ 161	29.9%	**$ 2,357**	$ 2,262	$ 95	4.2%
Adjusted EBITDA(1)	**$ 1,330**	$ 1,203	$ 127	10.6%	**$ 5,033**	$ 4,904	$ 129	2.6%
Adjusted EBITDA margin(1)	**10.0%**	10.4%			**9.6%**	10.2%		
Depreciation and amortization(i)	**$ 609**	$ 589	$ 20	3.4%	**$ 2,596**	$ 2,524	$ 72	2.9%

(i) Depreciation and amortization in the fourth quarter of 2020 includes $117 million (2019 – $116 million) and $509 million (2019 – $508 million) year-to-date of amortization of intangible assets acquired with Shoppers Drug Mart Corporation ("Shoppers Drug Mart").

Revenue Loblaw revenue in the fourth quarter of 2020 was $13,286 million, an increase of $1,696 million, or 14.6%, compared to the fourth quarter of 2019. The increase was primarily driven by retail sales, partially offset by a decrease in financial services revenue.

Retail sales increased by $1,722 million, or 15.2%, compared to the fourth quarter of 2019, which included the impact of the 53rd week of $878 million. Food retail sales were $9,302 million (2019 – $7,960 million) and drug retail sales were $3,741 million (2019 – $3,361 million).

Excluding the consolidation of franchises, retail sales increased by $1,601 million, or 14.6%, which included the impact of the 53rd week of $845 million, primarily driven by the following factors:

- food retail same-store sales growth was 8.6% for the quarter. Food retail same-store sales growth was positively impacted by COVID-19. On a comparable week basis food retail basket size increased and traffic decreased in the quarter;
- Loblaw's food retail average article price was higher by 3.9% (2019 – 0.8%), which reflects the year-over-year growth in food retail revenue over the average number of articles sold in Loblaw's stores in the quarter. The increase in average article price was due to sales mix; and
- drug retail same-store sales growth was 3.7% for the quarter. Pharmacy same-store sales growth was 5.0% and front store same-store sales growth was 2.8%.

In 2020, 19 food and drug stores were opened and 9 food and drug stores were closed, resulting in a net increase in retail square footage of 0.2 million square feet, or 0.3%.

Financial services revenue in the fourth quarter of 2020 decreased by $17 million compared to the fourth quarter of 2019 mainly due to lower interest income from lower volume of credit card receivables, and lower credit card related fees primarily driven by lower customer spending. The decrease was partially offset by higher sales attributable to *The Mobile Shop,* and higher interchange income due to prior year impact of a reclassification between revenue and expense of $19 million with no impact to earnings before income tax.

Operating income Loblaw operating income in the fourth quarter of 2020 was $700 million, an increase of $161 million when compared to the fourth quarter of 2019, which included the impact of the 53rd week of $67 million. The increase included an improvement in underlying operating performance of $108 million and the favourable year-over-year net impact of adjusting items totaling $53 million, as described below:

- the improvement in underlying operating performance of $108 million was primarily due to an improvement in retail which included the favourable contribution from the consolidation of franchises of $34 million. The improvement in the underlying operating performance of retail was positively impacted by the 53rd week. This was partially offset by the performance from financial services. In the fourth quarter of 2020, Loblaw incurred approximately $45 million in COVID-19 related costs in the quarter to ensure the safety and security of customers and colleagues.

- the favourable year-over-year net impact of adjusting items totaling $53 million was primarily due to the following:
    - the favourable year-over-year change in asset impairments, net of recoveries of $58 million; and
    - the favourable year-over-year impact of restructuring and other related costs of $14 million;

    partially offset by,
    - the unfavourable year-over-year impact of Loblaw's fair value adjustment on non-operating properties of $13 million; and
    - the unfavourable impact of reversal of certain prior period items in 2019 of $7 million.

Adjusted EBITDA[(1)] Loblaw adjusted EBITDA[(1)] in the fourth quarter of 2020 was $1,330 million. When compared to the fourth quarter of 2019, this represented an increase of $127 million, or 10.6%, which included the impact of the 53rd week of $67 million. The increase was primarily due to the improved underlying operating performance in retail, partially offset by the decline in financial services.

Retail adjusted EBITDA[(1)] in the fourth quarter of 2020 increased by $135 million, including the favourable impact of the consolidation of franchises of $37 million and was driven by an increase in retail gross profit, partially offset by an increase in retail selling, general and administrative expenses ("SG&A").

- Retail gross profit percentage of 29.4% decreased by 40 basis points compared to the fourth quarter of 2019. Excluding the consolidation of franchises, retail gross profit percentage was 26.9%, a decrease of 80 basis points compared to the fourth quarter of 2019. Food retail margins were negatively impacted as a result of COVID-19 related changes in sales mix and competitive pricing. Drug retail margins were negatively impacted as a result of COVID-19 related changes in front store sales mix. Excluding the 53rd week, retail gross profit percentage decreased by 70 basis points.
- Excluding the consolidation of franchises, retail SG&A increased by $251 million and SG&A as a percentage of sales was 17.4%, a decrease of 20 basis points compared to the fourth quarter of 2019. The favourable decrease of 20 basis points was primarily related to sales leverage as well as process and efficiency gains, which were partially offset by COVID-19 related costs and incremental e-commerce labour costs as a result of increased online sales.

Financial services adjusted EBITDA[(1)] decreased by $8 million compared to the fourth quarter of 2019, primarily driven by lower revenue as described above, partially offset by lower credit losses from the decrease in expected credit losses from an improving economic outlook and lower contractual charge-off, and lower customer acquisitions costs.

Loblaw adjusted EBITDA[(1)] was not impacted by any sale and leaseback of properties to Choice Properties in the fourth quarter of 2019 and 2020.

Depreciation and Amortization Loblaw's depreciation and amortization in the fourth quarter of 2020 was $609 million, an increase of $20 million compared to the fourth quarter of 2019. The increase in depreciation and amortization in the fourth quarter of 2020 was primarily driven by the consolidation of franchises and an increase in Information Technology ("IT") assets.

Depreciation and amortization in the fourth quarter of 2020 included $117 million (2019 – $116 million) of amortization of intangible assets related to the acquisition of Shoppers Drug Mart.

Loblaw Other Business Matters

Process and Efficiency In the fourth quarter of 2020 and year-to-date, Loblaw recorded approximately $10 million and $58 million, respectively, of restructuring and other related costs, primarily related to Process and Efficiency initiatives. Included in the restructuring charges were approximately $10 million and $40 million in the fourth quarter of 2020 and year-to-date, respectively, related to the closure of the two distribution centres in Laval and Ottawa. Loblaw is investing to build a modern and efficient expansion to its Cornwall distribution centre to serve its food and drug retail businesses in Ontario and Quebec. Volumes from the distribution centres in Laval and Ottawa will be transferred to Cornwall. Loblaw expects to incur additional restructuring costs throughout 2021 and through to 2022 related to these closures.

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

Consolidation of franchises in the fourth quarter of 2020 resulted in a year-over-year increase in revenue of $121 million, an increase in adjusted EBITDA[(1)] of $37 million, an increase in depreciation and amortization of $3 million and an increase in net earnings attributable to non-controlling interests of $37 million.

Choice Properties Operating Results

(unaudited) ($ millions except where otherwise indicated) For the periods ended as indicated	Quarters Ended **Dec. 31, 2020 (12 weeks)**	Dec. 31, 2019 (12 weeks)	$ Change	% Change	Years Ended **Dec. 31, 2020 (52 weeks)**	Dec. 31, 2019 (52 weeks)	$ Change	% Change
Revenue	**$ 322**	$ 318	$ 4	1.3%	**$ 1,271**	$ 1,289	$ (18)	(1.4)%
Net interest expense (income) and other financing charges[(i)]	**$ 217**	$ (74)	$ 291	393.2%	**$ 173**	$ 1,472	$ (1,299)	(88.2)%
Net income (loss)	**$ 117**	$ 294	$ (177)	(60.2)%	**$ 451**	$ (581)	$ 1,032	177.6%
Funds from Operations[(1)(ii)]	**$ 172**	$ 166	$ 6	3.6%	**$ 652**	$ 680	$ (28)	(4.1)%

(i) Net interest expense (income) and other financing charges includes a fair value adjustment on Exchangeable Units.

(ii) Funds from operations is calculated in accordance with the Real Property Association of Canada's White Paper on Funds from Operations & Adjusted Funds from Operations for IFRS issued in February 2019.

Revenue Revenue in the fourth quarter of 2020 was $322 million, an increase of $4 million, or 1.3%, compared to the fourth quarter of 2019, and included $180 million (2019 – $178 million) generated from tenants within Loblaw retail. The increase in revenue was primarily driven by development transfers and acquisitions, partially offset by the foregone revenue from sold properties.

Net Interest Expense and Other Financing Charges Net interest expense and other financing charges in the fourth quarter of 2020 were $217 million compared to net interest income and other financing charges of $74 million in the fourth quarter of 2019. The change of $291 million was primarily driven by the unfavourable year-over-year impact of the fair value adjustment on Class B LP units ("Exchangeable Units") of $294 million.

Net Income Net income in the fourth quarter of 2020 was $117 million, compared to $294 million in the fourth quarter of 2019. The decrease of $177 million was primarily driven by:
- the unfavourable impact of higher net interest expense and other financing charges described above; and
- an increase in expected credit loss provisions related to tenant receivables;

partially offset by,
- the favourable year-over-year impact of the fair value adjustment on investment properties.

Funds from Operations[1] Funds from Operations[1] in the fourth quarter of 2020 was $172 million, an increase of $6 million compared to the fourth quarter of 2019, primarily driven by non-recurring activity in the prior year related to a reimbursement to Loblaw and lower borrowing and general and administrative costs, partially offset by an increase in expected credit loss provisions related to tenant receivables.

Choice Properties Other Business Matters

Investment Property Transactions Subsequent to the end of 2020, Choice Properties completed the disposition of its 50% equity accounted joint venture interest in land held for development for aggregate proceeds of $66 million, net of transaction and estimated closing costs.

Weston Foods Operating Results

(unaudited) ($ millions except where otherwise indicated) For the periods ended as indicated	Quarters Ended **Dec. 31, 2020** **(13 weeks)**	Dec. 31, 2019 (12 weeks)	$ Change	% Change	Years Ended **Dec. 31, 2020** **(53 weeks)**	Dec. 31, 2019 (52 weeks)	$ Change	% Change
Sales	**$ 523**	$ 522	$ 1	0.2%	**$ 2,062**	$ 2,155	$ (93)	(4.3)%
Operating income	**$ 35**	$ 27	$ 8	29.6%	**$ 3**	$ 72	$ (69)	(95.8)%
Adjusted EBITDA[1]	**$ 79**	$ 56	$ 23	41.1%	**$ 200**	$ 223	$ (23)	(10.3)%
Adjusted EBITDA margin[1]	**15.1%**	10.7%			**9.7%**	10.3%		
Depreciation and amortization[i]	**$ 41**	$ 36	$ 5	13.9%	**$ 175**	$ 147	$ 28	19.0%

(i) Depreciation and amortization in the fourth quarter of 2020 includes $8 million (2019 – $3 million) and $30 million (2019 – $9 million) year-to-date of accelerated depreciation related to restructuring and other related costs.

Sales Weston Foods sales in the fourth quarter of 2020 were $523 million, an increase of $1 million, or 0.2%, compared to the fourth quarter of 2019. Sales included the positive impact of the 53rd week of approximately 5.6%, and the negative impact of foreign exchange of approximately 0.8%. Excluding the favourable impact of the 53rd week and the negative impact of foreign currency translation, sales decreased by 4.6%. Sales were impacted by a decrease in volumes in certain retail categories and foodservice channels as a result of the COVID-19 pandemic, the unfavourable impact of product rationalization and the combined negative impact of pricing and changes in sales mix.

Operating Income Weston Foods operating income in the fourth quarter of 2020 was $35 million, an increase of $8 million compared to $27 million in the fourth quarter of 2019, which included the positive impact of the 53rd week of $4 million. The increase was due to the improvement in underlying operating performance of $23 million and the unfavourable year-over-year net impact of adjusting items totaling $15 million. The year-over-year net impact of adjusting items included the following:
- the unfavourable year-over-year impact of restructuring and other related costs of $17 million; and
- the unfavourable year-over-year impact of the fair value adjustment of derivatives of $2 million;

partially offset by,
- the favourable year-over-year impact of inventory losses, net of recoveries, of $4 million.

Adjusted EBITDA[1] Weston Foods adjusted EBITDA[1] in the fourth quarter of 2020 was $79 million, an increase of $23 million, or 41.1%, compared to the fourth quarter of 2019. Excluding the favourable impact of the 53rd week of $4 million, adjusted EBITDA[1] increased by $19 million, or 33.9%. The increase was driven by the net benefits realized from Weston Foods' transformation program, productivity improvements, cost savings initiatives, and a decrease in performance related compensation accruals, partially offset by the decline in sales as described above and an increase in COVID-19 related expenses.

Weston Foods adjusted EBITDA margin[1] in the fourth quarter of 2020 increased to 15.1% compared to 10.7% in the fourth quarter of 2019. The improvement in adjusted EBITDA margin[1] in the fourth quarter of 2020 was driven by the factors described above.

Depreciation and Amortization Weston Foods depreciation and amortization in the fourth quarter of 2020 was $41 million, an increase of $5 million compared to the fourth quarter of 2019. Depreciation and amortization in the fourth quarter of 2020 included $8 million (2019 – $3 million) of accelerated depreciation related to Weston Foods' transformation program. Excluding this amount, depreciation and amortization was flat compared to the fourth quarter of 2019.

Weston Foods Other Business Matters

Restructuring and other related costs Weston Foods continuously evaluates strategic and cost reduction initiatives related to its manufacturing assets, distribution networks and administrative infrastructure with the objective of ensuring a low cost operating structure. In the fourth quarter of 2020 and year-to-date, Weston Foods recorded restructuring and other related costs of $13 million (2019 – $4 million) and $50 million (2019 – $11 million), respectively, which were primarily related to Weston Foods' transformation program.

Transaction between Weston Foods and Choice Properties In the fourth quarter of 2020, Weston Foods disposed of a portfolio of six industrial properties to Choice Properties at an aggregate price of $79 million, excluding transaction costs, which was satisfied in full through the issuance of 5,824,742 Class B LP Units of Choice Properties Limited Partnership. These properties were leased back by Weston Foods.

OUTLOOK[2]

For 2021, the Company expects adjusted net earnings[1] to increase due to the results from its operating segments as described below. Additionally, the Company expects to return capital to shareholders through share repurchases by allocating a portion of the free cash flow received from its operating businesses and proceeds from participating in Loblaw's normal course issuer bid.

Loblaw Loblaw cannot predict the precise impacts of COVID-19 on its 2021 financial results. However, Loblaw anticipates that grocery sales will remain elevated in the first half due to continued impact of the pandemic, including the impact of lockdown measures in many jurisdictions. As economies reopen, revenue growth will be challenged compared to elevated 2020 sales. Loblaw expects that in 2021 costs will be lower compared to those incurred in 2020 as a result of COVID-19, and as Process & Efficiencies and Data-Driven Insights programs continue to deliver benefits. Moderate levels of regulatory drug reform are anticipated.

Loblaw expects:
- its core retail business to grow earnings faster than sales;
- growth in financial services profitability;
- EPS growth in the low double digits, excluding the impact of the 53rd week;
- to invest approximately $1.2 billion in capital expenditures, net of proceeds from property disposals; and
- to return capital to shareholders by allocating a significant portion of free cash flow to share repurchases.

In the four weeks following the end of the quarter, Loblaw's food same-store sales growth remained elevated and drug same-store sales growth slowed in front store while remaining consistent in pharmacy. For the balance of the first quarter, both food and drug same-store sales will lap consumer stockpiling that began in the first quarter of 2020. COVID-19 related costs are trending in the range of $40 to $50 million for the first quarter of 2021.

Choice Properties Choice Properties' real estate platform is positioned to deliver both income stability and long-term growth for its investors, underpinned by disciplined financial management.

Although the duration and longer-term impact of the COVID-19 pandemic cannot be predicted, Choice Properties remains confident that its business model and disciplined approach to financial management will enable it to weather the impact of COVID-19. Choice Properties' diversified portfolio of office, retail and industrial properties is 97.1% occupied and leased to high-quality tenants across Canada. Its retail portfolio is primarily leased to grocery stores, pharmacies and other necessity-based tenants, which continue to perform well in this environment, and the diversification of income provided by Choice Properties' industrial and office assets provides stability to Choice Properties' overall portfolio.

Despite the ongoing impact of the pandemic, Choice Properties continues to advance its development initiatives, which provide Choice Properties with the best opportunity to add high-quality real estate to its portfolio at a reasonable cost. Choice Properties has a mix of development projects ranging in size, scale, and complexity, including retail intensification projects, which provide incremental growth to its existing sites, to larger, more complex mixed-use developments which are expected to drive net asset value growth in the future.

The majority of Choice Properties' active development pipeline is focused on growing its rental residential portfolio. In addition to ongoing residential development, Choice Properties continues to evaluate opportunities within its portfolio to redevelop and transform grocery anchored retail projects into large scale major mixed-use projects.

In 2021, Choice Properties plans to continue improving its portfolio quality and seek out opportunities to strengthen its balance sheet by extending debt maturities with longer term debt.

Weston Foods Weston Foods expects first quarter 2021 financial results to be challenged relative to the strong financial performance in the fourth quarter of 2020 due to the impact of ongoing government-mandated lockdowns and social distancing protocols in both Canada and United States associated with the COVID-19 pandemic. In the four weeks following the end of the fourth quarter of 2020, the weekly run rate for incremental COVID-19 related costs incurred to protect its colleagues was approximately $0.3 million.

The uncertainty associated with the pandemic makes it difficult to reliably estimate future sales trends and the overall financial performance of the business. Weston Foods' expectations for full year 2021 assume that stricter government-mandated lockdowns implemented in many regions in the fourth quarter of 2020 will be relaxed by the end of the first quarter of 2021. On that basis, Weston Foods expects:

- sales to be modestly higher compared to 2020, after excluding the impact of foreign currency translation and the impact of the 53rd week in fiscal 2020;
- adjusted EBITDA[1] to be higher compared to 2020;
- capital expenditures to decrease to approximately $145 million; and
- depreciation to increase in the mid-single digits compared to 2020.

DECLARATION OF QUARTERLY DIVIDENDS

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

Common Shares	$0.550 per share payable April 1, 2021, to shareholders of record as of March 15, 2021;
Preferred Shares, Series I	$0.3625 per share payable March 15, 2021, to shareholders of record as of February 28, 2021;
Preferred Shares, Series III	$0.3250 per share payable April 1, 2021, to shareholders of record as of March 15, 2021;
Preferred Shares, Series IV	$0.3250 per share payable April 1, 2021, to shareholders of record as of March 15, 2021; and
Preferred Shares, Series V	$0.296875 per share payable April 1, 2021, to shareholders of record as of March 15, 2021.

NON-GAAP FINANCIAL MEASURES

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

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

These measures do not have a standardized meaning prescribed by GAAP and therefore they may not be comparable to similarly titled measures presented by other publicly traded companies, and should not be construed as an alternative to other financial measures determined in accordance with GAAP.

During 2020, Management undertook a review of adjusting items in non-GAAP financial measures, and revised the Company's non-GAAP financial measures policy. The changes in non-GAAP financial measures policy will be effective beginning January 1, 2021. See section "Non-GAAP Accounting Policy Change Commencing Fiscal 2021" of this News Release for further details.

For reconciliation to, and description of the Company's non-GAAP financial measures and financial metrics, see Section 14, "Non-GAAP Financial Measures", of the MD&A in the Company's 2020 Annual Report.

FORWARD-LOOKING STATEMENTS

This News Release contains forward-looking statements about the Company's objectives, plans, goals, aspirations, strategies, financial condition, results of operations, cash flows, performance, prospects, opportunities and legal and regulatory matters. Specific forward-looking statements in this News Release include, but are not limited to, statements with respect to the Company's anticipated future results, events and plans, strategic initiatives and restructuring, regulatory changes including further healthcare reform, future liquidity, planned capital investments, and the status and impact of IT systems implementations. These specific forward-looking statements are contained throughout this News Release including, without limitation, in the "Outlook" section of this News Release. Forward-looking statements are typically identified by words such as "expect", "anticipate", "believe", "foresee", "could", "estimate", "goal", "intend", "plan", "seek", "strive", "will", "may", "should" and similar expressions, as they relate to the Company and its management.

Forward-looking statements reflect the Company's estimates, beliefs and assumptions, which are based on management's perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. The Company's expectation of operating and financial performance in 2021 is based on certain assumptions, including assumptions about the COVID-19 pandemic, healthcare reform impacts, anticipated cost savings and operating efficiencies and anticipated benefits from strategic initiatives. The Company's estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events, including the COVID-19 pandemic and as such, are subject to change. The Company can give no assurance that such estimates, beliefs and assumptions will prove to be correct.

Numerous risks and uncertainties could cause the Company's actual results to differ materially from those expressed, implied or projected in the forward-looking statements, including those described in "Enterprise Risks and Risk Management" section, of the MD&A in the Company's 2020 Annual Report and the Company's Annual Information Form for the year ended December 31, 2020 as well as COVID-19 related risks that have been added to Section 8, "Enterprise Risks and Risk Management", of the MD&A in the Company's 2020 Annual Report.

Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect the Company's expectations only as of the date of this News Release. Except as required by law, the Company does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

SELECTED FINANCIAL INFORMATION

The following includes selected quarterly financial information which is prepared by management in accordance with IFRS and is based on the Company's audited annual consolidated financial statements for the year ended December 31, 2020. This financial information does not contain all disclosures required by IFRS, and accordingly, this financial information should be read in conjunction with the Company's 2020 Annual Report available in the Investor Centre section of the Company's website at www.weston.ca.

Consolidated Statements of Earnings

(millions of Canadian dollars except where otherwise indicated) For the periods ended as indicated	Dec. 31, 2020 (13 weeks) (unaudited)	Dec. 31, 2019 (12 weeks) (unaudited)	Dec. 31, 2020 (53 weeks) (audited)	Dec. 31, 2019 (52 weeks) (audited)
Revenue	**$ 13,806**	$ 12,107	**$ 54,705**	$ 50,109
Operating Expenses				
Cost of inventories sold	**9,493**	8,229	**37,583**	34,166
Selling, general and administrative expenses	**3,407**	3,160	**14,234**	12,985
	12,900	11,389	**51,817**	47,151
Operating Income	**906**	718	**2,888**	2,958
Net Interest Expense and Other Financing Charges	**245**	7	**831**	1,704
Earnings Before Income Taxes	**661**	711	**2,057**	1,254
Income Taxes	**148**	133	**475**	431
Net Earnings	**513**	578	**1,582**	823
Attributable to:				
Shareholders of the Company	**299**	443	**963**	242
Non-Controlling Interests	**214**	135	**619**	581
Net Earnings	**$ 513**	$ 578	**$ 1,582**	$ 823
Net Earnings per Common Share ($)				
Basic	**$ 1.89**	$ 2.82	**$ 5.99**	$ 1.29
Diluted	**$ 1.88**	$ 2.81	**$ 5.96**	$ 1.26

Consolidated Balance Sheets

As at December 31 (millions of Canadian dollars)	2020	2019[(i)]
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 2,581**	$ 1,834
Short-term investments	**575**	229
Accounts receivable	**1,192**	1,295
Credit card receivables	**3,109**	3,518
Inventories	**5,385**	5,270
Prepaid expenses and other assets	**304**	336
Assets held for sale	**108**	203
Total Current Assets	**13,254**	12,685
Fixed Assets	**11,943**	11,773
Right-of-Use Assets	**4,043**	4,074
Investment Properties	**4,930**	4,888
Equity Accounted Joint Ventures	**573**	605
Intangible Assets	**7,032**	7,488
Goodwill	**4,772**	4,775
Deferred Income Taxes	**139**	250
Security Deposits	**75**	76
Franchise Loans Receivable	**–**	19
Other Assets	**1,314**	1,180
Total Assets	**$ 48,075**	$ 47,813
LIABILITIES		
Current Liabilities		
Bank indebtedness	**$ 86**	$ 18
Trade payables and other liabilities	**6,011**	5,906
Loyalty liability	**194**	191
Provisions	**109**	147
Income taxes payable	**128**	53
Demand deposits from customers	**24**	–
Short-term debt	**1,335**	1,489
Long-term debt due within one year	**924**	1,842
Lease liabilities due within one year	**799**	857
Associate interest	**349**	280
Total Current Liabilities	**9,959**	10,783
Provisions	**117**	90
Long-Term Debt	**13,519**	12,712
Lease Liabilities	**4,206**	4,250
Trust Unit Liability	**3,600**	3,601
Deferred Income Taxes	**2,059**	2,245
Other Liabilities	**1,197**	957
Total Liabilities	**34,657**	34,638
EQUITY		
Share Capital	**3,599**	3,626
Retained Earnings	**5,226**	4,766
Contributed Surplus	**(1,180)**	(979)
Accumulated Other Comprehensive Income	**166**	196
Total Equity Attributable to Shareholders of the Company	**7,811**	7,609
Non-Controlling Interests	**5,607**	5,566
Total Equity	**13,418**	13,175
Total Liabilities and Equity	**$ 48,075**	$ 47,813

(i) Certain comparative figures have been restated to conform with current year presentation.

Consolidated Statements of Cash Flows

(millions of Canadian dollars) For the periods ended as indicated	**Dec. 31, 2020** **(13 weeks)**	Dec. 31, 2019(i) (12 weeks)	**Dec. 31, 2020** **(53 weeks)**	Dec. 31, 2019(i) (52 weeks)
Operating Activities				
Net earnings	**$ 513**	$ 578	**$ 1,582**	$ 823
Add:				
Net interest expense and other financing charges	**245**	7	**831**	1,704
Income taxes	**148**	133	**475**	431
Depreciation and amortization	**572**	548	**2,427**	2,318
Asset impairments, net of recoveries	**24**	50	**39**	46
Adjustment to fair value of investment properties and assets held for sale	**6**	27	**194**	93
Change in allowance for credit card receivables	**(10)**	8	**41**	29
Foreign currency translation gain	**–**	(1)	**–**	–
Change in provisions	**(16)**	15	**(6)**	(54)
	1,482	1,365	**5,583**	5,390
Change in gross credit card receivables	**(91)**	(263)	**368**	(238)
Change in non-cash working capital	**286**	239	**(57)**	(7)
Income taxes paid	**(106)**	(110)	**(448)**	(656)
Interest received	**6**	7	**25**	35
Interest received from finance leases	**2**	–	**3**	4
Other	**(5)**	34	**47**	27
Cash Flows from Operating Activities	**1,574**	1,272	**5,521**	4,555
Investing Activities				
Fixed asset and investment properties purchases	**(562)**	(441)	**(1,235)**	(1,155)
Intangible asset additions	**(73)**	(102)	**(357)**	(403)
Business acquisition, net of cash acquired	**–**	–	**–**	–
Cash assumed on initial consolidation of franchises	**–**	5	**14**	20
Proceeds from disposal of assets	**125**	37	**301**	87
Lease payments received from finance leases	**–**	2	**5**	8
Change in short-term investments	**(178)**	(9)	**(346)**	52
Change in security deposits	**–**	(18)	**–**	7
Other	**39**	21	**(120)**	(108)
Cash Flows used in Investing Activities	**(649)**	(505)	**(1,738)**	(1,492)
Financing Activities				
Change in bank indebtedness	**(107)**	(134)	**68**	(38)
Change in short-term debt	**85**	237	**(154)**	(90)
Change in demand deposits from customers	**24**	–	**24**	–
Proceeds from other financing	**235**	9	**231**	435
Interest paid	**(180)**	(181)	**(883)**	(891)
Long-term debt – Issued	**164**	123	**2,492**	1,438
– Repayments	**(369)**	(126)	**(2,598)**	(1,690)
Cash rent paid on lease liabilities - Interest	**(47)**	(49)	**(207)**	(214)
Cash rent paid on lease liabilities - Principal	**(145)**	(84)	**(650)**	(520)
Share capital – Issued	**1**	1	**1**	40
– Purchased and held in trusts	**–**	–	**(21)**	(6)
– Purchased and cancelled	**(123)**	(25)	**(123)**	(25)
Loblaw common share capital – Issued	**1**	2	**30**	82
– Purchased and held in trusts	**–**	(42)	**(10)**	(62)
– Purchased and cancelled	**(275)**	(163)	**(552)**	(937)
Choice Properties units – Issued	**–**	–	**–**	345
– Issuance costs	**–**	–	**–**	(14)
Dividends – To common shareholders	**(5)**	–	**(328)**	(319)
– To preferred shareholders	**(3)**	(3)	**(44)**	(44)
– To minority shareholders	**(59)**	–	**(284)**	(228)
Other	**24**	8	**(27)**	(12)
Cash Flows used in Financing Activities	**(779)**	(427)	**(3,035)**	(2,750)
Effect of foreign currency exchange rate changes on cash and cash equivalents	**(1)**	(1)	**(1)**	–
Change in Cash and Cash Equivalents	**145**	339	**747**	313
Cash and Cash Equivalents, Beginning of Period	**2,436**	1,495	**1,834**	1,521
Cash and Cash Equivalents, End of Period	**$ 2,581**	$ 1,834	**$ 2,581**	$ 1,834

(i) Certain comparative figures have been restated to conform with current year presentation.

Basic and Diluted Net Earnings per Common Share

(millions of Canadian dollars except where otherwise indicated) For the periods ended as indicated	**Dec. 31, 2020 (13 weeks) (unaudited)**	Dec. 31, 2019 (12 weeks) (unaudited)	**Dec. 31, 2020 (53 weeks) (audited)**	Dec. 31, 2019 (52 weeks) (audited)
Net earnings attributable to shareholders of the Company	**$ 299**	$ 443	**$ 963**	$ 242
Prescribed dividends on preferred shares in share capital	**(10)**	(10)	**(44)**	(44)
Net earnings available to common shareholders of the Company	**$ 289**	$ 433	**$ 919**	$ 198
Reduction in net earnings due to dilution at Loblaw	**(1)**	(1)	**(4)**	(4)
Net earnings available to common shareholders for diluted earnings per share	**$ 288**	$ 432	**$ 915**	$ 194
Weighted average common shares outstanding (in millions)	**153.2**	153.8	**153.4**	153.5
Dilutive effect of equity-based compensation[(i)] (in millions)	**0.1**	0.2	**0.1**	0.2
Diluted weighted average common shares outstanding (in millions)	**153.3**	154.0	**153.5**	153.7
Basic net earnings per common share ($)	**$ 1.89**	$ 2.82	**$ 5.99**	$ 1.29
Diluted net earnings per common share ($)	**$ 1.88**	$ 2.81	**$ 5.96**	$ 1.26

(i) In the fourth quarter of 2020 and year-to-date, 1.7 million (December 31, 2019 – nil) and 1.4 million (December 31, 2019 – 1.0 million) potentially dilutive instruments, respectively, were excluded from the computation of diluted net earnings per common share as they were anti-dilutive.

SEGMENT INFORMATION

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

The accounting policies of the reportable operating segments are the same as those described in the Company's 2020 audited annual consolidated financial statements. The Company measures each reportable operating segment's performance based on adjusted EBITDA[(1)] and adjusted operating income[(1)]. No reportable operating segment is reliant on any single external customer.

	Quarters Ended									
	Dec. 31, 2020 (13 weeks)					Dec. 31, 2019 (12 weeks)				
(unaudited) ($ millions of Canadian dollars)	Loblaw	Choice Properties	Weston Foods	Other and Intersegment	Total	Loblaw	Choice Properties	Weston Foods	Other and Intersegment	Total
Revenue	**$ 13,286**	**$ 322**	**$ 523**	**$ (325)**	**$ 13,806**	$ 11,590	$ 318	$ 522	$ (323)	$ 12,107
Operating income (loss)	$ 700	$ 332	$ 35	$ (161)	$ 906	$ 539	$ 220	$ 27	$ (68)	$ 718
Net interest expense (income) and other financing charges	166	217	–	(138)	245	176	(74)	–	(95)	7
Earnings (loss) before income taxes	**$ 534**	**$ 115**	**$ 35**	**$ (23)**	**$ 661**	$ 363	$ 294	$ 27	$ 27	$ 711
Operating income (loss)	**$ 700**	**$ 332**	**$ 35**	**$ (161)**	**$ 906**	$ 539	$ 220	$ 27	$ (68)	$ 718
Depreciation and amortization	609	1	41	(79)	572	589	–	36	(77)	548
Adjusting items[(i)]	21	(107)	3	106	23	75	5	(7)	12	85
Adjusted EBITDA[(i)]	$ 1,330	$ 226	$ 79	$ (134)	$ 1,501	$ 1,203	$ 225	$ 56	$ (133)	$ 1,351
Depreciation and amortization[(ii)]	492	1	33	(79)	447	473	–	33	(77)	429
Adjusted operating income (loss)[(i)]	**$ 838**	**$ 225**	**$ 46**	**$ (55)**	**$ 1,054**	$ 730	$ 225	$ 23	$ (56)	$ 922

(i) Certain items are excluded from operating income (loss) to derive adjusted EBITDA[(1)]. Adjusted EBITDA[(1)] is used internally by management when analyzing segment underlying operating performance.

(ii) Excludes $117 million (2019 – $116 million) of amortization of intangible assets acquired with Shoppers Drug Mart, recorded by Loblaw and $8 million (2019 – $3 million) of accelerated depreciation recorded by Weston Foods, related to restructuring and other related costs.

(unaudited) ($ millions of Canadian dollars)	Years Ended Dec. 31, 2020 (53 weeks) Loblaw	Choice Properties	Weston Foods	Other and Intersegment	Total	Dec. 31, 2019 (52 weeks) Loblaw	Choice Properties	Weston Foods	Other and Intersegment	Total
Revenue	**$ 52,714**	**$ 1,271**	**$ 2,062**	**$ (1,342)**	**$ 54,705**	$48,037	$ 1,289	$ 2,155	$ (1,372)	$ 50,109
Operating income (loss)	$ 2,357	$ 622	$ 3	$ (94)	$ 2,888	$ 2,262	$ 890	$ 72	$ (266)	$ 2,958
Net interest expense (income) and other financing charges	742	173	(1)	(83)	831	747	1,472	1	(516)	1,704
Earnings (loss) before income taxes	**$ 1,615**	**$ 449**	**$ 4**	**$ (11)**	**$ 2,057**	$ 1,515	$ (582)	$ 71	$ 250	$ 1,254
Operating income (loss)	**$ 2,357**	**$ 622**	**$ 3**	**$ (94)**	**$ 2,888**	$ 2,262	$ 890	$ 72	$ (266)	$ 2,958
Depreciation and amortization	2,596	3	175	(347)	2,427	2,524	1	147	(354)	2,318
Adjusting items[(i)]	80	254	22	(64)	292	118	23	4	62	207
Adjusted EBITDA[(i)]	$ 5,033	$ 879	$ 200	$ (505)	$ 5,607	$ 4,904	$ 914	$ 223	$ (558)	$ 5,483
Depreciation and amortization[(ii)]	2,087	3	145	(347)	1,888	2,016	1	138	(354)	1,801
Adjusted operating income (loss)[(i)]	**$ 2,946**	**$ 876**	**$ 55**	**$ (158)**	**$ 3,719**	$ 2,888	$ 913	$ 85	$ (204)	$ 3,682

(i) Certain items are excluded from operating income (loss) to derive adjusted EBITDA[(1)]. Adjusted EBITDA[(1)] is used internally by management when analyzing segment underlying operating performance.

(ii) Excludes $509 million (2019 – $508 million) of amortization of intangible assets acquired with Shoppers Drug Mart, recorded by Loblaw and $30 million (2019 – $9 million) of accelerated depreciation recorded by Weston Foods, related to restructuring and other related costs.

NON-GAAP FINANCIAL MEASURES POLICY CHANGE COMMENCING FISCAL 2021

In 2020, management undertook a review of historical adjusting items as part of an effort to reduce the number of non-GAAP items it adjusts for in its financial reporting. Management concluded that, in order to present adjusting items in a manner more consistent with that of its Canadian and U.S. peers, the Company will no longer adjust for asset impairments (net of recoveries), certain restructuring and other related costs, pension settlement costs, statutory corporate income tax rate changes or other items.

Starting in the first quarter of 2021, restructuring and other related costs will be considered an adjusting item only if significant and if part of a publicly announced restructuring plan. Other unusual items will be assessed on a case by case basis based on their nature, magnitude and propensity to re-occur. This change will take effect in the first quarter of 2021 with restatement of comparative periods at that time.

The below summaries are presented for informational purposes and reconciles the non-GAAP financial measures as previously reported in 2020 to those which will be reported under the new policy beginning in 2021.

Adjusted Operating Income and Adjusted EBITDA:

	Quarters Ended														
	March 21, 2020 (12 weeks)					June 13, 2020 (12 weeks)					October 3, 2020 (16 weeks)				
(unaudited) ($ millions)	Loblaw	Choice Properties	Weston Foods	Other	Consolidated	Loblaw	Choice Properties	Weston Foods	Other	Consolidated	Loblaw	Choice Properties	Weston Foods	Other	Consolidated
Adjusted Operating income - previously reported	**$ 692**	**$ 226**	**$ 18**	**$ (64)**	**$ 872**	**$ 534**	**$ 201**	**$ (27)**	**$ (59)**	**$ 649**	**$ 882**	**$ 224**	**$ 18**	**$ 20**	**$ 1,144**
Add (deduct) impact of the following:															
Asset Impairments, net of recoveries	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Restructuring and other related costs	(4)	–	–	–	(4)	(8)	–	–	–	(8)	(6)	–	–	–	(6)
Adjusting Items	**$ (4)**	**$ –**	**$ –**	**$ –**	**$ (4)**	**$ (8)**	**$ –**	**$ –**	**$ –**	**$ (8)**	**$ (6)**	**$ –**	**$ –**	**$ –**	**$ (6)**
Adjusted operating income - Restated	**688**	**226**	**18**	**(64)**	**868**	**526**	**201**	**(27)**	**(59)**	**641**	**876**	**224**	**18**	**20**	**1,138**
Depreciation and amortization	594	1	43	(78)	560	598	–	44	(76)	566	795	1	47	(114)	729
Less: Amortization of intangible assets acquired with Shoppers Drug Mart	(119)	–	–	–	(119)	(118)	–	–	–	(118)	(155)	–	–	–	(155)
Less: Accelerated Depreciation	–	–	(9)	–	(9)	–	–	(10)	–	(10)	–	–	(3)	–	(3)
Adjusted EBITDA - Restated	**$1,163**	**$ 227**	**$ 52**	**$ (142)**	**$1,300**	**$1,006**	**$ 201**	**$ 7**	**$ (135)**	**$1,079**	**$1,516**	**$ 225**	**$ 62**	**$ (94)**	**$1,709**

	Quarter Ended December 31, 2020 (13 weeks)					Year Ended December 31, 2020 (53 weeks)				
(unaudited) ($ millions)	Loblaw	Choice Properties	Weston Foods	Other	Consolidated	Loblaw	Choice Properties	Weston Foods	Other	Consolidated
Adjusted Operating income - previously reported	$ 838	$ 225	$ 46	$ (55)	$ 1,054	$ 2,946	$ 876	$ 55	$ (158)	$ 3,719
Add (deduct) impact of the following:										
Asset Impairments, net of recoveries	(17)	–	–	(6)	(23)	(17)	–	–	(6)	(23)
Restructuring and other related costs	–	–	–	–	–	(18)	–	–	–	(18)
Adjusting Items	$ (17)	$ –	$ –	$ (6)	$ (23)	$ (35)	$ –	$ –	$ (6)	$ (41)
Adjusted operating income - Restated	$ 821	$ 225	$ 46	$ (61)	$ 1,031	$ 2,911	$ 876	$ 55	$ (164)	$ 3,678
Depreciation and amortization	609	1	41	(79)	572	2,596	3	175	(347)	$ 2,427
Less: Amortization of intangible assets acquired with Shoppers Drug Mart	(117)	–	–	–	(117)	(509)	–	–	–	(509)
Less: Accelerated Depreciation	–	–	(8)	–	(8)	–	–	(30)	–	(30)
Adjusted EBITDA - Restated	$ 1,313	$ 226	$ 79	$ (140)	$ 1,478	$ 4,998	$ 879	$ 200	$ (511)	$ 5,566

Adjusted Net Earnings Available to Common Shareholders and Adjusted Diluted Net earnings per Common Share are presented below:

	Quarters Ended: March 21, 2020 (12 weeks)		June 13, 2020 (12 weeks)		October 3, 2020 (16 weeks)		December 31, 2020 (13 weeks)		Year Ended: December 31, 2020 (53 weeks)	
(unaudited) ($ except where otherwise indicated)	Net Earnings Available to Common Shareholders of the Company ($ millions)	Diluted Net Earnings Per Common Share	Net Earnings Available to Common Shareholders of the Company ($ millions)	Diluted Net Earnings Per Common Share	Net Earnings Available to Common Shareholders of the Company ($ millions)	Diluted Net Earnings Per Common Share	Net Earnings Available to Common Shareholders of the Company ($ millions)	Diluted Net Earnings Per Common Share	Net Earnings Available to Common Shareholders of the Company ($ millions)	Diluted Net Earnings Per Common Share
Adjusted - As previously reported	$ 239	$ 1.55	$ 142	$ 0.93	$ 362	$ 2.35	$ 312	$ 2.03	$ 1,055	$ 6.85
Add (deduct) impact of the following:										
Asset impairments, net of recoveries	$ –	$ –	$ –	$ –	$ –	$ –	$ (11)	$ (0.08)	$ (11)	$ (0.08)
Restructuring and other related costs	(2)	(0.01)	(3)	(0.02)	(2)	(0.01)	–	–	(7)	(0.04)
Statutory corporate income tax rate change	2	0.01	–	–	(1)	(0.01)	1	0.01	2	0.01
Adjusting items	$ –	$ –	$ (3)	$ (0.02)	$ (3)	$ (0.02)	$ (10)	$ (0.07)	$ (16)	$ (0.11)
Adjusted - Restated	$ 239	$ 1.55	$ 139	$ 0.91	$ 359	$ 2.33	$ 302	$ 1.96	$ 1,039	$ 6.74

There were no impacts to previously reported adjusted net interest expense and other financing charges as a result of this change as reported in the Company's 2020 annual and interim MD&A.

2020 ANNUAL AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company's annual audited consolidated financial statements and MD&A for the year ended December 31, 2020 are available in the Investor Centre section of the Company's website at www.weston.ca and have been filed on SEDAR and are available at www.sedar.com.

INVESTOR RELATIONS

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

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

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

FOURTH QUARTER CONFERENCE CALL AND WEBCAST

George Weston Limited will host a conference call as well as an audio webcast on Tuesday, March 2, 2021 at 9:00 a.m. (ET). To access via tele-conference, please dial (647) 427-7450 or 1-888-231-8191. The playback will be available two hours after the event at (416) 849-0833 or 1-855-859-2056, passcode: 5986725#. To access via audio webcast, please visit the Investor Centre section of www.weston.ca. Pre-registration will be available.

Ce rapport est disponible en français.

Endnotes

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

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