

NEWS RELEASE

George Weston Limited Reports Third Quarter 2022 Results

Toronto, Ontario November 22, 2022 George Weston Limited (TSX: WN) (“GWL” or the “Company”) today announced its consolidated unaudited results for the 16 weeks ended October 8, 2022⁽²⁾.

GWL’s 2022 Third Quarter 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.

“Loblaw and Choice Properties demonstrated their ability to deliver consistent financial and operating results with strong third quarter performance,” said Galen G. Weston, Chairman and CEO, George Weston Limited. “Our operating businesses are focused on serving the needs of customers and tenants on a day-to-day basis all while pursuing robust strategic agendas, positioning us well for continued success.”

Loblaw Companies Limited (“Loblaw”) delivered positive financial and operating performance as it continued to execute on retail excellence in its core businesses while advancing its growth and efficiencies initiatives, and furthering its Environmental, Social and Governance leadership. Global inflationary forces continued to increase the cost of food in the quarter. Loblaw’s efforts to moderate cost increases and provide superior value to customers through its PC Optimum™ program and promotions resulted in strong sales and stable gross margins in food retail. Sales were led by strong performance in discount banners such as No Frills® and Real Canadian Superstore®, and a continued shift to private label brands including President’s Choice® and no name®. In drug retail, revenues benefited from elevated sales of higher margin categories like beauty, cough and cold. In a difficult economic environment, Loblaw is putting the strength of its unique assets to work for Canadians, and is working hard to meet customer expectations for value.

Choice Properties Real Estate Investment Trust (“Choice Properties”) delivered solid operating and financial results in the third quarter with near full occupancy in its retail and industrial asset classes and strong same-asset growth. Choice Properties advanced its industrial and mixed-use development initiatives, unlocking value by achieving key zoning and entitlement milestones at two development projects. Choice Properties continues to be well positioned in the current economic environment supported by its high-quality tenants, necessity-based portfolio and an industry leading balance sheet.

2022 THIRD QUARTER HIGHLIGHTS

- Net earnings available to common shareholders of the Company from continuing operations were \$889 million, an increase of \$651 million, or 273.5%, primarily due to the favourable year-over-year net impact of adjusting items totaling \$563 million.
- Adjusted net earnings available to common shareholders of the Company⁽¹⁾ from continuing operations were \$453 million, an increase of \$88 million, or 24.1%.
- Diluted net earnings per common share from continuing operations were \$6.14, an increase of \$4.56 per common share, or 288.6%.
- Adjusted diluted net earnings per common share⁽¹⁾ from continuing operations were \$3.12, an increase of \$0.69 per common share, or 28.4%.

CONSOLIDATED RESULTS OF OPERATIONS

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

In 2021, the Company completed the sale of the Weston Foods bakery business. The Company's interest in Weston Foods is presented separately as discontinued operations in the Company's results. Unless otherwise indicated, all financial information represents the Company's results from continuing operations.

(unaudited) (\$ millions except where otherwise indicated)		16 Weeks Ended				40 Weeks Ended			
For the periods ended as indicated	Oct. 8, 2022	Oct. 9, 2021	\$ Change	% Change	Oct. 8, 2022	Oct. 9, 2021	\$ Change	% Change	
Revenue	\$ 17,520	\$ 16,192	\$ 1,328	8.2%	\$ 42,906	\$ 40,846	\$ 2,060	5.0%	
Operating income	\$ 1,474	\$ 1,125	\$ 349	31.0%	\$ 3,289	\$ 3,018	\$ 271	9.0%	
Adjusted EBITDA ⁽¹⁾	\$ 1,951	\$ 1,780	\$ 171	9.6%	\$ 4,961	\$ 4,542	\$ 419	9.2%	
Adjusted EBITDA margin ⁽¹⁾	11.1%	11.0%			11.6%	11.1%			
Net earnings attributable to shareholders of the Company from continuing operations	\$ 903	\$ 252	\$ 651	258.3%	\$ 1,926	\$ 325	\$ 1,601	492.6%	
Net earnings (loss) available to common shareholders of the Company	\$ 889	\$ 124	\$ 765	616.9%	\$ 1,886	\$ 170	\$ 1,716	1,009.4%	
Continuing operations	\$ 889	\$ 238	\$ 651	273.5%	\$ 1,892	\$ 291	\$ 1,601	550.2%	
Discontinued operations	\$ –	\$ (114)	\$ 114	100.0%	\$ (6)	\$ (121)	\$ 115	95.0%	
Adjusted net earnings available to common shareholders of the Company ⁽¹⁾ from continuing operations	\$ 453	\$ 365	\$ 88	24.1%	\$ 1,063	\$ 885	\$ 178	20.1%	
Diluted net earnings (loss) per common share (\$)	\$ 6.14	\$ 0.82	\$ 5.32	648.8%	\$ 12.89	\$ 1.10	\$ 11.79	1,071.8%	
Continuing operations	\$ 6.14	\$ 1.58	\$ 4.56	288.6%	\$ 12.93	\$ 1.90	\$ 11.03	580.5%	
Discontinued operations	\$ –	\$ (0.76)	\$ 0.76	100.0%	\$ (0.04)	\$ (0.80)	\$ 0.76	95.0%	
Adjusted diluted net earnings per common share ⁽¹⁾ from continuing operation (\$)	\$ 3.12	\$ 2.43	\$ 0.69	28.4%	\$ 7.24	\$ 5.83	\$ 1.41	24.2%	

In the third quarter of 2022, the Company recorded net earnings available to common shareholders of the Company from continuing operations of \$889 million (\$6.14 per common share), an increase of \$651 million (\$4.56 per common share) compared to the same period in 2021. The increase was due to the favourable year-over-year net impact of adjusting items totaling \$563 million (\$3.87 per common share) and an improvement of \$88 million (\$0.69 per common share) in the consolidated underlying operating performance of the Company described below.

- The favourable year-over-year net impact of adjusting items totaling \$563 million (\$3.87 per common share) was primarily due to:
 - the favourable year-over-year impact of the fair value adjustment of the Trust Unit liability of \$329 million (\$2.27 per common share) as a result of the decrease in Choice Properties' unit price in the third quarter of 2022;
 - the favourable year-over-year impact of the fair value adjustment on investment properties of \$227 million (\$1.58 per common share) primarily driven by Choice Properties, net of consolidation adjustments in Other and Intersegment; and
 - the favourable year-over-year impact of the prior year fair value adjustment of the forward sale agreement of Loblaw common shares of \$64 million (\$0.43 per common share). The Company settled the net debt associated with the forward sale agreement in the fourth quarter of 2021;
 partially offset by,
 - the unfavourable impact of the fair value adjustment on Choice Properties' investment in real estate securities of Allied Properties Real Estate Investment Trust ("Allied") of \$64 million (\$0.45 per common share) as a result of a decrease in Allied's Class B Unit price in the third quarter of 2022.
- The improvement in the Company's consolidated underlying operating performance of \$88 million (\$0.69 per common share) was primarily due to the favourable underlying operating performance of Loblaw.

- Diluted net earnings per common share from continuing operations also included the favourable impact of shares purchased for cancellation over the last 12 months (\$0.12 per common share) pursuant to the Company's Normal Course Issuer Bid ("NCIB") program.

Adjusted net earnings available to common shareholders of the Company⁽¹⁾ from continuing operations were \$453 million, an increase of \$88 million, or 24.1%, compared to the same period in 2021 due to the improvement in the Company's consolidated underlying operating performance described above. Adjusted diluted net earnings per common share⁽¹⁾ from continuing operations were \$3.12 per common share in the third quarter of 2022, an increase of \$0.69 per common share, or 28.4%, compared to the same period in 2021. The increase was due to the favourable performance in adjusted net earnings available to common shareholders⁽¹⁾ from continuing operations and the favourable impact of share repurchases.

CONSOLIDATED OTHER BUSINESS MATTERS

GWL CORPORATE⁽³⁾ FINANCING ACTIVITIES The Company completed the following financing activities during the periods indicated below. The cash impacts of these activities are set out below:

(unaudited) (\$ millions)	16 Weeks Ended		40 Weeks Ended	
	Oct. 8, 2022	Oct. 9, 2021	Oct. 8, 2022	Oct. 9, 2021
GWL's NCIB - purchased and cancelled	\$ (393)	\$ (411)	\$ (718)	\$ (577)
GWL's participation in Loblaw's NCIB	190	136	509	474
GWL's credit facility repayment	-	-	(121)	-
Settlement of net debt associated with equity forward sale agreement	-	(462)	-	(515)
Net cash flow used in above activities	\$ (203)	\$ (737)	\$ (330)	\$ (618)

GWL's NCIB - Purchased and Cancelled Shares In the third quarter of 2022, the Company purchased and cancelled 2.5 million shares (2021 - 3.2 million shares) under its NCIB. As at October 8, 2022, the Company had 142.2 million shares issued and outstanding, net of shares held in trusts (October 9, 2021 - 147.5 million shares).

In the third quarter of 2022, the Company entered into an automatic share purchase plan ("ASPP") with a broker in order to facilitate the repurchase of the Company's common shares under its NCIB. During the effective period of the ASPP, the Company's broker may purchase common shares at times when the Company would not be active in the market.

Refer to Section 3.6, "Share Capital" of the MD&A in the Company's 2022 Third Quarter Report for more information.

GWL's Participation in Loblaw's NCIB The Company participates in Loblaw's NCIB in order to maintain its proportionate percentage ownership interest. During the third quarter of 2022, GWL received proceeds of \$190 million (2021 - \$136 million) from the sale of Loblaw shares.

REPORTABLE OPERATING SEGMENTS

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

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

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

Excerpt of Segment Information

The accounting policies of the reportable operating segments are the same as those described in the Company's 2021 audited annual consolidated financial statements. The Company measures each reportable operating segment's performance based on adjusted EBITDA⁽ⁱ⁾ and adjusted operating income⁽ⁱ⁾. No reportable operating segment is reliant on any single external customer.

(unaudited) (\$ millions)	16 Weeks Ended							
	Oct. 8, 2022				Oct. 9, 2021			
	Loblaw	Choice Properties	Other and Intersegment	Total	Loblaw	Choice Properties	Other and Intersegment	Total
Revenue	\$ 17,388	\$ 309	\$ (177)	\$ 17,520	\$ 16,050	\$ 316	\$ (174)	\$ 16,192
Operating income	\$ 989	\$ 501	\$ (16)	\$ 1,474	\$ 861	\$ 276	\$ (12)	\$ 1,125
Net interest expense (income) and other financing charges	217	(447)	243	13	203	113	96	412
Earnings before income taxes from continuing operations	\$ 772	\$ 948	\$ (259)	\$ 1,461	\$ 658	\$ 163	\$ (108)	\$ 713
Operating income	\$ 989	\$ 501	\$ (16)	\$ 1,474	\$ 861	\$ 276	\$ (12)	\$ 1,125
Depreciation and amortization	864	–	(135)	729	817	1	(114)	704
Adjusting items ⁽ⁱⁱ⁾	(9)	(278)	35	(252)	(6)	(51)	8	(49)
Adjusted EBITDA ⁽ⁱ⁾	\$ 1,844	\$ 223	\$ (116)	\$ 1,951	\$ 1,672	\$ 226	\$ (118)	\$ 1,780
Depreciation and amortization ⁽ⁱⁱⁱ⁾	713	–	(135)	578	662	1	(114)	549
Adjusted operating income⁽ⁱ⁾	\$ 1,131	\$ 223	\$ 19	\$ 1,373	\$ 1,010	\$ 225	\$ (4)	\$ 1,231

- (i) Certain items are excluded from operating income to derive adjusted EBITDA⁽ⁱ⁾ and adjusted operating income⁽ⁱ⁾. These metrics are used internally by management when analyzing segment underlying operating performance.
- (ii) Excludes \$151 million (2021 – \$155 million) of amortization of intangible assets acquired with Shoppers Drug Mart Corporation ("Shoppers Drug Mart") and Lifemark Health Group ("Lifemark"), recorded by Loblaw.

(unaudited) (\$ millions)	40 Weeks Ended							
	Oct. 8, 2022				Oct. 9, 2021			
	Loblaw	Choice Properties	Other and Intersegment	Total	Loblaw	Choice Properties	Other and Intersegment	Total
Revenue	\$ 42,497	\$ 950	\$ (541)	\$ 42,906	\$ 40,413	\$ 967	\$ (534)	\$ 40,846
Operating income	\$ 2,465	\$ 679	\$ 145	\$ 3,289	\$ 2,226	\$ 1,064	\$ (272)	\$ 3,018
Net interest expense (income) and other financing charges	511	(644)	130	(3)	524	878	58	1,460
Earnings before income taxes from continuing operations	\$ 1,954	\$ 1,323	\$ 15	\$ 3,292	\$ 1,702	\$ 186	\$ (330)	\$ 1,558
Operating income	\$ 2,465	\$ 679	\$ 145	\$ 3,289	\$ 2,226	\$ 1,064	\$ (272)	\$ 3,018
Depreciation and amortization	2,128	2	(300)	1,830	2,041	3	(274)	1,770
Adjusting items ⁽ⁱⁱ⁾	89	(7)	(240)	(158)	(10)	(393)	157	(246)
Adjusted EBITDA ⁽ⁱ⁾	\$ 4,682	\$ 674	\$ (395)	\$ 4,961	\$ 4,257	\$ 674	\$ (389)	\$ 4,542
Depreciation and amortization ⁽ⁱⁱⁱ⁾	1,746	2	(300)	1,448	1,652	3	(274)	1,381
Adjusted operating income⁽ⁱ⁾	\$ 2,936	\$ 672	\$ (95)	\$ 3,513	\$ 2,605	\$ 671	\$ (115)	\$ 3,161

- (i) Certain items are excluded from operating income to derive adjusted EBITDA⁽ⁱ⁾ and adjusted operating income⁽ⁱ⁾. These metrics are used internally by management when analyzing segment underlying operating performance.
- (ii) Excludes \$382 million (2021 – \$389 million) of amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark, recorded by Loblaw.

Other and Intersegment includes the following items:

(unaudited) (\$ millions)	16 Weeks Ended					
	Oct. 8, 2022			Oct. 9, 2021 ⁽ⁱ⁾		
	Revenue	Operating Income	Net Interest Expense and Other Financing Charges	Revenue	Operating Income	Net Interest Expense and Other Financing Charges
Elimination of internal lease arrangements	\$ (125)	\$ 19	\$ (36)	\$ (127)	\$ 20	\$ (35)
Elimination of cost recovery	(52)	–	–	(47)	–	–
Recognition of depreciation on Choice Properties' investment properties classified as fixed assets by the Company and measured at cost	–	12	–	–	(9)	–
Fair value adjustment on investment properties	–	(34)	(3)	–	(10)	–
Fair value adjustment on Choice Properties' Exchangeable Units	–	–	578	–	–	16
Fair value adjustment on Trust Unit liability	–	–	(277)	–	–	52
Unit distributions on Exchangeable Units paid by Choice Properties to GWL	–	–	(73)	–	–	(74)
Unit distributions on Trust Units paid by Choice Properties, excluding amounts paid to GWL	–	–	51	–	–	52
Fair value adjustment of the forward sale agreement for Loblaw common shares	–	–	–	–	–	73
Other	–	(13)	3	–	(13)	12
Total	\$ (177)	\$ (16)	\$ 243	\$ (174)	\$ (12)	\$ 96

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

(unaudited) (\$ millions)	40 Weeks Ended					
	Oct. 8, 2022			Oct. 9, 2021 ⁽ⁱ⁾		
	Revenue	Operating Income	Net Interest Expense and Other Financing Charges	Revenue	Operating Income	Net Interest Expense and Other Financing Charges
Elimination of internal lease arrangements	\$ (378)	\$ (54)	\$ (81)	\$ (382)	\$ (55)	\$ (85)
Elimination of cost recovery	(163)	–	–	(152)	–	–
Recognition of depreciation on Choice Properties' investment properties classified as fixed assets by the Company and measured at cost	–	(10)	–	–	(33)	–
Fair value adjustment on investment properties	–	262	(5)	–	(157)	–
Fair value adjustment on Choice Properties' Exchangeable Units	–	–	1,029	–	–	(491)
Fair value adjustment on Trust Unit liability	–	–	(760)	–	–	479
Unit distributions on Exchangeable Units paid by Choice Properties to GWL	–	–	(220)	–	–	(220)
Unit distributions on Trust Units paid by Choice Properties, excluding amounts paid to GWL	–	–	154	–	–	154
Fair value adjustment of the forward sale agreement for Loblaw common shares	–	–	–	–	–	184
Reversal of Loblaw gain on the sale of disposition of property to Choice Properties	–	(19)	–	–	–	–
Other	–	(34)	13	–	(27)	37
Total	\$ (541)	\$ 145	\$ 130	\$ (534)	\$ (272)	\$ 58

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

Loblaw Operating Results

(unaudited)
(\$ millions except where otherwise indicated)

For the periods ended as indicated	16 Weeks Ended				40 Weeks Ended			
	Oct. 8, 2022	Oct. 9, 2021	\$ Change	% Change	Oct. 8, 2022	Oct. 9, 2021	\$ Change	% Change
Revenue	\$ 17,388	\$ 16,050	\$ 1,338	8.3%	\$ 42,497	\$ 40,413	\$ 2,084	5.2%
Operating income	\$ 989	\$ 861	\$ 128	14.9%	\$ 2,465	\$ 2,226	\$ 239	10.7%
Adjusted EBITDA ⁽¹⁾	\$ 1,844	\$ 1,672	\$ 172	10.3%	\$ 4,682	\$ 4,257	\$ 425	10.0%
Adjusted EBITDA margin ⁽¹⁾	10.6%	10.4%			11.0%	10.5%		
Depreciation and amortization ⁽ⁱ⁾	\$ 864	\$ 817	\$ 47	5.8%	\$ 2,128	\$ 2,041	\$ 87	4.3%

(i) Depreciation and amortization in the third quarter of 2022 includes \$151 million (2021 – \$155 million) and \$382 million (2021 – \$389 million) year-to-date of amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark.

Revenue Loblaw revenue in the third quarter of 2022 was \$17,388 million, an increase of \$1,338 million, or 8.3%, compared to the same period in 2021, driven by an increase in retail sales and an improvement in financial services revenue.

Retail sales were \$17,130 million, an increase of \$1,299 million, or 8.2%, compared to the same period in 2021. The increase was primarily driven by the following factors:

- food retail sales were \$12,221 million (2021 – \$11,382 million) and food retail same-store sales grew by 6.9% (2021 – 0.2%) for the quarter;
 - the Consumer Price Index (“CPI”) as measured by The Consumer Price Index for Food Purchased from Stores was 10.7% (2021 – 2.6%) which was generally in line with Loblaw’s internal food inflation; and
 - food retail basket size decreased and traffic increased in the quarter when compared to the third quarter of 2021.
- drug retail sales were \$4,909 million (2021 – \$4,449 million) and drug retail same-store sales grew by 7.7% (2021 – 4.4%) for the quarter;
 - pharmacy and healthcare services same-store sales growth was 4.7% (2021 – 4.8%), benefiting from an increase in acute and chronic prescription volumes from the continued economic re-opening. The number of prescriptions dispensed increased by 0.8% (2021 – 2.4%). On a same-store basis, the number of prescriptions dispensed increased by 0.9% (2021 – 2.4%) and the average prescription value increased by 3.3% (2021 – 1.2%);
 - pharmacy and healthcare services sales included Lifemark revenues from the date of acquisition of \$120 million. Lifemark revenues are excluded from same-store sales; and
 - front store same-store sales increased by 10.7% (2021 – 4.1%), benefiting from the continued economic re-opening and higher consumer spending.

During the third quarter of 2022, two food and drug stores were opened, and three stores were closed, resulting in a net decrease in retail square footage of 0.3 million square feet, or 0.4%.

Financial services revenue in the third quarter of 2022 increased by \$53 million compared to the same period in 2021. The increase was primarily driven by higher interest income from growth in credit card receivables and higher interchange income and credit card related fees from an increase in customer spending.

Operating Income Loblaw operating income in the third quarter of 2022 was \$989 million, an increase of \$128 million, or 14.9%, compared to the same period in 2021. The increase included improvements in the underlying operating performance of \$121 million and the favourable year-over-year net impact of adjusting items totaling \$7 million, as described below:

- the improvement in underlying operating performance of \$121 million was primarily due to an increase in retail gross profit, partially offset by an increase in retail selling, general and administrative expenses (“SG&A”) and depreciation and amortization;
- the favourable year-over-year net impact of adjusting items totaling \$7 million was primarily due to:
 - the favourable year-over-year impact of restructuring and other related costs of \$9 million; and
 - the favourable year-over-year impact from the amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark of \$4 million;partially offset by,
 - the unfavourable year-over-year impact of gain on sale of non-operating properties of \$4 million; and
 - the unfavourable year-over-year change in fair value adjustments on fuel and foreign currency contracts of \$2 million.

Adjusted EBITDA⁽¹⁾ Loblaw adjusted EBITDA⁽¹⁾ in the third quarter of 2022 was \$1,844 million, an increase of \$172 million, or 10.3%, compared to the same period in 2021. The increase was primarily due to an increase in retail of \$174 million, partially offset by a decrease in financial services of \$2 million.

Retail adjusted EBITDA⁽¹⁾ in the third quarter of 2022 increased by \$174 million driven by an increase in retail gross profit of \$416 million, partially offset by an unfavourable increase in retail SG&A of \$242 million.

- Retail gross profit percentage of 30.8% increased by 10 basis points compared to the same period in 2021, primarily driven from growth in higher margin drug retail front store categories. Compared to the third quarter of 2021, when inflation started to accelerate, food retail gross margins were flat.
- Retail SG&A as a percentage of sales was 20.3%, a favourable decrease of 20 basis points compared to the same period in 2021. The favourable decrease was primarily due to operating leverage from higher sales and lower COVID-19 related expenses.

Financial services adjusted EBITDA⁽¹⁾ decreased by \$2 million compared to the same period in 2021. Financial services continues to benefit from the economic re-opening. The decrease in earnings was mainly driven by higher contractual charge-off and an increase in the expected credit loss provision attributable to the increase in unemployment rate forecasts.

Depreciation and Amortization Loblaw depreciation and amortization in the third quarter of 2022 was \$864 million, an increase of \$47 million compared to the same period in 2021, primarily driven by an increase in information technology (“IT”) assets, leased assets and accelerated depreciation of \$14 million (2021 – nil) due to the reassessment of the estimated useful life of certain IT assets. Included in depreciation and amortization is the amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark of \$151 million (2021 – \$155 million).

Consolidation of Franchises Loblaw has more than 500 franchise food retail stores in its network. Non-controlling interests at Loblaw represent the share of earnings that relates to Loblaw’s food retail franchisees and is impacted by the timing of when profit sharing with franchisees is agreed and finalized under the terms of the agreements. Loblaw’s net earnings attributable to non-controlling interests were \$16 million in the third quarter of 2022, a decrease of \$38 million, or 70.4% when compared to the same period in 2021. The decrease in non-controlling interests was primarily driven by a decline in franchisee earnings after profit sharing.

Choice Properties Operating Results

(unaudited)
(\$ millions except where otherwise indicated)

For the periods ended as indicated	16 Weeks Ended				40 Weeks Ended			
	Oct. 8, 2022	Oct. 9, 2021	\$ Change	% Change	Oct. 8, 2022	Oct. 9, 2021	\$ Change	% Change
Revenue	\$ 309	\$ 316	\$ (7)	(2.2)%	\$ 950	\$ 967	\$ (17)	(1.8)%
Net interest (income) expense and other financing charges ⁽ⁱ⁾	\$ (447)	\$ 113	\$ (560)	(495.6)%	\$ (644)	\$ 878	\$ (1,522)	(173.3)%
Net income	\$ 948	\$ 163	\$ 785	481.6%	\$ 1,323	\$ 186	\$ 1,137	611.3%
Funds from Operations ⁽¹⁾	\$ 173	\$ 173	\$ -	-%	\$ 524	\$ 515	\$ 9	1.7%

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

Revenue Revenue in the third quarter of 2022 was \$309 million, a decrease of \$7 million, or 2.2%, compared to the same period in 2021, and included \$180 million (2021 - \$176 million) generated from tenants within Loblaw.

The decrease in revenue in the third quarter of 2022 was primarily driven by:

- foregone revenue following the disposition of six office assets (the "Office Asset Sale") to Allied in the second quarter of 2022; partially offset by,
- an increase in rental revenues from the retail and industrial portfolios driven by improved occupancy and higher rental rates; and
- increased capital recoveries.

Net Interest (Income) Expense and Other Financing Charges Net interest income and other financing charges in the third quarter of 2022 were \$447 million compared to net interest expense and other financing charges of \$113 million in the same period in 2021. The change of \$560 million was primarily driven by the favourable year-over-year impact of the fair value adjustment on the Class B LP units ("Exchangeable Units") of \$562 million.

Net Income Net income in the third quarter of 2022 was \$948 million, compared to net income of \$163 million in the same period in 2021. The change of \$785 million was primarily driven by:

- lower net interest expense and other financing charges as described above; and
 - the favourable change in the adjustment to fair value of investment properties, including those held within equity accounted joint ventures, primarily driven by achieved milestones in development and leasing and cash flow growth in the industrial portfolios;
- partially offset by,
- the unfavourable change in the adjustment to fair value of investment in real estate securities due to the change in Allied's unit price.

Funds from Operations⁽¹⁾ Funds from Operations⁽¹⁾ in the third quarter of 2022 was \$173 million, flat compared to the same period in 2021 due to an increase in rental revenue from the retail and industrial portfolios, largely offset by higher net interest and other expenses and the impact of the Office Asset Sale. The impact of the Office Asset Sale includes foregone rental income, partially offset by the distributions from Choice Properties' investment in real estate securities of Allied and interest income from the consideration received in exchange for assets sold.

OUTLOOK⁽²⁾

For 2022, the Company expects adjusted net earnings⁽¹⁾ from continuing operations to increase due to the results from its operating segments, and to use excess cash to repurchase shares.

Loblaw Loblaw will continue to execute on retail excellence in its core grocery and pharmacy businesses while advancing its growth initiatives in 2022. In the third year of the pandemic, Loblaw's businesses remain well placed to service the everyday needs of Canadians. However, Loblaw cannot predict the precise impacts of COVID-19, the related industry volatility and inflationary environment on its 2022 financial results.

On a full year basis, Loblaw continues to expect:

- its retail business to grow earnings faster than sales;
- to invest approximately \$1.4 billion in capital expenditures, net of proceeds from property disposals, reflecting incremental store and distribution network investments; and
- to return capital to shareholders by allocating a significant portion of free cash flow to share repurchases.

Based on its year to date operating and financial performance and momentum exiting the third quarter, Loblaw expects full year adjusted net earnings per common share⁽¹⁾ growth in the high teens.

Choice Properties Choice Properties' goal is to provide net asset value appreciation through stable net operating income growth and capital preservation, all with a long-term focus. Choice Properties' business model, stable tenant base, strong balance sheet, and disciplined approach to financial management will continue to position it well for future success.

At the end of the third quarter of 2022, Choice Properties' diversified portfolio of retail, industrial, residential and mixed-use properties was 97.7% occupied and leased to high-quality tenants across Canada. Choice Properties' portfolio is primarily leased to necessity-based tenants and logistics providers, who are less sensitive to economic volatility and therefore provide stability to Choice Properties' overall portfolio. This stability is evident in Choice Properties' ability to consistently deliver strong financial and operating results. Choice Properties continues to experience positive leasing momentum across its portfolio and expects occupancy to remain stable for the remainder of the year as it has substantially addressed its 2022 lease renewal exposure.

In 2021, Choice Properties made the strategic decision to focus its time and capital on the opportunities available in its core business of essential retail and industrial, its growing residential platform and its robust development pipeline. This decision led to Choice Properties' strategic sale of six high-quality office properties to Allied on March 31, 2022.

Choice Properties continues to advance its development program, which provides Choice Properties with the best opportunity to add high-quality real estate to its portfolio at a reasonable cost and drive net asset value appreciation over time. Choice Properties has a mix of active development projects ranging in size, scale, and complexity, including retail intensification projects, industrial development and rental residential projects located in urban markets with a focus on transit accessibility.

Since the start of the year, concerns over inflation have resulted in a significant increase in interest rates with the Bank of Canada already raising the overnight rate by 350 basis points, with further rate hikes possible for the remainder of 2022. Further elevated interest rates may put further downward pressure on the fair value of properties in the remainder of 2022. In addition, market volatility and uncertainty around future interest rates continues to slow transaction volumes.

DECLARATION OF QUARTERLY DIVIDENDS

Subsequent to the end of the third quarter of 2022, 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	\$0.660 per share payable January 1, 2023, to shareholders of record December 15, 2022;
Preferred Shares, Series I	\$0.3625 per share payable December 15, 2022, to shareholders of record November 30, 2022;
Preferred Shares, Series III	\$0.3250 per share payable January 1, 2023, to shareholders of record December 15, 2022;
Preferred Shares, Series IV	\$0.3250 per share payable January 1, 2023, to shareholders of record December 15, 2022;
Preferred Shares, Series V	\$0.296875 per share payable January 1, 2023, to shareholders of record December 15, 2022.

NON-GAAP FINANCIAL MEASURES

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

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

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 adjusts for these items if it believes doing so would result in a more effective analysis of underlying operating performance. The exclusion of certain items does not imply that they are non-recurring.

These measures do not have a standardized meaning prescribed by GAAP and therefore they may not be comparable to similarly titled measures presented by other publicly traded companies, and should not be construed as an alternative to other financial measures determined in accordance with GAAP. Unless otherwise indicated, all financial information represents the Company's results from continuing operations.

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

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

(unaudited) (\$ millions)	16 Weeks Ended							
	Oct. 8, 2022				Oct. 9, 2021			
	Loblaw	Choice Properties	Other & Intersegment	Consolidated	Loblaw	Choice Properties	Other & Intersegment	Consolidated
Net earnings attributable to shareholders of the Company from continuing operations				\$ 903				\$ 252
Add impact of the following:								
Non-controlling interests				282				261
Income taxes				276				200
Net interest expense and other financing charges				13				412
Operating income	\$ 989	\$ 501	\$ (16)	\$ 1,474	\$ 861	\$ 276	\$ (12)	\$ 1,125
Add (deduct) impact of the following:								
Amortization of intangible assets acquired with Shoppers Drug Mart	\$ 147	\$ -	\$ -	\$ 147	\$ 155	\$ -	\$ -	\$ 155
Amortization of intangible assets acquired with Lifemark	4	-	-	4	-	-	-	-
Fair value adjustment of investment in real estate securities	-	69	-	69	-	-	-	-
Restructuring and other related costs	-	-	-	-	9	-	-	9
Fair value adjustment on investment properties	-	(347)	34	(313)	-	(51)	10	(41)
Fair value adjustment of derivatives	(6)	-	-	(6)	(8)	-	-	(8)
Gain on sale of non-operating properties	(3)	-	-	(3)	(7)	-	(2)	(9)
Foreign currency translation and other company level activities	-	-	1	1	-	-	-	-
Adjusting items	\$ 142	\$ (278)	\$ 35	\$ (101)	\$ 149	\$ (51)	\$ 8	\$ 106
Adjusted operating income	\$ 1,131	\$ 223	\$ 19	\$ 1,373	\$ 1,010	\$ 225	\$ (4)	\$ 1,231
Depreciation and amortization excluding the impact of the above adjustments ⁽ⁱ⁾	713	-	(135)	578	662	1	(114)	549
Adjusted EBITDA	\$ 1,844	\$ 223	\$ (116)	\$ 1,951	\$ 1,672	\$ 226	\$ (118)	\$ 1,780

(i) Depreciation and amortization for the calculation of adjusted EBITDA excludes \$151 million (2021 - \$155 million) of amortization of intangible assets, acquired with Shoppers Drug Mart and Lifemark, recorded by Loblaw.

(unaudited) (\$ millions)	40 Weeks Ended							
	Oct. 8, 2022				Oct. 9, 2021			
	Loblaw	Choice Properties	Other & Intersegment	Consolidated	Loblaw	Choice Properties	Other & Intersegment	Consolidated
Net earnings attributable to shareholders of the Company from continuing operations				\$ 1,926				\$ 325
Add impact of the following:								
Non-controlling interests				748				667
Income taxes				618				566
Net interest (income) expense and other financing charges				(3)				1,460
Operating income	\$ 2,465	\$ 679	\$ 145	\$ 3,289	\$ 2,226	\$ 1,064	\$ (272)	\$ 3,018
Add (deduct) impact of the following:								
Amortization of intangible assets acquired with Shoppers Drug Mart	\$ 375	\$ -	\$ -	\$ 375	\$ 389	\$ -	\$ -	\$ 389
Amortization of intangible assets acquired with Lifemark	7	-	-	7	-	-	-	-
Fair value adjustment of investment in real estate securities	-	228	-	228	-	-	-	-
Charge related to PC Bank commodity tax matter	111	-	-	111	-	-	-	-
Transaction costs and other related expenses	16	5	-	21	-	-	-	-
Restructuring and other related (recoveries) costs	(15)	-	19	4	21	-	-	21
Fair value adjustment on investment properties	-	(240)	(262)	(502)	-	(393)	157	(236)
Fair value adjustment of derivatives	(16)	-	-	(16)	(19)	-	-	(19)
Gain on sale of non-operating properties	(7)	-	-	(7)	(12)	-	-	(12)
Foreign currency translation and other company level activities	-	-	3	3	-	-	-	-
Adjusting items	\$ 471	\$ (7)	\$ (240)	\$ 224	\$ 379	\$ (393)	\$ 157	\$ 143
Adjusted operating income	\$ 2,936	\$ 672	\$ (95)	\$ 3,513	\$ 2,605	\$ 671	\$ (115)	\$ 3,161
Depreciation and amortization excluding the impact of the above adjustments ⁽ⁱ⁾	1,746	2	(300)	1,448	1,652	3	(274)	1,381
Adjusted EBITDA	\$ 4,682	\$ 674	\$ (395)	\$ 4,961	\$ 4,257	\$ 674	\$ (389)	\$ 4,542

(i) Depreciation and amortization for the calculation of adjusted EBITDA excludes \$382 million (2021 - \$389 million) of amortization of intangible assets, acquired with Shoppers Drug Mart and Lifemark, recorded by Loblaw.

The following items impacted adjusted EBITDA in 2022 and 2021:

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

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

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

Charge related to PC Bank commodity tax matter In the second quarter of 2022, Loblaw recorded a charge of \$111 million, inclusive of interest. On July 19, 2022, the Tax Court of Canada released its decision and ruled that President's Choice Bank ("PC Bank") is not entitled to claim notional input tax credits for certain payments it made to Loblaws Inc. in respect of redemptions of loyalty points. On September 29, 2022, PC Bank filed a Notice of Appeal with the Federal Court of the Appeal.

Transaction costs and other related expenses In connection with the acquisition of Lifemark, Loblaw recorded \$16 million of acquisition costs year-to-date.

During the first quarter of 2022 and year-to-date, Choice Properties recorded advisory, legal, personnel, and other costs related to the Office Asset Sale totaling \$5 million.

Restructuring and other related costs The Company continuously evaluates strategic and cost reduction initiatives related to its store infrastructure, distribution networks and administrative infrastructure with the objective of ensuring a low cost operating structure. Only restructuring activities that are publicly announced related to these initiatives are considered adjusting items.

In the third quarter of 2022, Loblaw did not record any restructuring and other related recoveries or charges (2021 – charges of \$9 million). Year-to-date, Loblaw recorded approximately \$15 million (2021 – charges of \$21 million) of restructuring and other related recoveries mainly in connection with the previously announced closure of two distribution centres in Laval and Ottawa. In the first quarter of 2022, Loblaw disposed of one of its distribution centres for proceeds of \$26 million and recognized a gain of \$19 million, which was partially offset by \$4 million of restructuring and other related costs. Loblaw invested to build a modern and efficient expansion to its Cornwall distribution centre to serve its food and drug retail businesses in Ontario and Quebec and volumes have been transferred.

Included in Loblaw's restructuring and other related recoveries was a gain of \$19 million related to the disposition of a property to Choice Properties. On consolidation, the \$19 million recovery recorded by Loblaw was reversed as it was an intercompany transaction.

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

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

Gain on sale of non-operating properties In the third quarter of 2022 and year-to-date, Loblaw disposed of non-operating properties to a third party and recorded a gain of \$3 million (2021 – \$7 million) and \$7 million (2021 – \$12 million), respectively.

In the first quarter of 2021, Choice Properties disposed of a property and incurred a nominal loss which was recognized in fair value adjustment of investment properties, and in the third quarter of 2021 disposed of a property and incurred a gain recognized in fair value adjustment of investment properties. On consolidation, the Company recorded these properties as fixed assets and recognized at cost less accumulated depreciation. As a result, in the first and third quarter of 2021, on consolidation an incremental \$2 million loss and \$2 million gain, respectively, was recognized in Other and Intersegment.

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

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

(unaudited) (\$ millions)	16 Weeks Ended		40 Weeks Ended	
	Oct. 8, 2022	Oct. 9, 2021	Oct. 8, 2022	Oct. 9, 2021
Net interest expense (income) and other financing charges	\$ 13	\$ 412	\$ (3)	\$ 1,460
Add: Fair value adjustment of the Trust Unit liability	277	(52)	760	(479)
Recovery related to Glenhuron	–	–	11	–
Fair value adjustment of the forward sale agreement for Loblaw common shares	–	(73)	–	(184)
Adjusted net interest expense and other financing charges	\$ 290	\$ 287	\$ 768	\$ 797

In addition to certain items described in the “Adjusted EBITDA” section above, the following items impacted adjusted net interest expense and other financing charges in 2022 and 2021:

Fair value adjustment of the Trust Unit liability The Company is exposed to market price fluctuations as a result of the Choice Properties Trust Units held by unitholders other than the Company. These Trust Units are presented as a liability on the Company’s consolidated balance sheets as they are redeemable for cash at the option of the holder, subject to certain restrictions. This liability is recorded at fair value at each reporting date based on the market price of Trust Units at the end of each period. An increase (decrease) in the market price of Trust Units results in a charge (income) to net interest expense and other financing charges.

Recovery related to Glenhuron In the first quarter of 2022, Loblaw reversed \$35 million of previously recorded charges, of which \$33 million was recorded as income tax recovery and \$2 million was recorded as interest income. In addition, interest of \$9 million, before taxes was recorded in respect of interest income earned on expected cash tax refunds.

Fair value adjustment of the forward sale agreement for Loblaw common shares The fair value adjustment of the forward sale agreement for Loblaw common shares is included in net interest expense and other financing charges. The adjustment is determined by changes in the value of the underlying Loblaw common shares. An increase (decrease) in the market price of Loblaw common shares results in a charge (income) to net interest expense and other financing charges. The Company settled the net debt associated with the forward sale agreement in the fourth quarter of 2021.

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

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

(unaudited) (\$ millions except where otherwise indicated)	16 Weeks Ended		40 Weeks Ended	
	Oct. 8, 2022	Oct. 9, 2021	Oct. 8, 2022	Oct. 9, 2021
Adjusted operating income ⁽ⁱ⁾	\$ 1,373	\$ 1,231	\$ 3,513	\$ 3,161
Adjusted net interest expense and other financing charges ⁽ⁱ⁾	290	287	768	797
Adjusted earnings before taxes	\$ 1,083	\$ 944	\$ 2,745	\$ 2,364
Income taxes	\$ 276	\$ 200	\$ 618	\$ 566
Add: Tax impact of items excluded from adjusted earnings before taxes ⁽ⁱⁱ⁾	(11)	43	58	88
Outside basis difference in certain Loblaw shares	18	9	(1)	(7)
Remeasurement of deferred tax balances	–	–	46	–
Recovery related to Glenhuron	–	–	33	–
Adjusted income taxes	\$ 283	\$ 252	\$ 754	\$ 647
Effective tax rate applicable to earnings before taxes	18.9%	28.1%	18.8%	36.3%
Adjusted effective tax rate applicable to adjusted earnings before taxes	26.1%	26.7%	27.5%	27.4%

(i) See reconciliations of adjusted operating income and adjusted net interest expense and other financing charges above.

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

In addition to certain items described in the “Adjusted EBITDA” and “Adjusted Net Interest Expense and Other Financing Charges” sections above, the following items impacted adjusted income taxes and the adjusted effective tax rate in 2022 and 2021:

Outside basis difference in certain Loblaw shares The Company recorded a deferred tax recovery of \$18 million quarter-to-date (2021 – \$9 million) and a deferred tax expense of \$1 million year-to-date (2021 – \$7 million) on temporary differences in respect of GWL’s investment in certain Loblaw shares that are expected to reverse in the foreseeable future as a result of GWL’s participation in Loblaw’s NCIB.

Remeasurement of deferred tax balances In the second quarter of 2022, the Company revalued certain deferred tax balances as a result of the Office Asset Sale which resulted in an income tax recovery of \$46 million.

Recovery related to Glenhuron In the first quarter of 2022, Loblaw reversed \$35 million of previously recorded charges, of which \$33 million was recorded as income tax recovery and \$2 million was recorded as interest income. In addition, interest of \$9 million, before taxes was recorded in respect of interest income earned on expected cash tax refunds.

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

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

(unaudited) (\$ millions except where otherwise indicated)	16 Weeks Ended		40 Weeks Ended	
	Oct. 8, 2022	Oct. 9, 2021	Oct. 8, 2022	Oct. 9, 2021
Net earnings attributable to shareholders of the Company	\$ 903	\$ 138	\$ 1,920	\$ 204
Less: Net loss from discontinued operations	–	(114)	(6)	(121)
Net earnings attributable to shareholders of the Company from continuing operations	\$ 903	\$ 252	\$ 1,926	\$ 325
Less: Prescribed dividends on preferred shares in share capital	(14)	(14)	(34)	(34)
Net earnings available to common shareholders of the Company from continuing operations	\$ 889	\$ 238	\$ 1,892	\$ 291
Less: Reduction in net earnings due to dilution at Loblaw	(4)	(1)	(8)	(4)
Net earnings available to common shareholders from continuing operations for diluted earnings per share	\$ 885	\$ 237	\$ 1,884	\$ 287
Net earnings attributable to shareholders of the Company from continuing operations	\$ 903	\$ 252	\$ 1,926	\$ 325
Adjusting items (refer to the following table)	(436)	127	(829)	594
Adjusted net earnings attributable to shareholders of the Company from continuing operations	\$ 467	\$ 379	\$ 1,097	\$ 919
Less: Prescribed dividends on preferred shares in share capital	(14)	(14)	(34)	(34)
Adjusted net earnings available to common shareholders of the Company from continuing operations	\$ 453	\$ 365	\$ 1,063	\$ 885
Less: Reduction in net earnings due to dilution at Loblaw	(4)	(1)	(8)	(4)
Adjusted net earnings available to common shareholders for diluted earnings per share from continuing operations	\$ 449	\$ 364	\$ 1,055	\$ 881
Diluted weighted average common shares outstanding (in millions)	144.1	149.7	145.7	151.0

The following table reconciles adjusted net earnings available to common shareholders of the Company from continuing operations and adjusted diluted net earnings per common share from continuing operations to GAAP net earnings available to

common shareholders of the Company from continuing operations and diluted net earnings per common share from continuing operations as reported for the periods ended as indicated.

	16 Weeks Ended			
	Oct. 8, 2022		Oct. 9, 2021	
(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
Continuing Operations	\$ 889	\$ 6.14	\$ 238	\$ 1.58
Add (deduct) impact of the following ⁽ⁱ⁾ :				
Amortization of intangible assets acquired with Shoppers Drug Mart	\$ 58	\$ 0.41	\$ 58	\$ 0.39
Amortization of intangible assets acquired with Lifemark	2	0.01	–	–
Fair value adjustment of investment in real estate securities	64	0.45	–	–
Restructuring and other related costs	–	–	5	0.03
Fair value adjustment on investment properties	(262)	(1.82)	(35)	(0.24)
Fair value adjustment of derivatives	(3)	(0.02)	(3)	(0.02)
Gain on sale of non-operating properties	(1)	(0.01)	(5)	(0.03)
Fair value adjustment of the Trust Unit liability	(277)	(1.92)	52	0.35
Fair value adjustment of the forward sale agreement for Loblaw common shares	–	–	64	0.43
Outside basis difference in certain Loblaw shares	(18)	(0.13)	(9)	(0.06)
Foreign currency translation and other company level activities	1	0.01	–	–
Adjusting items Continuing Operations	\$ (436)	\$ (3.02)	\$ 127	\$ 0.85
Adjusted Continuing Operations	\$ 453	\$ 3.12	\$ 365	\$ 2.43

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

(unaudited) (\$ except where otherwise indicated)	40 Weeks Ended			
	Oct. 8, 2022		Oct. 9, 2021	
	Net Earnings Available to Common Shareholders of the Company (\$ millions)	Diluted Net Earnings Per Common Share	Net Earnings Available to Common Shareholders of the Company (\$ millions)	Diluted Net Earnings Per Common Share
Continuing Operations	\$ 1,892	\$ 12.93	\$ 291	\$ 1.90
Add (deduct) impact of the following ⁽ⁱ⁾ :				
Amortization of intangible assets acquired with Shoppers Drug Mart	\$ 147	\$ 1.01	\$ 149	\$ 0.98
Amortization of intangible assets acquired with Lifemark	3	0.02	–	–
Fair value adjustment of investment in real estate securities	210	1.45	–	–
Charge related to PC Bank commodity tax matter	45	0.31	–	–
Transaction costs and other related expenses	12	0.08	–	–
Restructuring and other related costs	10	0.08	9	0.06
Fair value adjustment on investment properties	(420)	(2.89)	(198)	(1.31)
Fair value adjustment of derivatives	(7)	(0.05)	(7)	(0.05)
Gain on sale of non-operating properties	(3)	(0.02)	(5)	(0.03)
Fair value adjustment of the Trust Unit liability	(760)	(5.22)	479	3.17
Fair value adjustment of the forward sale agreement for Loblaw common shares	–	–	160	1.06
Outside basis difference in certain Loblaw shares	1	0.01	7	0.05
Remeasurement of deferred tax balances	(46)	(0.32)	–	–
Recovery related to Glenhuron	(23)	(0.16)	–	–
Foreign currency translation and other company level activities	2	0.01	–	–
Adjusting items Continuing Operations	\$ (829)	\$ (5.69)	\$ 594	\$ 3.93
Adjusted Continuing Operations	\$ 1,063	\$ 7.24	\$ 885	\$ 5.83

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

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

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

(unaudited) (\$ millions)	16 Weeks Ended			40 Weeks Ended		
	Oct. 8, 2022	Oct. 9, 2021	\$ Change	Oct. 8, 2022	Oct. 9, 2021	\$ Change
Cash flows from operating activities	\$ 1,578	\$ 1,339	\$ 239	\$ 3,453	\$ 3,952	\$ (499)
Less: Cash flows from operating activities from discontinued operations	–	(28)	28	–	(12)	12
Cash flows from operating activities from continuing operations	\$ 1,578	\$ 1,367	\$ 211	\$ 3,453	\$ 3,964	\$ (511)
Less: Interest paid	225	241	(16)	623	680	(57)
Capital investments ⁽ⁱ⁾	524	393	131	1,093	894	199
Lease payments, net	264	255	9	610	593	17
Free cash flow from continuing operations	\$ 565	\$ 478	\$ 87	\$ 1,127	\$ 1,797	\$ (670)

(i) During 2022, there were no additions to Loblaw fixed assets related to prepayments that were made in 2021 and transferred from other assets. During 2021, additions to Loblaw fixed assets included prepayments that were made in 2020 and transferred from other assets of nil in the third quarter of 2021 and \$1 million year-to-date 2021.

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

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

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

(unaudited) (\$ millions)	16 Weeks Ended		40 Weeks Ended	
	Oct. 8, 2022	Oct. 9, 2021	Oct. 8, 2022	Oct. 9, 2021
Net Income	\$ 948	\$ 163	\$ 1,323	\$ 186
Add (deduct) impact of the following:				
Amortization of intangible assets	–	–	1	1
Transaction costs and other related expenses	–	–	5	–
Other fair value gains, net	–	–	(1)	2
Fair value adjustment on Exchangeable Units	(578)	(16)	(1,029)	491
Fair value adjustment on investment properties	(141)	(35)	80	(363)
Fair value adjustment on investment property held in equity accounted joint ventures	(203)	(16)	(315)	(30)
Fair value adjustment of investment in real estate securities	69	–	228	–
Capitalized interest on equity accounted joint ventures	3	1	6	3
Unit distributions on Exchangeable Units	73	74	220	220
Internal expenses for leasing	2	2	6	5
Funds from Operations	\$ 173	\$ 173	\$ 524	\$ 515

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, and economic conditions. These specific forward-looking statements are contained throughout this News Release including, without limitation, in the "Outlook" section of this News Release. Forward-looking statements are typically identified by words such as "expect", "anticipate", "believe", "foresee", "could", "estimate", "goal", "intend", "plan", "seek", "strive", "will", "may", "should" and similar expressions, as they relate to the Company and its management.

Forward-looking statements reflect the Company's estimates, beliefs and assumptions, which are based on management's perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. The Company's estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events, and as such, are subject to change. The Company can give no assurance that such estimates, beliefs and assumptions will prove to be correct.

Numerous risks and uncertainties could cause the Company's actual results to differ materially from those expressed, implied or projected in the forward-looking statements, including those described in the "Enterprise Risks and Risk Management" section, of the MD&A in the Company's 2021 Annual Report and the Company's Annual Information Form for the year ended December 31, 2021.

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.

2022 THIRD QUARTER REPORT

The Company's 2021 Annual Report and 2022 Third Quarter Report are available in the Investor Centre section of the Company's website at www.weston.ca and have been filed on SEDAR and are available at www.sedar.com.

INVESTOR RELATIONS

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

Additional financial information has been filed electronically with various securities regulators in Canada through SEDAR. This News Release includes selected information on Loblaw, a public company with shares trading on the 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.

Ce rapport est disponible en français.

Endnotes

- (1) See the "Non-GAAP Financial Measures" section of this News Release, 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 2022 Third Quarter 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.
 - (3) GWL Corporate refers to the non-consolidated financial results and metrics of GWL. GWL Corporate is a subset of Other and Intersegment.
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