NEWS RELEASE

George Weston Limited Reports Fourth Quarter and Fiscal Year 2023 Results; Full-year revenue tops $60 billion milestone and corporate free cash flow increases to $1.3 billion.

Toronto, Ontario February 28, 2024 George Weston Limited (TSX: WN) ("GWL" or the "Company") today announced its consolidated unaudited results for the 12 weeks ended December 31, 2023[2].

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

"George Weston Limited's operating companies delivered strong and consistent operating and financial results in the fourth quarter of 2023," said Galen G. Weston, Chairman and Chief Executive Officer, George Weston Limited. "Our market leading businesses continue to serve their customers and tenants well, positioning our group of companies for continued value creation."

Loblaw Companies Limited ("Loblaw") delivered another quarter of strong operational and financial results as it maintained its focus on retail excellence. Loblaw's value proposition, private label brands, and personalized PC Optimum™ offers continued to resonate with customers seeking quality and value. This resulted in traffic growth and continued market share momentum in food retail. Loblaw recorded an internal food inflation lower than Canada's food CPI again this quarter, demonstrating the impact of its continuing investments in value. Additionally, Loblaw opened 8 more Maxi and No Frills discount stores in the fourth quarter. Drug retail sales reflected continued strength in front store beauty products, and strong sales of cough and cold medications. Canadians reacted very positively to the convenience and level of care offered across Loblaw's 74 new pharmacy-based clinics, resulting in strong growth of new pharmacist led healthcare services. Operational excellence across Loblaw's businesses supported sales growth, provided sequential shrink improvements, and continued Loblaw's focused cost discipline, to drive earnings growth. Loblaw's strategy, unique assets, and dedicated colleagues position it well to best serve the needs of Canadians today and in the future.

Choice Properties Real Estate Investment Trust ("Choice Properties") delivered strong financial and operational performance for the quarter, reflecting the strength and resilience of its grocery-anchored and necessity-based retail portfolio and demand for its well-located industrial assets. In 2023, Choice Properties continued to execute on its strategic priorities, further improving the quality of its portfolio by completing over $600 million of real estate transactions and by delivering over $425 million of development projects, adding 1.8 million square feet of new commercial retail and industrial space and a new purpose-built residential rental building to its portfolio. Supported by stable and growing cash flows and a solid financial position, Choice Properties announced another annual distribution increase for unitholders.

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

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

2023 FOURTH QUARTER HIGHLIGHTS

- Revenue was $14,700 million, an increase of $558 million, or 3.9%.
- Adjusted EBITDA(1) was $1,694 million, an increase of $104 million, or 6.5%.
- Adjusted EBITDA(1) from the publicly traded operating companies(i) was $1,705 million, an increase of $123 million, or 7.8%.
- Net loss available to common shareholders of the Company from continuing operations was $38 million ($0.30 per common share), an improvement of $76 million ($0.53 per common share), or 66.7%.
- Adjusted net earnings available to common shareholders of the Company(1) from continuing operations were $342 million, a decrease of $27 million, or 7.3%, due to the unfavourable year-over-year impact of the fair value adjustment on other investments and an increase in income tax expense.
- Adjusted diluted net earnings per common share(1) from continuing operations were $2.51, a decrease of $0.08 per common share, or 3.1%.
- Contribution to adjusted net earnings available to common shareholders of the Company(1) from continuing operations from the publicly traded operating companies(i) was $378 million, an increase of $18 million, or 5.0%.
- Repurchased for cancellation 1.1 million common shares at a cost of $165 million.
- GWL Corporate free cash flow(1) was $413 million, an increase of $212 million, or 105.5%.

2023 ANNUAL HIGHLIGHTS

- Revenue was $60,124 million, an increase of $3,076 million, or 5.4%.
- Adjusted EBITDA(1) was $6,953 million, an increase of $402 million, or 6.1%.
- Adjusted EBITDA(1) from the publicly traded operating companies(i) was $7,000 million, an increase of $433 million, or 6.6%.
- Net earnings available to common shareholders of the Company from continuing operations were $1,496 million ($10.75 per common share), a decrease of $282 million ($1.45 per common share), or 15.9%.
- Adjusted net earnings available to common shareholders of the Company(1) from continuing operations were $1,467 million, an increase of $35 million, or 2.4%.
- Adjusted diluted net earnings per common share(1) from continuing operations were $10.54, an increase of $0.73 per common share, or 7.4%.
- Contribution to adjusted net earnings available to common shareholders of the Company(1) from continuing operations from the publicly traded operating companies(i) was $1,614 million, an increase of $88 million, or 5.8%.
- Repurchased for cancellation 6.3 million common shares at a cost of $1,001 million.
- Dividends paid to common shareholders of the Company were $381 million, an increase of $14 million, or 3.8%.
- GWL Corporate free cash flow(1) was $1,283 million, an increase of $390 million, or 43.7%.

(i) Publicly traded operating companies is the contribution to the Company's financial performance from its controlling interest in Loblaw and Choice Properties after the effect of consolidation, each of which are publicly traded entities. Effect of consolidation includes eliminations, intersegment adjustments and other consolidation adjustments. See "Reportable Operating Segments" section of this News Release for further information.

CONSOLIDATED RESULTS OF OPERATIONS

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

($ millions except where otherwise indicated) For the periods ended as indicated	Quarters Ended Dec. 31, 2023	Dec. 31, 2022	$ Change	% Change	Years Ended Dec. 31, 2023	Dec. 31, 2022	$ Change	% Change
Revenue	**$ 14,700**	**$ 14,142**	**$ 558**	**3.9%**	**$ 60,124**	**$ 57,048**	**$ 3,076**	**5.4%**
Operating income	**$ 1,076**	**$ 1,264**	**$ (188)**	**(14.9)%**	**$ 4,363**	**$ 4,553**	**$ (190)**	**(4.2)%**
Adjusted EBITDA[1] from:								
Loblaw	**$ 1,631**	$ 1,491	$ 140	9.4%	**$ 6,639**	$ 6,173	$ 466	7.5%
Choice Properties	**$ 238**	$ 223	$ 15	6.7%	**$ 940**	$ 897	$ 43	4.8%
Effect of consolidation	**$ (164)**	$ (132)	$ (32)	(24.2)%	**$ (579)**	$ (503)	$ (76)	(15.1)%
Publicly traded operating companies	**$ 1,705**	$ 1,582	$ 123	7.8%	**$ 7,000**	$ 6,567	$ 433	6.6 %
GWL Corporate	**$ (11)**	$ 8	$ (19)	(237.5)%	**$ (47)**	$ (16)	$ (31)	(193.8)%
Adjusted EBITDA[1]	**$ 1,694**	$ 1,590	$ 104	6.5%	**$ 6,953**	$ 6,551	$ 402	6.1%
Adjusted EBITDA margin[1]	**11.5%**	11.2%			**11.6%**	11.5%		
Net (loss) earnings attributable to shareholders of the Company from continuing operations	**$ (28)**	**$ (104)**	**$ 76**	**73.1%**	**$ 1,540**	**$ 1,822**	**$ (282)**	**(15.5)%**
Loblaw[(i)]	**$ 285**	$ 279	$ 6	2.2%	**$ 1,102**	$ 1,007	$ 95	9.4%
Choice Properties	**$ (445)**	$ (579)	$ 134	23.1%	**$ 797**	$ 744	$ 53	7.1%
Effect of consolidation	**$ 142**	$ 180	$ (38)	(21.1)%	**$ (248)**	$ 127	$ (375)	(295.3)%
Publicly traded operating companies	**$ (18)**	$ (120)	$ 102	85.0%	**$ 1,651**	$ 1,878	$ (227)	(12.1)%
GWL Corporate	**$ (20)**	$ 6	$ (26)	(433.3)%	**$ (155)**	$ (100)	$ (55)	(55.0)%
Net (loss) earnings available to common shareholders of the Company from continuing operations	**$ (38)**	**$ (114)**	**$ 76**	**66.7%**	**$ 1,496**	**$ 1,778**	**$ (282)**	**(15.9)%**
Discontinued operations[(ii)]	**$ –**	**$ –**	**$ –**	**–%**	**$ –**	**$ (6)**	**$ 6**	**100.0%**
Net (loss) earnings available to common shareholders of the Company	**$ (38)**	**$ (114)**	**$ 76**	**66.7%**	**$ 1,496**	**$ 1,772**	**$ (276)**	**(15.6)%**
Diluted net (loss) earnings per common share ($)	**$ (0.30)**	**$ (0.83)**	**$ 0.53**	**63.9%**	**$ 10.75**	**$ 12.16**	**$ (1.41)**	**(11.6)%**
Continuing operations	**$ (0.30)**	**$ (0.83)**	**$ 0.53**	**63.9%**	**$ 10.75**	**$ 12.20**	**$ (1.45)**	**(11.9)%**
Discontinued operations[(ii)]	**$ –**	**$ –**	**$ –**	**–%**	**$ –**	**$ (0.04)**	**$ 0.04**	**100.0%**
Loblaw[(i)]	**$ 332**	$ 304	$ 28	9.2%	**$ 1,309**	$ 1,194	$ 115	9.6%
Choice Properties	**$ 103**	$ 92	$ 11	12.0%	**$ 409**	$ 384	$ 25	6.5%
Effect of consolidation	**$ (57)**	$ (36)	$ (21)	(58.3)%	**$ (104)**	$ (52)	$ (52)	(100.0)%
Publicly traded operating companies	**$ 378**	$ 360	$ 18	5.0%	**$ 1,614**	$ 1,526	$ 88	5.8%
GWL Corporate	**$ (36)**	$ 9	$ (45)	(500.0)%	**$ (147)**	$ (94)	$ (53)	(56.4)%
Adjusted net earnings available to common shareholders of the Company[1] from continuing operations	**$ 342**	$ 369	$ (27)	(7.3)%	**$ 1,467**	$ 1,432	$ 35	2.4%
Adjusted diluted net earnings per common share[1] from continuing operations ($)	**$ 2.51**	$ 2.59	$ (0.08)	(3.1)%	**$ 10.54**	$ 9.81	$ 0.73	7.4%

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

(ii) In 2021, the Company completed the sale of the Weston Foods bakery business. The Company's interest in Weston Foods was presented separately as discontinued operations in the Company's 2022 results. Details are included in the Company's 2022 Annual Report available on the Company's website (www.weston.ca).

Net loss available to common shareholders of the Company from continuing operations was $38 million ($0.30 per common share) in the fourth quarter of 2023, compared to net loss available to common shareholders of the Company from continuing operations of $114 million ($0.83 per common share) in the same period of 2022, an improvement of $76 million ($0.53 per common share).

The adjusting items in the fourth quarter of 2023 had a favourable year-over-year net impact on net loss available to common shareholders of the Company from continuing operations totaling $103 million ($0.61 per common share), primarily due to:

- the favourable year-over-year impact of the fair value adjustment of the Trust Unit liability of $280 million ($1.86 per common share) as a result of the increase in Choice Properties' unit price; and
- the favourable year-over-year impact of the fair value adjustment on Choice Properties' investment in real estate securities of Allied Properties Real Estate Investment Trust ("Allied") of $43 million ($0.32 per common share) as a result of the increase in Allied's unit price;

partially offset by,

- the unfavourable year-over-year impact of the fair value adjustment on investment properties of $218 million ($1.55 per common share) driven by Choice Properties, net of the effect of consolidation.

Adjusted net earnings available to common shareholders of the Company[1] from continuing operations in the fourth quarter of 2023 were $342 million, a decrease of $27 million, or 7.3%, compared to the same period in 2022. The decrease was driven by:

- the unfavourable year-over-year impact of $45 million at GWL Corporate primarily due to the unfavourable year-over-year impact of the fair value adjustment on other investments and an increase in income tax expense as a result of GWL's participation in Loblaw's Normal Course Issuer Bid ("NCIB") program and lapping certain recoveries realized for prior taxation periods;

partially offset by,

- the favourable year-over-year impact of $18 million from the contribution of the publicly traded operating companies.

Adjusted diluted net earnings per common share[1] from continuing operations were $2.51 per common share in the fourth quarter of 2023, a decrease of $0.08 per common share, or 3.1%, compared to the same period in 2022. The decrease was due to the performance in adjusted net earnings available to common shareholders[1] from continuing operations as described above, partially offset by the favourable impact of shares purchased for cancellation over the last 12 months ($0.11 per common share) pursuant to the Company's NCIB.

CONSOLIDATED OTHER BUSINESS MATTERS

The Company completed the following GWL Corporate financing activities:

NCIB – Purchased and Cancelled Shares In the fourth quarter of 2023, the Company purchased and cancelled 1.1 million shares (2022 – 1.7 million shares) for aggregate consideration of $165 million (2022 – $270 million) under its NCIB. As at December 31, 2023, the Company had 134.4 million shares issued and outstanding, net of shares held in trusts (December 31, 2022 – 140.6 million shares).

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

Refer to Section 3.6, "Share Capital" of the MD&A in the Company's 2023 Annual Report for more information.

Participation in Loblaw's NCIB The Company participates in Loblaw's NCIB in order to maintain its proportionate percentage ownership interest. In the fourth quarter of 2023, GWL received proceeds of $238 million (2022 – $49 million) from the sale of Loblaw common shares.

REPORTABLE OPERATING SEGMENTS

The Company operates through its two reportable operating segments: Loblaw and Choice Properties. Effective in the fourth quarter of 2023, the effect of consolidation includes eliminations, intersegment adjustments and other consolidation adjustments. Cash and short-term investments and other investments held by the Company, and all other company level activities that are not allocated to the reportable operating segments, such as net interest expense, corporate activities and administrative costs are included in GWL Corporate. Effect of consolidation and GWL Corporate comparative figures have been restated to conform to the current year presentation.

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

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

Excerpt of Segment Information

The accounting policies of the reportable operating segments are the same as those described in the Company's 2023 audited annual consolidated financial statements. The Company measures each reportable operating segment's performance based on adjusted EBITDA[1]. No reportable operating segment is reliant on any single external customer.

	Quarters Ended											
	Dec. 31, 2023						Dec. 31, 2022					
($ millions)	Loblaw	Choice Properties	Total Segment Measure	Effect of consol-idation	GWL Corporate	Total	Loblaw	Choice Properties	Total Segment Measure	Effect of consol-idation	GWL Corporate	Total
Revenue	$ 14,531	$ 355	$ 14,886	$ (186)	$ –	$ 14,700	$ 14,007	$ 315	$ 14,322	$ (180)	$ –	$ 14,142
Operating income	$ 941	$ 191	$ 1,132	$ (45)	$ (11)	$ 1,076	$ 869	$ 404	$ 1,273	$ (16)	$ 7	$ 1,264
Net interest expense and other financing charges	195	636	831	(171)	–	660	172	983	1,155	(238)	(1)	916
Earnings (loss) before income taxes from continuing operations	$ 746	$ (445)	$ 301	$ 126	$ (11)	$ 416	$ 697	$ (579)	$ 118	$ 222	$ 8	$ 348
Operating income	$ 941	$ 191	$ 1,132	$ (45)	$ (11)	$ 1,076	$ 869	$ 404	$ 1,273	$ (16)	$ 7	$ 1,264
Depreciation and amortization	680	–	680				667	1	668			
Adjusting items[i]	10	47	57				(45)	(182)	(227)			
Adjusted EBITDA[i]	$ 1,631	$ 238	$ 1,869				$ 1,491	$ 223	$ 1,714			

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

	Years Ended											
	Dec. 31, 2023						Dec. 31, 2022					
($ millions)	Loblaw	Choice Properties	Total Segment Measure	Effect of consol-idation	GWL Corporate	Total	Loblaw	Choice Properties	Total Segment Measure	Effect of consol-idation	GWL Corporate	Total
Revenue	$ 59,529	$ 1,335	$ 60,864	$ (740)	$ –	$ 60,124	$ 56,504	$ 1,265	$ 57,769	$ (721)	$ –	$ 57,048
Operating income	$ 3,696	$ 1,001	$ 4,697	$ (284)	$ (50)	$ 4,363	$ 3,334	$ 1,083	$ 4,417	$ 159	$ (23)	$ 4,553
Net interest expense and other financing charges	803	204	1,007	(116)	(2)	889	683	339	1,022	(119)	10	913
Earnings before income taxes from continuing operations	$ 2,893	$ 797	$ 3,690	$ (168)	$ (48)	$ 3,474	$ 2,651	$ 744	$ 3,395	$ 278	$ (33)	$ 3,640
Operating income	$ 3,696	$ 1,001	$ 4,697	$ (284)	$ (50)	$ 4,363	$ 3,334	$ 1,083	$ 4,417	$ 159	$ (23)	$ 4,553
Depreciation and amortization	2,906	3	2,909				2,795	3	2,798			
Adjusting items[i]	37	(64)	(27)				44	(189)	(145)			
Adjusted EBITDA[i]	$ 6,639	$ 940	$ 7,579				$ 6,173	$ 897	$ 7,070			

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

Effect of consolidation includes the following items:

	Quarters Ended					
	Dec. 31, 2023			Dec. 31, 2022		
($ millions)	Revenue	Operating Income	Net Interest Expense and Other Financing Charges	Revenue	Operating Income	Net Interest Expense and Other Financing Charges
Elimination of intercompany rental revenue	$ (190)	$ (20)	$ –	$ (184)	$ (27)	$ –
Elimination of internal lease arrangements	4	(9)	(29)	4	(15)	(25)
Asset impairments, net of recoveries	–	(7)	–	–	4	–
Elimination of intersegment real estate transactions	–	(34)	–	–	–	–
Recognition of depreciation on Choice Properties' investment properties classified as fixed assets by the Company and measured at cost	–	(15)	–	–	(2)	–
Fair value adjustment on investment properties	–	40	1	–	24	6
Unit distributions on Exchangeable Units paid by Choice Properties to GWL	–	–	(74)	–	–	(73)
Unit distributions on Trust Units paid by Choice Properties, excluding amounts paid to GWL	–	–	51	–	–	51
Fair value adjustment on Choice Properties' Exchangeable Units	–	–	(502)	–	–	(859)
Fair value adjustment on Trust Unit liability	–	–	382	–	–	662
Total	$ (186)	$ (45)	$ (171)	$ (180)	$ (16)	$ (238)

	Years Ended					
	Dec. 31, 2023			Dec. 31, 2022		
($ millions)	Revenue	Operating Income	Net Interest Expense and Other Financing Charges	Revenue	Operating Income	Net Interest Expense and Other Financing Charges
Elimination of intercompany rental revenue	$ (752)	$ (19)	$ –	$ (733)	$ 2	$ –
Elimination of internal lease arrangements	12	(97)	(120)	12	(97)	(104)
Asset impairments, net of recoveries	–	(7)	–	–	4	–
Elimination of intersegment real estate transactions	–	(39)	–	–	(4)	–
Recognition of depreciation on Choice Properties' investment properties classified as fixed assets by the Company and measured at cost	–	(29)	–	–	(13)	–
Fair value adjustment on investment properties	–	(93)	3	–	286	1
Reversal of Loblaw gain on the sale of disposition of property to Choice Properties	–	–	–	–	(19)	–
Unit distributions on Exchangeable Units paid by Choice Properties to GWL	–	–	(296)	–	–	(293)
Unit distributions on Trust Units paid by Choice Properties, excluding amounts paid to GWL	–	–	207	–	–	205
Fair value adjustment on Choice Properties' Exchangeable Units	–	–	321	–	–	170
Fair value adjustment on Trust Unit liability	–	–	(231)	–	–	(98)
Total	$ (740)	$ (284)	$ (116)	$ (721)	$ 159	$ (119)

Loblaw Operating Results

($ millions except where otherwise indicated) For the periods ended as indicated	Quarters Ended				Years Ended			
	Dec. 31, 2023	Dec. 31, 2022	$ Change	% Change	**Dec. 31, 2023**	Dec. 31, 2022	$ Change	% Change
Revenue	**$ 14,531**	$ 14,007	$ 524	3.7%	**$ 59,529**	$ 56,504	$ 3,025	5.4%
Operating income	**$ 941**	$ 869	$ 72	8.3%	**$ 3,696**	$ 3,334	$ 362	10.9%
Adjusted EBITDA[(1)]	**$ 1,631**	$ 1,491	$ 140	9.4%	**$ 6,639**	$ 6,173	$ 466	7.5%
Adjusted EBITDA margin[(1)]	**11.2%**	10.6%			**11.2%**	10.9%		
Depreciation and amortization	**$ 680**	$ 667	$ 13	1.9%	**$ 2,906**	$ 2,795	$ 111	4.0%

Revenue Loblaw revenue in the fourth quarter of 2023 was $14,531 million, an increase of $524 million, or 3.7%, compared to the same period in 2022, driven by an increase in retail sales and in financial services revenue.

Retail sales in the fourth quarter of 2023 were $14,157 million, an increase of $463 million, or 3.4%, compared to the same period in 2022. The increase was primarily driven by the following factors:

- food retail sales were $9,774 million (2022 – $9,514 million) and food retail same-store sales grew by 2.0% (2022 – 8.4%) for the quarter;
  - the Consumer Price Index ("CPI") as measured by The Consumer Price Index for Food Purchased from Stores was 4.9% (2022 – 11.2%) which was higher than Loblaw's internal food inflation; and
  - food retail traffic increased and basket size decreased.

- drug retail sales were $4,383 million (2022 – $4,180 million) and drug retail same-store sales grew by 4.6% (2022 – 8.7%) for the quarter;
  - pharmacy and healthcare services same-store sales growth was 8.0% (2022 – 5.4%). On a same-store basis, the number of prescriptions dispensed increased by 3.4% (2022 – 2.2%) and the average prescription value increased by 3.4% (2022 – 2.3%); and
  - front store same-store sales growth was 1.7% (2022 – 11.5%).

Financial services revenue in the fourth quarter of 2023 was $487 million, an increase of $70 million compared to the same period in 2022. The increase was primarily driven by higher sales attributable to *The Mobile Shop*, higher interest income from growth in credit card receivables and higher interchange income and other credit card related revenue from an increase in customer spending.

Operating Income Loblaw operating income in the fourth quarter of 2023 was $941 million, an increase of $72 million, or 8.3%, compared to the same period in 2022.

Adjusted EBITDA[(1)] Loblaw adjusted EBITDA[(1)] in the fourth quarter of 2023 was $1,631 million, an increase of $140 million, or 9.4%, compared to the same period in 2022. The increase was due to an increase in retail of $114 million, and an increase in financial services of $26 million.

Retail adjusted EBITDA[(1)] in the fourth quarter of 2023 increased by $114 million, driven by an increase in retail gross profit of $221 million, partially offset by an increase in retail selling, general and administrative expenses ("SG&A") of $107 million.

- Retail gross profit percentage in the fourth quarter of 2023 was 31.1%, which was in line with the full-year gross profit percentage of 31.0%, and was higher by 50 basis points compared to the same period in 2022 (2022 – decreased by 30 basis points). The increase was driven by lapping of high-intensity prior year promotional activities and the scaling of the external freight business, partially offset by higher shrink.

- Retail SG&A as a percentage of sales was 20.3%, an increase of 10 basis points compared to the same period in 2022, driven by the year-over-year impact of labour costs including expenses related to the ratification of union labour agreements, partially offset by operating leverage from higher sales.

Financial services adjusted EBITDA[(1)] increased by $26 million compared to the same period in 2022, primarily driven by higher revenue as described above and lower operating costs, including benefits associated with the renewal of a long-term agreement with Mastercard, partially offset by higher contractual charge-offs and loyalty program costs from growth in the credit card portfolio and the year-over-year unfavourable impact of the expected credit loss provision.

Depreciation and Amortization Loblaw depreciation and amortization in the fourth quarter of 2023 was $680 million, an increase of $13 million compared to the same period in 2022. The increase in depreciation and amortization in the fourth quarter of 2023 was primarily driven by an increase in depreciation of leased assets and information technology ("IT") assets, accelerated depreciation of $7 million as a result of network optimization, and an increase in depreciation of fixed assets related to conversions of retail locations, partially offset by the impact of prior year accelerated depreciation due to the reassessment of the estimated useful life of certain IT assets. Depreciation and amortization in the fourth quarter of 2023 included the amortization of intangible assets related to the acquisitions of Shoppers Drug Mart Corporation ("Shoppers Drug Mart") and Lifemark Health Group ("Lifemark") of $115 million (2022 – $115 million).

Loblaw Other Business Matters

Network Optimization During the fourth quarter of 2023 and on a full-year basis, Loblaw recorded charges of $25 million and $70 million associated with network optimization, respectively. Included in the charges was accelerated depreciation of $7 million and $24 million, as described above, and other charges. Loblaw finalized plans for 2024 that are expected to result in the conversion of 30 Provigo stores to Maxi discount stores in Quebec. Charges associated with store conversions will be recorded as incurred and are expected to include equipment, severance, lease related and other costs and will not be considered an adjusting item.

Choice Properties Operating Results

($ millions except where otherwise indicated)	Quarters Ended				Years Ended			
For the periods ended as indicated	**Dec. 31, 2023**	Dec. 31, 2022	$ Change	% Change	**Dec. 31, 2023**	Dec. 31, 2022	$ Change	% Change
Revenue	**$ 355**	$ 315	$ 40	12.7%	**$ 1,335**	$ 1,265	$ 70	5.5%
Net interest expense and other financing charges	**$ 636**	$ 983	$ (347)	(35.3)%	**$ 204**	$ 339	$ (135)	(39.8)%
Net (loss) income	**$ (445)**	$ (579)	$ 134	23.1%	**$ 797**	$ 744	$ 53	7.1%
Funds from Operations(1)	**$ 185**	$ 174	$ 11	6.3%	**$ 726**	$ 698	$ 28	4.0%

Revenue Choice Properties revenue in the fourth quarter of 2023 was $355 million, an increase of $40 million, or 12.7%, compared to the same period in 2022 and included revenue from the sale of residential inventory of $26 million and revenue of $187 million (2022 – $181 million) generated from tenants within Loblaw.

Excluding the impact of the sale of residential inventory, revenue in the fourth quarter of 2023 was $329 million, an increase of $14 million, or 4.4%, compared to the same period in 2022, primarily driven by:

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

Net Interest Expense and Other Financing Charges Choice Properties net interest expense and other financing charges in the fourth quarter of 2023 were $636 million compared to $983 million in the same period in 2022. The decrease of $347 million was primarily driven by:

- the favourable year-over-year change of the fair value adjustment on the Exchangeable Units of $357 million as a result of the increase in Choice Properties' unit price in the quarter;

partially offset by,

- the unfavourable year-over-year change of the fair value adjustment on the financial real estate assets; and
- an increase in interest expense on long-term debt due to higher interest rates and a higher average debt balance compared to the same period in 2022.

Net Loss Choice Properties net loss in the fourth quarter of 2023 was $445 million, compared to $579 million in the same period in 2022. The change of $134 million was primarily driven by:

- lower net interest expense and other financing charges as described above;
- the favourable year-over-year change of the fair value adjustment of investment in real estate securities of $47 million as a result of an increase in Allied's unit price; and
- an increase in revenues as described above;

partially offset by,

- the unfavourable year-over-year change of the fair value adjustment of investment properties, including those held within equity accounted joint ventures, of $276 million as a result of a fair value loss recognized in the fourth quarter of 2023 compared to a fair value gain in the same period in 2022.

Funds from Operations[1] Funds from Operations[1] in the fourth quarter of 2023 increased by $11 million to $185 million compared to the same period in 2022. The increase was primarily due to an increase in rental income, an increase in investment income as a result of the special distribution from Allied, income from the sale of residential inventory and an increase in interest income. This was partially offset by an increase in interest expense and higher general and administrative expenses.

Choice Properties Other Business Matters

Subsequent Events On February 8, 2024, Choice Properties paid in full upon maturity, at par, plus accrued and unpaid interest thereon, the $200 million aggregate principal amount of the Series D senior unsecured debentures outstanding. The repayment of the Series D senior unsecured debentures was funded by proceeds received from the repayment of the Allied promissory note.

On February 14, 2024, Choice Properties announced an increase in the annual distribution by 1.3% to $0.76 per unit. The increase will be effective for Choice Properties' unitholders of record on March 31, 2024.

OUTLOOK[2]

For 2024, the Company expects adjusted net earnings[1] to increase due to the results from its operating segments, and to use excess cash to repurchase shares.

Loblaw Loblaw will execute on retail excellence while advancing its growth initiatives with the goal of continuing to deliver consistent operational and financial results in 2024. Loblaw's businesses remain well positioned to meet the everyday needs of Canadians.

For the full-year 2024, Loblaw expects:

- its retail business to grow earnings faster than sales;
- adjusted net earnings per common share[1] growth in the high single-digits;
- to continue investing in its store network and distribution centres by investing a net amount of $1.8 billion in capital expenditures, which reflects gross capital investments of approximately $2.2 billion, net of approximately $400 million of proceeds from property disposals; and
- to return capital to shareholders by allocating a significant portion of free cash flow to share repurchases.

Choice Properties Choice Properties is focused on capital preservation, delivering stable and growing cash flows and net asset value appreciation, all with a long-term focus. Its high-quality portfolio is primarily leased to necessity-based tenants and logistics providers, who are less sensitive to economic volatility and therefore provide stability to its overall portfolio. Choice Properties continues to experience positive leasing momentum across its portfolio and is well positioned to complete its 2024 lease renewals. Choice Properties also continues to advance its development program, with a focus on commercial developments in the near term, which provides the best opportunity to add high-quality real estate to its portfolio at a reasonable cost and drive net asset value appreciation over time.

Choice Properties is confident that its business model, stable tenant base, strong balance sheet and disciplined approach to financial management will continue to position the business well for future success. In 2024, Choice Properties will continue to focus on its core business of essential retail and industrial, its growing residential platform and its robust development pipeline, and is targeting:

- stable occupancy across the portfolio, resulting in 2.5% - 3.0% year-over-year growth in Same-Asset NOI, cash basis[3];
- annual FFO[1] per unit diluted[3] in a range of $1.02 to $1.03, reflecting 2.0% - 3.0% year-over-year growth; and
- strong leverage metrics, targeting Adjusted Debt to EBITDAFV[3] slightly below 7.5x.

FORWARD-LOOKING STATEMENTS

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

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

Numerous risks and uncertainties could cause the Company's actual results to differ materially from those expressed, implied or projected in the forward-looking statements, including those described in the "Enterprise Risks and Risk Management" sections of the MD&A in the Company's 2023 Annual Report and the Company's Annual Information Form for the year ended December 31, 2023.

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

DECLARATION OF QUARTERLY DIVIDENDS

Subsequent to the end of the fourth quarter of 2023, the Company's Board of Directors declared a quarterly dividend on GWL Common Shares, Preferred Shares, Series I, Preferred Shares, Series III, Preferred Shares, Series IV and Preferred Shares, Series V payable as follows:

Common Shares	$0.713 per share payable April 1, 2024, to shareholders of record March 15, 2024;
Preferred Shares, Series I	$0.3625 per share payable March 15, 2024, to shareholders of record February 29, 2024;
Preferred Shares, Series III	$0.3250 per share payable April 1, 2024, to shareholders of record March 15, 2024;
Preferred Shares, Series IV	$0.3250 per share payable April 1, 2024, to shareholders of record March 15, 2024;
Preferred Shares, Series V	$0.296875 per share payable April 1, 2024, to shareholders of record March 15, 2024.

SELECTED FINANCIAL INFORMATION

The following includes selected quarterly financial information which is prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards" or "GAAP") and is based on the Company's audited annual consolidated financial statements for the year ended December 31, 2023. This financial information does not contain all disclosures required by IFRS Accounting Standards, and accordingly, this financial information should be read in conjunction with the Company's 2023 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, 2023 (12 weeks)	Dec. 31, 2022 (12 weeks)	Dec. 31, 2023 (52 weeks)	Dec. 31, 2022 (52 weeks)
Revenue	**$ 14,700**	$ 14,142	**$ 60,124**	$ 57,048
Operating Expenses				
Cost of inventories sold	**9,879**	9,587	**40,513**	38,528
Selling, general and administrative expenses	**3,745**	3,291	**15,248**	13,967
	13,624	12,878	**55,761**	52,495
Operating Income	**1,076**	1,264	**4,363**	4,553
Net Interest Expense and Other Financing Charges	**660**	916	**889**	913
Earnings Before Income Taxes	**416**	348	**3,474**	3,640
Income Taxes	**169**	213	**849**	831
Net Earnings from Continuing Operations	**247**	135	**2,625**	2,809
Net Loss from Discontinued Operations	**–**	–	**–**	(6)
Net Earnings	**247**	135	**2,625**	2,803
Attributable to:				
Shareholders of the Company	**(28)**	(104)	**1,540**	1,816
Non-Controlling Interests	**275**	239	**1,085**	987
Net Earnings	**$ 247**	$ 135	**$ 2,625**	$ 2,803
Net (Loss) Earnings per Common Share - Basic ($)	**$ (0.28)**	$ (0.81)	**$ 10.88**	$ 12.29
Continuing Operations	**$ (0.28)**	$ (0.81)	**$ 10.88**	$ 12.33
Discontinued Operations	**$ –**	$ –	**$ –**	$ (0.04)
Net (Loss) Earnings per Common Share - Diluted ($)	**$ (0.30)**	$ (0.83)	**$ 10.75**	$ 12.16
Continuing Operations	**$ (0.30)**	$ (0.83)	**$ 10.75**	$ 12.20
Discontinued Operations	**$ –**	$ –	**$ –**	$ (0.04)

Consolidated Balance Sheets

As at December 31 (millions of Canadian dollars)	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 2,451**	$ 2,313
Short-term investments	**472**	503
Accounts receivable	**1,377**	1,273
Credit card receivables	**4,132**	3,954
Inventories	**5,829**	5,855
Prepaid expenses and other assets	**629**	675
Assets held for sale	**46**	80
Total Current Assets	**14,936**	14,653
Fixed Assets	**11,857**	11,130
Right-of-Use Assets	**4,408**	4,208
Investment Properties	**5,366**	5,144
Equity Accounted Joint Ventures	**884**	996
Intangible Assets	**6,009**	6,527
Goodwill	**4,879**	4,853
Deferred Income Taxes	**138**	98
Security Deposits	**38**	36
Other Assets	**1,255**	1,313
Total Assets	**$ 49,770**	$ 48,958
LIABILITIES		
Current Liabilities		
Bank indebtedness	**$ 13**	$ 8
Trade payables and other liabilities	**6,887**	6,730
Loyalty liability	**123**	180
Provisions	**121**	116
Income taxes payable	**307**	246
Demand deposits from customers	**166**	125
Short-term debt	**850**	700
Long-term debt due within one year	**2,355**	1,383
Lease liabilities due within one year	**880**	835
Associate interest	**370**	434
Total Current Liabilities	**12,072**	10,757
Provisions	**96**	84
Long-Term Debt	**12,641**	13,401
Lease Liabilities	**4,563**	4,323
Trust Unit Liability	**3,881**	4,112
Deferred Income Taxes	**1,870**	2,007
Other Liabilities	**1,184**	1,094
Total Liabilities	**36,307**	35,778
EQUITY		
Share Capital	**3,325**	3,433
Retained Earnings	**5,421**	5,075
Contributed Surplus	**(2,275)**	(1,864)
Accumulated Other Comprehensive Income	**204**	197
Total Equity Attributable to Shareholders of the Company	**6,675**	6,841
Non-Controlling Interests	**6,788**	6,339
Total Equity	**13,463**	13,180
Total Liabilities and Equity	**$ 49,770**	$ 48,958

Consolidated Statements of Cash Flows

(millions of Canadian dollars) For the periods ended as indicated	**Dec. 31, 2023 (12 weeks)**	Dec. 31, 2022[(i)] (12 weeks)	**Dec. 31, 2023 (52 weeks)**	Dec. 31, 2022[(i)] (52 weeks)
Operating Activities				
Net earnings	**$ 247**	$ 135	**$ 2,625**	$ 2,803
Add (deduct):				
Net interest expense and other financing charges	**660**	916	**889**	913
Income taxes	**169**	213	**849**	831
Depreciation and amortization	**602**	577	**2,532**	2,407
Loss on sale of discontinued operations, after income taxes	**–**	–	**–**	6
Asset impairments, net of recoveries	**23**	22	**24**	30
Adjustment to fair value of investment properties and assets held for sale	**43**	(232)	**(26)**	(734)
Adjustment to fair value of investment in real estate securities	**(27)**	20	**64**	248
Change in allowance for credit card receivables	**25**	4	**50**	1
Change in provisions	**5**	(35)	**17**	(9)
Change in gross credit card receivables	**(211)**	(279)	**(228)**	(512)
Change in non-cash working capital	**61**	84	**(75)**	(577)
Income taxes paid	**(152)**	(156)	**(1,028)**	(592)
Interest received	**16**	12	**73**	66
Other	**52**	(15)	**85**	31
Cash Flows from Operating Activities	**1,513**	1,266	**5,851**	4,912
Investing Activities				
Fixed asset and investment properties purchases	**(619)**	(681)	**(1,935)**	(1,446)
Intangible asset additions	**(91)**	(111)	**(407)**	(419)
Acquisition of Lifemark, net of cash acquired	**–**	–	**–**	(813)
Proceeds from disposal of assets	**193**	69	**409**	239
Lease payments received from finance leases	**3**	2	**13**	12
Disposal (purchases) of short-term investments	**205**	(37)	**31**	376
Repayments (advances) of mortgages, loans and notes receivable	**187**	22	**229**	(134)
Decrease (increase) in security deposits	**1**	250	**(2)**	41
(Purchases) disposal of long-term securities	**(31)**	(70)	**45**	(180)
Other	**12**	3	**(49)**	(256)
Cash Flows used in Investing Activities	**(140)**	(553)	**(1,666)**	(2,580)
Financing Activities				
(Decrease) increase in bank indebtedness	**(9)**	(8)	**5**	(44)
Increase in short-term debt	**200**	100	**150**	250
Increase in demand deposits from customers	**19**	16	**41**	50
Long-term debt – Issued	**163**	380	**1,939**	2,609
– Repayments	**(184)**	(258)	**(1,714)**	(1,817)
Interest paid	**(212)**	(195)	**(918)**	(818)
Cash rent paid on lease liabilities – Interest	**(49)**	(44)	**(207)**	(185)
Cash rent paid on lease liabilities – Principal	**(111)**	(97)	**(654)**	(576)
Share capital – Issued	**–**	13	**7**	36
– Purchased and held in trusts	**–**	–	**(7)**	(14)
– Purchased and cancelled	**(165)**	(276)	**(1,001)**	(994)
Loblaw common share capital – Issued	**22**	16	**61**	88
– Purchased and held in trusts	**–**	(75)	**(72)**	(138)
– Purchased and cancelled	**(256)**	(79)	**(882)**	(700)
Dividends – To common shareholders	**(8)**	(8)	**(381)**	(367)
– To preferred shareholders	**(3)**	(3)	**(44)**	(44)
– To non-controlling interests	**(69)**	(64)	**(272)**	(256)
Proceeds from financial liabilities	**18**	–	**47**	8
Other	**(48)**	(9)	**(147)**	(94)
Cash Flows used in Financing Activities	**(692)**	(591)	**(4,049)**	(3,006)
Effect of foreign currency exchange rate changes on cash and cash equivalents	**3**	3	**2**	3
Change in Cash and Cash Equivalents	**684**	125	**138**	(671)
Cash and Cash Equivalents, Beginning of Period	**1,767**	2,188	**2,313**	2,984
Cash and Cash Equivalents, End of Period	**$ 2,451**	$ 2,313	**$ 2,451**	$ 2,313

(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, 2023 (12 weeks)**	Dec. 31, 2022 (12 weeks)	**Dec. 31, 2023 (52 weeks)**	Dec. 31, 2022 (52 weeks)
Net (loss) earnings attributable to shareholders of the Company	**$ (28)**	$ (104)	**$ 1,540**	$ 1,816
Less: Discontinued Operations	**–**	–	**–**	(6)
Net (loss) earnings from continuing operations attributable to shareholders of the Company	**$ (28)**	$ (104)	**$ 1,540**	$ 1,822
Prescribed dividends on preferred shares in share capital	**(10)**	(10)	**(44)**	(44)
Net (loss) earnings from continuing operations available to common shareholders of the Company	**$ (38)**	$ (114)	**$ 1,496**	$ 1,778
Reduction in net earnings due to dilution at Loblaw	**(3)**	(3)	**(12)**	(11)
Net (loss) earnings from continuing operations available to common shareholders for diluted earnings per share	**$ (41)**	$ (117)	**$ 1,484**	$ 1,767
Weighted average common shares outstanding (in millions)	**134.8**	141.3	**137.5**	144.2
Dilutive effect of equity-based compensation[(i)] (in millions)	**–**	–	**0.5**	0.6
Diluted weighted average common shares outstanding (in millions)	**134.8**	141.3	**138.0**	144.8
Net (loss) earnings per common share - Basic ($)				
Continuing Operations	**$ (0.28)**	$ (0.81)	**$ 10.88**	$ 12.33
Discontinued Operations	**$ –**	$ –	**$ –**	$ (0.04)
Net (loss) earnings per common share - Diluted ($)				
Continuing Operations	**$ (0.30)**	$ (0.83)	**$ 10.75**	$ 12.20
Discontinued Operations	**$ –**	$ –	**$ –**	$ (0.04)

(i) In the fourth quarter of 2023 and year-to-date, nominal (2022 – nominal) potentially dilutive instruments were excluded from the computation of diluted net earnings (loss) per common share as they were anti-dilutive.

2023 FOURTH QUARTER REPORT

The Company's annual audited consolidated financial statements and MD&A for the year ended December 31, 2023 are available in the Investor Centre section of the Company's website at www.weston.ca and have been filed on SEDAR+ and are available at www.sedarplus.ca.

MODERN SLAVERY ACT REPORT

In compliance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (referred to as Canada's "Modern Slavery Act"), the Company and certain of its subsidiaries, including Loblaw, have publicly filed its initial joint Modern Slavery Act Report for the 2023 fiscal year. The Modern Slavery Act Report can be viewed online on the Company's website at www.weston.ca, or under the Company's SEDAR+ profile at www.sedarplus.ca. All shareholders may request that paper copies of the Modern Slavery Act Report be mailed to them at no cost by submitting an email request to investor@weston.ca.

INVESTOR RELATIONS

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

Additional financial information has been filed electronically with various securities regulators in Canada through SEDAR+. This News Release includes selected information on Loblaw, a public company with shares trading on the Toronto Stock Exchange ("TSX"), and selected information on Choice Properties, a public real estate investment trust with units trading on the TSX. For information regarding Loblaw or Choice Properties, readers should refer to the respective materials filed on SEDAR+ from time to time. These filings are also maintained on the respective companies' corporate website: www.loblaw.ca and www.choicereit.ca.

Ce rapport est disponible en français.

Endnotes

(1) See the "Non-GAAP and Other Financial Measures" section in Appendix 1 of this News Release, which includes the reconciliation of such non-GAAP and other financial measures to the most directly comparable GAAP measures.

(2) This News Release contains forward-looking information. See "Forward-Looking Statements" section of this News Release and the Company's 2023 Annual Report for a discussion of material factors that could cause actual results to differ materially from the forecasts and projections herein and of the material factors and assumptions that were used when making these statements. This News Release should be read in conjunction with GWL's filings with securities regulators made from time to time, all of which can be found at www.weston.ca and www.sedarplus.ca.

(3) For more information on Choice Properties measures see the 2023 Annual Report filed by Choice Properties, which is available on www.sedarplus.ca or at www.choicereit.ca.

APPENDIX 1: NON-GAAP AND OTHER FINANCIAL MEASURES

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

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

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

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

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

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

	Quarters Ended									
					Dec. 31, 2023					Dec. 31, 2022
($ millions)	**Loblaw**	**Choice Properties**	**Effect of consol-idation**	**GWL Corporate**	**Consolidated**	Loblaw	Choice Properties	Effect of consol-idation	GWL Corporate	Consolidated
Net loss attributable to shareholders of the Company from continuing operations					**$ (28)**					$ (104)
Add impact of the following:										
Non-controlling interests					**275**					239
Income taxes					**169**					213
Net interest expense and other financing charges					**660**					916
Operating income	**$ 941**	**$ 191**	**$ (45)**	**$ (11)**	**$ 1,076**	$ 869	$ 404	$ (16)	$ 7	$ 1,264
Add (deduct) impact of the following:										
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	**$ 115**	**$ –**	**$ –**	**$ –**	**$ 115**	$ 115	$ –	$ –	$ –	$ 115
Fair value adjustment on investment properties	**–**	**74**	**(40)**	**–**	**34**	–	(202)	(24)	–	(226)
Fair value adjustment of derivatives	**14**	**–**	**–**	**–**	**14**	11	–	–	–	11
Fair value adjustment on non-operating properties	**9**	**–**	**–**	**–**	**9**	(6)	–	–	–	(6)
Fair value adjustment of investment in real estate securities	**–**	**(27)**	**–**	**–**	**(27)**	–	20	–	–	20
Recoveries related to PC Bank commodity tax matters	**(13)**	**–**	**–**	**–**	**(13)**	–	–	–	–	–
Gain on sale of non-operating properties	**–**	**–**	**(1)**	**–**	**(1)**	(50)	–	–	–	(50)
Adjusting items	**$ 125**	**$ 47**	**$ (41)**	**$ –**	**$ 131**	$ 70	$ (182)	$ (24)	$ –	$ (136)
Adjusted operating income	**$ 1,066**	**$ 238**	**$ (86)**	**$ (11)**	**$ 1,207**	$ 939	$ 222	$ (40)	$ 7	$ 1,128
Depreciation and amortization excluding the impact of the above adjustment(i)	**565**	**–**	**(78)**	**–**	**487**	552	1	(92)	1	462
Adjusted EBITDA	**$ 1,631**	**$ 238**	**$ (164)**	**$ (11)**	**$ 1,694**	$ 1,491	$ 223	$ (132)	$ 8	$ 1,590

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

	Years Ended									
	Dec. 31, 2023					Dec. 31, 2022				
($ millions)	Loblaw	Choice Properties	Effect of consol-idation	GWL Corporate	Consolidated	Loblaw	Choice Properties	Effect of consol-idation	GWL Corporate	Consolidated
Net earnings attributable to shareholders of the Company from continuing operations					$ 1,540					$ 1,822
Add impact of the following:										
Non-controlling interests					1,085					987
Income taxes					849					831
Net interest expense and other financing charges					889					913
Operating income	$ 3,696	$ 1,001	$ (284)	$ (50)	$ 4,363	$ 3,334	$ 1,083	$ 159	$ (23)	$ 4,553
Add (deduct) impact of the following:										
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	$ 499	$ –	$ –	$ –	$ 499	$ 497	$ –	$ –	$ –	$ 497
Fair value adjustment on investment properties	–	(128)	93	–	(35)	–	(442)	(286)	–	(728)
Fair value adjustment of derivatives	16	–	–	–	16	(5)	–	–	–	(5)
Fair value adjustment on non-operating properties	9	–	–	–	9	(6)	–	–	–	(6)
Fair value adjustment of investment in real estate securities	–	64	–	–	64	–	248	–	–	248
Charges related to PC Bank commodity tax matters	24	–	–	–	24	111	–	–	–	111
Gain on sale of non-operating properties	(12)	–	(8)	–	(20)	(57)	–	–	–	(57)
Transaction costs and other related expenses	–	–	–	–	–	16	5	–	–	21
Restructuring and other related (recoveries) costs	–	–	–	–	–	(15)	–	19	–	4
Foreign currency translation and other company level activities	–	–	–	–	–	–	–	–	3	3
Adjusting items	$ 536	$ (64)	$ 85	$ –	$ 557	$ 541	$ (189)	$ (267)	$ 3	$ 88
Adjusted operating income	$ 4,232	$ 937	$ (199)	$ (50)	$ 4,920	$ 3,875	$ 894	$ (108)	$ (20)	$ 4,641
Depreciation and amortization excluding the impact of the above adjustment(i)	2,407	3	(380)	3	2,033	2,298	3	(395)	4	1,910
Adjusted EBITDA	$ 6,639	$ 940	$ (579)	$ (47)	$ 6,953	$ 6,173	$ 897	$ (503)	$ (16)	$ 6,551

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

The following items impacted adjusted EBITDA in 2023 and 2022:

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

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

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 relating to fuel prices and the U.S. dollar exchange rate. These derivatives are not acquired for trading or speculative purposes. Pursuant to Loblaw's derivative instruments accounting policy, changes in the fair value of these instruments, which include realized and unrealized gains and losses, are recorded in operating income. Despite the impact of accounting for these commodity and foreign currency derivatives on Loblaw's reported results, the derivatives have the economic impact of largely mitigating the associated risks arising from price and exchange rate fluctuations in the underlying commodities and U.S. dollar commitments.

Fair value adjustment on non-operating properties The Company measures non-operating properties, which are investment properties and assets held for sale that were transferred from investment properties, at fair value. Under the fair value model, non-operating properties are initially measured at cost and subsequently measured at fair value. Fair value using the income approach include assumptions as to market rental rates for properties of similar size and condition located within the same geographical areas, recoverable operating costs for leases with tenants, non-recoverable operating costs, vacancy periods, tenant inducements and terminal capitalization rates. Gains and losses arising from changes in the fair value are recognized in operating income in the period in which they arise.

Fair value adjustment of investment in real estate securities Choice Properties received Allied Class B Units as part of the consideration for the Choice Properties' disposition of six office assets to Allied (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.

Charges (recoveries) related to PC Bank commodity tax matters In the second quarter of 2023, the Federal government enacted certain commodity tax legislation that applies to PC Bank, a subsidiary of Loblaw, on a retroactive basis. A charge of $37 million, inclusive of interest, was recorded for this matter. In the fourth quarter of 2023, Loblaw reversed $13 million of previously recorded charges. The reversal was a result of new guidance issued by the Canada Revenue Agency.

In the second quarter of 2022, Loblaw recorded a charge of $111 million, inclusive of interest. In July 2022, the Tax Court of Canada released its decision and ruled that PC Bank is not entitled to claim notional input tax credits for certain payments it made to Loblaws Inc. in respect of redemptions of loyalty points. In September 2022, PC Bank filed a Notice of Appeal with the Federal Court of Appeal. Subsequent to December 30, 2023, the Federal Court of Appeal scheduled the hearing of the appeal for March 6, 2024.

Gain on sale of non-operating properties In the fourth quarter of 2023, Loblaw did not record any gain or loss related to the sale of non-operating properties (2022 – gain of $50 million). In 2023, Loblaw recorded a gain related to the sale of non-operating properties of $12 million (2022 – $57 million).

In the fourth quarter of 2023 and year-to-date, Choice Properties disposed of properties and incurred a loss which was recognized in fair value adjustment of investment properties. On consolidation, the Company recorded these properties as fixed assets, which were recognized at cost less accumulated depreciation. As a result, in the fourth quarter of 2023 and year-to-date, on consolidation, an incremental gain of $1 million and $8 million, respectively, was recognized in operating income.

Transaction costs and other related expenses In connection with the acquisition of Lifemark during 2022, Loblaw recorded acquisition costs of $16 million in operating income.

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

Restructuring and other related (recoveries) 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 first quarter of 2022, Loblaw recorded approximately $15 million of restructuring and other related recoveries mainly in connection to the previously announced closure of two distribution centres in Laval and Ottawa. Loblaw disposed of one of the 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.

In the first quarter of 2022, 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.

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 (loss) earnings attributable to shareholders of the Company and then to net (loss) earnings available to common shareholders of the Company from continuing operations reported for the periods ended as indicated.

	Quarters Ended		Years Ended	
($ millions except where otherwise indicated)	**Dec. 31, 2023**	Dec. 31, 2022	**Dec. 31, 2023**	Dec. 31, 2022
Net (loss) earnings attributable to shareholders of the Company	**$ (28)**	$ (104)	**$ 1,540**	$ 1,816
Less: Net loss from discontinued operations	**–**	–	**–**	(6)
Net (loss) earnings attributable to shareholders of the Company from continuing operations	**$ (28)**	$ (104)	**$ 1,540**	$ 1,822
Less: Prescribed dividends on preferred shares in share capital	**(10)**	(10)	**(44)**	(44)
Net (loss) earnings available to common shareholders of the Company from continuing operations	**$ (38)**	$ (114)	**$ 1,496**	$ 1,778
Less: Reduction in net earnings due to dilution at Loblaw	**(3)**	(3)	**(12)**	(11)
Net (loss) earnings available to common shareholders from continuing operations for diluted earnings per share	**$ (41)**	$ (117)	**$ 1,484**	$ 1,767
Net (loss) earnings attributable to shareholders of the Company from continuing operations	**$ (28)**	$ (104)	**$ 1,540**	$ 1,822
Adjusting items (refer to the following table)	**380**	483	**(29)**	(346)
Adjusted net earnings attributable to shareholders of the Company from continuing operations	**$ 352**	$ 379	**$ 1,511**	$ 1,476
Less: Prescribed dividends on preferred shares in share capital	**(10)**	(10)	**(44)**	(44)
Adjusted net earnings available to common shareholders of the Company from continuing operations	**$ 342**	$ 369	**$ 1,467**	$ 1,432
Less: Reduction in net earnings due to dilution at Loblaw	**(3)**	(3)	**(12)**	(11)
Adjusted net earnings available to common shareholders for diluted earnings per share from continuing operations	**$ 339**	$ 366	**$ 1,455**	$ 1,421
Diluted weighted average common shares outstanding (in millions)	**134.8**	141.3	**138.0**	144.8

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

	Quarters Ended											
	Dec. 31, 2023						Dec. 31, 2022					
	Net (Loss) Earnings Available to Common Shareholders of the Company					Diluted Net (Loss) Earnings Per Common Share ($)	Net (Loss) Earnings Available to Common Shareholders of the Company					Diluted Net (Loss) Earnings Per Common Share ($)
($ millions except where otherwise indicated)	Loblaw[i]	Choice Properties	Effect of consol-idation	GWL Corporate	Consol-idated	Consol-idated	Loblaw[i]	Choice Properties	Effect of consol-idation	GWL Corporate	Consol-idated	Consol-idated
Continuing Operations	$ 285	$ (445)	$ 142	$ (20)	$ (38)	$ (0.30)	$ 279	$ (579)	$ 180	$ 6	$ (114)	$ (0.83)
Add (deduct) impact of the following[ii]:												
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	$ 45	$ –	$ –	$ –	$ 45	$ 0.33	$ 41	$ –	$ –	$ –	$ 41	$ 0.29
Fair value adjustment on investment properties	–	73	(80)	–	(7)	(0.05)	–	(208)	(17)	–	(225)	(1.60)
Fair value adjustment of derivatives	5	–	–	–	5	0.04	5	–	–	–	5	0.03
Fair value adjustment on non-operating properties	3	–	–	–	3	0.02	(2)	–	–	–	(2)	(0.01)
Fair value adjustment of investment in real estate securities	–	(27)	2	–	(25)	(0.19)	–	20	(2)	–	18	0.13
Recoveries related to PC Bank commodity tax matters	(6)	–	–	–	(6)	(0.04)	–	–	–	–	–	–
Gain on sale of non-operating properties	–	–	(1)	–	(1)	(0.01)	(19)	–	–	–	(19)	(0.13)
Fair value adjustment of the Trust Unit liability[iii]	–	–	382	–	382	2.83	–	–	662	–	662	4.69
Fair value adjustment on Choice Properties' Exchangeable Units	–	502	(502)	–	–	–	–	859	(859)	–	–	–
Outside basis difference in certain Loblaw shares[iv]	–	–	–	(16)	(16)	(0.12)	–	–	–	3	3	0.02
Adjusting items Continuing Operations	$ 47	$ 548	$ (199)	$ (16)	$ 380	$ 2.81	$ 25	$ 671	$ (216)	$ 3	$ 483	$ 3.42
Adjusted Continuing Operations	$ 332	$ 103	$ (57)	$ (36)	$ 342	$ 2.51	$ 304	$ 92	$ (36)	$ 9	$ 369	$ 2.59

(i) Contribution from Loblaw, net of non-controlling interests.
(ii) Net of income taxes and non-controlling interests, as applicable.
(iii) Trust Units held by unitholders other than the Company are presented as a liability on the Company's consolidated balance sheets as they are redeemable for cash at the option of the holder, subject to certain restrictions. This liability is recorded at fair value at each reporting date based on the market price of Trust Units at the end of each period through net interest expense and other financing charges.
(iv) The Company recorded a deferred tax recovery on temporary differences in respect of GWL's investment in certain Loblaw shares that are expected to reverse in the foreseeable future as a result of GWL's participation in Loblaw's NCIB.

	Years Ended											
	Dec. 31, 2023						Dec. 31, 2022					
	Net Earnings Available to Common Shareholders of the Company					Diluted Net Earnings Per Common Share ($)	Net Earnings Available to Common Shareholders of the Company					Diluted Net Earnings Per Common Share ($)
($ millions except where otherwise indicated)	Loblaw[(i)]	Choice Properties	Effect of consolidation	GWL Corporate	Consolidated	Consolidated	Loblaw[(i)]	Choice Properties	Effect of consolidation	GWL Corporate	Consolidated	Consolidated
Continuing Operations	**$ 1,102**	**$ 797**	**$ (248)**	**$ (155)**	**$ 1,496**	**$ 10.75**	$ 1,007	$ 744	$ 127	$ (100)	$ 1,778	$ 12.20
Add (deduct) impact of the following[(ii)]:												
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	**$ 194**	**$ –**	**$ –**	**$ –**	**$ 194**	**$ 1.41**	$ 191	$ –	$ –	$ –	$ 191	$ 1.32
Fair value adjustment on investment properties	**–**	**(131)**	**65**	**–**	**(66)**	**(0.48)**	–	(443)	(202)	–	(645)	(4.45)
Fair value adjustment of derivatives	**6**	**–**	**–**	**–**	**6**	**0.04**	(2)	–	–	–	(2)	(0.01)
Fair value adjustment on non-operating properties	**3**	**–**	**–**	**–**	**3**	**0.02**	(2)	–	–	–	(2)	(0.01)
Fair value adjustment of investment in real estate securities	**–**	**64**	**(5)**	**–**	**59**	**0.42**	–	248	(20)	–	228	1.57
Charges related to PC Bank commodity tax matters	**9**	**–**	**–**	**–**	**9**	**0.07**	45	–	–	–	45	0.31
Gain on sale of non-operating properties	**(5)**	**–**	**(6)**	**–**	**(11)**	**(0.08)**	(22)	–	–	–	(22)	(0.15)
Transaction costs and other related expenses	**–**	**–**	**–**	**–**	**–**	**–**	7	5	–	–	12	0.08
Restructuring and other related costs	**–**	**–**	**–**	**–**	**–**	**–**	(7)	–	17	–	10	0.07
Fair value adjustment of the Trust Unit liability[(iii)]	**–**	**–**	**(231)**	**–**	**(231)**	**(1.67)**	–	–	(98)	–	(98)	(0.68)
Fair value adjustment on Choice Properties' Exchangeable Units	**–**	**(321)**	**321**	**–**	**–**	**–**	–	(170)	170	–	–	–
Outside basis difference in certain Loblaw shares[(iv)]	**–**	**–**	**–**	**8**	**8**	**0.06**	–	–	–	4	4	0.03
Remeasurement of deferred tax balances[(v)]	**–**	**–**	**–**	**–**	**–**	**–**	–	–	(46)	–	(46)	(0.32)
Recovery related to Glenhuron[(vi)]	**–**	**–**	**–**	**–**	**–**	**–**	(23)	–	–	–	(23)	(0.16)
Foreign currency translation and other company level activities	**–**	**–**	**–**	**–**	**–**	**–**	–	–	–	2	2	0.01
Adjusting items Continuing Operations	**$ 207**	**$ (388)**	**$ 144**	**$ 8**	**$ (29)**	**$ (0.21)**	$ 187	$ (360)	$ (179)	$ 6	$ (346)	$ (2.39)
Adjusted Continuing Operations	**$ 1,309**	**$ 409**	**$ (104)**	**$ (147)**	**$ 1,467**	**$ 10.54**	$ 1,194	$ 384	$ (52)	$ (94)	$ 1,432	$ 9.81

(i) Contribution from Loblaw, net of non-controlling interests.
(ii) Net of income taxes and non-controlling interests, as applicable.
(iii) Trust Units held by unitholders other than the Company are presented as a liability on the Company's consolidated balance sheets as they are redeemable for cash at the option of the holder, subject to certain restrictions. This liability is recorded at fair value at each reporting date based on the market price of Trust Units at the end of each period through net interest expense and other financing charges.
(iv) The Company recorded a deferred tax expense 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.
(v) In the second quarter of 2022, the Company remeasured certain deferred tax balances as a result of the Office Asset Sale.
(vi) In 2021, the Supreme Court of Canada ruled in favour of Loblaw on the Glenhuron Bank Limited matter. As a result of related reassessments received during the first quarter of 2022, Loblaw reversed $35 million of previously recorded charges, of which $2 million was recorded as interest income and $33 million was recorded as an income tax recovery, and an additional $9 million, before taxes, was recorded in respect of interest income earned on expected cash tax refunds.

GWL CORPORATE FREE CASH FLOW GWL Corporate free cash flow is generated from dividends received from Loblaw, distributions received from Choice Properties, and proceeds from participation in Loblaw's NCIB, less corporate expenses, interest and income taxes paid.

($ millions)	Quarters Ended Dec. 31, 2023	Quarters Ended Dec. 31, 2022	Years Ended Dec. 31, 2023	Years Ended Dec. 31, 2022
Dividends from Loblaw	**$ 73**	$ 69	**$ 290**	$ 272
Distributions from Choice Properties	**84**	82	**334**	330
GWL Corporate cash flow from operating businesses	**$ 157**	$ 151	**$ 624**	$ 602
Proceeds from participation in Loblaw's NCIB	**238**	49	**847**	558
GWL Corporate, financing, and other costs[(i)]	**27**	2	**(77)**	(114)
Income taxes paid	**(9)**	(1)	**(111)**	(153)
GWL Corporate free cash flow	**$ 413**	$ 201	**$ 1,283**	$ 893

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

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

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

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

($ millions)	Quarters Ended Dec. 31, 2023	Quarters Ended Dec. 31, 2022	Years Ended Dec. 31, 2023	Years Ended Dec. 31, 2022
Net (loss) income	**$ (445)**	$ (579)	**$ 797**	$ 744
Add (deduct) impact of the following:				
Amortization of intangible assets	**–**	–	**1**	1
Transaction costs and other related expenses	**–**	–	**–**	5
Adjustment to fair value of unit-based compensation	**1**	2	**(1)**	1
Fair value adjustment on Exchangeable Units	**503**	859	**(321)**	(170)
Fair value adjustment on investment properties	**74**	(193)	**(114)**	(113)
Fair value adjustment on investment property held in equity accounted joint ventures	**(1)**	(14)	**(17)**	(329)
Fair value adjustment of investment in real estate securities	**(27)**	21	**64**	248
Capitalized interest on equity accounted joint ventures	**3**	3	**12**	9
Unit distributions on Exchangeable Units	**74**	73	**296**	293
Internal expenses for leasing	**3**	2	**9**	9
Funds from Operations	**$ 185**	$ 174	**$ 726**	$ 698