

NEWS RELEASE

George Weston Limited Reports Adjusted Net Earnings Growth of 10.6% in the First Quarter of 2024

Toronto, Ontario May 7, 2024 George Weston Limited (TSX: WN) ("GWL" or the "Company") today announced its consolidated unaudited results for the 12 weeks ended March 23, 2024⁽²⁾.

GWL's 2024 First Quarter 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.

"Our first quarter results reflect the consistent and positive momentum from our operating businesses," said Galen G. Weston, Chairman and Chief Executive Officer, George Weston Limited. "Loblaw continued to provide value and service to its customers, resulting in strong market share gains and Choice Properties delivered consistent operational and financial results while improving the quality of its portfolio."

Loblaw Companies Limited ("Loblaw") began 2024 with another quarter of strong operational and financial results. The focus on retail excellence continued across its businesses driving sales growth, reductions in shrink, and earnings growth. Loblaw's market-leading discount banners, private label brands, and personalized PC Optimum™ offers resonated with customers. This resulted in higher store traffic, strong market share gains in food retail, and revenue growth that stands out against lower internal inflation. An increase in drug retail sales reflected continued strength in front store beauty and cough and cold products. Canada's Consumer Price Index ("CPI") for Food Purchased From Stores in March was 1.9%, the lowest level recorded in more than two years and was below the headline CPI in the first quarter of 2024. Loblaw's internal food inflation remained below Canada's CPI for Food Purchased From Stores again this quarter.

Choice Properties Real Estate Investment Trust ("Choice Properties") first quarter was a strong start to the year as it continued to see robust tenant demand for its necessity-based properties and significant rental rate lifts on lease renewals in its industrial portfolio. Choice Properties further strengthened its market-leading portfolio by executing over \$60 million of real estate transactions and completing development projects worth approximately \$75 million during the quarter. Despite the ongoing macroeconomic uncertainty, Choice Properties' industry-leading balance sheet continues to provide a distinct advantage of allowing its team to remain focused on its core business of owning, operating, and developing real estate.

2024 FIRST QUARTER HIGHLIGHTS

- Revenue was \$13,735 million, an increase of \$602 million, or 4.6%.
- Adjusted EBITDA⁽¹⁾ was \$1,623 million, an increase of \$116 million, or 7.7%.
 - Adjusted EBITDA⁽¹⁾ from the publicly traded operating companies was \$1,631 million, an increase of \$111 million, or 7.3%.
- Net earnings available to common shareholders of the Company were \$236 million (\$1.73 per common share), a decline of \$190 million, or 44.6%, due to the unfavourable year-over-year net impact of adjusting items.
- Adjusted net earnings available to common shareholders of the Company⁽¹⁾ were \$312 million, an increase of \$30 million, or 10.6%.
 - Contribution to adjusted net earnings available to common shareholders of the Company⁽¹⁾ from the publicly traded operating companies was \$345 million, an increase of \$26 million, or 8.2%.
- Adjusted diluted net earnings per common share⁽¹⁾ were \$2.30, an increase of \$0.31 per common share, or 15.6%.
- Repurchased for cancellation 0.9 million common shares at a cost of \$158 million.
- GWL Corporate free cash flow⁽¹⁾ was \$141 million.
- The quarterly common share dividend to be increased by \$0.107, or 15.0%, from \$0.713 per common share to \$0.820 per common share.

CONSOLIDATED RESULTS OF OPERATIONS

The Company operates through its two reportable operating segments: Loblaw and Choice Properties, each of which are publicly traded entities. As such, the Company's financial statements reflect and are impacted by the consolidation of Loblaw and Choice Properties. The consolidation of these entities into the Company's financial statements 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.

(\$ millions except where otherwise indicated) For the periods ended as indicated	12 Weeks Ended			
	Mar. 23, 2024	Mar. 25, 2023	\$ Change	% Change
Revenue	\$ 13,735	\$ 13,133	\$ 602	4.6%
Operating income	\$ 971	\$ 957	\$ 14	1.5%
Adjusted EBITDA ⁽¹⁾ from:				
Loblaw	\$ 1,542	\$ 1,446	\$ 96	6.6%
Choice Properties	\$ 241	\$ 230	\$ 11	4.8%
Effect of consolidation	\$ (152)	\$ (156)	\$ 4	2.6%
Publicly traded operating companies	\$ 1,631	\$ 1,520	\$ 111	7.3%
GWL Corporate	\$ (8)	\$ (13)	\$ 5	38.5%
Adjusted EBITDA ⁽¹⁾	\$ 1,623	\$ 1,507	\$ 116	7.7%
Adjusted EBITDA margin ⁽¹⁾	11.8%	11.5%		
Net earnings attributable to shareholders of the Company	\$ 246	\$ 436	\$ (190)	(43.6)%
Loblaw ⁽ⁱ⁾	\$ 243	\$ 221	\$ 22	10.0%
Choice Properties	\$ 142	\$ 271	\$ (129)	(47.6)%
Effect of consolidation	\$ (64)	\$ 3	\$ (67)	(2,233.3)%
Publicly traded operating companies	\$ 321	\$ 495	\$ (174)	(35.2)%
GWL Corporate	\$ (85)	\$ (69)	\$ (16)	(23.2)%
Net earnings available to common shareholders of the Company	\$ 236	\$ 426	\$ (190)	(44.6)%
Diluted net earnings per common share (\$)	\$ 1.73	\$ 3.01	\$ (1.28)	(42.5)%
Loblaw ⁽ⁱ⁾	\$ 284	\$ 268	\$ 16	6.0%
Choice Properties	\$ 109	\$ 99	\$ 10	10.1%
Effect of consolidation	\$ (48)	\$ (48)	\$ -	-%
Publicly traded operating companies	\$ 345	\$ 319	\$ 26	8.2%
GWL Corporate	\$ (33)	\$ (37)	\$ 4	10.8%
Adjusted net earnings available to common shareholders of the Company ⁽¹⁾	\$ 312	\$ 282	\$ 30	10.6%
Adjusted diluted net earnings per common share ⁽¹⁾ (\$)	\$ 2.30	\$ 1.99	\$ 0.31	15.6%

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

Net earnings available to common shareholders of the Company were \$236 million (\$1.73 per common share) in the first quarter of 2024, a decrease of \$190 million (\$1.28 per common share) compared to the same period in 2023. The decrease was due to the unfavourable year-over-year net impact of adjusting items totaling \$220 million (\$1.59 per common share), primarily driven by:

- the unfavourable year-over-year impact of the fair value adjustment of the Trust Unit liability of \$133 million (\$0.93 per common share) as a result of the decrease in Choice Properties' unit price;
- the unfavourable year-over-year impact of the fair value adjustment on investment properties of \$57 million (\$0.40 per common share) driven by Choice Properties, net of the effect of consolidation;
- the unfavourable year-over-year impact of the deferred tax expense of \$20 million (\$0.16 per common share) related to the outside basis difference in certain Loblaw shares as a result of GWL's participation in Loblaw's Normal Course Issuer Bid ("NCIB") program; and
- the unfavourable year-over-year impact of the fair value adjustment on Choice Properties' investment in real estate securities of Allied Properties Real Estate Investment Trust ("Allied") of \$14 million (\$0.11 per common share) as a result of the decrease in Allied's unit price.

Adjusted net earnings available to common shareholders of the Company⁽¹⁾ in the first quarter of 2024 were \$312 million, an increase of \$30 million, or 10.6%, compared to the same period in 2023. The increase was driven by the favourable year-over-year impact of \$26 million from the contribution of the publicly traded operating companies and the favourable year-over-year impact of \$4 million at GWL Corporate primarily due to the year-over-year impact of the fair value adjustment on other investments.

Adjusted diluted net earnings per common share⁽¹⁾ were \$2.30 in the first quarter of 2024, an increase of \$0.31 per common share, or 15.6%, compared to the same period in 2023. The increase was due to the performance in adjusted net earnings available to common shareholders⁽¹⁾ as described above and the favourable impact of shares purchased for cancellation over the last 12 months (\$0.10 per common share) pursuant to the Company's NCIB program.

CONSOLIDATED OTHER BUSINESS MATTERS

GWL CORPORATE FINANCING ACTIVITIES The Company completed the following select GWL Corporate financing activities:

NCIB - Purchased and Cancelled Shares In the first quarter of 2024, the Company purchased and cancelled 0.9 million shares (2023 - 1.4 million shares) for aggregate consideration of \$158 million (2023 - \$231 million) under its NCIB. As at March 23, 2024, the Company had 133.8 million shares issued and outstanding, net of shares held in trusts (March 25, 2023 - 139.3 million shares).

In the first quarter of 2024, 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 note 11, "Share Capital" of the Company's first quarter 2024 unaudited interim period condensed consolidated financial statements for more information.

Participation in Loblaw's NCIB The Company participates in Loblaw's NCIB in order to maintain its proportionate percentage ownership interest. In the first quarter of 2024, Loblaw repurchased 1.2 million shares (2023 - 1.6 million shares) from the Company, for aggregate consideration of \$182 million (2023 - \$188 million).

SUBSEQUENT EVENT Subsequent to the end of the first quarter of 2024, GWL and two subsidiaries of Wittington Investments, Limited co-invested \$10 million in a third-party company, of which the Company contributed \$4 million.

RESULTS BY OPERATING SEGMENT

The following table provides key performance metrics for the Company by segment.

(\$ millions)	12 Weeks Ended									
	Mar. 23, 2024					Mar. 25, 2023				
	Loblaw	Choice Properties	Effect of consolidation	GWL Corporate	Total	Loblaw	Choice Properties	Effect of consolidation	GWL Corporate	Total
Revenue	\$ 13,581	\$ 349	\$ (195)	\$ –	\$ 13,735	\$ 12,995	\$ 325	\$ (187)	\$ –	\$ 13,133
Operating income	\$ 859	\$ 207	\$ (86)	\$ (9)	\$ 971	\$ 767	\$ 306	\$ (102)	\$ (14)	\$ 957
Adjusted operating income ⁽¹⁾	966	240	(73)	(9)	1,124	885	229	(61)	(14)	1,039
Adjusted EBITDA ⁽¹⁾	\$ 1,542	\$ 241	\$ (152)	\$ (8)	\$ 1,623	\$ 1,446	\$ 230	\$ (156)	\$ (13)	\$ 1,507
Net interest expense and other financing charges	\$ 194	\$ 65	\$ (43)	\$ (1)	\$ 215	\$ 181	\$ 35	\$ (145)	\$ –	\$ 71
Adjusted net interest expense and other financing charges ⁽¹⁾	194	131	(50)	(1)	274	181	130	(48)	–	263
Earnings before income taxes	\$ 665	\$ 142	\$ (43)	\$ (8)	\$ 756	\$ 586	\$ 271	\$ 43	\$ (14)	\$ 886
Income taxes	\$ 178	\$ –	\$ 21	\$ 65	\$ 264	\$ 151	\$ –	\$ 40	\$ 43	\$ 234
Adjusted income taxes ⁽¹⁾	207	–	25	13	245	182	–	35	11	228
Net earnings attributable to non-controlling interests	\$ 244	\$ –	\$ –	\$ 2	\$ 246	\$ 214	\$ –	\$ –	\$ 2	\$ 216
Prescribed dividends on preferred shares in share capital	–	–	–	10	10	–	–	–	10	10
Net earnings available to common shareholders of the Company	\$ 243	\$ 142	\$ (64)	\$ (85)	\$ 236	\$ 221	\$ 271	\$ 3	\$ (69)	\$ 426
Adjusted net earnings available to common shareholders of the Company ⁽¹⁾	284	109	(48)	(33)	312	268	99	(48)	(37)	282

Effect of consolidation includes the following items:

(\$ millions)	12 Weeks Ended									
	Mar. 23, 2024					Mar. 25, 2023				
	Revenue	Operating Income	Adjusted EBITDA ⁽¹⁾	Net Interest Expense and Other Financing Charges	Adjusted Net Earnings Available to Common Shareholders ⁽¹⁾	Revenue	Operating Income	Adjusted EBITDA ⁽¹⁾	Net Interest Expense and Other Financing Charges	Adjusted Net Earnings Available to Common Shareholders ⁽¹⁾
Elimination of intercompany rental revenue	\$ (198)	\$ (14)	\$ (14)	\$ -	\$ (12)	\$ (189)	\$ (28)	\$ (28)	\$ -	\$ (23)
Elimination of internal lease arrangements	3	(14)	(108)	(28)	10	2	(21)	(116)	(26)	4
Elimination of intersegment real estate transactions	-	(30)	(30)	-	(26)	-	(10)	(12)	-	(10)
Recognition of depreciation on Choice Properties' investment properties classified as fixed assets by the Company and measured at cost	-	(15)	-	-	(15)	-	-	-	-	(4)
Fair value adjustment on investment properties	-	(13)	-	(1)	-	-	(43)	-	-	-
Unit distributions on Exchangeable Units paid by Choice Properties to GWL	-	-	-	(75)	75	-	-	-	(74)	74
Unit distributions on Trust Units paid by Choice Properties, excluding amounts paid to GWL	-	-	-	53	(53)	-	-	-	52	(52)
Fair value adjustment on Choice Properties' Exchangeable Units	-	-	-	67	-	-	-	-	95	-
Fair value adjustment of the Trust Unit liability	-	-	-	(59)	-	-	-	-	(192)	-
Tax expense on Choice Properties related earnings	-	-	-	-	(27)	-	-	-	-	(37)
Total	\$ (195)	\$ (86)	\$ (152)	\$ (43)	\$ (48)	\$ (187)	\$ (102)	\$ (156)	\$ (145)	\$ (48)

Loblaw Operating Results

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.

(\$ millions except where otherwise indicated) For the periods ended as indicated	12 Weeks Ended			
	Mar. 23, 2024	Mar. 25, 2023	\$ Change	% Change
Revenue	\$ 13,581	\$ 12,995	\$ 586	4.5%
Operating income	\$ 859	\$ 767	\$ 92	12.0%
Adjusted EBITDA ⁽¹⁾	\$ 1,542	\$ 1,446	\$ 96	6.6%
Adjusted EBITDA margin ⁽¹⁾	11.4%	11.1%		
Depreciation and amortization	\$ 690	\$ 675	\$ 15	2.2%

Revenue Loblaw revenue in the first quarter of 2024 was \$13,581 million, an increase of \$586 million, or 4.5%, compared to the same period in 2023, driven by an increase in retail sales and in financial services revenue.

Retail sales were \$13,290 million, an increase of \$555 million, or 4.4%, compared to the same period in 2023. The increase was primarily driven by the following factors:

- food retail sales were \$9,409 million (2023 – \$9,011 million) and food retail same-store sales growth was 3.4% (2023 – 3.1%);
 - the CPI for Food Purchased from Stores was 2.6% (2023 – 10.5%), which was higher than Loblaw’s internal food inflation; and
 - food retail traffic increased and basket size decreased.
- drug retail sales were \$3,881 million (2023 – \$3,724 million) and drug retail same-store sales growth was 4.0% (2023 – 7.4%);
 - pharmacy and healthcare services same-store sales growth was 7.3% (2023 – 4.7%). On a same-store basis, the number of prescriptions increased by 4.0% (2023 – decreased by 1.9%) and the average prescription value increased by 2.0% (2023 – 6.0%); and
 - front store same-store sales growth was 0.7% (2023 – 10.3%).

Financial services revenue was \$361 million, an increase of \$35 million, or 10.7%, compared to the same period in 2023, primarily driven by higher interest income from growth in credit card receivables and higher sales attributable to *The Mobile Shop*.

Operating Income Loblaw operating income in the first quarter of 2024 was \$859 million, an increase of \$92 million, or 12.0%, compared to the same period in 2023.

Adjusted EBITDA⁽¹⁾ Loblaw adjusted EBITDA⁽¹⁾ in the first quarter of 2024 was \$1,542 million, an increase of \$96 million, or 6.6%, compared to the same period in 2023, driven by an increase in retail of \$62 million, and an increase in financial services of \$34 million.

Retail adjusted EBITDA⁽¹⁾ increased by \$62 million compared to the same period in 2023, driven by an increase in retail gross profit of \$224 million, partially offset by an increase in retail selling, general and administrative expenses (“SG&A”) of \$162 million.

- Retail gross profit percentage of 31.6% increased by 30 basis points compared to the same period in 2023, primarily driven by improvements in drug retail gross margins, mainly due to sales mix, and lower shrink.
- Retail SG&A as a percentage of sales was 20.7%, an increase of 40 basis points compared to the same period in 2023, primarily driven by the year-over-year impact of certain real estate activities and labour costs, and costs related to network optimization.

Financial services adjusted EBITDA⁽¹⁾ increased by \$34 million compared to the same period in 2023, primarily driven by higher revenue as described above and lower customer acquisition expenses and operating costs, including the marketing support funding in connection with the launch of PC Insiders World Elite Mastercard[®] and the benefits associated with the renewal of a long-term agreement with Mastercard. This increase was partially offset by higher contractual charge-offs due to the current macro-economic environment, and the year-over-year unfavourable impact of the expected credit loss provision.

Depreciation and Amortization Loblaw depreciation and amortization in the first quarter of 2024 was \$690 million, an increase of \$15 million compared to the same period in 2023. The increase was primarily driven by an increase in depreciation of leased assets and information technology (“IT”) assets, 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 first quarter of 2024 included \$114 million (2023 – \$114 million) of amortization of intangible assets related to the acquisitions of Shoppers Drug Mart Corporation (“Shoppers Drug Mart”) and Lifemark Health Group (“Lifemark”).

Choice Properties Operating Results

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

(\$ millions except where otherwise indicated) For the periods ended as indicated	12 Weeks Ended			
	Mar. 23, 2024	Mar. 25, 2023	\$ Change	% Change
Revenue	\$ 349	\$ 325	\$ 24	7.4%
Net interest expense and other financing charges	\$ 65	\$ 35	\$ 30	85.7%
Net income	\$ 142	\$ 271	\$ (129)	(47.6)%
Funds from Operations ⁽¹⁾	\$ 187	\$ 177	\$ 10	5.6%

Revenue Choice Properties revenue in the first quarter of 2024 was \$349 million, an increase of \$24 million, or 7.4%, compared to the same period in 2023 and included revenue from the sale of residential inventory in the first quarter of 2024 of \$11 million and revenue of \$197 million (2023 – \$189 million) generated from tenants within Loblaw.

Excluding the impact of the sale of residential inventory, revenue in the first quarter of 2024 was \$338 million, an increase of \$13 million, or 4.0%, compared to the same period in 2023, primarily driven by:

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

Net Interest Expense and Other Financing Charges Choice Properties net interest expense and other financing charges in the first quarter of 2024 were \$65 million compared to \$35 million in the same period in 2023. The increase of \$30 million was primarily driven by the unfavourable year-over-year impact of the fair value adjustment on the Class B LP units (“Exchangeable Units”) of \$28 million as a result of the decrease in Choice Properties’ unit price in the quarter.

Net Income Choice Properties recorded net income of \$142 million in the first quarter of 2024, compared to \$271 million in the same period in 2023. The decrease of \$129 million was primarily driven by:

- the unfavourable year-over-year change of the fair value adjustment of investment properties, including those held within equity accounted joint ventures, of \$95 million;
- the unfavourable year-over-year change of the fair value adjustment on investment in real estate securities of \$15 million as a result of a decrease in Allied’s unit price; and
- higher net interest expense and other financing charges as described above;

partially offset by,

- an increase in revenue as described above.

Funds from Operations⁽¹⁾ Funds from Operations⁽¹⁾ in the first quarter of 2024 were \$187 million, an increase of \$10 million compared to the same period in 2023. The increase was primarily due to an increase in rental income, income from the sale of residential inventory and an increase in interest income, partially offset by an increase in interest expense.

OUTLOOK⁽²⁾

The Company's 2024 outlook remains unchanged and it continues to expect adjusted net earnings⁽¹⁾ to increase due to the results from its operating segments, and to use excess cash to repurchase shares.

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

For the full-year 2024, Loblaw continues to expect:

- 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 first quarter of 2024, 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	\$0.820 per share payable July 1, 2024, to shareholders of record June 15, 2024;
Preferred Shares, Series I	\$0.3625 per share payable June 15, 2024, to shareholders of record May 31, 2024;
Preferred Shares, Series III	\$0.3250 per share payable July 1, 2024, to shareholders of record June 15, 2024;
Preferred Shares, Series IV	\$0.3250 per share payable July 1, 2024, to shareholders of record June 15, 2024;
Preferred Shares, Series V	\$0.296875 per share payable July 1, 2024, to shareholders of record June 15, 2024.

2024 FIRST QUARTER REPORT

The Company's 2023 Annual Report and 2024 First 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.sedarplus.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.

ANNUAL MEETING

The George Weston Limited Annual Meeting of Shareholders will be held on Tuesday, May 7, 2024 at 11:00 a.m. (ET) at the Royal Conservatory, TELUS Centre for Performance and Learning, Koerner Hall, 273 Bloor Street West, Toronto, Ontario, Canada. Shareholders who are not able to attend in person will be able to listen, participate and vote at the meeting in real time through a web-based platform at <https://web.lumiagm.com/211044046> (meeting password: george2024) and via telephone. To access via audio-conference please dial 866-338-5272. The audio playback will be available after the event at 647-483-1416 or 877-454-9859, password: 4372262#. For additional details on how to join, attend or vote at the Annual Meeting of Shareholders through the virtual platform or via telephone, please refer to the "LUMI Virtual User Guide" which is available at: <https://weston.ca/en/Annual-Meeting.aspx>.

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.
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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.

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

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

(\$ millions)	12 Weeks Ended									
	Mar. 23, 2024					Mar. 25, 2023				
	Loblav	Choice Properties	Effect of consolidation	GWL Corporate	Consolidated	Loblav	Choice Properties	Effect of consolidation	GWL Corporate	Consolidated
Net earnings attributable to shareholders of the Company					\$ 246					\$ 436
Add impact of the following:										
Non-controlling interests					246					216
Income taxes					264					234
Net interest expense and other financing charges					215					71
Operating income	\$ 859	\$ 207	\$ (86)	\$ (9)	\$ 971	\$ 767	\$ 306	\$ (102)	\$ (14)	\$ 957
Add (deduct) impact of the following:										
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	\$ 114	\$ -	\$ -	\$ -	\$ 114	\$ 114	\$ -	\$ -	\$ -	\$ 114
Fair value adjustment of investment in real estate securities	-	30	-	-	30	-	15	-	-	15
Fair value adjustment on investment properties	-	3	13	-	16	-	(92)	43	-	(49)
Fair value adjustment of derivatives	(7)	-	-	-	(7)	3	-	-	-	3
Loss (gain) on sale of non-operating properties	-	-	-	-	-	1	-	(2)	-	(1)
Adjusting items	\$ 107	\$ 33	\$ 13	\$ -	\$ 153	\$ 118	\$ (77)	\$ 41	\$ -	\$ 82
Adjusted operating income	\$ 966	\$ 240	\$ (73)	\$ (9)	\$ 1,124	\$ 885	\$ 229	\$ (61)	\$ (14)	\$ 1,039
Depreciation and amortization excluding the impact of the above adjustment ⁽ⁱ⁾	576	1	(79)	1	499	561	1	(95)	1	468
Adjusted EBITDA	\$ 1,542	\$ 241	\$ (152)	\$ (8)	\$ 1,623	\$ 1,446	\$ 230	\$ (156)	\$ (13)	\$ 1,507

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

The following items impacted adjusted EBITDA in 2024 and 2023:

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 of investment in real estate securities Choice Properties received Allied Class B Units as part of the consideration for the Choice Properties' disposition of six office assets to Allied in 2022. Choice Properties recognized these units as investments in real estate securities. The investment in real estate securities is exposed to market price fluctuations of Allied trust units. An increase (decrease) in the market price of Allied trust units results in income (a charge) to operating income.

Fair value adjustment 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.

Loss (gain) on sale of non-operating properties In the first quarter of 2024, Loblaw did not record any gain or loss related to the sale of non-operating properties (2023 – loss of \$1 million).

In the first quarter of 2023, Choice Properties disposed of a property and incurred a loss which was recognized in fair value adjustment of investment properties. On consolidation, the Company recorded the property as fixed assets, which was recognized at cost less accumulated depreciation. As a result, in the first quarter of 2023, on consolidation, an incremental gain of \$2 million was recognized in operating income.

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

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

(\$ millions)	12 Weeks Ended	
	Mar. 23, 2024	Mar. 25, 2023
Net interest expense and other financing charges	\$ 215	\$ 71
Add impact of the following:		
Fair value adjustment of the Trust Unit liability	59	192
Adjusted net interest expense and other financing charges	\$ 274	\$ 263

In addition to certain items described in the “Adjusted EBITDA” section above, the following item impacted adjusted net interest expense and other financing charges in 2024 and 2023:

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.

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.

(\$ millions except where otherwise indicated)	12 Weeks Ended	
	Mar. 23, 2024	Mar. 25, 2023
Adjusted operating income ⁽ⁱ⁾	\$ 1,124	\$ 1,039
Adjusted net interest expense and other financing charges ⁽ⁱ⁾	274	263
Adjusted earnings before taxes	\$ 850	\$ 776
Income taxes	\$ 264	\$ 234
Add (deduct) impact of the following:		
Tax impact of items excluded from adjusted earnings before taxes ⁽ⁱⁱ⁾	33	26
Outside basis difference in certain Loblaw shares	(52)	(32)
Adjusted income taxes	\$ 245	\$ 228
Effective tax rate applicable to earnings before taxes	34.9%	26.4%
Adjusted effective tax rate applicable to adjusted earnings before taxes	28.8%	29.4%

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

In addition to certain items described in the “Adjusted EBITDA” and “Adjusted Net Interest Expense and Other Financing Charges” sections above, the following item impacted adjusted income taxes and the adjusted effective tax rate in 2024 and 2023:

Outside basis difference in certain Loblaw shares The Company recorded a deferred tax expense of \$52 million in the first quarter of 2024 (2023 - \$32 million) on temporary differences in respect of GWL’s investment in certain Loblaw shares that are expected to reverse in the foreseeable future as a result of GWL’s participation in Loblaw’s NCIB.

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

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

(\$ millions except where otherwise indicated)	12 Weeks Ended	
	Mar. 23, 2024	Mar. 25, 2023
Net earnings attributable to shareholders of the Company	\$ 246	\$ 436
Less: Prescribed dividends on preferred shares in share capital	(10)	(10)
Net earnings available to common shareholders of the Company	\$ 236	\$ 426
Less: Reduction in net earnings due to dilution at Loblaw	(2)	(2)
Net earnings available to common shareholders for diluted earnings per share	\$ 234	\$ 424
Net earnings attributable to shareholders of the Company	\$ 246	\$ 436
Adjusting items (refer to the following table)	76	(144)
Adjusted net earnings attributable to shareholders of the Company	\$ 322	\$ 292
Less: Prescribed dividends on preferred shares in share capital	(10)	(10)
Adjusted net earnings available to common shareholders of the Company	\$ 312	\$ 282
Less: Reduction in net earnings due to dilution at Loblaw	(2)	(2)
Adjusted net earnings available to common shareholders for diluted earnings per share	\$ 310	\$ 280
Diluted weighted average common shares outstanding (in millions)	134.9	140.7

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

(\$ millions except where otherwise indicated)	12 Weeks Ended											Diluted Net Earnings Per Common Share (\$)
	Mar. 23, 2024						Mar. 25, 2023					
	Net Earnings Available to Common Shareholders of the Company						Net Earnings Available to Common Shareholders of the Company					
	Loblaw ⁽ⁱ⁾	Choice Properties	Effect of consolidation	GWL Corporate	Consolidated	Consolidated	Loblaw ⁽ⁱ⁾	Choice Properties	Effect of consolidation	GWL Corporate	Consolidated	Consolidated
As reported	\$ 243	\$ 142	\$ (64)	\$ (85)	\$ 236	\$ 1.73	\$ 221	\$ 271	\$ 3	\$ (69)	\$ 426	\$ 3.01
Add (deduct) impact of the following ⁽ⁱⁱ⁾ :												
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	\$ 45	\$ -	\$ -	\$ -	\$ 45	\$ 0.34	\$ 45	\$ -	\$ -	\$ -	\$ 45	\$ 0.32
Fair value adjustment of investment in real estate securities	-	30	(2)	-	28	0.21	-	15	(1)	-	14	0.10
Fair value adjustment on investment properties	-	4	10	-	14	0.10	-	(92)	49	-	(43)	(0.30)
Fair value adjustment of derivatives	(4)	-	-	-	(4)	(0.03)	1	-	-	-	1	0.01
Loss (gain) on sale of non-operating properties	-	-	-	-	-	-	1	-	(2)	-	(1)	(0.01)
Outside basis difference in certain Loblaw shares	-	-	-	52	52	0.39	-	-	-	32	32	0.23
Fair value adjustment of the Trust Unit liability	-	-	(59)	-	(59)	(0.44)	-	-	(192)	-	(192)	(1.37)
Fair value adjustment on Choice Properties' Exchangeable Units	-	(67)	67	-	-	-	-	(95)	95	-	-	-
Adjusting items	\$ 41	\$ (33)	\$ 16	\$ 52	\$ 76	\$ 0.57	\$ 47	\$ (172)	\$ (51)	\$ 32	\$ (144)	\$ (1.02)
Adjusted	\$ 284	\$ 109	\$ (48)	\$ (33)	\$ 312	\$ 2.30	\$ 268	\$ 99	\$ (48)	\$ (37)	\$ 282	\$ 1.99

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

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)	12 Weeks Ended	
	Mar. 23, 2024	Mar. 25, 2023
Dividends from Loblaw	\$ –	\$ –
Distributions from Choice Properties	84	83
GWL Corporate cash flow from operating businesses	\$ 84	\$ 83
Proceeds from participation in Loblaw's NCIB	154	188
GWL Corporate, financing, and other costs ⁽ⁱ⁾	(21)	(24)
Income taxes paid	(76)	(61)
GWL Corporate free cash flow	\$ 141	\$ 186

(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 International Financial Reporting Standards issued in January 2022.

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

(\$ millions)	12 Weeks Ended	
	Mar. 23, 2024	Mar. 25, 2023
Net income	\$ 142	\$ 271
(Deduct) add impact of the following:		
Adjustment to fair value of unit-based compensation	(1)	(1)
Fair value adjustment on Exchangeable Units	(67)	(95)
Fair value adjustment on investment properties	1	(76)
Fair value adjustment on investment property held in equity accounted joint ventures	2	(16)
Fair value adjustment of investment in real estate securities	30	15
Capitalized interest on equity accounted joint ventures	3	3
Unit distributions on Exchangeable Units	75	74
Internal expenses for leasing	2	2
Funds from Operations	\$ 187	\$ 177