WESTON GEORGE WESTON LIMITED

NEWS RELEASE

George Weston Limited Reports First Quarter 2022 Results

Toronto, Ontario May 10, 2022 George Weston Limited (TSX: WN) ("GWL" or the "Company") today announced its consolidated unaudited results for the 12 weeks ended March 26, 2022[2].

GWL's 2022 First Quarter Report has been filed on SEDAR and is available at sedar.com and in the Investor Centre section of the Company's website at weston.ca.

"George Weston ended 2021 with momentum and has carried it into 2022, with both Loblaw and Choice Properties delivering strong results in the first quarter," said Galen G. Weston, Chairman and CEO, George Weston Limited. "Our operating companies are delivering on their strategic agendas, positioning us well for continued value creation."

Loblaw Companies Limited ("Loblaw") delivered another very good quarter in a retail environment experiencing fewer COVID-19 related restrictions and continued inflationary pressures. Loblaw's drug retail results were strong and drove Loblaw's margin expansion in the quarter, as front-store and prescription sales benefited from the loosening of social restrictions, and pharmacy services continued to perform well. In food retail, Loblaw continued to benefit from higher than normal eat-at-home levels and is well-positioned with its portfolio of businesses to provide value to meet the evolving needs of Canadians.

Choice Properties Real Estate Investment Trust ("Choice Properties") also reported a very good quarter and start to the year with continued high rent collections and positive leasing momentum. Choice Properties' portfolio and financial position are strong, as reflected in a 4.8% increase in net asset value per unit in the quarter, driven by continued demand for essential retail, strong industrial market dynamics and advancement in its development pipeline. Subsequent to the end of the first quarter of 2022, Choice Properties completed the strategic sale of six high-quality office properties to Allied Properties Real Estate Investment Trust. With the strategic sale, Choice Properties is well-positioned to focus its time and capital on its core asset classes of essential retail, industrial, its growing residential platform as well as its robust development pipeline.

GWL also announced its release of the 2021 Environmental, Social and Governance ("ESG") report today.

2022 FIRST QUARTER HIGHLIGHTS

George Weston Limited's net earnings available to common shareholders of the Company from continuing operations were $363 million in the first quarter of 2022, an increase of $425 million compared to the first quarter of 2021. The increase was due to the favourable year-over-year net impact of adjusting items totaling $388 million and an improvement in the Company's consolidated underlying operating performance of $37 million. Diluted net earnings per common share from continuing operations were $2.45, an increase of $2.86 per common share when compared to the first quarter of 2021.

Adjusted net earnings available to common shareholders of the Company[1] from continuing operations were $282 million in the first quarter of 2022, an increase of $37 million, or 15.1%, compared to the first quarter of 2021. The increase was primarily due to the improvement in the underlying operating performance of Loblaw and lower adjusted net interest expense and other financing charges[1].

Adjusted diluted net earnings per common share[1] from continuing operations were $1.90 in the first quarter of 2022, an increase of $0.30 per common share, or 18.8%, compared to the first quarter of 2021. The increase was due to the improvement in adjusted net earnings available to common shareholders of the Company[1] from continuing operations and the favourable impact of share repurchases.

The quarterly common share dividend to be increased by $0.06, or 10.0%, from $0.600 per common share to $0.660 per common share.

CONSOLIDATED RESULTS OF OPERATIONS

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

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

(unaudited) ($ millions except where otherwise indicated) For the periods ended as indicated	12 Weeks Ended Mar. 26, 2022	Mar. 27, 2021[3]	$ Change	% Change
Revenue	**$ 12,407**	**$ 12,017**	**$ 390**	**3.2%**
Operating income	**$ 1,166**	**$ 828**	**$ 338**	**40.8%**
Adjusted EBITDA[1]	**$ 1,422**	$ 1,300	$ 122	9.4%
Adjusted EBITDA margin[1]	**11.5%**	10.8%		
Net earnings (loss) attributable to shareholders of the Company from continuing operations	**$ 373**	**$ (52)**	**$ 425**	**817.3%**
Net earnings (loss) available to common shareholders of the Company from continuing operations	**$ 363**	**$ (62)**	**$ 425**	**685.5%**
Adjusted net earnings available to common shareholders of the Company[1] from continuing operations	**$ 282**	$ 245	$ 37	15.1%
Diluted net earnings (loss) per common share from continuing operations ($)	**$ 2.45**	**$ (0.41)**	**$ 2.86**	**697.6%**
Adjusted diluted net earnings per common share[1] from continuing operations ($)	**$ 1.90**	$ 1.60	$ 0.30	18.8%

In the first quarter of 2022, the Company recorded net earnings available to common shareholders of the Company from continuing operations of $363 million ($2.45 per common share), an increase of $425 million ($2.86 per common share) compared to the same period in 2021. The increase was due to the favourable year-over-year net impact of adjusting items totaling $388 million ($2.56 per common share) and an improvement of $37 million ($0.30 per common share) in the consolidated underlying operating performance of the Company described below.

- The favourable year-over-year net impact of adjusting items totaling $388 million ($2.56 per common share) was primarily due to:
  - the favourable year-over-year impact of the fair value adjustment on investment properties of $205 million ($1.40 per common share) primarily driven by Choice Properties, net of consolidation adjustments in Other and Intersegment;
  - the favourable year-over-year impact of the fair value adjustment of the Trust Unit liability of $146 million ($0.94 per common share); and
  - the favourable year-over-year impact of the prior year fair value adjustment of the forward sale agreement of Loblaw common shares of $46 million ($0.30 per common share). The Company settled the net debt associated with the forward sale agreement in the fourth quarter of 2021.

- The improvement in the Company's consolidated underlying operating performance of $37 million ($0.30 per common share) was due to:
  - the favourable underlying operating performance of Loblaw; and
  - a decrease in adjusted net interest expense and other financing charges[1];

  partially offset by,
  - an increase in depreciation and amortization at Loblaw.

- Diluted net earnings per common share from continuing operations also included the favourable impact of shares purchased for cancellation over the last 12 months ($0.06 per common share) pursuant to the Company's Normal Course Issuer Bid ("NCIB").

Adjusted net earnings available to common shareholders of the Company[1] from continuing operations were $282 million, an increase of $37 million, or 15.1%, compared to the same period in 2021 due to the improvement in the Company's consolidated underlying operating performance described above. Adjusted diluted net earnings per common share[1] from continuing operations were $1.90 per common share in the first quarter of 2022, an increase of $0.30 per common share, or 18.8%, compared to the same period in 2021. The increase was due to the favourable performance in adjusted net earnings available to common shareholders[1] from continuing operations and the favourable impact of share repurchases.

CONSOLIDATED OTHER BUSINESS MATTERS

GWL CORPORATE[4] FINANCING ACTIVITIES The Company completed the following financing activities during the periods indicated below. The cash impacts of these activities are set out below:

(unaudited) ($ millions)	12 Weeks Ended Mar. 26, 2022	Mar. 27, 2021
GWL's credit facility repayment	**$ (121)**	$ –
GWL's NCIB – purchased and cancelled	**(47)**	(25)
GWL's participation in Loblaw's NCIB	**10**	166
Net cash flow (used in) from above activities	**$ (158)**	$ 141

GWL's Credit Facility In the third quarter of 2021, GWL entered into a $350 million revolving committed credit facility provided by a syndicate of lenders with a maturity date of September 13, 2024. The credit facility contains certain financial covenants. As at December 31, 2021, $121 million was drawn on the facility which was repaid in the first quarter of 2022. As at March 26, 2022, no amounts were drawn on the facility.

GWL's NCIB – Purchased and Cancelled Shares In the first quarter of 2022, the Company purchased and cancelled 0.4 million shares under its NCIB (2021 – 0.5 million shares). As at March 26, 2022, the Company had 146.5 million shares outstanding (March 27, 2021 – 151.8 million).

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

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

GWL's Participation in Loblaw's NCIB The Company participates in Loblaw's NCIB in order to maintain its proportionate percentage ownership interest. During the first quarter of 2022, GWL received proceeds of $10 million (2021 – $166 million) from the sale of Loblaw shares.

REPORTABLE OPERATING SEGMENTS

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

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

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

Excerpt of Segment Information

The accounting policies of the reportable operating segments are the same as those described in the Company's 2021 audited annual consolidated financial statements. The Company measures each reportable operating segment's performance based on adjusted EBITDA[(1)] and adjusted operating income[(1)]. No reportable operating segment is reliant on any single external customer.

	12 Weeks Ended							
	Mar. 26, 2022				Mar. 27, 2021[(3)]			
($ millions)	Loblaw	Choice Properties	Other and Intersegment	Total	Loblaw	Choice Properties	Other and Intersegment	Total
Revenue	**$ 12,262**	**$ 328**	**$ (183)**	**$ 12,407**	$ 11,872	$ 327	$ (182)	$ 12,017
Operating income	$ 736	$ 629	$ (199)	$ 1,166	$ 615	$ 285	$ (72)	$ 828
Net interest expense and other financing charges	142	242	(62)	322	160	347	38	545
Earnings (loss) before income taxes from continuing operations	**$ 594**	**$ 387**	**$ (137)**	**$ 844**	$ 455	$ (62)	$ (110)	$ 283
Operating income	**$ 736**	**$ 629**	**$ (199)**	**$ 1,166**	$ 615	$ 285	$ (72)	$ 828
Depreciation and amortization	631	1	(83)	549	610	1	(86)	525
Adjusting items[(i)]	(26)	(405)	138	(293)	(9)	(61)	17	(53)
Adjusted EBITDA[(1)]	**$ 1,341**	**$ 225**	**$ (144)**	**$ 1,422**	$ 1,216	$ 225	$ (141)	$ 1,300
Depreciation and amortization[(ii)]	514	1	(83)	432	493	1	(86)	408
Adjusted operating income[(1)]	**$ 827**	**$ 224**	**$ (61)**	**$ 990**	$ 723	$ 224	$ (55)	$ 892

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

(ii) Excludes $117 million (2021 – $117 million) of amortization of intangible assets acquired with Shoppers Drug Mart Corporation ("Shoppers Drug Mart"), recorded by Loblaw.

Other and Intersegment includes the following items:

	12 Weeks Ended					
	Mar. 26, 2022			Mar. 27, 2021[(3)]		
($ millions)	Revenue	Operating Income	Net Interest Expense and Other Financing Charges	Revenue	Operating Income	Net Interest Expense and Other Financing Charges
Elimination of internal lease arrangements	**$ (134)**	**$ (38)**	**$ (22)**	$ (128)	$ (39)	$ (25)
Elimination of cost recovery	**(49)**	**–**	**–**	(54)	–	–
Recognition of depreciation on Choice Properties' investment properties classified as fixed assets by the Company and measured at cost	**–**	**(10)**	**–**	–	(6)	–
Fair value adjustment on investment properties	**–**	**(119)**	**3**	–	(15)	–
Fair value adjustment on Choice Properties' Exchangeable Units	**–**	**–**	**(119)**	–	–	(218)
Fair value adjustment on Trust Unit liability	**–**	**–**	**93**	–	–	239
Unit distributions on Exchangeable Units paid by Choice Properties to GWL	**–**	**–**	**(73)**	–	–	(74)
Unit distributions on Trust Units paid by Choice Properties, excluding amounts paid to GWL	**–**	**–**	**51**	–	–	51
Reversal of Loblaw gain on sale of disposition of property to Choice Properties	**–**	**(19)**	**–**	–	–	–
Fair value adjustment of the forward sale agreement of Loblaw common shares	**–**	**–**	**–**	–	–	53
Other	**–**	**(13)**	**5**	–	(12)	12
Total	**$ (183)**	**$ (199)**	**$ (62)**	$ (182)	$ (72)	$ 38

Loblaw Operating Results

(unaudited) ($ millions except where otherwise indicated) For the periods ended as indicated	12 Weeks Ended Mar. 26, 2022	Mar. 27, 2021	$ Change	% Change
Revenue	**$ 12,262**	$ 11,872	$ 390	3.3%
Operating income	**$ 736**	$ 615	$ 121	19.7%
Adjusted EBITDA(1)	**$ 1,341**	$ 1,216	$ 125	10.3%
Adjusted EBITDA margin(1)	**10.9%**	10.2%		
Depreciation and amortization(i)	**$ 631**	$ 610	$ 21	3.4%

(i) Depreciation and amortization in the first quarter of 2022 includes $117 million (2021 – $117 million) of amortization of intangible assets acquired with Shoppers Drug Mart.

Revenue Loblaw revenue in the first quarter of 2022 was $12,262 million, an increase of $390 million, or 3.3%, compared to the same period in 2021, driven by an increase in retail sales and in financial services revenue.

Retail sales were $12,045 million, an increase of $375 million, or 3.2%, compared to the same period in 2021. The increase was primarily driven by the following factors:

- food retail sales were $8,682 million (2021 – $8,479 million) and food retail same-store sales grew by 2.1% (2021 – 0.1%) for the quarter. Food retail basket size decreased and traffic increased in the quarter;
- the Consumer Price Index ("CPI") as measured by The Consumer Price Index for Food Purchased from Stores was 7.5% (2021 – 0.9%), which was slightly lower than Loblaw's internal food inflation; and
- drug retail sales were $3,363 million (2021 – $3,191 million) and drug retail same-store sales grew by 5.2% (2021 – decreased by 1.7%) for the quarter. Pharmacy same-store sales growth benefited from strong sales in pharmacy related services. Front store same-store sales growth benefited from the continued economic re-opening. Pharmacy same-store sales growth was 6.8% (2021 – 3.5%) and front store same-store sales increased by 3.6% (2021 – decreased by 6.4%).

During the first quarter of 2022, 9 food and drug stores were opened, and 10 food and drug stores were closed, resulting in a net decrease in retail square footage of 0.1 million square feet, or 0.1%.

Financial services revenue in the first quarter of 2022 increased by $21 million compared to the same period in 2021. The increase was primarily driven by higher interest income from growth in credit card receivables and higher interchange income from an increase in customer spending, partially offset by lower sales attributable to *The Mobile Shop*.

Operating income Loblaw operating income in the first quarter of 2022 was $736 million, an increase of $121 million, or 19.7%, compared to the same period in 2021. The increase included improvements in underlying operating performance of $104 million and the favourable year-over-year net impact of adjusting items totaling $17 million, as described below:

- the improvement in underlying operating performance of $104 million was primarily due to the following:
  - an improvement in the underlying operating performance of retail due to an increase in retail gross profit, partially offset by an increase in selling, general and administrative expenses ("SG&A") and depreciation and amortization;

  partially offset by,
  - a decline in the underlying operating performance of financial services primarily due to the year-over-year impact of the expected credit loss provision from lapping a larger prior year release of $20 million versus the current quarter release of $5 million and the prior year reversal of certain commodity tax accrued.

- the favourable year-over-year net impact of adjusting items totaling $17 million was primarily due to:
  - the favourable year-over-year impact of restructuring and other related costs of $19 million; and
  - the favourable year-over-year impact of the fair value adjustment of derivatives of $6 million;

  partially offset by,
  - the unfavourable year-over-year impact in net gain on sale of non-operating properties of $5 million; and
  - the unfavourable impact of the Lifemark Health Group ("Lifemark") transaction costs of $3 million.

Adjusted EBITDA(1) Loblaw adjusted EBITDA(1) in the first quarter of 2022 was $1,341 million, an increase of $125 million, or 10.3%, compared to the same period in 2021. The increase was primarily due to an increase in retail of $140 million, partially offset by a decrease in financial services of $15 million.

Retail adjusted EBITDA(1) in the first quarter of 2022 increased by $140 million driven by an increase in retail gross profit of $210 million, partially offset by an unfavourable increase in SG&A of $70 million.

- Retail gross profit percentage of 31.1% increased by 80 basis points compared to the same period in 2021, driven by favourable changes in the drug retail sales mix, with underlying improvements in business initiatives across retail.

- Retail SG&A as a percentage of sales was 20.4%, a decrease of 10 basis points compared to the same period of 2021. The favourable decrease was primarily due to lower COVID-19 related expenses, partially offset by higher costs incurred in drug retail from providing pharmacy related services.

Financial services adjusted EBITDA[1]decreased by $15 million compared to the same period in 2021. Financial services continues to benefit from the economic re-opening but the decrease was due to the year-over-year impact of the expected credit loss provision from lapping a larger prior year release of $20 million versus the current quarter release of $5 million and the prior year reversal of certain commodity tax accrued.

Depreciation and Amortization Loblaw depreciation and amortization in the first quarter of 2022 was $631 million, an increase of $21 million compared to the same period in 2021, primarily driven by an increase in depreciation of information technology ("IT") and leased assets. Included in depreciation and amortization is the amortization of intangible assets acquired with Shoppers Drug Mart of $117 million (2021 – $117 million).

Consolidation of Franchises Loblaw has more than 500 franchise food retail stores in its network. Non-controlling interests at Loblaw represent the share of earnings that relates to Loblaw's food retail franchisees and is impacted by the timing of when profit sharing with franchisees is agreed and finalized under the terms of the agreements. Loblaw's net earnings attributable to non-controlling interests were $33 million in the first quarter of 2022. When compared to the first quarter of 2021, this represented an increase of $14 million or 73.7%. The increase in non-controlling interests at Loblaw was primarily driven by an improvement in franchisee earnings in comparison to the same period in 2021.

Loblaw Other Business Matters

Lifemark Health Group During the quarter, Loblaw agreed to acquire Lifemark for aggregate cash consideration of $845 million. Lifemark is the leading provider of outpatient physiotherapy, massage therapy, occupational therapy, chiropractic, mental health, and other ancillary rehabilitation services through its more than 300 clinics across Canada. Regulatory approvals have been received and the transaction is expected to close on or about May 10, 2022.

Choice Properties Operating Results

(unaudited) ($ millions except where otherwise indicated) For the periods ended as indicated	12 Weeks Ended Mar. 26, 2022	Mar. 27, 2021	$ Change	% Change
Revenue	**$ 328**	$ 327	$ 1	0.3%
Net interest expense and other financing charges[i]	**$ 242**	$ 347	$ (105)	(30.3)%
Net income (loss)	**$ 387**	$ (62)	$ 449	724.2%
Funds from Operations[1]	**$ 175**	$ 171	$ 4	2.3%

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

Revenue Revenue in the first quarter of 2022 was $328 million, an increase of $1 million, or 0.3%, compared to the same period in 2021, and included $184 million (2021 – $182 million) generated from tenants within Loblaw.

The increase in revenue in the first quarter of 2022 was primarily driven by:
- higher rental rates on renewals in the retail portfolio; and
- increased capital recoveries;

partially offset by,
- foregone revenue from dispositions; and
- a decrease in lease surrender revenue.

Net Interest Expense and Other Financing Charges Net interest expense and other financing charges in the first quarter of 2022 were $242 million compared to $347 million in the same period in 2021. The decrease of $105 million was primarily driven by the favourable year-over-year impact of the fair value adjustment on the Class B LP units ("Exchangeable Units") of $99 million, a general reduction in indebtedness and refinancing over the past year at lower interest rates.

Net Income (Loss) Net income in the first quarter of 2022 was $387 million, compared to a net loss of $62 million in the same period in 2021. The increase of $449 million was primarily driven by:

- the favourable change in the adjustment to fair value of investment properties, including those held within equity accounted joint ventures;
- lower net interest expense and other financing charges as described above;
- a decline in expected credit loss provisions; and
- an increase in rental revenue as described above.

Funds from Operations[(1)] Funds from Operations[(1)] in the first quarter of 2022 was $175 million, an increase of $4 million compared to the same period in 2021, primarily due to an increase in revenue as described above, a decline in expected credit loss provisions, lower interest expense due to a general reduction in indebtedness, partially offset by an increase in general and administrative expenses.

Choice Properties Other Business Matters

Strategic Disposition Subsequent to the end of the Company's first quarter of 2022, on March 31, 2022, Choice Properties disposed of its interests in a portfolio of six office properties to Allied Properties Real Estate Investment Trust ("Allied"). The consideration received consisted of 11,809,145 exchangeable Class B limited partnership units of Allied Properties Exchangeable Limited Partnership ("Allied Class B Units"), an affiliated entity of Allied, with a fair value of $551 million on the transaction date, and a promissory note with a fair value of $193 million (face value of $200 million). Following the transaction, Choice Properties holds approximately an 8.5% effective interest in Allied through its ownership of the Allied Class B Units. Choice Properties does not have significant influence over Allied.

The Allied Class B Units are exchangeable into, and are economically equivalent to, the publicly traded trust units of Allied ("Allied Units"), and were accompanied by a corresponding number of special voting units of Allied. There are no restrictions on the exchange of Allied Class B Units into Allied Units, but the Allied Units (if exchanged) are subject to a lock-up from the closing of the transaction, such that 25% of the Allied Class B Units or Allied Units, as applicable, will be released from lock up every three months following the first anniversary of closing of the transaction. As a holder of the Allied Class B Units, Choice Properties is entitled to distributions paid by Allied.

The promissory note is secured by the six office assets and bears interest at a rate of 1% for the remainder of the 2022 calendar year and 2% subsequently until its maturity on December 31, 2023.

At the end of the first quarter of 2022, these properties were classified as Assets Held for Sale on the Company's consolidated balance sheet.

Land Acquisition Subsequent to the end of the first quarter of 2022, on April 19, 2022, Choice Properties completed the acquisition of land in Caledon, Ontario within one of its equity accounted joint ventures. Choice Properties' share of the purchase price, at its 85% ownership interest, was $85 million.

OUTLOOK[2]

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

Loblaw Loblaw will continue to execute on retail excellence in its core grocery and pharmacy businesses while advancing its growth initiatives in 2022. In the third year of the pandemic, Loblaw's businesses remain well placed to service the everyday needs of Canadians. However, Loblaw cannot predict the precise impacts of COVID-19 and the current industry volatility on its 2022 financial results. Loblaw anticipates that in the first half of 2022 sales will benefit from the continued impact of the pandemic and elevated industry-wide inflation. As societies and economies reopen and Loblaw starts to lap elevated 2021 inflationary prices and COVID-19 related pharmacy services, year on year revenue growth will be more challenged.

Loblaw continues to expect:
- its retail business to grow earnings faster than sales;
- Earnings Per Share growth in the low double digits, with higher growth in the first half of the year;
- to invest approximately $1.4 billion in capital expenditures, net of proceeds from property disposals, reflecting incremental store and distribution network investments; and
- to return capital to shareholders by allocating a significant portion of free cash flow to share repurchases.

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

At the end of the first quarter of 2022, Choice Properties' diversified portfolio of retail, industrial, residential and mixed-use properties was 97.0% occupied and leased to high-quality tenants across Canada. Choice Properties' portfolio is primarily leased to necessity-based tenants, and logistics providers, who are less sensitive to economic volatility and therefore provide stability to Choice Properties' overall portfolio. That stability is evident in Choice Properties' financial results over the past year and in the most recent quarter. Choice Properties is encouraged by the continued COVID-19 reopening measures and high vaccination rates. That optimism is reflected in Choice Properties' tenant base with positive leasing momentum observed across its portfolio.

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

Since the start of 2022, there has been a significant increase in interest rates. Choice Properties continues to monitor the impact of the overall rising rate environment on Choice Properties' operating results and financial condition. Choice Properties' strong balance sheet, ample liquidity, unencumbered assets and staggered debt maturity provides the Trust with flexibility in the current environment.

DECLARATION OF QUARTERLY DIVIDENDS

Subsequent to the end of the first quarter of 2022, the Company's Board of Directors declared a quarterly dividend on GWL Common Shares, Preferred Shares, Series I, Preferred Shares, Series III, Preferred Shares, Series IV and Preferred Shares, Series V payable as follows:

Common Shares	$0.660 per share payable July 1, 2022, to shareholders of record June 15, 2022;
Preferred Shares, Series I	$0.3625 per share payable June 15, 2022, to shareholders of record May 31, 2022;
Preferred Shares, Series III	$0.3250 per share payable July 1, 2022, to shareholders of record June 15, 2022;
Preferred Shares, Series IV	$0.3250 per share payable July 1, 2022, to shareholders of record June 15, 2022;
Preferred Shares, Series V	$0.296875 per share payable July 1, 2022, to shareholders of record June 15, 2022.

NON-GAAP FINANCIAL MEASURES

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

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

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

These measures do not have a standardized meaning prescribed by GAAP and therefore they may not be comparable to similarly titled measures presented by other publicly traded companies, and should not be construed as an alternative to other financial measures determined in accordance with GAAP. 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 (loss) attributable to shareholders of the Company from continuing operations reported for the periods ended as indicated.

	12 Weeks Ended							
	Mar. 26, 2022				Mar. 27, 2021[3]			
(unaudited) ($ millions)	Loblaw	Choice Properties	Other & Intersegment	Consolidated	Loblaw	Choice Properties	Other & Intersegment	Consolidated
Net earnings (loss) attributable to shareholders of the Company from continuing operations				$ 373				$ (52)
Add impact of the following:								
Non-controlling interests				242				170
Income taxes				229				165
Net interest expense and other financing charges				322				545
Operating income	$ 736	$ 629	$ (199)	$ 1,166	$ 615	$ 285	$ (72)	$ 828
Add impact of the following:								
Amortization of intangible assets acquired with Shoppers Drug Mart	$ 117	$ –	$ –	$ 117	$ 117	$ –	$ –	$ 117
Fair value adjustment on investment properties	–	(410)	119	(291)	–	(61)	15	(46)
Fair value adjustment of derivatives	(14)	–	–	(14)	(8)	–	–	(8)
Restructuring and other related (recoveries) costs	(15)	–	19	4	4	–	–	4
Lifemark transaction costs	3	–	–	3	–	–	–	–
Transaction costs and other related expenses	–	5	–	5	–	–	–	–
(Gain) loss on sale of non-operating properties	–	–	–	–	(5)	–	2	(3)
Adjusting items	$ 91	$ (405)	$ 138	$ (176)	$ 108	$ (61)	$ 17	$ 64
Adjusted operating income	$ 827	$ 224	$ (61)	$ 990	$ 723	$ 224	$ (55)	$ 892
Depreciation and amortization excluding the impact of the above adjustments[(i)]	514	1	(83)	432	493	1	(86)	408
Adjusted EBITDA	$ 1,341	$ 225	$ (144)	$ 1,422	$ 1,216	$ 225	$ (141)	$ 1,300

(i) Depreciation and amortization for the calculation of adjusted EBITDA excludes $117 million (2021 – $117 million) of amortization of intangible assets, acquired with Shoppers Drug Mart, recorded by Loblaw.

The following items impacted adjusted EBITDA in the first quarters of 2022 and 2021:

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

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

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

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 (2021 – $4 million costs) of restructuring and other related recoveries 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 is investing to build a modern and efficient expansion to its Cornwall distribution centre to serve its food and drug retail businesses in Ontario and Quebec. Volumes from the distribution centre in Laval were transferred to Cornwall and Loblaw will record any remaining restructuring costs in the second quarter of 2022 related to these closures.

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.

Lifemark transaction costs In connection with the agreement to acquire Lifemark Health Group, in the first quarter of 2022 Loblaw recorded $3 million of acquisition costs.

Transaction costs and other related expenses During the first quarter of 2022, Choice Properties recorded advisory, legal, personnel, and other costs related to the disposal of its interests in a portfolio of six office assets to Allied totaling $5 million.

(Gain) loss on sale of non-operating properties In the first quarter of 2021, Loblaw disposed of non-operating properties to a third party and recorded a gain of $5 million related to the sale.

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

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

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

(unaudited) ($ millions)	12 Weeks Ended **Mar. 26, 2022**	 Mar. 27, 2021[3]
Net interest expense and other financing charges	**$ 322**	$ 545
Add: Fair value adjustment of the Trust Unit liability	**(93)**	(239)
Recovery related to Glenhuron	**11**	–
Fair value adjustment of the forward sale agreement for Loblaw common shares	**–**	(53)
Adjusted net interest expense and other financing charges	**$ 240**	$ 253

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

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

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

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

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

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

(unaudited) ($ millions except where otherwise indicated)	12 Weeks Ended Mar. 26, 2022	Mar 27, 2021[3]
Adjusted operating income[i]	**$ 990**	$ 892
Adjusted net interest expense and other financing charges[i]	**240**	253
Adjusted earnings before taxes	**$ 750**	$ 639
Income taxes	**$ 229**	$ 165
Add: Tax impact of items excluded from adjusted earnings before taxes[ii]	**(20)**	28
Recovery related to Glenhuron	**33**	–
Outside basis difference in certain Loblaw shares	**(37)**	(16)
Adjusted income taxes	**$ 205**	$ 177
Effective tax rate applicable to earnings before taxes	**27.1%**	58.3%
Adjusted effective tax rate applicable to adjusted earnings before taxes	**27.3%**	27.7%

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

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

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

Outside basis difference in certain Loblaw shares The Company recorded a deferred tax expense of $37 million (2021 – $16 million) in the first quarter of 2022 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 FROM CONTINUING OPERATIONS AND ADJUSTED DILUTED NET EARNINGS PER COMMON SHARE FROM CONTINUING OPERATIONS The Company believes that adjusted net earnings available to common shareholders from continuing operations and adjusted diluted net earnings per common share from continuing operations are useful in assessing the Company's underlying operating performance and in making decisions regarding the ongoing operations of its business.

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

(unaudited) ($ millions except where otherwise indicated)	12 Weeks Ended Mar. 26, 2022	 Mar. 27, 2021[3]
Net earnings (loss) attributable to shareholders of the Company	**$ 373**	$ (52)
Less: Net earnings from discontinued operations	**–**	–
Net earnings (loss) attributable to shareholders of the Company from continuing operations	**$ 373**	$ (52)
Less: Prescribed dividends on preferred shares in share capital	**(10)**	(10)
Net earnings (loss) available to common shareholders of the Company from continuing operations	**$ 363**	$ (62)
Less: Reduction in net earnings due to dilution at Loblaw	**(2)**	(1)
Net earnings (loss) available to common shareholders from continuing operations for diluted earnings per share	**$ 361**	$ (63)
Net earnings (loss) attributable to shareholders of the Company from continuing operations	**$ 373**	$ (52)
Adjusting items (refer to the following table)	**(81)**	307
Adjusted net earnings attributable to shareholders of the Company from continuing operations	**$ 292**	$ 255
Less: Prescribed dividends on preferred shares in share capital	**(10)**	(10)
Adjusted net earnings available to common shareholders of the Company from continuing operations	**$ 282**	$ 245
Less: Reduction in net earnings due to dilution at Loblaw	**(2)**	(1)
Adjusted net earnings available to common shareholders for diluted earnings per share from continuing operations	**$ 280**	$ 244
Diluted weighted average common shares outstanding (in millions)	**147.3**	152.1

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

	12 Weeks Ended			
	Mar. 26, 2022		Mar. 27, 2021[3]	
(unaudited) ($ except where otherwise indicated)	Net Earnings Available to Common Shareholders of the Company ($ millions)	Diluted Net Earnings Per Common Share	Net Earnings (Loss) Available to Common Shareholders of the Company ($ millions)	Diluted Net Earnings (Loss) Per Common Share
Continuing Operations	**$ 363**	**$ 2.45**	$ (62)	$ (0.41)
Add (deduct) impact of the following[i]:				
Amortization of intangible assets acquired with Shoppers Drug Mart	**$ 46**	**$ 0.31**	$ 45	$ 0.29
Fair value adjustment on investment properties	**(243)**	**(1.65)**	(38)	(0.25)
Fair value adjustment of derivatives	**(6)**	**(0.04)**	(3)	(0.02)
Restructuring and other related costs	**10**	**0.08**	2	0.01
Lifemark transaction costs	**1**	**0.01**	–	–
Transaction costs and other related expenses	**4**	**0.02**	–	–
Fair value adjustment of the Trust Unit liability	**93**	**0.63**	239	1.57
Fair value adjustment of the forward sale agreement for Loblaw common shares	**–**	**–**	46	0.30
Outside basis difference in certain Loblaw shares	**37**	**0.25**	16	0.11
Recovery related to Glenhuron	**(23)**	**(0.16)**	–	–
Adjusting items Continuing Operations	**$ (81)**	**$ (0.55)**	$ 307	$ 2.01
Adjusted Continuing Operations	**$ 282**	**$ 1.90**	$ 245	$ 1.60

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

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

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

(unaudited) ($ millions)	12 Weeks Ended Mar. 26, 2022	Mar. 27, 2021[3]	$ Change
Cash flows from operating activities	**$ 757**	$ 911	$ (154)
Less: Cash flows used in operating activities from discontinued operations	**–**	(3)	3
Cash flows from operating activities from continuing operations	**$ 757**	$ 914	$ (157)
Less: Interest paid	**214**	244	(30)
Capital investments[i]	**207**	223	(16)
Lease payments, net	**143**	140	3
Free cash flow from continuing operations	**$ 193**	$ 307	$ (114)

(i) In the first quarter of 2021, additions to fixed assets in Loblaw included prepayments that were made in 2020 and transferred from other assets of $1 million.

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

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

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

(unaudited) ($ millions)	12 Weeks Ended Mar. 26, 2022	Mar. 27, 2021
Net income (loss)	**$ 387**	$ (62)
Add (deduct) impact of the following:		
Fair value adjustment on Exchangeable Units	**119**	218
Unit distributions on Exchangeable Units	**73**	73
Fair value adjustment on investment properties	**(303)**	(59)
Fair value adjustment on investment property held in equity accounted joint ventures	**(110)**	(2)
Internal expenses for leasing	**2**	2
Capitalized interest on equity accounted joint ventures	**–**	1
Transaction costs and other related expenses	**5**	–
Other fair value gains, net	**1**	–
Other	**1**	–
Funds from Operations	**$ 175**	$ 171

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

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

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

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

2022 FIRST QUARTER REPORT

The Company's 2021 Annual Report and 2022 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.sedar.com.

INVESTOR RELATIONS

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

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

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

ANNUAL MEETING

The George Weston Limited Annual Meeting of Shareholders will be held on Tuesday, May 10, 2022 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/209646589** (meeting password: george2022). To access via audio-conference please dial (416) 764-8688 or 1-888-390-0546. Playback will be available two hours after the event at (416) 764-8677 or 1-888-390-0541, password: 347847#.

Ce rapport est disponible en français.

Endnotes

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

(2) This News Release contains forward-looking information. See "Forward-Looking Statements" section of this News Release and the Company's 2022 First Quarter Report for a discussion of material factors that could cause actual results to differ materially from the forecasts and projections herein and of the material factors and assumptions that were used when making these statements. This News Release should be read in conjunction with GWL's filings with securities regulators made from time to time, all of which can be found at www.weston.ca and www.sedar.com.

(3) Comparative figures have been restated to conform with current year presentation.

(4) GWL Corporate refers to the non-consolidated financial results and metrics of GWL. GWL Corporate is a subset of Other and Intersegment.