WESTON GEORGE WESTON LIMITED

NEWS RELEASE

George Weston Limited Reports Second Quarter 2023 Results

Toronto, Ontario August 1, 2023 George Weston Limited (TSX: WN) ("GWL" or the "Company") today announced its consolidated unaudited results for the 12 weeks ended June 17, 2023[2].

GWL's 2023 Second 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.

"GWL's positive results this quarter reflect the continued strength and stability of our operating businesses," said Galen G. Weston, Chairman and Chief Executive Officer of George Weston Limited. "With Choice Properties delivering on its financial plan and development initiatives, and Loblaw providing Canadians with the care, selection, and value they need today, our group is well positioned for continued success."

Loblaw Companies Limited ("Loblaw") delivered another quarter of strong operational and financial results as it continued to execute on retail excellence. The quarter was characterized by increased sales, a focus on value, and lower gross margins. Loblaw's net earnings were up 31.3%, unusually elevated by lapping a prior year charge at President's Choice Bank ("PC Bank"), while adjusted net earnings were up 10.6%. Loblaw's ability to deliver everyday value and savings to Canadians was reflected in strong sales growth across its food and drug businesses. Food retail sales growth was led by a continued consumer shift to discount stores, as customers continued to find value in Loblaw's private label brands and personalized PC Optimum™ offers. Drug front-store and pharmacy sales remained strong, led by continued strength in beauty products. Retail gross margin declined slightly in both food and drug as Loblaw faced double digit supplier cost increases that were not fully passed on to consumers, and higher shrink. Higher sales and cost control initiatives drove adjusted net earnings growth in the quarter.

Choice Properties Real Estate Investment Trust ("Choice Properties") delivered strong second quarter results, which reflect the continued demand for its necessity-based retail centres and well-located industrial assets. Choice Properties continues to make progress on its development initiatives and is on track to complete approximately 1.6 million square feet of industrial space and two residential projects this year. Choice Properties is also advancing Choice Caledon Business Park, its largest industrial development site located in the GTA, where site work has started and the first lease was executed, both important steps towards delivering high-quality industrial space to its portfolio.

The Company also announced today that the Toronto Stock Exchange ("TSX") has accepted an amendment to the Company's Normal Course Issuer Bid ("NCIB") to allow Wittington Investments, Limited ("Wittington"), the Company's controlling shareholder, to participate in the NCIB in a fixed proportion of 50% of Wittington's pro rata share of the issued and outstanding common shares of the Company. For additional details, refer to the "Consolidated Other Business Matters" section of this News Release.

2023 SECOND QUARTER HIGHLIGHTS

- Net earnings available to common shareholders of the Company from continuing operations were $498 million, a decrease of $142 million, or 22.2%. Diluted net earnings per common share from continuing operations were $3.55, a decrease of $0.81 per common share, or 18.6%. The decrease was due to the unfavourable year-over-year net impact of adjusting items, primarily driven by the unfavourable year-over-year impact of the fair value adjustment of the Trust Unit liability.
- Adjusted net earnings available to common shareholders of the Company[1] from continuing operations were $377 million, an increase of $49 million, or 14.9%.
- Adjusted diluted net earnings per common share[1] from continuing operations were $2.68, an increase of $0.45 per common share, or 20.2%.
- Repurchased for cancellation 1.5 million common shares at a cost of $241 million.
- GWL Corporate[3] free cash flow[1] from continuing operations was $365 million.

CONSOLIDATED RESULTS OF OPERATIONS

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

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

($ millions except where otherwise indicated)	12 Weeks Ended			
For the periods ended as indicated	**Jun. 17, 2023**	Jun. 18, 2022	$ Change	% Change
Revenue	**$ 13,884**	**$ 12,979**	**$ 905**	**7.0%**
Operating income	**$ 1,099**	**$ 649**	**$ 450**	**69.3%**
Adjusted EBITDA[1]	**$ 1,733**	$ 1,588	$ 145	9.1%
Adjusted EBITDA margin[1]	**12.5%**	12.2%		
Net earnings attributable to shareholders of the Company from continuing operations	**$ 508**	**$ 650**	**$ (142)**	**(21.8)%**
Net earnings available to common shareholders of the Company	**$ 498**	**$ 634**	**$ (136)**	**(21.5)%**
Continuing operations	**$ 498**	**$ 640**	**$ (142)**	**(22.2)%**
Discontinued operations[i]	**$ –**	**$ (6)**	**$ 6**	**100.0%**
Adjusted net earnings available to common shareholders of the Company[1] from continuing operations	**$ 377**	$ 328	$ 49	14.9%
Diluted net earnings per common share ($)	**$ 3.55**	**$ 4.32**	**$ (0.77)**	**(17.8)%**
Continuing operations	**$ 3.55**	**$ 4.36**	**$ (0.81)**	**(18.6)%**
Discontinued operations[i]	**$ –**	**$ (0.04)**	**$ 0.04**	**100.0%**
Adjusted diluted net earnings per common share[1] from continuing operations ($)	**$ 2.68**	$ 2.23	$ 0.45	20.2%

(i) In 2021, the Company completed the sale of the Weston Foods bakery business. The Company's interest in Weston Foods is presented separately as discontinued operations in the Company's results. Details are included in the Company's 2022 Annual Report. The Company's 2022 Annual Report is available at www.sedar.com.

In the second quarter of 2023, the Company recorded net earnings available to common shareholders of the Company from continuing operations of $498 million ($3.55 per common share), a decrease of $142 million ($0.81 per common share) compared to the same period in 2022. The decrease was due to the unfavourable year-over-year net impact of adjusting items totaling $191 million ($1.26 per common share), partially offset by an improvement of $49 million ($0.45 per common share) in the consolidated underlying operating performance of the Company described below.

- The unfavourable year-over-year net impact of adjusting items totaling $191 million ($1.26 per common share) was primarily due to:
  - the unfavourable year-over-year impact of the fair value adjustment of the Trust Unit liability of $374 million ($2.49 per common share) as a result of the decrease in Choice Properties' unit price; and
  - the unfavourable year-over-year impact of the prior year income tax recovery related to the remeasurement of deferred tax balances for the Choice Properties' disposition of six office assets (the "Office Asset Sale") to Allied Properties Real Estate Investment Trust ("Allied") in the second quarter of 2022 of $46 million ($0.31 per common share);

  partially offset by,
  - the favourable year-over-year impact of the fair value adjustment on Choice Properties' investment in Allied of $118 million ($0.79 per common share) as a result of the decrease in Allied's Class B Unit price; and
  - the favourable year-over-year impact of the fair value adjustment on investment properties of $102 million ($0.70 per common share) driven by Choice Properties, net of consolidation adjustments in Other and Intersegment.

- The improvement in the Company's consolidated underlying operating performance of $49 million ($0.45 per common share) was primarily due to:
  - the favourable underlying operating performance of Loblaw;
  - the favourable underlying operating performance of Choice Properties; and
  - a decrease in the adjusted effective tax rate[1] primarily attributable to a decrease in current tax expense related to the Company's participation in Loblaw's NCIB program and the non-taxable portion of the gain from real estate dispositions;

  partially offset by,
  - an increase in adjusted net interest expense and other financing charges[1].
- Diluted net earnings per common share from continuing operations also included the favourable impact of shares purchased for cancellation over the last 12 months ($0.12 per common share) pursuant to the Company's NCIB.

Adjusted net earnings available to common shareholders of the Company[1] from continuing operations were $377 million, an increase of $49 million, or 14.9%, compared to the same period in 2022 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 in the second quarter of 2023 were $2.68, an increase of $0.45 per common share, or 20.2%, compared to the same period in 2022. 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

The Company completed the following GWL Corporate[3] financing activities:

NCIB – Purchased and Cancelled Shares In the second quarter of 2023, the Company purchased and cancelled 1.5 million shares under its NCIB (2022 – 1.8 million shares) at a cost of $241 million (2022 – $285 million). As at June 17, 2023, the Company had 137.9 million shares issued and outstanding, net of shares held in trusts (June 18, 2022 – 144.7 million shares).

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

Refer to Section 3.6, "Dividends and Share Repurchases" of the Management's Discussion and Analysis ("MD&A") in the Company's 2023 Second Quarter Report for more information.

Participation in Loblaw's NCIB The Company participates in Loblaw's NCIB in order to maintain its proportionate percentage ownership interest. In the second quarter of 2023, the Company received proceeds of $250 million (2022 – $309 million) from the sale of Loblaw common shares.

Amendment to the Company's NCIB The amendment to the Company's NCIB will permit Wittington to participate in the Company's share buyback program in a fixed proportion of 50% of its pro rata share of the issued and outstanding common shares (the "Fixed Proportion"). Wittington holds approximately 57% of the Company's issued and outstanding common shares as at July 21, 2023.

Participating in the Company's share buyback program on this basis means that Wittington's percentage ownership of the Company will continue to grow. Wittington believes that the Company and its operating businesses will remain superior investments over the long term. Wittington will also be able to expand its diversification, sustainable investing and support for philanthropy.

The Company's NCIB provides that the Company may, during the 12-month period from May 25, 2023 (the "Effective Date") to May 24, 2024, purchase up to 6,954,013 common shares, representing approximately 5% of the issued and outstanding common shares as at the Effective Date, by way of the NCIB on the TSX or through alternative trading systems or by such other means as may be permitted by the TSX or under applicable law. Based on the average daily trading volume of 151,757 during the six months preceding the Effective Date, daily purchases pursuant to the NCIB are limited to 37,939 common shares, other than block purchase exceptions. As at July 21, 2023, an aggregate of 1,382,828 common shares have been purchased by the Company pursuant to its NCIB.

The Company will be permitted to purchase its common shares from Wittington in the Fixed Proportion commencing on August 9, 2023, in accordance with an exemption granted by the TSX pursuant to its rules, regulations and policies in connection with the NCIB. The maximum number of common shares that may be purchased pursuant to the NCIB will be reduced by the number of common shares purchased by the Company from Wittington. Assuming the Company purchases the maximum number of common shares every day under the NCIB and that there are no other transactions affecting the number of common shares, a maximum of 1,605,373 common shares may be repurchased from Wittington pursuant to the NCIB and its interest in the Company would grow to 58.2% at the conclusion of the NCIB.

By way of an example of daily trading, if Wittington's pro rata share of the common shares is 57% (its current interest) and the Company purchases 19,400 common shares from the public shareholders pursuant to its NCIB on a given day, it will purchase 7,741 common shares from Wittington that day (reflecting 50% of Wittington's pro rata share of the common shares purchased by the Company pursuant to the NCIB on that day), resulting in a total of 27,141 common shares purchased by the Company pursuant to the NCIB that day.

Purchases from Wittington will be made during the TSX's Special Trading Session pursuant to an automatic disposition plan agreement ("ADP Agreement") between the Company's broker, the Company and Wittington. Purchases from Wittington will be made on trading days, as required by the ADP Agreement, that the Company makes a purchase from other shareholders. In the event that Wittington does not sell common shares on any trading day as required by the terms of the ADP Agreement (other than as a result of a market disruption event), the TSX exemption will cease to apply and the Company will not be permitted to make any further purchases from Wittington under the terms of the NCIB.

REPORTABLE OPERATING SEGMENTS

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

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

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

Excerpt of Segment Information

The accounting policies of the reportable operating segments are the same as those described in the Company's 2022 audited annual consolidated financial statements. The Company measures each reportable operating segment's performance based on adjusted EBITDA[(1)]. No reportable operating segment is reliant on any single external customer.

	12 Weeks Ended											
	Jun. 17, 2023						Jun. 18, 2022					
($ millions)	Loblaw	Choice Properties	Other and Inter-segment	Total Segment Measure	Eliminations	Total	Loblaw	Choice Properties	Other and Inter-segment	Total Segment Measure	Eliminations	Total
Revenue	**$ 13,738**	**$ 330**	**$ 4**	**$ 14,072**	**$ (188)**	**$ 13,884**	$ 12,847	$ 313	$ 4	$ 13,164	$ (185)	$ 12,979
Operating income (loss)	$ 925	$ 290	$ (116)	$ 1,099	$ –	$ 1,099	$ 740	$ (451)	$ 360	$ 649	$ –	$ 649
Net interest expense (income) and other financing charges	193	(246)	126	73	–	73	152	(439)	(51)	(338)	–	(338)
Earnings (loss) before income taxes from continuing operations	**$ 732**	**$ 536**	**$ (242)**	**$ 1,026**	**$ –**	**$ 1,026**	$ 588	$ (12)	$ 411	$ 987	$ –	$ 987
Operating income (loss)	**$ 925**	**$ 290**	**$ (116)**	**$ 1,099**	**$ –**	**$ 1,099**	$ 740	$ (451)	$ 360	$ 649	$ –	$ 649
Depreciation and amortization	671	1	(87)	585			633	1	(82)	552		
Adjusting items[(i)]	42	(53)	60	49			124	676	(413)	387		
Adjusted EBITDA[(1)]	**$ 1,638**	**$ 238**	**$ (143)**	**$ 1,733**			$ 1,497	$ 226	$ (135)	$ 1,588		

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

Other and Intersegment includes the following items:

	12 Weeks Ended					
	Jun. 17, 2023			Jun. 18, 2022		
($ millions)	Revenue	Operating Income	Net Interest Expense and Other Financing Charges	Revenue	Operating Income	Net Interest Expense and Other Financing Charges
Internal lease arrangements	**$ –**	**$ (36)**	**$ (25)**	$ –	$ (35)	$ (23)
Recognition of depreciation on Choice Properties' investment properties classified as fixed assets by the Company and measured at cost	**–**	**(7)**	**–**	–	(12)	–
Fair value adjustment on investment properties	**–**	**(63)**	**2**	–	415	(5)
Fair value adjustment on Choice Properties' Exchangeable Units	**–**	**–**	**376**	–	–	570
Fair value adjustment on Trust Unit liability	**–**	**–**	**(202)**	–	–	(576)
Unit distributions on Exchangeable Units paid by Choice Properties to GWL	**–**	**–**	**(74)**	–	–	(73)
Unit distributions on Trust Units paid by Choice Properties, excluding amounts paid to GWL	**–**	**–**	**51**	–	–	52
Other	**4**	**(10)**	**(2)**	4	(8)	4
Total	**$ 4**	**$ (116)**	**$ 126**	$ 4	$ 360	$ (51)
Elimination of intercompany rental revenue	**(188)**	**–**	**–**	(185)	–	–
Total including Eliminations	**$ (184)**	**$ (116)**	**$ 126**	$ (181)	$ 360	$ (51)

Loblaw Operating Results

($ millions except where otherwise indicated) For the periods ended as indicated	12 Weeks Ended Jun. 17, 2023	Jun. 18, 2022	$ Change	% Change
Revenue	**$ 13,738**	$ 12,847	$ 891	6.9%
Operating income	**$ 925**	$ 740	$ 185	25.0%
Adjusted EBITDA[1]	**$ 1,638**	$ 1,497	$ 141	9.4%
Adjusted EBITDA margin[1]	**11.9%**	11.7%		
Depreciation and amortization	**$ 671**	$ 633	$ 38	6.0%

Revenue Loblaw revenue in the second quarter of 2023 was $13,738 million, an increase of $891 million, or 6.9%, compared to the same period in 2022, driven by an increase in retail sales and in financial services revenue.

Retail sales were $13,471 million, an increase of $848 million, or 6.7%, compared to the same period in 2022. The increase was primarily driven by the following factors:

- food retail sales were $9,560 million (2022 – $8,981 million) and food retail same-store sales growth was 6.1% (2022 – 0.9%);
  - the Consumer Price Index as measured by The Consumer Price Index for Food Purchased from Stores was 9.1% (2022 – 9.6%) which was generally in line with Loblaw's internal food inflation; and
  - food retail traffic increased and basket size decreased.
- drug retail sales were $3,911 million (2022 – $3,642 million) and drug retail same-store sales growth was 5.7% (2022 – 5.6%);
  - pharmacy and healthcare services same-store sales growth was 6.3% (2022 – 6.1%). Pharmacy and healthcare services sales include Lifemark Health Group ("Lifemark") revenue of $112 million (2022 – $49 million). Lifemark was acquired on May 10, 2022. On a same-store basis, the number of prescriptions dispensed increased by 0.9% (2022 – 2.3%) and the average prescription value increased by 4.7% (2022 – 3.6%); and
  - front store same-store sales growth was 5.0% (2022 – 5.2%).

Financial services revenue in the second quarter of 2023 increased by $51 million, or 17.2%, compared to the same period in 2022. The increase was primarily driven by higher interest income from growth in credit card receivables, higher interchange income and other credit card related revenue from an increase in customer spending.

Operating Income Operating income in the second quarter of 2023 was $925 million, an increase of $185 million, or 25.0%, compared to the same period in 2022.

Adjusted EBITDA[1] Loblaw adjusted EBITDA[1] in the second quarter of 2023 was $1,638 million, an increase of $141 million, or 9.4%, compared to the same period in 2022, driven by an increase in retail of $142 million, partially offset by a decrease in financial services of $1 million.

Retail adjusted EBITDA[1] increased by $142 million compared to the same period in 2022, driven by an increase in retail gross profit of $230 million, partially offset by an increase in retail selling, general and administrative expenses ("SG&A") of $88 million.

- Retail gross profit percentage of 31.1% decreased by 30 basis points compared to the same period in 2022. Retail margins declined slightly, primarily driven by higher shrink and higher supplier costs that were not passed on to consumers.

  Retail SG&A as a percentage of sales was 19.3%, a favourable decrease of 60 basis points compared to the same period in 2022. The favourable decrease was primarily due to operating leverage from higher sales.

Financial services adjusted EBITDA[1] decreased by $1 million compared to the same period in 2022, primarily driven by the year-over-year impact of the expected credit loss provision from the prior year release of $3 million versus the current year increase of $8 million and higher contractual charge-off, operating costs and loyalty program costs from an increase in consumer spending and the growth in the credit card portfolio, partially offset by higher revenue as described above.

Depreciation and Amortization Loblaw depreciation and amortization in the second quarter of 2023 was $671 million, an increase of $38 million compared to the same period in 2022. The increase in depreciation and amortization was primarily driven by an increase in depreciation of information technology ("IT") and leased assets, and accelerated depreciation of $8 million (2022 – nil) as a result of network optimization. Depreciation and amortization in the second quarter of 2023 included $116 million (2022 – $114 million) of amortization of intangible assets related to the acquisitions of Shoppers Drug Mart Corporation ("Shoppers Drug Mart") and Lifemark.

Loblaw Other Business Matters

Network Optimization During the second quarter of 2023, Loblaw recorded a charge of $17 million associated with network optimization. Included in the charge was accelerated depreciation of $8 million as described above.

President's Choice Bank Commodity Tax Matters In the second quarter of 2023, the Federal government enacted certain commodity tax legislation that may apply to PC Bank, a subsidiary of Loblaw, on a retroactive basis. A charge of $37 million, inclusive of interest, has been recorded for this matter.

In July 2022, the Tax Court of Canada ("Tax Court") released a decision relating to PC Bank. Although Loblaw believes in the merits of its position, Loblaw recorded a charge of $111 million, inclusive of interest, in the second quarter of 2022. In September 2022, PC Bank filed a Notice of Appeal with the Federal Court of Appeal. Loblaw believes that this provision is sufficient to cover its liability, if the appeal is ultimately unsuccessful.

Choice Properties Operating Results

($ millions except where otherwise indicated)	12 Weeks Ended			
For the periods ended as indicated	Jun. 17, 2023	Jun. 18, 2022	$ Change	% Change
Revenue	$ 330	$ 313	$ 17	5.4%
Net interest income and other financing charges	$ (246)	$ (439)	$ 193	44.0%
Net income (loss)	$ 536	$ (12)	$ 548	4,566.7%
Funds from Operations(1)	$ 184	$ 175	$ 9	5.1%

Revenue Choice Properties revenue in the second quarter of 2023 was $330 million, an increase of $17 million, or 5.4%, compared to the same period in 2022 and included $186 million (2022 – $183 million) generated from tenants within Loblaw retail. The increase in revenue was primarily driven by:

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

Net Interest Income and Other Financing Charges Choice Properties net interest income and other financing charges in the second quarter of 2023 were $246 million compared to $439 million in the same period in 2022. The decrease of $193 million was primarily driven by:

- the unfavourable year-over-year change of the fair value adjustment on the Class B LP units ("Exchangeable Units") of $194 million as a result of the decrease in the unit price in the quarter; and
- an increase in interest expense on long-term debt due to higher interest rates and a higher average balance compared to the same period in 2022;

partially offset by,

- the favourable year-over-year change of the fair value adjustment on the financial real estate assets.

Net Income (Loss) Choice Properties recorded net income of $536 million in the second quarter of 2023, compared to a net loss of $12 million in the same period in 2022. The increase of $548 million was primarily driven by:

- the favourable year-over-year change in the adjustment to fair value of investment properties, including those held within equity accounted joint ventures of $601 million due to the impact of capitalization rate expansion in the retail portfolio in the prior year;
- the favourable year-over-year change in the adjustment to fair value of investment in real estate securities of $128 million as a result of the decrease in Allied's Class B Unit price; and
- an increase in rental revenue as described above;

partially offset by,

- lower net interest income and other financing charges as described above.

Funds from Operations(1) Funds from operations(1) in the second quarter of 2023 were $184 million, an increase of $9 million compared to the same period in 2022. The increase was primarily due to the increase in rental revenue and an increase in interest income, which was partially offset by increases in interest expense and general and administrative expenses.

Choice Properties Other Business Matters

Subsequent Events On July 5, 2023, Choice Properties paid in full upon maturity, at par, plus accrued and unpaid interest thereon, the $200 million aggregate principal amount of the 4.90% Series B senior unsecured debentures outstanding. The repayment of the Series B senior unsecured debentures was funded by an advance on Choice Properties' credit facility.

On July 24, 2023, Choice Properties announced that it has agreed to issue, on a private placement basis, $350 million aggregate principal amount of Series T senior unsecured debentures that will bear interest at a rate of 5.699% per annum and will mature on February 28, 2034. Subject to customary closing conditions, the offering is expected to close on August 1, 2023.

OUTLOOK[2]

The Company's 2023 outlook remains unchanged and it continues to expect 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 while advancing its growth initiatives in 2023. Loblaw's businesses remain well placed to service the everyday needs of Canadians. However, Loblaw cannot predict the precise impacts of global economic uncertainties, including the inflationary environment, on its 2023 financial results.

For the full year 2023, Loblaw continues to expect:
- its retail business to grow earnings faster than sales;
- adjusted net earnings per common share[1] growth in the low double digits;
- to increase investments in its store network and distribution centres by investing a net amount of $1.6 billion in capital expenditures, which reflects gross capital investments of approximately $2.1 billion offset by approximately $500 million of proceeds from real estate dispositions; 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. Choice Properties' 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 handle its 2023 lease renewal exposure. Choice Properties also continues to advance its development program, with a focus on industrial opportunities, which provides it 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 is confident that its business model, stable tenant base, strong balance sheet and disciplined approach to financial management will continue to position it well for future success. However, Choice Properties cannot predict the precise impacts of the broader economic environment on its 2023 financial results. In 2023, 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 2-3% year-over-year growth in Same-Asset NOI, Cash Basis[4];
- annual FFO[1] per Unit Diluted[4] in a range of $0.98 to $0.99, reflecting 2-3% year-over-year growth; and
- stable leverage metrics, targeting Adjusted Debt to EBITDAFV[4] of approximately 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 2022 Annual Report and the Company's Annual Information Form for the year ended December 31, 2022.

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

Common Shares	$0.713 per share payable October 1, 2023, to shareholders of record September 15, 2023;
Preferred Shares, Series I	$0.3625 per share payable September 15, 2023, to shareholders of record August 31, 2023;
Preferred Shares, Series III	$0.3250 per share payable October 1, 2023, to shareholders of record September 15, 2023;
Preferred Shares, Series IV	$0.3250 per share payable October 1, 2023, to shareholders of record September 15, 2023;
Preferred Shares, Series V	$0.296875 per share payable October 1, 2023, to shareholders of record September 15, 2023.

2023 SECOND QUARTER REPORT

The Company's 2022 Annual Report and 2023 Second 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 TSX, and selected information on Choice Properties, a public real estate investment trust with units trading on the TSX. For information regarding Loblaw or Choice Properties, readers should refer to the respective materials filed on SEDAR from time to time. These filings are also maintained on the respective companies' corporate website: www.loblaw.ca and www.choicereit.ca.

Ce rapport est disponible en français.

Endnotes

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

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

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

(4) For more information on Choice Properties measures see the 2022 Annual Report filed by Choice Properties, which is available on sedar.com or at choicereit.ca.

APPENDIX 1: NON-GAAP AND OTHER FINANCIAL MEASURES

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

Further, certain non-GAAP 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 sedar.com or at loblaw.ca or choicereit.ca, respectively.

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

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

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

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

	12 Weeks Ended							
	Jun. 17, 2023				Jun. 18, 2022			
($ millions)	Loblaw	Choice Properties	Other & Intersegment	Consolidated	Loblaw	Choice Properties	Other & Intersegment	Consolidated
Net earnings attributable to shareholders of the Company from continuing operations				$ 508				$ 650
Add (deduct) impact of the following:								
Non-controlling interests				274				224
Income taxes				244				113
Net interest expense (income) and other financing charges				73				(338)
Operating income (loss)	$ 925	$ 290	$ (116)	$ 1,099	$ 740	$ (451)	$ 360	$ 649
Add (deduct) impact of the following:								
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	$ 116	$ –	$ –	$ 116	$ 114	$ –	$ –	$ 114
Charges related to PC Bank commodity tax matters	37	–	–	37	111	–	–	111
Fair value adjustment of investment in real estate securities	–	31	–	31	–	159	–	159
Fair value adjustment of derivatives	5	–	–	5	4	–	–	4
Fair value adjustment on investment properties	–	(84)	63	(21)	–	517	(415)	102
Gain on sale of non-operating properties	–	–	(3)	(3)	(4)	–	–	(4)
Transaction costs and other related expenses	–	–	–	–	13	–	–	13
Foreign currency translation and other company level activities	–	–	–	–	–	–	2	2
Adjusting items	$ 158	$ (53)	$ 60	$ 165	$ 238	$ 676	$ (413)	$ 501
Adjusted operating income	$1,083	$ 237	$ (56)	$ 1,264	$ 978	$ 225	$ (53)	$ 1,150
Depreciation and amortization excluding the impact of the above adjustment(i)	555	1	(87)	469	519	1	(82)	438
Adjusted EBITDA	$1,638	$ 238	$ (143)	$ 1,733	$1,497	$ 226	$ (135)	$ 1,588

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

The following items impacted adjusted EBITDA in the second quarter of 2023 and 2022:

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

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

Charges related to PC Bank commodity tax matters In the second quarter of 2023, the Federal government enacted certain commodity tax legislation that may apply to PC Bank, a subsidiary of Loblaw, on a retroactive basis. A charge of $37 million, inclusive of interest, has been recorded for this matter.

In the second quarter of 2022, Loblaw recorded a charge of $111 million, inclusive of interest. On July 19, 2022, the Tax Court released its decision and ruled that PC Bank is not entitled to claim notional input tax credits for certain payments it made to

Loblaws Inc. in respect of redemptions of loyalty points. On September 29, 2022, PC Bank filed a Notice of Appeal with the Federal Court of Appeal.

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

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

Fair value adjustment on 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.

Gain on sale of non-operating properties In the second quarter of 2022, Loblaw recorded a gain related to the sale of non-operating properties of $4 million.

In the second 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 in fixed assets, which was recognized at cost less accumulated depreciation. As a result, in the second quarter of 2023, on consolidation, an incremental $3 million gain was recognized in operating income.

Transaction costs and other related expenses In connection with the acquisition of Lifemark, Loblaw recorded acquisition costs of $13 million in operating income during the second quarter of 2022.

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

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

	12 Weeks Ended	
($ millions except where otherwise indicated)	**Jun. 17, 2023**	Jun. 18, 2022
Net earnings attributable to shareholders of the Company	**$ 508**	$ 644
Less: Net loss from discontinued operations	**–**	(6)
Net earnings attributable to shareholders of the Company from continuing operations	**$ 508**	$ 650
Less: Prescribed dividends on preferred shares in share capital	**(10)**	(10)
Net earnings available to common shareholders of the Company from continuing operations	**$ 498**	$ 640
Less: Reduction in net earnings due to dilution at Loblaw	**(3)**	(2)
Net earnings available to common shareholders from continuing operations for diluted earnings per share	**$ 495**	$ 638
Net earnings attributable to shareholders of the Company from continuing operations	**$ 508**	$ 650
Adjusting items (refer to the following table)	**(121)**	(312)
Adjusted net earnings attributable to shareholders of the Company from continuing operations	**$ 387**	$ 338
Less: Prescribed dividends on preferred shares in share capital	**(10)**	(10)
Adjusted net earnings available to common shareholders of the Company from continuing operations	**$ 377**	$ 328
Less: Reduction in net earnings due to dilution at Loblaw	**(3)**	(2)
Adjusted net earnings available to common shareholders for diluted earnings per share from continuing operations	**$ 374**	$ 326
Diluted weighted average common shares outstanding (in millions)	**139.5**	146.3

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

	12 Weeks Ended			
	Jun. 17, 2023		Jun. 18, 2022	
($ except where otherwise indicated)	**Net Earnings Available to Common Shareholders of the Company ($ millions)**	**Diluted Net Earnings Per Common Share**	Net Earnings Available to Common Shareholders of the Company ($ millions)	Diluted Net Earnings Per Common Share
Continuing Operations	**$ 498**	**$ 3.55**	$ 640	$ 4.36
Add (deduct) impact of the following[i]:				
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	**$ 44**	**$ 0.32**	$ 44	$ 0.31
Charges related to PC Bank commodity tax matters	**15**	**0.11**	45	0.31
Fair value adjustment of investment in real estate securities	**28**	**0.20**	146	0.99
Fair value adjustment of derivatives	**2**	**0.01**	2	0.01
Fair value adjustment on investment properties	**(17)**	**(0.12)**	85	0.58
Gain on sale of non-operating properties	**(1)**	**(0.01)**	(2)	(0.02)
Transaction costs and other related expenses	**–**	**–**	7	0.05
Fair value adjustment of the Trust Unit liability[ii]	**(202)**	**(1.45)**	(576)	(3.94)
Outside basis difference in certain Loblaw shares[iii]	**10**	**0.07**	(18)	(0.12)
Remeasurement of deferred tax balances[iv]	**–**	**–**	(46)	(0.31)
Foreign currency translation and other company level activities	**–**	**–**	1	0.01
Adjusting items Continuing Operations	**$ (121)**	**$ (0.87)**	$ (312)	$ (2.13)
Adjusted Continuing Operations	**$ 377**	**$ 2.68**	$ 328	$ 2.23

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

(ii) Trust Units held by unitholders other than the Company are presented as a liability on the Company's consolidated balance sheets as they are redeemable for cash at the option of the holder, subject to certain restrictions. This liability is recorded at fair value at each reporting date based on the market price of Trust Units at the end of each period through net interest expense and other financing charges.

(iii) The Company recorded deferred tax expense on temporary differences in respect of GWL's investment in certain Loblaw shares that are expected to reverse in the foreseeable future as a result of GWL's participation in Loblaw's NCIB.

(iv) In the second quarter of 2022, the Company revalued certain deferred tax balances as a result of the Office Asset Sale.

GWL CORPORATE[3] FREE CASH FLOW FROM CONTINUING OPERATIONS GWL Corporate[3] free cash flow from continuing operations is generated from the dividends received from Loblaw, distributions received from Choice Properties, and proceeds from participation in Loblaw's Normal Course Issuer Bid, less corporate expenses, interest and income taxes paid.

	12 Weeks Ended	
($ millions)	**Jun. 17, 2023**	Jun. 18, 2022
Dividends from Loblaw	**$ 69**	$ 64
Distributions from Choice Properties	**83**	82
GWL Corporate[3] cash flow from operating businesses from Continuing Operations	**$ 152**	$ 146
Proceeds from participation in Loblaw's Normal Course Issuer Bid	**250**	309
GWL Corporate, financing, and other costs[i]	**(16)**	(44)
Income taxes paid	**(21)**	(34)
GWL Corporate[3] free cash flow from Continuing Operations	**$ 365**	$ 377

(i) Included in Other and Intersegment. 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.

	12 Weeks Ended	
($ millions)	**Jun. 17, 2023**	Jun. 18, 2022
Net income (loss)	**$ 536**	$ (12)
Add (deduct) impact of the following:		
Amortization of intangible assets	**1**	–
Adjustment to fair value of unit-based compensation	**(1)**	(2)
Fair value adjustment on Exchangeable Units	**(376)**	(570)
Fair value adjustment on investment properties	**(86)**	524
Fair value adjustment on investment property held in equity accounted joint ventures	**–**	(1)
Fair value adjustment of investment in real estate securities	**31**	159
Capitalized interest on equity accounted joint ventures	**3**	2
Unit distributions on Exchangeable Units	**74**	73
Internal expenses for leasing	**2**	2
Funds from Operations	**$ 184**	$ 175