THE NORTH WEST COMPANY INC.

Report to Shareholders

Quarterly Period Ended April 30, 2020

2020 FIRST QUARTER REPORT TO SHAREHOLDERS

Report to Shareholders

The North West Company Inc. reports its results for the first quarter ended April 30, 2020. Sales increased 19.8% to $592.6 million compared to the first quarter last year and were up 17.6% excluding the impact of foreign exchange, driven by COVID-19-related government economic stimulus payments and unprecedented customer stock-up shopping.

First quarter net earnings decreased $14.0 million or 53.3% to $12.3 million and net earnings attributable to shareholders were $11.3 million or $0.23 per share compared to $0.51 per share last year on a diluted earnings per share basis. This decrease is due to the impact of the previously announced Giant Tiger asset impairment charge and store closure provision of $9.4 million and $5.0 million in Canadian support office employee severance costs. A $4.6 million increase in share-based compensation costs primarily due to mark-to-market adjustments related to changes in the company's share price and a $10.7 million insurance-related gain in International Operations last year were also factors. Adjusted net earnings[2], which excludes the impact of the store closure provision, employee severance costs, share-based compensation and insurance related gains, increased $9.5 million or 63.1% compared to last year due to the impact of COVID-19-related sales gains partially offset by lower gross profit rates and COVID-19-related expenses.

The Board of Directors has approved a quarterly dividend of $0.33 per share to shareholders of record on June 30, 2020.

On behalf of the Board of Directors:

H. Sanford Riley
Chairman

Edward S. Kennedy
President and Chief Executive Officer

Management's Discussion & Analysis

The following Management's Discussion & Analysis should be read in conjunction with the Company's 2020 first quarter unaudited interim period condensed consolidated financial statements for the period ended April 30, 2020 ("Interim Condensed Consolidated Financial Statements") and the audited annual consolidated financial statements and accompanying notes included in the 2019 Annual Report. The first quarter of 2020 had 90 days of operations compared to 89 days of operations in the first quarter of 2019 as a result of February 29. The estimated impact of this extra day has been deducted from the reported same store sales for the quarter.

CONSOLIDATED RESULTS

First quarter consolidated sales increased 19.8% to $592.6 million led by same store sales gains across all regions, the impact of new store sales largely driven by the November 1, 2019 re-opening of the Company's Cost-U-Less ("CUL") store in St. Thomas, USVI which was destroyed by hurricane Irma in the third quarter of 2017, and the positive impact of foreign exchange on the translation of International Operations sales. Excluding the foreign exchange impact, consolidated sales increased 17.6% and were up 15.5%[1] on a same store basis. Food sales[1] increased 20.8% and were up 16.3% on a same store basis and general merchandise sales[1] increased 15.8% and were up 12.0% on a same store basis. Sales were driven by investments in lower prices and by COVID-19-related consumer income and spending changes. One extra day of sales as a result of February 29 was also a factor.

Gross profit increased 17.9% driven by higher sales as the gross profit rate decreased 52 basis points compared to last year. The decrease in gross profit rate was mainly due to food price reductions in northern Canada aimed at capturing more local spending dollars and to help mitigate the impact of COVID-19 on our customers. A secondary factor was a higher blend of CUL sales which carry a lower gross profit rate consistent with CUL's discount warehouse format.

(1) Excluding the foreign exchange impact
(2) See Non-GAAP Measures Section of Management's Discussion & Analysis

Selling, operating and administrative expenses ("Expenses") increased 38.1% and were up 368 basis points to last year as a percentage to sales substantially due to the impact of the previously announced Giant Tiger asset impairment and store closure provision of $9.4 million and $5.0 million in support office employee severance costs in Canadian Operations, a $4.6 million increase in share-based compensation costs and a $10.7 million insurance-related gain in International Operations in the first quarter last year (collectively "Non-comparable Expense Factors"). Share-based compensation was an expense of $2.1 million this year compared to a recovery of $2.5 million last year primarily due to mark-to-market adjustments related to changes in the Company's share price. Further information on share-based compensation costs is provided in Note 14 to the Interim Condensed Consolidated Financial Statements and additional information on the Giant Tiger asset impairment and store closure provision and support office employee severance costs is included under Canadian Operations. Excluding the impact of the Non-comparable Expense Factors, Expenses increased $15.9 million or 12.0% but were down 175 basis points as a percentage of sales. Of this expense increase, $4.8 million is due to the impact of COVID-19 expenses primarily related to wage increases for front-line associates, protective equipment and enhanced sanitation procedures. Higher depreciation, insurance expense, incentive plan costs, corporate donations and the impact of foreign exchange on the translation of International Operations expenses were also factors, partially offset by $1.2 million in International Operations support office relocation costs last year.

Earnings from operations decreased $17.5 million or 47.4% to $19.5 million compared to $37.0 million last year and earnings before interest, income taxes, depreciation and amortization (EBITDA[2]) decreased $14.9 million or 25.5% to $43.4 million due to the Non-comparable Expense Factors previously noted. Adjusted EBITDA[2], which excludes the Non-comparable Expense Factors, increased $14.7 million or 32.6% compared to last year and as a percentage to sales was 10.1% compared to 9.1% last year as the impact of a sales driven gross profit increase more than offset higher Expenses.

Income tax expense was $2.2 million compared to $5.8 million last year and the consolidated effective tax rate was 15.3% compared to 18.0%. This rate decrease was primarily due to the impact of non-taxable share-based compensation costs in Canadian Operations and the blend of earnings in International Operations across the various tax rate jurisdictions.

Net earnings decreased $14.0 million or 53.3% to $12.3 million. Net earnings attributable to shareholders were $11.3 million and diluted earnings per share were $0.23 per share compared to $0.51 per share last year due to the factors noted above. Adjusted net earnings[2], which excludes the impact of the after-tax Non-comparable Expense Factors noted above, increased $9.5 million compared to last year due to higher sales partially offset by lower gross profit rates and other Expense factors previously noted. The impact of foreign exchange on the translation of International Operations net earnings was also a factor as the average exchange rate in the quarter was 1.3793 compared to 1.3320 last year.

Comprehensive income decreased to $20.8 million compared to $29.6 million last year due to lower net earnings noted above partially offset by the impact of changes in foreign exchange rates which resulted in a gain of $8.6 million this year compared to a gain of $3.4 million last year.

(1) Excluding the foreign exchange impact
(2) See Non-GAAP Measures Section of Management's Discussion & Analysis

CANADIAN OPERATIONS

Canadian Operations sales increased 15.1% to $348.1 million compared to $302.3 million in the first quarter last year and were up 15.1% on a same store basis driven by investment in lower food prices in northern Canada, significantly reduced out-of-community spending due to COVID-19-related travel restrictions and the positive impact of COVID-19-related income support payments made by different levels of government. These gains were partially offset by lower general merchandise sales in Giant Tiger stores and a decrease in passenger revenue at NSA due to COVID-19-related travel restrictions. Food sales increased 18.4% and were up 15.8% on a same store basis due to the factors previously noted as well as initial stock-up shopping and the closure of restaurants and other eat-away-from-home options. General merchandise sales increased 17.1% from last year and were up 12.5% on a same store basis led by major spending shifts in northern Canada towards closer-to-home indoor and outdoor living activities.

Gross profit increased 14.7% as sales gains more than offset the impact of lower gross profit rates. The change in gross profit rate is primarily due to lower food margins in northern Canada stores as a result of the previously noted price reductions.

Selling, operating and administrative expenses ("Expenses") increased 33.7% and were up 443 basis points as a percentage to sales compared to last year primarily due to the impact of the $9.4 million Giant Tiger asset impairment and store closure provision and $5.0 million in support office employee severance costs described below, and higher share-based compensation costs. Excluding these factors, Expenses increased 10.7%, partially due to COVID-19 expenses primarily related to wage increases for front-line associates, protective equipment and enhanced sanitation procedures as well as higher depreciation and insurance expense, but were down 108 basis points as a percentage of sales.

Canadian earnings from operations decreased to $4.2 million compared to $17.4 million last year and EBITDA[2] decreased 36.0% to $20.7 million compared to $32.3 million last year as the impact of higher sales were more than offset by the Expense factors previously noted. Adjusted EBITDA[2], which excludes the impact of the GT store closure provision, employee severance costs and share-based compensation, increased 24.2% compared to last year and as a percentage to sales was 10.6% compared to 9.8% last year as the impact of higher sales more than offset the impact of lower gross profit rates and higher Expenses as previously noted.

Giant Tiger Transaction

On March 12, 2020, the Company and Giant Tiger Stores Limited (“GTSL”) announced they had entered into a definitive asset purchase agreement (the “GTSL Transaction”) for GTSL to acquire 34 of the Company’s 46 Giant Tiger stores (the “Acquired Stores”) for cash consideration of $45 million payable in $15 million installments on the second, third and fourth anniversaries of the transaction closing date and, subject to meeting certain profitability milestones, additional contingent consideration payable on the fourth and fifth anniversaries of the closing date of up to $22.5 million. Subsequent to April 30, 2020, the Company and GTSL agreed to include in the transaction two stores that were previously slated to close, bringing the total number of stores to 36. The completion of the GTSL Transaction is subject to the satisfaction of closing conditions and is expected to occur in July 2020.

Of the remaining 10 GT locations, the Company will: (i) retain and operate five key stores in northern market locations, (ii) convert one store to a Valu-Lots clearance center, and (iii) close four stores in the third quarter of 2020. The Company recorded a $9.4 million asset impairment and store closure provision in the quarter substantially related to a reduction in the carrying amount of fixtures and equipment and right-of-use assets. Further information on the GTSL transaction and store closure provision is provided in Note 19 to the Interim Condensed Consolidated Financial Statements.

Winnipeg Support Office Cost Reduction

On March 12, 2020, the Company announced that it will be reducing administration costs in its Canadian Operations and recorded a provision of $5.0 million in the first quarter related to employee severance costs. This cost reduction is partially related to recent and ongoing technology investments and the impact of the previously noted GTSL Transaction and related product supply and distribution agreements.

(2) See Non-GAAP Measures Section of Management's Discussion & Analysis

INTERNATIONAL OPERATIONS (stated in U.S. dollars)

International Operations sales increased 22.9% to $177.3 million compared to $144.3 million in the first quarter last year led by same store sales growth of 16.3% and the impact of the re-opening of our Cost-U-Less store in St. Thomas, USVI which was destroyed by Hurricane Irma in September 2017. These gains were partially offset by the impact of the closure of an AC store and a convenience store in Barrow, Alaska on October 31, 2019 as a result of the leases expiring, net of the impact of opening a smaller store in this market on November 1, 2019. Food sales increased 24.5% and were up 17.1% on a same store basis and general merchandise sales increased 10.2% and were up 9.5% on a same store basis with all regions contributing to the sales gains. Sales were positively impacted by COVID-19 consumer spending changes including initial food stock-up shopping, the closure of restaurants and other away-from-home eating options, less travel outside of communities, especially in rural Alaska, and government income support payments within U.S. states and territories, partially offset by periodic government mandated COVID-19-related store closures in the British Virgin Islands, Barbados, St. Maarten and Curacao.

Gross profit increased 19.3% compared to last year driven by sales gains, partially offset by a decrease in gross profit rates related to a higher blend of Cost-U-Less sales which have a lower gross profit rate consistent with a discount warehouse format. Lower food margins as a result of not passing on product cost inflation in order to help reduce the financial impact of COVID-19 on our customers was also a factor.

Selling, operating and administrative expenses ("Expenses") increased 43.4% compared to last year primarily due to the impact of an $8.0 million insurance-related gain last year resulting from the final settlement of hurricane Irma insurance claims. Excluding the impact of the insurance-related gain last year, Expenses increased 10.4% mainly due to the impact of new stores and COVID-19 expenses related to wage increases for front-line associates, protective equipment and enhanced sanitation procedures partially offset by the impact of $0.9 million in support office restructuring and relocation costs last year. Adjusted Expenses as a percentage of sales decreased 246 basis points compared to last year.

Earnings from operations were $11.1 million compared to $14.7 million in the first quarter last year and EBITDA[2] decreased to $16.5 million compared to $19.6 million last year due to the impact of the insurance-related gain last year. Excluding this gain, adjusted EBITDA[2] increased $4.9 million or 43.0% compared to last year due to the sales and expense factors noted above.

FINANCIAL CONDITION

Financial Ratios

The Company's debt-to-equity ratio at the end of the first quarter was 0.94:1 compared to 0.96:1 last year.

Working capital decreased $15.1 million or 6.7% compared to the first quarter last year mainly due to a decrease in sealift and winter road inventories in Canadian Operations as a result of higher sales and a decrease in cash largely related to the receipt of hurricane insurance claim proceeds in International Operations last year. These factors were partially offset by the net impact of assets and liabilities held for sale related to the sale of Giant Tiger stores as described in Note 19 to the Interim Condensed Consolidated Financial Statements.

Outstanding Shares

The weighted-average basic shares outstanding for the quarter were 48,751,000 shares which is the same as last year. The weighted-average fully diluted shares outstanding for the quarter were 49,369,000 shares compared to 49,222,000 shares last year. The increase in fully diluted shares outstanding compared to last year is due to options granted under the Share Option Plan, shares granted under the Director Deferred Share Unit Plan and shares granted under the Performance Share Unit plan that may be treasury settled. Further information on share capital and share-based compensation plans is provided in Note 7 and Note 14 respectively to the Company's Interim Condensed Consolidated Financial Statements.

(2) See Non-GAAP Measures Section of Management's Discussion & Analysis

LIQUIDITY AND CAPITAL RESOURCES

The following table summarizes the major components of cash flow:

$ in thousands	Three Months Ended April 30, 2020	Three Months Ended April 30, 2019	Change
Cash flows from (used in):			
Cash from operating activities	**$ 89,880**	$ 33,431	$ 56,449
Cash used in investing activities	**(26,456)**	(20,758)	(5,698)
Cash from (used in) financing activities	**(38,287)**	12,130	(50,417)
Effect of changes in foreign exchange rates on cash	**283**	186	97
Net change in cash	**$ 25,420**	$ 24,989	$ 431

Cash from operating activities in the quarter increased $56.4 million to $89.9 million compared to cash from operating activities of $33.4 million last year substantially due to the change in non-cash working capital. The change in non-cash working capital is primarily related to higher than planned sales drawing down sealift and winter road inventories in Canadian Operations, the change in accounts receivable related to increased payments received on account compared to the prior year and the change in accounts payable related to the timing of payments. The change in other non-cash items is mainly due to the change in long-term liabilities related to share-based compensation.

Cash used in investing activities in the quarter increased to $26.5 million compared to $20.8 million last year largely due to the purchase of an ATR-72 500 aircraft which replaced a Basler aircraft. The reconstruction of a warehouse in Iqaluit, Nunavut that was destroyed by fire in November 2018, store renovations and investments in fixtures and equipment were also factors. Further information on planned capital expenditures is included in the Outlook section.

Cash used in financing activities in the quarter was $38.3 million compared to cash provided from financing of $12.1 million last year substantially related to net change in long-term debt resulting from amounts drawn on the Company's revolving loan facilities. Further information on long-term debt is provided in the Sources of Liquidity section and in Note 9 to the Company's Interim Condensed Consolidated Financial Statements.

Sources of Liquidity

The Company has outstanding $100.0 million in senior notes that mature September 26, 2029 and have a fixed interest rate of 3.74%. The notes are secured by certain assets of the Company and rank *pari passu* with the Company's other senior debt comprised of the $300.0 million Canadian Operations loan facilities, the US$70.0 million senior notes and the US$52.0 million loan facilities.

The Canadian Operations have US$70.0 million senior notes that mature on June 16, 2021. These senior notes have a fixed interest rate of 3.27% on US$55.0 million and a floating interest rate on US$15.0 million based on U.S. LIBOR plus a spread, payable semi-annually. These senior notes are secured by certain assets of the Company and rank *pari passu* with the Company's other senior debt.

The Canadian Operations also have committed, revolving loan facilities of $300.0 million that bear a floating rate of interest based on Bankers Acceptances rates plus a stamping fee. These facilities mature September 26, 2022 and are secured by certain assets of the Company on a *pari passu* basis with the Company's other senior debt. At April 30, 2020, the Company had drawn $164.0 million on these facilities (April 30, 2019 - $174.1 million).

The Company has committed, revolving loan facilities of US$52.0 million that bear interest at U.S. LIBOR plus a spread. These facilities mature September 26, 2022 and are secured by certain assets of the Company on a *pari passu* basis with the Company's other senior debt. At April 30, 2020, the Company had drawn US$27.9 million on these facilities (April 30, 2019 - US$27.9 million).

The International Operations have a US$40.0 million committed, revolving loan facility for working capital and general business purposes. This loan facility, which matures February 12, 2025, bears a floating rate of interest based on U.S. LIBOR plus a spread and is secured by certain accounts receivable and inventories of the International Operations. At April 30, 2020, the Company had drawn US$1.8 million on these facilities (April 30, 2019 - US$NIL).

The Company's lease liabilities are discounted at its incremental borrowing rate, generally calculated from applicable Canadian and U.S. corporate bond yields. At April 30, 2020, lease liabilities reflect a weighted-average risk-free rate of 3.8% (April 30, 2019 – 4.1%) and weighted-average remaining lease term of 9.6 years (April 30, 2019 – 9.9 years).

The loan facilities and senior notes contain covenants and restrictions including the requirement to meet certain financial ratios and financial condition tests. The financial covenants include a fixed charge coverage ratio, minimum current ratio, a leverage test and a minimum net worth test. At April 30, 2020, the Company is in compliance with the financial covenants under these facilities. Current and forecasted debt levels are regularly monitored for compliance with debt covenants. Further information on the Company's long-term debt and loan facilities is provided in Note 9 to the Interim Condensed Consolidated Financial Statements.

Cash flow from operating activities and unutilized capacity available on existing loan facilities are expected to be sufficient to fund operating requirements, pension plan contributions, planned sustaining and growth-related capital expenditures as well as anticipated dividends during 2020.

SHAREHOLDER DIVIDENDS

The Board of Directors declared a quarterly dividend of $0.33 per share to shareholders of record on June 30, 2020, to be paid on July 15, 2020.

The payment of dividends on the Company's shares are subject to the approval of the Board of Directors and is based on, among other factors, the financial performance of the Company, its current and anticipated future business needs and the satisfaction of solvency tests imposed by the Canada Business Corporations Act ("CBCA") for the declaration of dividends. The dividends are designated as eligible dividends in accordance with the provisions of the Canadian Income Tax Act.

OTHER HIGHLIGHTS

- On March 8, 2020, the Company opened a modular convenience store in Inukjuak, Quebec.
- The Company's comprehensive response to COVID-19 included announced donations totaling $1.6 million for community support initiatives in northern Canada. Of this amount, $600,000 was part of a $3.6 million food donation made with the Sprott Foundation and $1.0 million was a donation to the Company's Healthy Horizon Foundation aimed at funding youth activities.

COMMENT ON COVID-19 PANDEMIC

On March 11, 2020, the World Health Organization declared the rapidly spreading novel coronavirus ("COVID-19") a pandemic. This contagious disease outbreak has resulted in material disruption to businesses globally and significant economic uncertainty. In response, governments worldwide have enacted emergency measures to both combat the spread of the virus and stabilize economic conditions. All of the Company's operations are considered to be essential services by the applicable government authorities. As such, the Company's focus is on business continuity and safety plans, related cost management and liquidity to ensure uninterrupted operations and to help mitigate the health impact of COVID-19 on employees and customers. This includes the implementation of physical spacing, including the installation of plexiglass barriers at checkouts, and safety and enhanced sanitation protocols in stores, distribution centers and support offices. Included in this scope of work were increased communications with our customers and community leaders to help understand their expectations and protocols. The Company is also continuing to work closely with governments and suppliers to help ensure the uninterrupted flow of merchandise to our stores. COVID-19 is a rapidly changing situation and the Company continues to adjust and adapt its operations as required.

To date, the impact of COVID-19 on communities served by the Company has ranged from modest to severe. The rate of cases has been at or below general levels with the exception of a significant outbreak in northern Saskatchewan, affecting four communities. The economic effect has been negative within regions which rely on a tourist economy and which do not have strong government income support programs notably the British Virgin Islands, Barbados, St. Maarten and Curacao and within a limited number of communities with curtailed commercial natural resource activity.

The future impact of COVID-19 is highly uncertain and the Company is not able to reliably forecast the severity and duration of this impact on the economy, the financial markets, the availability of capital and on the Company's employees, customers, and suppliers, including the temporary closure of stores or interruptions to the Company's supply chain. Although the Company foresees continued demand for the products and services it provides based on its role as an essential service, the full impact of COVID-19 is not determinable at this time and there can be no assurance that COVID-19 will not have a material adverse impact on the Company's operations and financial condition. Further information on the potential impact of COVID-19 is provided in the Outlook section.

STRATEGY

The Company is focused on building a stronger store network with more essential products and services that help our customers to live better and our business to grow within all economic environments. The Company is committed to delivering sustainable, superior total returns with a commitment to downside risk management, disciplined allocation of capital, cash flow optimization and dividend growth.

The Company's focus areas for the next three years are set out below:

1. In the short-term, our priority is on our COVID-19 response and completing the GTSL Transaction and the Canadian Operations administration cost reductions while continuing to invest in lower food pricing in our northern Canada stores.
2. Other priority work for 2020 and 2021 includes planning for new opportunities and risks presented by COVID-19, optimizing North Star Air Ltd. ("NSA"), our air cargo business, and shifting to a more decentralized operation structure in our International Operations, to be followed by our Canadian business, so that more decisions are made within and closer to the different banners, regions, communities and customers that we serve.
3. Prioritize investment in the Company's "Top Markets", our largest and highest sales and profit potential locations, so that sustaining capital is better balanced with new products and services while allocating more selling space to "Top Categories" which offer the highest everyday convenience and service value to our customers. These investments may be impacted by 6 - 12 months due to COVID-19-related delays.
4. Complete the roll-out of next generation merchandise and store systems that help optimize the unique elements of our remote retailing business which is expected to be impacted by 6 - 12 months due to COVID-19-related delays.
5. As the core retail and logistics work is achieved, we will begin to put more focus on complimentary growth opportunities that leverage our core remote market capabilities and expertise as well as opportunities presented by COVID-19.

Further information on the Company's strategy is provided in the 2019 Annual Report.

OUTLOOK

The near-term consumer outlook is clouded by the COVID-19 situation. While the Company foresees higher revenue based on its role as an essential service and less out-of-community shopping due to travel restrictions, there is downside risk related to increased outbreaks of COVID-19 and continuing general economic challenges, particularly within tourism-dependent economies. There have been limited outbreaks in regions served by the Company however the risk is still significant. We also expect to see a major softening in the 2020-21 Caribbean tourism season due to COVID-19. The Company is monitoring the COVID-19 situation on a daily basis and adjusting people practices as appropriate as well as product sourcing and distribution requirements. As a relied-upon provider of everyday needs to many remote communities, the Company is committed to ensuring continuity of service throughout this challenging period.

With the exception of the Caribbean, the medium and longer-term outlook in the Company's markets is favourable and aligns with our lower risk product and service focus, augmented by opportunistic investments. Northern Canada's outlook in particular, is buoyed by ongoing government investment within Indigenous communities, resource development, and other public sector capital projects. Even with the economic uncertainty in the Caribbean, the Company believes there will be opportunities to grow market share organically and through acquisitions.

A third owned ATR aircraft has been added to NSA's fleet and is expected to be operational in June 2020. This aircraft will add capacity and reduce reliance on more expensive, chartered planes as well as providing more opportunity to grow NSA's third party cargo business.

The relocation of our International store operations support office from Bellevue, Washington to Anchorage, Alaska and Boca Raton, Florida to locate our executives and store support teams closer to the markets they serve is complete and is expected to contribute to better market insights and execution. The closure of our main store in Barrow is expected to be partially mitigated by the opening of a smaller store in the community but may negatively impact earnings growth in Alaska over the next two quarters.

In 2019, the Company recorded after-tax insurance related gains of $13.9 million. The settlement of fire insurance claims and the receipt of payments are expected to result in further insurance-related earnings gains in 2020 however, the amount and timing of these gains is uncertain. These gains will be offset by higher insurance costs primarily in Canada and the Caribbean. Global insurance market conditions are becoming more challenging as insurance companies are limiting their capacity for underwriting risks in certain geographic areas such as the Caribbean and northern Canada or in sectors such as the aviation industry. Insurance companies that do provide coverage in these areas require significantly higher insurance premiums and higher self-insured retention levels from companies. These factors are expected to continue to result in higher insurance costs; and, changes in self-insured retention levels may result in greater earnings volatility in the event of future losses. To help mitigate future losses, the Company has completed upgrades on its facilities in the Caribbean to increase resiliency to a category 5 hurricane level as well as undertaken fire prevention audits and upgrading facilities to help reduce the risk of fire related losses in its stores in northern Canada.

In 2020, the Company expects that capital expenditures, including investments in aircraft capacity, will be in the $65.0 million range (2019 - $104.3 million) net of expected recoveries on the settlement of fire insurance claims. The timing and amount of store-based capital expenditures can be impacted by COVID-19-related travel restrictions, the completion of landlord negotiations, shipment of construction materials to remote markets, and weather-related delays and therefore their actual amount and timing can fluctuate.

QUARTERLY RESULTS OF OPERATIONS

The following is a summary of selected quarterly financial information:

Operating Results - Consolidated[(1)]

	First Quarter		Fourth Quarter		Third Quarter		Second Quarter	
	90 days	89 days	92 days	92 days	92 days	92 days	92 days	92 days
($ in millions)	2020	2019	2019	2018	2019	2018	2019	2018
Sales	**$ 592.6**	$ 494.5	$ 553.1	$ 532.5	$ 519.5	$ 511.5	$ 527.3	$ 503.8
EBITDA[2]	**43.4**	58.2	50.4	44.3	59.3	77.6	51.6	49.6
Earnings from operations	**19.5**	37.0	26.7	23.2	37.0	56.5	29.6	29.4
Net earnings	**12.3**	26.2	17.3	14.0	24.8	39.5	17.9	18.6
Net earnings attributable to shareholders of the Company	**11.3**	25.1	16.3	13.1	24.1	38.3	17.2	17.7
Net earnings per share:								
Basic	**0.23**	0.52	0.34	0.27	0.49	0.78	0.35	0.37
Diluted	**0.23**	0.51	0.33	0.27	0.49	0.78	0.35	0.36
Adjusted EBITDA[2]	**59.8**	45.1	47.4	49.7	58.8	57.4	53.6	56.3
Adjusted net earnings[2]	**24.6**	15.1	15.2	19.3	24.3	23.7	20.7	23.8

(1) The Company adopted IFRS 16 Leases (IFRS 16) effective February 1, 2019 using the full retrospective approach and restated 2018. See the audited annual consolidated financial statements and accompanying notes included in the 2019 Annual Report for additional information.

(2) See Non-GAAP Measures Section of Management's Discussion & Analysis.

Historically, the Company's first quarter sales are the lowest and the fourth quarter sales are the highest, reflecting the holiday selling period. Due to the remote location of many of the Company's stores, weather conditions are often more extreme compared to other retailers and can affect sales in any quarter. Net earnings generally follow higher sales but can be dependent on changes in merchandise sales blend, promotional activity in key sales periods, markdowns to reduce excess inventories and other factors which can affect net earnings.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining disclosure controls and procedures for the Company in order to provide reasonable assurance that all material information relating to the Company is made known to management in a timely manner so that appropriate decisions can be made regarding public disclosure. Management is also responsible for establishing and maintaining internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial reports for external purposes in accordance with IFRS. All internal control systems, no matter how well designed, have inherent limitations. Therefore even those systems determined to be designed effectively can only provide reasonable assurance of achieving the control objectives. Additionally, management is necessarily required to use judgment in evaluating controls and procedures. Management used the Internal Control - Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission as the control framework in designing its internal controls over financial reporting.

There have been no changes in the internal controls over financial reporting during the quarter ended April 30, 2020 that have materially affected or are reasonably likely to materially affect the Company's internal controls over financial reporting.

ACCOUNTING STANDARDS IMPLEMENTED IN 2020

The significant accounting policies are set out in the Company's 2019 Annual Audited Consolidated Financial Statements. These policies have been applied to all periods presented in these Interim Condensed Consolidated Financial Statements, and have been applied consistently by both the Company and its subsidiaries using uniform accounting policies for like transactions and other events in similar circumstances, except for assets and liabilities held for sale as described below.

Assets & Liabilities held for sale Assets and liabilities are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. To qualify as held for sale, the sale must be highly probable, assets must be available for immediate sale in their present condition and management must be committed to a plan to sell that should be expected to close within one year from the date of classification.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resulting impairment loss is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets or deferred tax assets, which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognized in profit or loss.

New Standards Implemented Effective February 1, 2020, the Company adopted amendments to IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. These amendments clarified the definition of material. Under the amended definition, information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make. The amendments are effective for the Company on February 1, 2020 and are required to be applied prospectively. The implementation of these amendments did not have a significant impact on the Company.

FUTURE ACCOUNTING STANDARDS TO BE IMPLEMENTED

There are no IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

NON-GAAP MEASURES

The Company uses the following non-GAAP financial measures: earnings before interest, income taxes, depreciation and amortization (EBITDA), adjusted EBITDA and adjusted net earnings. The Company believes these non-GAAP financial measures provide useful information to both management and investors in measuring the financial performance and financial condition of the Company for the reasons outlined below.

Earnings Before Interest, Income Taxes, Depreciation and Amortization (EBITDA) is not a recognized measure under IFRS. Management believes that in addition to net earnings, EBITDA is a useful supplemental measure as it provides investors with an indication of the Company's operational performance before allocating the cost of interest, income taxes and capital investments. Investors should be cautioned however, that EBITDA should not be construed as an alternative to net earnings determined in accordance with IFRS as an indicator of the Company's performance. The Company's method of calculating EBITDA may differ from other companies and may not be comparable to measures used by other companies.

Adjusted EBITDA and Adjusted Net Earnings Adjusted EBITDA and adjusted net earnings are not recognized measures under IFRS. Management uses these non-GAAP financial measures to exclude the impact of certain income and expenses that must be recognized under IFRS. The excluded amounts are either subject to volatility in the Company's share price or may not necessarily be reflective of the Company's underlying operating performance. These factors can make comparisons of the Company's financial performance between periods more difficult. The Company may exclude additional items if it believes that doing so will result in a more effective analysis and explanation of the underlying financial performance. The exclusion of these 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 the other financial measures determined in accordance with IFRS.

Reconciliation of consolidated net earnings to EBITDA and adjusted EBITDA:

($ in thousands)	First Quarter 2020	2019
Net earnings	**$ 12,254**	$ 26,225
Add: Amortization	**23,902**	21,215
Interest expense	**5,010**	5,036
Income taxes	**2,207**	5,772
EBITDA	**$ 43,373**	$ 58,248
Adjusted for:		
Insurance gains	**—**	(10,656)
Share-based compensation expense / (recovery)(1)	**2,051**	(2,520)
Giant Tiger asset impairment and store closure provision	**9,411**	—
Head office restructuring charge	**4,953**	—
Adjusted EBITDA	**$ 59,788**	$ 45,072

(1) Share-based compensation expense includes all share-based compensation as indicated in Note 11 and Note 14 to the Company's Interim Condensed Consolidated Financial Statements. In prior quarters, the adjustment for share-based compensation only included stock options. This change has been made on a comparative basis.

For EBITDA information by business segment, see Note 4 to the Company's Interim Condensed Consolidated Financial Statements.

Reconciliation of consolidated net earnings to adjusted net earnings:

($ in thousands)	First Quarter 2020	2019
Net earnings	**$ 12,254**	$ 26,225
Adjusted for:		
Insurance gains, net of tax	**—**	(8,399)
Share-based compensation expense / (recovery), net of tax(1)	**1,883**	(2,731)
Giant Tiger asset impairment and store closure provision, net of tax	**6,874**	—
Head office restructuring charge, net of tax	**3,616**	—
Adjusted net earnings	**$ 24,627**	$ 15,095

(1) Share-based compensation expense includes the after-tax impact of all share-based compensation as indicated in Note 11 and Note 14 to the Company's Interim Condensed Consolidated Financial Statements. In prior quarters, the adjustment for share-based compensation only included stock options. This change has been made on a comparative basis.

The Company recorded gains on the settlement of hurricane Irma related insurance claims. These gains were due to the difference between the replacement cost of the assets destroyed and their book value and also for the recovery of business interruption losses on hurricane claims.

Certain share-based compensation costs are presented as liabilities on the Company's consolidated balance sheets. The Company is exposed to market price fluctuations in its share price through these share-based compensation costs. These liabilities are recorded at fair value at each reporting date based on the market price of the Company's shares at the end of each reporting period with the changes in fair value recorded in selling, operating and administrative expenses. Further information on share-based compensation is provided in Note 11 and Note 14 to the Company's Interim Condensed Consolidated Financial Statements.

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Unless otherwise stated, this Management's Discussion & Analysis (MD&A) is based on the financial information included in the Company's Interim Condensed Consolidated Financial Statements and notes to the Interim Condensed Consolidated Financial statements which have been prepared in accordance with International Financial Reporting Standards and is in Canadian dollars. The information contained in this MD&A is current to June 10, 2020.

Forward-Looking Statements

This Quarterly Report, including Management's Discussion & Analysis (MD&A), contains forward-looking statements about the Company, including its business operations, strategy and expected financial performance and condition. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "plans", "believes", "estimates", "intends", "targets", "projects", "forecasts" or negative versions thereof and other similar expressions, or future or conditional future financial performance (including sales, earnings, growth rates, capital expenditures, dividends, debt levels, financial capacity, access to capital, and liquidity), on-going business strategies or prospects, the anticipated impact of the COVID-19 pandemic on the Company's operations and the Company's related business continuity plans, and possible future action by the Company, including the closing of the GTSL Transaction which is subject to commercial risks and closing conditions that are outside the control of the Company, such as various third party consents which may cause the GTSL Transaction to not close on the terms and conditions negotiated or at all.

Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Company, economic factors and the retail industry in general. They are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied by forward-looking statements made by the Company due to, but not limited to, important factors such as general economic, political and market factors in North America and internationally including the duration and the impact of the COVID-19 pandemic, interest and foreign exchange rates, changes in accounting policies and methods used to report financial condition, including uncertainties associated with critical accounting assumptions and estimates, the effect of applying future accounting changes, business competition, technological change, changes in government regulations and legislation, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, the Company's ability to complete capital projects, strategic transactions and integrate acquisitions, the Company's ability to realize benefits from investments in information technology ("IT") and systems, including IT system implementations or unanticipated results from these initiatives and the Company's success in anticipating and managing the foregoing risks.

The reader is cautioned to consider these and other factors carefully and not place undue reliance on forward-looking statements. Other risks are outlined in the Risk Management section of the 2019 Annual Report and in the Risk Factors sections of the Annual Information Form and Management Information Circular. The reader is also cautioned to consider these and other factors carefully and not place undue reliance on forward-looking statements. Other than as specifically required by applicable law, the Company does not intend to update any forward-looking statements whether as a result of new information, future events or otherwise.

Additional information on the Company, including our Annual Information Form, can be found on SEDAR at *www.sedar.com* or on the Company's website at *www.northwest.ca*.

Consolidated Balance Sheets

(unaudited, $ in thousands)	**April 30, 2020**	April 30, 2019	January 31, 2020
CURRENT ASSETS			
Cash	**$ 53,607**	$ 63,437	$ 28,187
Accounts receivable (Note 5)	**85,609**	87,373	104,869
Inventories (Note 6)	**225,935**	245,611	248,040
Prepaid expenses	**19,699**	18,452	12,375
Income tax receivable (Note 13)	**5,219**	1,717	6,122
Assets held for sale (Note 19)	**60,291**	—	—
	450,360	416,590	399,593
NON-CURRENT ASSETS			
Property and equipment	**552,240**	519,979	555,075
Right-of-use assets	**107,769**	122,638	127,870
Goodwill	**51,533**	48,639	49,569
Intangible assets	**41,643**	40,302	41,608
Deferred tax assets	**30,733**	35,149	28,233
Other assets	**12,239**	11,469	13,588
	796,157	778,176	815,943
TOTAL ASSETS	**$ 1,246,517**	$ 1,194,766	$ 1,215,536
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	**$ 187,047**	$ 170,689	$ 173,058
Current portion of long-term debt (Note 9)	**1,178**	900	1,850
Current portion of lease liabilities (Note 10)	**20,928**	20,280	19,176
Liabilities held for sale (Note 19)	**31,609**	—	—
	240,762	191,869	194,084
NON-CURRENT LIABILITIES			
Long-term debt (Note 9)	**404,331**	407,164	409,115
Lease liabilities (Note 10)	**100,500**	114,312	119,928
Defined benefit plan obligation (Note 11)	**41,139**	28,690	40,138
Deferred tax liabilities	**9,014**	11,263	8,750
Other long-term liabilities	**17,944**	15,927	16,551
	572,928	577,356	594,482
TOTAL LIABILITIES	**813,690**	769,225	788,566
SHAREHOLDERS' EQUITY			
Share capital (Note 7)	**173,681**	173,681	173,681
Contributed surplus	**9,768**	4,548	8,650
Retained earnings	**206,438**	210,405	211,252
Accumulated other comprehensive income	**28,215**	22,916	20,315
Equity attributable to The North West Company Inc.	**418,102**	411,550	413,898
Non-controlling interests	**14,725**	13,991	13,072
TOTAL EQUITY	**432,827**	425,541	426,970
TOTAL LIABILITIES & EQUITY	**$ 1,246,517**	$ 1,194,766	$ 1,215,536

See accompanying notes to condensed consolidated financial statements.

Consolidated Statements of Earnings

(unaudited, $ in thousands, except per share amounts)		**Three Months Ended April 30, 2020**		Three Months Ended April 30, 2019
SALES	**$**	**592,569**	$	494,529
Cost of sales		**(408,413)**		(338,276)
Gross profit		**184,156**		156,253
Selling, operating and administrative expenses (Notes 11, 17, 19)		**(164,685)**		(119,220)
Earnings from operations		**19,471**		37,033
Interest expense (Note 12)		**(5,010)**		(5,036)
Earnings before income taxes		**14,461**		31,997
Income taxes (Note 13)		**(2,207)**		(5,772)
NET EARNINGS FOR THE PERIOD	**$**	**12,254**	$	26,225
NET EARNINGS ATTRIBUTABLE TO				
The North West Company Inc.	**$**	**11,274**	$	25,124
Non-controlling interests		**980**		1,101
TOTAL NET EARNINGS	**$**	**12,254**	$	26,225
NET EARNINGS PER SHARE				
Basic	**$**	**0.23**	$	0.52
Diluted	**$**	**0.23**	$	0.51
WEIGHTED-AVERAGE NUMBER OF SHARES OUTSTANDING (000's)				
Basic		**48,751**		48,751
Diluted		**49,369**		49,222

See accompanying notes to condensed consolidated financial statements.

Consolidated Statements of Comprehensive Income

(unaudited, $ in thousands)		**Three Months Ended April 30, 2020**		Three Months Ended April 30, 2019
NET EARNINGS FOR THE PERIOD	**$**	**12,254**	$	26,225
Other comprehensive income, net of tax:				
Items that may be reclassified to net earnings:				
Exchange differences on translation of foreign controlled subsidiaries		**8,573**		3,369
Total other comprehensive income, net of tax		**8,573**		3,369
COMPREHENSIVE INCOME FOR THE PERIOD	**$**	**20,827**	$	29,594
OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO				
The North West Company Inc.	**$**	**7,900**	$	3,049
Non-controlling interests		**673**		320
TOTAL OTHER COMPREHENSIVE INCOME	**$**	**8,573**	$	3,369
COMPREHENSIVE INCOME ATTRIBUTABLE TO				
The North West Company Inc.	**$**	**19,174**	$	28,173
Non-controlling interests		**1,653**		1,421
TOTAL COMPREHENSIVE INCOME	**$**	**20,827**	$	29,594

See accompanying notes to condensed consolidated financial statements.

Consolidated Statements of Changes in Shareholders' Equity

(unaudited, $ in thousands)	Share Capital	Contributed Surplus	Retained Earnings	AOCI [1]	Total	Non-Controlling Interests	Total Equity
Balance at January 31, 2020	$ 173,681	$ 8,650	$ 211,252	$ 20,315	$ 413,898	$ 13,072	$ 426,970
Net earnings for the period	—	—	11,274	—	11,274	980	12,254
Other comprehensive income	—	—	—	7,900	7,900	673	8,573
Comprehensive income	—	—	11,274	7,900	19,174	1,653	20,827
Equity settled share-based payments	—	1,118	—	—	1,118	—	1,118
Dividends (Note 8)	—	—	(16,088)	—	(16,088)	—	(16,088)
	—	1,118	(16,088)	—	(14,970)	—	(14,970)
Balance at April 30, 2020	**$ 173,681**	**$ 9,768**	**$ 206,438**	**$ 28,215**	**$ 418,102**	**$ 14,725**	**$ 432,827**
Balance at January 31, 2019	$ 173,681	$ 3,530	$ 201,368	$ 19,867	$ 398,446	$ 12,570	$ 411,016
Net earnings for the period	—	—	25,124	—	25,124	1,101	26,225
Other comprehensive income	—	—	—	3,049	3,049	320	3,369
Comprehensive income	—	—	25,124	3,049	28,173	1,421	29,594
Equity settled share-based payments	—	1,018	—	—	1,018	—	1,018
Dividends (Note 8)	—	—	(16,087)	—	(16,087)	—	(16,087)
	—	1,018	(16,087)	—	(15,069)	—	(15,069)
Balance at April 30, 2019	$ 173,681	$ 4,548	$ 210,405	$ 22,916	$ 411,550	$ 13,991	$ 425,541

(1) Accumulated Other Comprehensive Income

See accompanying notes to condensed consolidated financial statements.

Consolidated Statements of Cash Flows

(unaudited, $ in thousands)		**Three Months Ended April 30, 2020**		Three Months Ended April 30, 2019
CASH FROM (USED IN):				
Operating activities				
Net earnings for the period	**$**	**12,254**	$	26,225
Adjustments for:				
Amortization		**23,902**		21,215
Provision for income taxes (Note 13)		**2,207**		5,772
Interest expense (Note 12)		**5,010**		5,036
Equity settled share-based compensation (Note 14)		**1,118**		1,018
Insurance proceeds, property and equipment		**—**		(1,205)
Taxes paid		**(3,509)**		(5,310)
Loss on disposal of property and equipment		**124**		188
Giant Tiger asset impairment & store closure provision (Note 19)		**9,411**		—
		50,517		52,939
Change in non-cash working capital		**37,000**		(16,232)
Change in other non-cash items		**2,363**		(3,276)
Cash from operating activities		**89,880**		33,431
Investing activities				
Purchase of property and equipment		**(24,049)**		(17,489)
Intangible asset additions		**(2,416)**		(4,550)
Proceeds from disposal of property and equipment		**9**		76
Insurance proceeds, property and equipment		**—**		1,205
Cash used in investing activities		**(26,456)**		(20,758)
Financing activities				
Net increase/(decrease) in long-term debt (Note 9)		**(12,226)**		38,306
Payment of lease liabilities, principal		**(5,255)**		(5,216)
Payment of lease liabilities, interest		**(1,405)**		(1,470)
Dividends (Note 8)		**(16,088)**		(16,087)
Interest paid		**(3,313)**		(3,403)
Cash (used in)/from financing activities		**(38,287)**		12,130
Effect of foreign exchange rates on cash		**283**		186
NET CHANGE IN CASH		**25,420**		24,989
Cash, beginning of period		**28,187**		38,448
CASH, END OF PERIOD	**$**	**53,607**	$	63,437

See accompanying notes to condensed consolidated financial statements.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION

The North West Company Inc. (NWC or the Company) is a corporation amalgamated under the Canada Business Corporations Act (CBCA) and governed by the laws of Canada. The Company, through its subsidiaries, is a leading retailer of food and everyday products and services. The address of its registered office is 77 Main Street, Winnipeg, Manitoba, Canada.

The Company has two reportable geographical segments, Canada and International. The International segment consists largely of wholly owned subsidiaries operating in the continental United States, Caribbean and South Pacific. The Company's business follows a seasonal pattern where historically the first quarter sales are the lowest and the fourth quarter sales are the highest, reflecting consumer holiday buying patterns.

These unaudited interim period condensed consolidated financial statements (condensed consolidated financial statements) have been approved for issue by the Board of Directors of the Company on June 10, 2020.

2. BASIS OF PREPARATION

(A) Statement of Compliance These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, *Interim Financial Reporting,* as issued by the International Accounting Standards Board (IASB). These condensed consolidated financial statements should be read in conjunction with the Company's annual audited consolidated financial statements and the accompanying notes included in The North West Company Inc.'s 2019 Annual Report which have been prepared in accordance with International Financial Reporting Standards (IFRS).

(B) Basis of Measurement The condensed consolidated financial statements have been prepared on a historical cost basis, except for the following which are measured at fair value, as applicable:

- Liabilities for share-based payment plans (Note 14)
- Defined benefit pension plan
- Assets and liabilities acquired in a business combination

The methods used to measure fair values are discussed further in the notes to the Company's 2019 Annual Audited Consolidated Financial Statements.

(C) Functional and Presentation Currency The presentation currency of the condensed consolidated financial statements is Canadian dollars, which is the Company's functional currency. All financial information is presented in Canadian dollars, unless otherwise stated, and has been rounded to the nearest thousand.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are set out in the Company's 2019 Annual Audited Consolidated Financial Statements. These policies have been applied to all periods presented in these interim condensed consolidated financial statements, and have been applied consistently by both the Company and its subsidiaries using uniform accounting policies for like transactions and other events in similar circumstances, except for assets and liabilities held for sale as described below.

Assets & Liabilities held for sale Assets and liabilities are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. To qualify as held for sale, the sale must be highly probable, assets must be available for immediate sale in their present condition and management must be committed to a plan to sell that should be expected to close within one year from the date of classification.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resulting impairment loss is allocated first to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to inventories, financial assets or deferred tax assets, which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognized in profit or loss.

New Standards Implemented Effective February 1, 2020, the Company adopted amendments to IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. These amendments clarified the definition of material. Under the amended definition, information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make. The implementation of these amendments did not have a significant impact on the Company.

Future Standards and Amendments There are no IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates, assumptions and judgments that affect the application of accounting policies, the reported amounts of revenues and expenses during the reporting period and disclosure of contingent assets and liabilities in the consolidated financial statements and notes. Judgment has been used in the application of accounting policy and to determine if a transaction should be recognized or disclosed in these consolidated financial statements while estimates and assumptions have been used to measure balances recognized or disclosed.

Estimates, assumptions and judgments are based on management's historical experience, best knowledge of current events, conditions and actions that the Company may undertake in the future and other factors that management believes are reasonable under the circumstances. Estimates and underlying assumptions are reviewed on an ongoing basis. Certain of these estimates require subjective or complex judgments by management about matters that are uncertain and changes in these estimates could materially impact the consolidated financial statements and notes. Revisions to accounting estimates are recognized in the period in which the estimates are reviewed and in any future periods affected.

Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates have the most significant effect on the amounts recognized in the condensed consolidated financial statements include: allowance for doubtful accounts, inventories, amortization of property and equipment, determination of lease term, estimate of incremental borrowing rate of each leased asset, impairment of long-lived assets, goodwill and indefinite life intangible asset impairment, income taxes, accounting for vendor allowances, and defined benefit plan obligations.

The COVID-19 contagious disease outbreak has resulted in material disruption to business globally and significant economic uncertainty. In response, governments worldwide have enacted emergency measures to both combat the spread of the virus and stabilize economic conditions. The rapidly evolving COVID-19 economic environment in which we operate could be subject to sustained volatility. The Company is not able to reliably forecast the severity and duration of the impact of COVID-19 on the economy, the Company's customers, suppliers and employees, and consequently, its impact on the future financial results and condition of the Company, including including its estimates, assumptions and judgments.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. SEGMENTED INFORMATION

The Company is a retailer of food and everyday products and services in two geographical segments, Canada and International. The Canadian segment consists of subsidiaries operating retail stores and complimentary businesses to serve northern and western Canada. The International segment consists largely of subsidiaries operating in the continental United States, Caribbean and South Pacific. Financial information for these business segments is regularly reviewed by the Company's President and Chief Executive Officer to assess performance and make decisions about the allocation of resources.

The following key information is presented by geographic segment:

Consolidated Statements of Earnings

		Three Months Ended April 30, 2020		Three Months Ended April 30, 2019
Sales				
Canada				
Food	**$**	**239,463**	$	202,330
General merchandise and other		**108,612**		100,015
Canada	**$**	**348,075**	$	302,345
International				
Food	**$**	**222,448**	$	172,542
General merchandise and other		**22,046**		19,642
International	**$**	**244,494**	$	192,184
Consolidated	**$**	**592,569**	$	494,529
Earnings before amortization, interest and income taxes				
Canada	**$**	**20,663**	$	32,282
International		**22,710**		25,966
Consolidated	**$**	**43,373**	$	58,248
Earnings from operations				
Canada	**$**	**4,206**	$	17,399
International		**15,265**		19,634
Consolidated	**$**	**19,471**	$	37,033

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. SEGMENTED INFORMATION (continued)

Supplemental information

	April 30, 2020	April 30, 2019	January 31, 2020
Assets			
Canada [(1)]	**$ 765,973**	$ 769,170	$ 787,392
International [(1)]	**480,544**	425,596	428,144
Consolidated	**$ 1,246,517**	$ 1,194,766	$ 1,215,536

(1) Canadian total assets includes goodwill of $11,025 (April 30, 2019 –$10,958; January 31, 2020 – $11,025); International total assets includes goodwill of $40,508 (April 30, 2019 – $37,681; January 31, 2020 - $38,544).

	Three Months Ended April 30, 2020		Three Months Ended April 30, 2019	
	Canada	**International**	Canada	International
Purchase of property and equipment	**$ 23,375**	**$ 674**	$ 12,842	$ 4,647
Amortization	**$ 16,457**	**$ 7,445**	$ 14,883	$ 6,332

5. ACCOUNTS RECEIVABLE

	April 30, 2020	April 30, 2019	January 31, 2020
Trade accounts receivable	**$ 69,099**	$ 82,053	$ 81,925
Corporate and other accounts receivable	**28,343**	23,551	34,782
Less: allowance for doubtful accounts	**(11,833)**	(18,231)	(11,838)
Total	**$ 85,609**	$ 87,373	$ 104,869

The carrying values of accounts receivable are a reasonable approximation of their fair values. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. Corporate and other accounts receivable have a lower risk profile relative to trade accounts receivable because they are largely due from government or corporate entities.

6. INVENTORIES

Included in cost of sales for the three months ended April 30, 2020, the Company recorded $537 (three months ended April 30, 2019 – $447) for the write-down of period end inventories as a result of net realizable value being lower than cost. There was no reversal of inventories written down previously that are no longer estimated to sell below cost during the three months ended April 30, 2020 or 2019.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. SHARE CAPITAL

Authorized – The Company has an unlimited number of Common Voting Shares and Variable Voting Shares.

April 30, 2020	**Shares**	**Consideration**
Balance at January 31, 2020	**48,750,929**	**$ 173,681**
Issued under option plans (Note 14)	**—**	**—**
Balance at April 30, 2020	**48,750,929**	**$ 173,681**

April 30, 2019		
Balance at January 31, 2019	48,750,929	$ 173,681
Issued under option plans (Note 14)	—	—
Balance at April 30, 2019	48,750,929	$ 173,681

8. DIVIDENDS

	Three Months Ended April 30, 2020	Three Months Ended April 30, 2019
Shareholder dividends	**$ 16,088**	$ 16,087
Dividends per share	**$ 0.33**	$ 0.33

The payment of dividends on the Company's shares is subject to the approval of the Board of Directors and is based upon, among other factors, the financial performance of the Company, its current and anticipated future business needs, and the satisfaction of solvency tests imposed by the CBCA for the declaration of dividends. Dividends are recognized as a liability in the consolidated financial statements in the period in which they are approved by the Board of Directors.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. LONG-TERM DEBT

	April 30, 2020	April 30, 2019	January 31, 2020
Current:			
Revolving loan facility (1)	**$ —**	$ —	$ 950
Promissory notes payable (7)	**1,178**	900	900
	$ 1,178	$ 900	$ 1,850
Non-current:			
Revolving loan facility (1)	**$ 2,475**	$ —	$ —
Revolving loan facilities (2)	**38,826**	37,533	36,943
Revolving loan facilities (3)	**163,951**	174,065	176,716
Senior notes (4)	**97,067**	93,766	92,334
Senior notes (5)	**100,000**	100,000	100,000
Revolving loan facility (6)	—	—	—
Promissory notes payable (7)	**2,012**	1,800	3,122
	$ 404,331	$ 407,164	$ 409,115
Total	**$ 405,509**	$ 408,064	$ 410,965

(1) The committed, revolving U.S. loan facility provides the International Operations with up to US$40,000 for working capital requirements and general business purposes. This facility matures February 12, 2025, bears a floating rate of interest based on U.S. LIBOR plus a spread and is secured by certain accounts receivable and inventories of the International Operations. As at April 30, 2020, the International Operations had drawn US$1,781 (April 30, 2019 - US$NIL; January 31, 2020 - US$719).

(2) The US$52,000 loan facilities mature September 26, 2022 and bear interest at U.S. LIBOR plus a spread. These committed loan facilities are secured by certain assets of the Company and rank *pari passu* with the US$70,000 senior notes, the $100,000 senior notes and the $300,000 Canadian Operations loan facilities. At April 30, 2020, the Company had drawn US$27,936 (April 30, 2019 – US $27,936; January 31, 2020 - US$27,936) on these facilities.

(3) These committed, revolving loan facilities provide the Company's Canadian Operations with up to $300,000 for working capital and general business purposes. These facilities mature September 26, 2022, are secured by certain assets of the Company and rank *pari passu* with the US$70,000 senior notes, the $100,000 senior notes and the US$52,000 loan facilities. These facilities bear a floating interest rate based on Bankers Acceptances rates plus stamping fees or the Canadian prime interest rate.

(4) The US$70,000 senior notes mature June 16, 2021, have a fixed interest rate of 3.27% on US$55,000 and a floating interest rate on US$15,000 based on U.S. LIBOR plus a spread. The senior notes are secured by certain assets of the Company and rank *pari passu* with the $300,000 Canadian Operations loan facilities, the $100,000 senior notes and the US$52,000 loan facilities.

(5) The $100,000 senior notes mature September 26, 2029, have a fixed interest rate of 3.74%, are secured by certain assets of the Company and rank *pari passu* with the $300,000 Canadian Operations loan facilities, the US$70,000 senior notes and the US$52,000 loan facilities.

9. LONG-TERM DEBT (continued)

(6) The Canadian and International Operations have revolving loan facilities to meet working capital requirements and for general business purposes. These facilities bear a floating rate of interest and are secured by certain assets of the Company.

(7) Promissory notes payable are non-interest bearing, have annual principal payments and are secured by certain assets of the Company.

10. LEASE LIABILITIES

The Company's lease liabilities are discounted at its incremental borrowing rate, generally calculated from applicable Canadian and U.S. corporate bond yields. At April 30, 2020, lease liabilities reflect a weighted-average risk-free rate of 3.8% (April 30, 2019 – 4.1%; January 31, 2020 - 3.8%) and weighted-average remaining lease term of 9.6 years (April 30, 2019 – 9.9 years; January 31, 2020 - 9.7 years).

11. EMPLOYEE COSTS

	Three Months Ended April 30, 2020	Three Months Ended April 30, 2019
Wages, salaries and benefits including bonus	**$ 89,225**	$ 73,260
Post-employment benefits	**2,607**	2,273
Share-based compensation (Note 14)	**2,051**	(2,520)

12. INTEREST EXPENSE

	Three Months Ended April 30, 2020	Three Months Ended April 30, 2019
Interest on long-term debt	**$ 3,404**	$ 3,370
Interest on lease liabilities	**1,405**	1,470
Net interest on defined benefit plan obligation	**270**	257
Less: interest capitalized	**(69)**	(61)
Interest expense	**$ 5,010**	$ 5,036

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13. INCOME TAXES

The estimated effective income tax rate for the three months ended April 30, 2020 is 15.3% (three months ended April 30, 2019 – 18.0%). The Company estimates its effective income tax rate on a weighted-average basis by determining the income tax rate applicable to each taxing jurisdiction and applying it to its pre-tax earnings.

14. SHARE-BASED COMPENSATION

The Company offers the following share-based compensation plans: Performance Share Units (PSUs); Share Options; Director Deferred Share Units (DDSUs); Executive Deferred Share Units (EDSUs) and an Employee Share Purchase Plan. The purpose of these plans is to directly align the interests of the participants and the shareholders of the Company by providing compensation that is dependent on the performance of the Company's shares.

The total expense relating to share-based payment plans for the three months ended April 30, 2020 was $2,051 (three months ended April 30, 2019 – recovery of $2,520). The carrying amount of the Company's share-based compensation arrangements including PSU, share option, DDSU and EDSU plans are recorded on the consolidated balance sheets as follows:

	April 30, 2020	April 30, 2019	January 31, 2020
Accounts payable and accrued liabilities	**$ 9,209**	$ 10,472	$ 11,080
Other long-term liabilities	**9,876**	9,618	10,225
Contributed surplus	**8,199**	2,979	7,081
Total	**$ 27,284**	$ 23,069	$ 28,386

Performance Share Units

The Company has granted Performance Share Units to officers and senior management. Each PSU entitles the participant to receive one share of the Company for each notional unit granted at the end of the vesting period based on the achievement of specific performance based criteria. The PSU account for each participant includes the value of dividends from the Company as if reinvested in additional PSUs. PSU awards vest with the employee on the third fiscal year following the date of the grant to which the award relates. Compensation expense is measured based on the grant date fair market value of the award. The compensation expense is recognized over the vesting period factoring in the probability of the performance criteria being met.

Compensation costs related to the PSUs for the three months ended April 30, 2020 are $1,378 (three months ended April 30, 2019 – $1,053). The total number of PSUs outstanding at April 30, 2020 that may be settled in shares is 323,605 (April 30, 2019 – 174,942). There were no PSUs exercised in shares during the three months ended April 30, 2020 (three months ended April 30, 2019 – NIL).

14. SHARE-BASED COMPENSATION (continued)

Share Option Plan

The Company has a Share Option Plan that provides for the granting of options to certain officers and senior management. Options are granted at fair market value based on the volume weighted-average closing price of the Company's shares for the five trading days preceding the grant date. Effective June 14, 2011, the Share Option Plan was amended and restated. The amendments afford the Board of Directors the discretion to award options giving the holder the choice, upon exercise, to either deduct a portion of all dividends declared after the grant date from the options exercise price or to exercise the option at the strike price specified at the grant date (Declining Strike Price Options). Options issued prior to June 14, 2011 and certain options issued subsequently are standard options (Standard Options). Each option is exercisable into one share of the Company at the price specified in the terms of the option. Declining Strike Price options allow the employee to acquire shares or receive a cash payment based on the excess of the fair market value of the Company's shares over the exercise price.

The fair value of the Declining Strike Price Options is remeasured at the reporting date and recognized both in net earnings and as a liability over the vesting period. The grant date fair value of the Standard Options is recognized in net earnings and contributed surplus over the vesting period.

The maximum number of shares available for issuance is a fixed number set at 4,354,020, representing 8.9% of the Company's issued and outstanding shares at April 30, 2020. Fair value of the Company's options is determined using an option pricing model. Share options granted vest on a graduated basis over four to five years and are exercisable over a period of seven years. The share option compensation costs recorded for the three months ended April 30, 2020 are an expense of $462 (three months ended April 30, 2019 – recovery of $3,302).

The fair values for options issued were calculated based on the assumptions below.

	April 30, 2020	April 30, 2019
Fair value of options granted	**NIL**	$ 2.69
Exercise price	**NIL**	$ 28.11
Dividend yield	**NIL**	4.3%
Annual risk-free interest rate	**NIL**	1.5%
Expected share price volatility	**NIL**	19.3%

The assumptions used to measure cash settled options at the balance sheet dates were as follows:

	April 30, 2020	April 30, 2019
Dividend yield	**5.0%**	4.7%
Annual risk-free interest rate	**0.3%**	1.5% to 1.6%
Expected share price volatility	**25.3% to 53.7%**	16.9% to 19.6%

The expected dividend yield is estimated based on the quarterly dividend rate and the closing share price on the date the options are granted. The expected share price volatility is estimated based on the Company's historical volatility over a period consistent with the expected life of the options. The risk-free interest rate is estimated based on the Government of Canada bond yield for a term to maturity equal to the expected life of the options.

14. SHARE-BASED COMPENSATION (continued)

The following continuity schedules reconcile the movement in outstanding options during the three months ended April 30:

Number of options outstanding	Declining Strike Price Options		Standard Options	
	April 30, 2020	April 30, 2019	**April 30, 2020**	April 30, 2019
Outstanding options, beginning of period	**1,919,959**	1,967,723	**899,854**	430,340
Granted	**—**	—	**—**	483,234
Exercised	**(261,244)**	(7,999)	**—**	—
Forfeited or cancelled	**(13,915)**	(16,764)	**(35,314)**	(10,614)
Outstanding options, end of period	**1,644,800**	1,942,960	**864,540**	902,960
Exercisable at end of period	**1,090,303**	1,063,137	**318,532**	116,812

Weighted-average exercise price	Declining Strike Price Options		Standard Options	
	April 30, 2020	April 30, 2019	**April 30, 2020**	April 30, 2019
Outstanding options, beginning of period	**$ 27.34**	$ 27.36	**$ 28.01**	$ 27.83
Granted	**—**	—	**—**	28.13
Exercised	**18.93**	21.86	**—**	—
Forfeited or cancelled	**31.28**	30.54	**27.99**	27.77
Outstanding options, end of period	**$ 27.96**	$ 27.35	**$ 28.02**	$ 27.99
Exercisable at end of period	**$ 26.18**	$ 21.96	**$ 27.67**	$ 27.18

Options outstanding at April 30, 2020 have an exercise price range of $18.39 to $32.40 and a weighted-average remaining contractual life of 3.5 years.

Director Deferred Share Unit Plan

This plan is available for independent Directors. Participants are credited with deferred share units for the amount of the annual equity retainer and fees each participant elects to allocate to the DDSU plan. Each deferred share unit entitles the holder to receive a share of the Company. The DDSUs are exercisable by the holder at any time but no later than December 31 of the first calendar year commencing after the holder ceases to be a Director. A participant may elect at the time of exercise of any DDSUs, subject to the consent of the Company, to have the Company pay an amount in cash equal to the aggregate current market value of the shares, determined based on the closing price of the shares on the TSX on the trading day preceding the exercise date. This cash payment is in consideration for the surrender by the participant to the Company the right to receive shares from exercising the DDSUs. Effective December 2016, the plan was amended for those DDSUs credited to participants for the portion of the annual cash retainer and fees each participant elects to allocate to the plan. The holder of these DDSUs is entitled to receive at the time of exercise, an amount in cash equal to the aggregate current market value of the shares, determined based on the closing price of the shares on the TSX on the trading day preceding the exercise date.

14. SHARE-BASED COMPENSATION (continued)

Compensation expense is initially measured at the time of the grant. Subsequent changes in the fair value of the DDSUs based on changes in the market value of the Company's shares are recognized at each reporting date. The DDSU plan compensation costs recorded for the three months ended April 30, 2020 are a recovery of $141 (three months ended April 30, 2019 – recovery of $587). The total number of DDSUs outstanding at April 30, 2020 is 328,093 (April 30, 2019 – 276,953). There were no DDSUs exercised in cash during the year ended April 30, 2020 and April 30, 2019.

Executive Deferred Share Unit Plan

The EDSU plan was implemented to assist executive management to meet the Company's minimum share ownership guidelines. This plan provides for the granting of deferred share units to those executives who elect to receive a portion of their annual short-term incentive payment in EDSUs, subject to plan limits. Effective April 2016, participants will be credited with EDSUs based on the amount of their short-term incentive payment allocated to the plan and the fair market value of the Company's shares. The EDSU account for each participant includes the value of dividends from the Company as if reinvested in additional EDSUs. The EDSUs are exercisable at any time after the executive ceases to be an employee of the Company, but no later than December 31 of the first calendar year commencing after the holder ceased to be an employee. Each EDSU entitles the holder to a cash payment equal to the market value of the equivalent number of the Company's shares, determined based on their closing price on the TSX on the trading day preceding the exercise date.

Total compensation expense is measured at the time of the grant. Subsequent changes in the fair value of the EDSUs based on changes in the market value of the Company's shares are recognized at each reporting date. The EDSU plan compensation costs recorded for the three months ended April 30, 2020 are a recovery $29 (three months ended April 30, 2019 – recovery of $43).

Employee Share Purchase Plan

The Employee Share Purchase Plan provides participants with the opportunity to acquire an ownership interest in the Company. The Company contributes an additional 33% of the amount invested, subject to a maximum annual contribution of 2% of the participants' base salary. The plan is administered by a trustee who uses the funds received to purchase shares on the TSX on behalf of the participating employees. These shares are registered in the name of the plan trustee on behalf of the participants. The Company’s contribution to the plan is recorded as compensation expense. The employee share purchase plan compensation costs recorded for the three months ended April 30, 2020 are $381 (three months ended April 30, 2019 – $359).

15. SEASONALITY

The Company’s business follows a seasonal pattern where historically the first quarter sales are the lowest and the fourth quarter sales are the highest, reflecting consumer holiday buying patterns. Net earnings generally follow higher sales but can be dependent on markdown activity in key sales periods to reduce excess inventories. Net earnings are historically lower in the first quarter due to lower sales and fixed costs such as rent and overhead that apply uniformly throughout the year.

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16. SUBSIDIARIES AND JOINT VENTURES

The Company's principal operating subsidiaries at April 30, 2020 are set out below:

			Proportion of voting rights held by:	
	Activity	**Country of Organization**	**Company**	**Subsidiary**
NWC GP Inc.	General Partner	Canada	100%	
North West Company Holdings Inc.	Holding Company	Canada	100%	
The North West Company LP	Retailing	Canada	100% (less one unit)	
NWC (U.S.) Holdings Inc.	Holding Company	United States		100%
The North West Company (International) Inc.	Retailing	United States		100%
Roadtown Wholesale Trading Ltd.	Retailing	British Virgin Islands		77%
North Star Air Ltd.	Airline	Canada		100%

The Company's investment in joint ventures comprises a 50% interest in a Canadian Arctic shipping company, Transport Nanuk Inc.

17. EXPENSES BY NATURE

	Three Months Ended April 30, 2020	Three Months Ended April 30, 2019
Employee costs (Note 11)	**$ 93,883**	$ 73,013
Amortization	**23,902**	21,215
Operating lease rentals	**1,873**	1,747
Insurance gain [1]	**—**	(10,656)

(1) The Company recorded gains on insurance claims for the period ended April 30, 2019. These gains were due to the difference between the replacement cost of the assets destroyed and their net book values and also for recovery of business interruption losses on certain insurance claims.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

18. FINANCIAL INSTRUMENTS

Accounting classifications and fair value estimation
The following table comprises the carrying amounts of the Company's financial instruments at April 30, 2020. All of the Company's financial instruments are carried at amortized cost using the effective interest rate method.

These amounts represent point-in-time estimates and may not reflect fair value in the future. These calculations are subjective in nature, involve uncertainties and are a matter of significant judgment.

		Assets (Liabilities) carried at amortized cost	
	Maturity	Carrying amount	Fair value
Cash	Short-term	$ 53,607	$ 53,607
Accounts receivable	Short-term	85,609	85,609
Other financial assets	Long-term	1,349	1,349
Accounts payable and accrued liabilities	Short-term	(187,047)	(187,047)
Current portion of long-term debt	Short-term	(1,178)	(1,178)
Long-term debt	Long-term	(404,331)	(418,601)

The methods and assumptions used in estimating the fair value of the Company's financial instruments are as follows:

- The fair value of short-term financial instruments approximates their carrying values due to their immediate or short-term period to maturity. Any differences between fair value and book values of short-term financial instruments are considered to be insignificant.
- The fair value of long-term debt with fixed interest rates is estimated by discounting the expected future cash flows using the current risk-free interest rate on an instrument with similar terms adjusted for an appropriate risk premium. This is considered a level 2 fair value estimate.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

19. ASSETS & LIABILITIES HELD FOR SALE

On March 12, 2020 , the Company and Giant Tiger Stores Limited (GTSL) announced they entered into a definitive asset purchase agreement (the GTSL Transaction) for GTSL to acquire 34 of the Company's 46 Giant Tiger stores (the Acquired Stores) for cash consideration of $45,000, payable in $15,000 installments on the second, third and fourth anniversaries of the transaction closing date and, subject to meeting certain profitability milestones, additional contingent cash consideration payable on the fourth and fifth anniversaries of the closing date of up to $22,500. Subsequent to April 30, 2020, the Company and GTSL agreed to include in the transaction two stores that were previously slated to close, bringing the total number of stores to 36.

Accordingly, the assets and liabilities for the Acquired Stores are presented as held for sale. At April 30, 2020, the assets and liabilities held for sale comprised the following:

	Three Months Ended April 30, 2020
Inventories	$ 16,836
Property and equipment	17,252
Right-of-use assets	24,114
Other assets	2,089
Assets held for sale	$ 60,291
Accounts payable and accrued liabilities	$ 5,469
Lease liabilities	26,140
Liabilities held for sale	$ 31,609

The completion of the GTSL Transaction is subject to the satisfaction of closing conditions and is expected to occur in July 2020.

Giant Tiger Asset Impairment Charge & Store Closure Provision

Of the remaining 10 GT locations, the Company will: (i) retain and operate five stores in northern market locations, (ii) convert one store to a Valu-Lots clearance center, and (iii) close four stores in the third quarter of 2020. For the period ended April 30, 2020, the Company recorded an asset impairment and store closure provision of $9,411. The provision was included in selling, operating and administrative expenses in the consolidated statements of earnings, and has been applied to reduce the carrying amount of property and equipment and right-of-use assets and to increase accrued liabilities on the consolidated balance sheets.

20. SUBSEQUENT EVENTS

Dividends

On June 10, 2020, the Board of Directors declared a dividend of $0.33 per share payable July 15, 2020 to shareholders of record on June 30, 2020.