
THE NORTH WEST COMPANY INC.

Report to Shareholders

Quarterly Period Ended April 30, 2026



2026 FIRST QUARTER REPORT TO SHAREHOLDERS

Report to Shareholders

The North West Company Inc. reports its results for the first quarter ended April 30, 2026. Net earnings increased 5.4% to \$29.2 million compared to net earnings of \$27.7 million last year. Net earnings attributable to shareholders were \$27.3 million or \$0.56 per share compared to \$0.53 per share last year on a diluted earnings per share basis as a decrease in expenses and higher gross profit rate more than offset the impact of lower sales. Sales decreased 1.5% to \$631.6 million and were down 0.4% to last year excluding the impact of foreign exchange on the translation of International Operations sales primarily due to the elimination of the Inuit Child First food voucher program and a decrease in water settlement payments in Canadian Operations compared to the first quarter last year.

The Board of Directors has approved a quarterly dividend of \$0.41 per share to shareholders of record on June 30, 2026.

On behalf of the Board of Directors:



Brock Bulbuck
Chair of the Board



Daniel G. McConnell
President and Chief Executive Officer

Management's Discussion & Analysis

The following Management's Discussion & Analysis should be read in conjunction with the Company's 2026 first quarter unaudited interim period condensed consolidated financial statements for the period ended April 30, 2026 ("Condensed Consolidated Financial Statements") and the audited annual consolidated financial statements and accompanying notes included in the 2025 Annual Report.

(1) Excluding the foreign exchange impact

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

First Quarter Highlights

CONSOLIDATED RESULTS FIRST QUARTER

Key Performance Indicators and Selected First Quarter Information:

(\$ in thousands, except per share)	Three Months Ended	
	April 30, 2026	April 30, 2025
Sales	\$ 631,634	\$ 641,369
Same store sales % ⁽¹⁾		
Food	2.0 %	4.0 %
General Merchandise	(4.0)%	0.4 %
Total	1.2 %	3.5 %
Gross profit	\$ 215,261	\$ 213,973
Selling, operating and administrative expenses	171,909	173,657
EBITDA ⁽²⁾	74,158	70,063
Earnings from operations ("EBIT")	43,352	40,316
Interest expense	4,198	3,869
Income taxes	9,924	8,703
Net earnings	29,230	27,744
Net earnings attributable to shareholders of the Company	27,349	25,835
Net earnings per share - basic	0.57	0.54
Net earnings per share - diluted	0.56	0.53

Sales First quarter consolidated sales decreased 1.5% to \$631.6 million compared to \$641.4 million last year due to the impact of foreign exchange on the translation of International Operations sales, a decrease in Canadian Operations sales, and the closure of a store in Canadian Operations and sale of a store in International Operations. The foreign exchange rate used for the translation of International Operations sales decreased to 1.3712 compared to 1.4210 last year. Sales excluding the foreign exchange impact decreased 0.4%, with food sales increasing 0.3% and general merchandise and other sales decreasing 2.5% compared to last year. Sales were negatively impacted by the closure of a Northern store in Fond du Lac, Saskatchewan as lease renewal terms could not be agreed upon prior to the expiration of the lease and the sale of a Cost-U-Less ("CUL") store in Chalan Pago, Guam in advance of the expected opening of a new CUL store in Agana, Guam in the third quarter this year. Same store sales increased 1.2%¹ compared to a 3.5%¹ increase in the first quarter last year as a 4.3%¹ gain in same store sales in International Operations was partially offset by a 0.9% decrease in same store sales in Canadian Operations which were negatively impacted by a decrease in funding to individuals from Inuit Child First and Jordan's Principle programs.

Gross Profit Gross profit increased 0.6% to \$215.3 million compared to \$214.0 million last year due to a 72 basis point increase in gross profit rate. The increase in the gross profit rate is due to the positive impact from our Next 100 work, including refinements of our merchandise assortment and procurement. Changes in sales blend, including lower wholesale food sales, was also a factor. These factors were partially offset by higher markdowns and inventory shrink compared to last year, partially due to challenging weather conditions in northern markets which contributed to merchandise transportation delays.

(1) Excluding the foreign exchange impact

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

Selling, Operating and Administrative Expenses Selling, operating and administrative expenses ("Expenses") decreased \$1.7 million or 1.0% compared to last year but were up 14 basis points as a percentage to sales. The decrease in Expenses is primarily due to a \$3.8 million gain on the sale of the CUL Chalan Pago store combined with a \$2.2 million decrease in share-based compensation costs primarily related to changes in the Company's share price in the quarter compared to last year. The store closures in Canadian Operations and International Operations were also a factor. The impact of \$1.9 million in one-time costs for professional fees related to the execution of the Next 100 strategy were more than offset by the Next 100 gross profit factors previously noted. Excluding the impact of the Chalan Pago-related gain, share-based compensation and Next 100-related one-time costs, Expenses increased \$4.5 million or 2.7% compared to last year and were up 111 basis points as a percentage to sales mainly due to higher staff costs and other inflationary cost increases. An increase in depreciation and higher utility costs due to unseasonably cold weather in northern markets were also factors. Further information on share-based compensation is provided in Note 15 to the Company's Condensed Consolidated Financial Statements.

Earnings From Operations Earnings from operations ("EBIT") increased \$3.0 million or 7.5% to \$43.4 million compared to \$40.3 million last year, and earnings before interest, income taxes, depreciation and amortization ("EBITDA") increased \$4.1 million or 5.8% to \$74.2 million compared to \$70.1 million last year due to the sales, gross profit and Expense factors previously noted. Adjusted EBITDA², which excludes the impact of the Chalan Pago-related gain, share-based compensation and Next 100 one-time costs, decreased 2.7% to \$75.8 million compared to \$78.0 million last year and as a percentage to sales was 12.0% compared to 12.2% last year mainly due to the impact of lower sales in Canadian Operations and higher Expenses.

Interest Expense Interest expense increased \$0.3 million or 8.5% to \$4.2 million mainly due to changes in average debt compared to last year. Further information on interest expense and long-term debt is provided in Note 13 and Note 10 respectively to the Company's Condensed Consolidated Financial Statements.

Income Tax Expense Income tax expense increased to \$9.9 million compared to \$8.7 million last year due to the impact of higher earnings and an increase in the effective tax rate to 25.3% compared to 23.9% last year. The increase in the effective tax rate is largely due to the blend of earnings across the various tax rate jurisdictions and changes in tax estimates. Further information on income tax expense is provided in Note 14 to the Company's Condensed Consolidated Financial Statements.

Net Earnings Net earnings increased 5.4% to \$29.2 million compared to net earnings of \$27.7 million last year. Net earnings attributable to shareholders were \$27.3 million and diluted earnings per share were \$0.56 per share compared to \$0.53 per share last year. Adjusted net earnings², which excludes the after-tax impact of the Chalan Pago-related gain, share-based compensation and Next 100 one-time costs, decreased \$3.3 million or 9.9% to \$30.3 million due to the sales, gross profit, Expense, interest and income tax expense factors previously noted.

Comprehensive Income Comprehensive income increased to \$31.0 million compared to \$8.1 million last year largely due to a \$17.1 million increase in foreign exchange on the translation of International Operations to a gain of \$0.4 million this year compared to a loss of \$16.7 million last year and a net actuarial gain of \$1.4 million this year compared to a \$2.9 million net actuarial loss last year resulting from the remeasurement of defined benefit pension plan assets and liabilities. A \$1.5 million increase in net earnings was also a factor. Further information on defined benefit pension plans is provided in Note 20 to the Company's Condensed Consolidated Financial Statements.

(1) Excluding the foreign exchange impact

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

CANADIAN OPERATIONS FIRST QUARTER

Canadian Operations results for the first quarter are summarized by the following key performance indicators:

Key Performance Indicators:

(\$ in thousands)	Three Months Ended	
	April 30, 2026	April 30, 2025
Sales	\$ 354,373	\$ 362,348
Same store sales %		
Food	0.5 %	5.1 %
General Merchandise	(7.5)%	(0.9)%
Total	(0.9)%	4.0 %
EBITDA ⁽²⁾	\$ 44,369	\$ 44,308
Earnings from operations (EBIT)	24,017	25,035

Sales Canadian Operations sales decreased 2.2% to \$354.4 million compared to \$362.3 million in the first quarter last year due to a 0.9% decrease in same store sales compared to same store sales gains last year of 4.0%, lower wholesale food sales and the impact of a longer winter road season and the previously noted Fond du Lac store closure. Food sales decreased 1.4% and general merchandise and other sales decreased 3.8% compared to last year as a decrease in general merchandise sales was partially offset by higher pharmacy sales. On a same store basis, food sales increased 0.5% and general merchandise sales decreased 7.5% compared to last year. Same store sales in the quarter were negatively impacted by a decrease in the distribution of funding to individuals from First Nations Child and Family Services programs, including the elimination of the Inuit Child First Initiative food voucher program at the end of the first quarter last year. A decrease in payments to individuals from First Nations Drinking Water Claim Settlements compared to last year was also a factor. These factors were partially offset by an increase in consumer demand arising from Jordan's Principle Child in Care Settlement payments.

Gross Profit Gross profit increased 1.2% as the impact of lower sales was more than offset by an increase in gross profit rate mainly related to the impact of our Next 100 work, including refinements of our merchandise assortment and procurement, and changes in sales blend, including lower wholesale food sales. These factors were partially offset by higher markdowns and inventory shrink compared to last year.

Selling, Operating and Administrative Expenses Selling, operating and administrative expenses ("Expenses") increased 2.5% and were up 141 basis points as a percentage to sales compared to last year mainly due to higher staff costs and depreciation, an increase in utility costs due to unseasonably cold weather and other inflationary cost increases. These factors were partially offset by a \$1.6 million decrease in share-based compensation costs primarily related to changes in the Company's share price compared to last year. The impact of \$1.4 million in one-time costs for professional fees related to the execution of the Next 100 strategy was more than offset by Next 100-related gross profit gains. Excluding the share-based compensation costs and the Next 100 one-time costs, Expenses increased 4.3% and as a percentage to sales was 29.6% compared to 27.7% last year due to the Expense factors previously noted.

Earnings From Operations Earnings from operations (EBIT) decreased \$1.0 million or 4.1% to \$24.0 million compared to EBIT of \$25.0 million last year, but EBITDA² increased 0.1% to \$44.4 million compared to EBITDA² of \$44.3 million last year due to the impact of the sales, gross profit and Expense factors previously noted. Adjusted EBITDA², which excludes the impact of share-based compensation costs and Next 100-related one-time costs, decreased 3.3% to \$48.8 million compared to \$50.5 million last year and as a percentage to sales was 13.8% compared to 13.9% last year.

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

INTERNATIONAL OPERATIONS FIRST QUARTER (stated in U.S. dollars)

International Operations results for the first quarter are summarized by the following key performance indicators:

Key Performance Indicators:

(\$ in thousands)	Three Months Ended	
	April 30, 2026	April 30, 2025
Sales	\$ 202,203	\$ 196,355
Same store sales %		
Food	4.0 %	2.6 %
General Merchandise	8.7 %	5.2 %
Total	4.3 %	2.8 %
EBITDA ⁽²⁾	\$ 21,725	\$ 18,124
Earnings from operations (EBIT)	14,101	10,753

Sales International Operations sales increased 3.0% to \$202.2 million compared to \$196.4 million in the first quarter last year. Food sales increased 2.6% led by a 4.0% increase in same store food sales and general merchandise sales increased 9.0% driven by a strong 8.7% gain in same store sales compared to last year. Sales were positively impacted by improved tourism-related economies in the Caribbean and market share gains in certain Alaska stores. These factors were partially offset by the sale of the CUL Chalan Pago, Guam store early in the first quarter this year in advance of the expected opening of a new CUL store in Agana, Guam in the third quarter this year.

Gross Profit Gross profit increased 3.2% compared to last year driven by higher sales and an increase in the gross profit rate. The increase in the gross profit rate mainly related to changes in sales blend and positive changes from our Next 100 work. These factors were partially offset by higher inventory shrink compared to last year.

Selling, Operating and Administrative Expenses Selling, operating and administrative expenses ("Expenses") decreased 3.1% compared to last year due to a \$2.8 million gain on the sale of the CUL Chalan Pago, Guam store and a decrease in share-based compensation costs. Next 100-related one-time costs of \$0.4 million were more than offset by Next 100-related gross profit gains. Excluding the Chalan Pago-related gain, Next 100 one-time costs and share-based compensation costs, Expenses increased 3.8% and were up 19 basis points as a percentage to sales compared to last year mainly related to an increase in staff costs and other inflationary cost increases.

Earnings From Operations Earnings from operations ("EBIT") increased \$3.3 million or 31.1% to \$14.1 million compared to \$10.8 million in the first quarter last year and EBITDA² increased \$3.6 million or 19.9% to \$21.7 million compared to \$18.1 million last year due to the sales, gross profit and Expense factors previously noted. Adjusted EBITDA², which excludes the impact of the Chalan Pago-related gain, Next 100 one-time costs and share-based compensation costs, increased 1.9% to \$19.7 million compared to \$19.3 million last year and as a percentage to sales was 9.7% compared to 9.8% last year.

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

FINANCIAL CONDITION

Financial Ratios

The Company's debt-to-equity ratio at the end of the first quarter was 0.40:1 compared to 0.38:1 last year.

Working capital increased \$40.2 million or 14.3% compared to last year largely due to an increase in cash and prepaid expenses partially offset by an increase in accounts payable and accrued liabilities. The increase in cash is due to higher cash on hand and timing of deposits in-transit and the increase in prepaid expenses and accounts payable and accrued liabilities is mainly due to timing. The implementation of IFRS 7 and IFRS 9 accounting standards also contributed to the increase in cash, accounts receivable and accounts payable and accrued liabilities compared to last year. Further information on IFRS 7 and IFRS 9 is provided in the Accounting Standards and Amendments section.

Share Capital

The Company's share capital is comprised of Variable Voting Shares and Common Voting Shares. The two classes of shares have equivalent rights as shareholders except for voting rights. Holders of Variable Voting Shares are entitled to one vote per share except where (i) the number of outstanding Variable Voting Shares exceeds 49% of the total number of all issued and outstanding Variable Voting Shares and Common Voting Shares, or (ii) the total number of votes cast by or on behalf of the holders of Variable Voting Shares at any meeting on any matter on which a vote is to be taken exceeds 49% of the total number of votes cast at such meeting.

If either of the above-noted thresholds is surpassed at any time, the vote attached to each Variable Voting Share will decrease automatically without further act or formality. Under the circumstances described in paragraph (i) above, the Variable Voting Shares as a class cannot carry more than 49% of the total voting rights attached to the aggregate number of issued and outstanding Variable Voting Shares and Common Voting Shares of the Company. Under the circumstances described in paragraph (ii) above, the Variable Voting Shares as a class cannot, for the given Shareholders' meeting, carry more than 49% of the total number of votes cast at the meeting.

Variable Voting Shares may only be held, beneficially owned or controlled, directly or indirectly, by persons who are not Canadians (within the meaning of the Canada Transportation Act "CTA"). An issued and outstanding Variable Voting Share is converted into one Common Voting Share automatically and without any further act of the Company or the holder, if such Variable Voting Share becomes held, beneficially owned and controlled, directly or indirectly, otherwise than by way of security only, by a Canadian, as defined in the CTA. Further information on the Company's Variable Voting Shares and Common Voting Shares is provided in the April 8, 2026 Management Information Circular which is available on the Company's website at www.northwest.ca or on SEDAR+ at www.sedarplus.ca.

At April 30, 2026, there were 16,299,284 (April 30, 2025 - 17,898,189) Variable Voting Shares, representing 34.2% (April 30, 2025 - 37.3%) of the total shares issued and outstanding. Further information on the Company's share capital is provided in Note 8 to the Company's Condensed Consolidated Financial Statements.

Outstanding Shares

The weighted-average basic shares outstanding for the quarter decreased to 47,644,000 shares compared to 47,881,000 shares last year and the weighted-average fully diluted shares outstanding for the quarter decreased to 48,626,000 shares compared to 48,762,000 shares last year. The decrease in shares outstanding compared to last year is due to shares purchased under the Company's Normal Course Issuer Bid in the last three quarters of 2025 partially offset by shares issued under the Company's share option plan and an increase in director deferred share units outstanding. Further information on share capital, share options and director deferred share units is provided in Note 8 and Note 15 respectively to the Company's Condensed Consolidated Financial Statements.

Normal Course Issuer Bid

On November 20, 2025, the TSX approved the renewal of the Normal Course Issuer Bid ("NCIB"). The maximum number of shares that can be purchased under the NCIB over the next 12 months is 4,752,020 which is approximately 10% of the Company's public float at November 13, 2025. The NCIB will be made in accordance with applicable regulations and the requirements of the TSX. In connection with the NCIB, the Company has established an automatic securities purchase plan (the "Plan") with its designated broker to facilitate the purchase of shares under the NCIB at times when the Company would ordinarily not be permitted to purchase its shares due to regulatory restrictions or self-imposed blackout periods. Under the Plan, before entering a self-imposed blackout period, the Company may, but is not required to, ask the designated broker to make purchases under the NCIB within specific parameters. The Company did not purchase any common shares during the three months ended April 30, 2026 and April 30, 2025. Further information on share capital and the NCIB is provided in Note 8 to the Company's Condensed Consolidated Financial Statements.

LIQUIDITY AND CAPITAL RESOURCES

The following table summarizes the major components of cash flow:

(\$ in thousands)	Three Months		Three Months	
	Ended		Ended	
	April 30, 2026		April 30, 2025	
				Change
Cash flows from (used in):				
Operating activities	\$	60,200	\$	57,266 \$ 2,934
Investing activities		(21,609)		(21,527) (82)
Financing activities		(8,753)		(26,640) 17,887
Effect of changes in foreign exchange rates on cash		114		(2,199) 2,313
Net change in cash	\$	29,952	\$	6,900 \$ 23,052

Operating Activities Cash from operating activities in the quarter increased \$2.9 million to \$60.2 million compared to \$57.3 million in the first quarter last year largely due to the change in non-cash working capital mainly related to inventories, prepaid expenses and accounts payable. Further information on the change in non-cash working capital is provided in Note 7 to the Company's Condensed Consolidated Financial Statements. The change in other non-cash items primarily related to the change in accrued share-based compensation was also a factor.

Investing Activities Cash used in investing activities in the quarter increased to \$21.6 million compared to \$21.5 million last year. Investing activities in the quarter includes investments in stores, fixtures and equipment and aircraft sustaining capital investments. Further information on planned capital expenditures is included in the Outlook section.

Financing Activities Cash used in financing activities in the quarter decreased to \$8.8 million compared to \$26.6 million last year substantially due to changes in amounts drawn on revolving loan facilities. Further information on long-term debt is provided in the Sources of Liquidity section and in Note 10 to the Company's Condensed Consolidated Financial Statements.

Sources of Liquidity

In April 2026, the Company extended the maturity date of its committed, revolving loan facilities in its Canadian Operations to April 8, 2031. The Company has \$400.0 million in committed, revolving loan facilities that bear a floating rate of interest based on the Canadian Overnight Repo Rate Average or the Canadian prime interest rate. At April 30, 2026, the Company had drawn \$138.6 million on these facilities (April 30, 2025 - \$97.3 million). The Canadian Operations also have committed, revolving loan facilities of US\$52.0 million that bear interest at SOFR plus a spread. At April 30, 2026, the Company had drawn US\$NIL on these facilities (April 30, 2025 - US\$NIL). These loan facilities are secured by certain assets of the Company on a *pari passu* basis with the Company's senior notes.

The Company has outstanding \$100.0 million 3.74% senior notes that mature September 26, 2029, US\$35.0 million 2.88% senior notes that mature on June 16, 2027 and US\$35.0 million 3.09% senior notes that mature on June 16, 2032. These senior notes are secured by a floating charge on certain assets of the Company and rank *pari passu* with the Company's other senior debt comprised of the \$400.0 million Canadian Operations loan facilities and the US\$52.0 million loan facilities.

International Operations have a US\$50.0 million committed, revolving loan facility which matures January 25, 2028. This loan facility bears a floating rate of interest based on SOFR plus a spread and is secured by certain accounts receivable and inventories of the International Operations. At April 30, 2026, the Company had drawn US\$NIL on these facilities (April 30, 2025 - 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, 2026, lease liabilities reflect a weighted-average risk-free rate of 4.4% (April 30, 2025 - 4.4%) and weighted-average remaining lease term of 8.8 years (April 30, 2025 - 9.7 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 and a leverage test. At April 30, 2026, 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 10 to the Company's 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, maturing debt obligations, pension plan contributions, planned sustaining and growth-related capital expenditures as well as anticipated dividends during 2026.

SHAREHOLDER DIVIDENDS

The Board of Directors declared a quarterly dividend of \$0.41 per share to shareholders of record on June 30, 2026, to be paid on July 15, 2026.

Dividend payments are subject to the approval of the Board of Directors and are 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 May 12, 2026, the Manitoba Court of King's Bench granted The North West Company's motion to strike the Kusugak et al proposed class action lawsuit related to the Nutrition North Canada subsidy program. The Company maintains that its subsidy practices have complied with the Government of Canada's program requirements and brought a motion to strike on the basis that the claim had no legal merit.

STRATEGIES

The Company is focused on building an expanded range of essential products and services that help our customers to live better and that sustain and grow our business in a socially responsible manner, within all economic conditions. For investors, the Company strives to deliver sustainable, total returns through earnings growth and dividends with a commitment to disciplined capital allocation, cash flow optimization and downside risk management. These priorities are integrated within our three-year business plan which includes the following:

1. Striving for operational excellence in all facets of our business with a priority on ensuring in-stock availability on essential products that our customers rely on and reducing costs to help provide value to our customers;
2. Investing to grow our business through store openings in new and existing markets, store renovations, refined merchandise assortments and expanded product categories and services, including pursuing wholesale and B-to-B opportunities, consistent with our core capability as an essential everyday products and service provider in remote markets;
3. Building a superior logistics and supply chain capability with an ongoing focus on optimizing our transportation mix and air cargo capability to provide faster, more reliable and lower cost service to our stores and customers in remote markets;
4. Optimizing our IT infrastructure for our stores and support offices to deliver efficiencies and more streamlined processes and drive improvements in category management, pricing, data analytics, forecasting, replenishment and inventory management; and
5. Delivering on the priorities aligned within our Environmental, Social and Governance ("ESG") framework developed around People, Planet and Partnerships. This includes ensuring that we attract, develop and retain top talent that is inclusive of the diverse peoples and cultures that are represented within the communities we serve and that we are responsible towards the planet, the communities we serve and other stakeholder interests.

Collectively these priorities are referred to as "The Next 100", which is focused on driving operational excellence, expanding our capabilities and pursuing value for our customers, our employees, our shareholders and the communities we serve. The initiatives within the Next 100 program noted above leverage the power of data through new tools and analytics, and will be enabled by investments in technology and training which will help sustain the benefits of this work in the years to come. The Next 100 touches on every aspect of our business and aims to drive annualized incremental EBIT, which is expected to continue to ramp-up through 2026 and 2027 as our initiatives continue to mature. As we lay the groundwork for these improvements, we are investing in additional resources to support the execution of the Next 100 program. In addition to this investment in resources, we anticipate incurring one-time costs, including professional fees and other expenses, in advance of the incremental EBIT being realized, which will be highlighted in our reporting as they occur.

Further information on the Company's strategies is provided in the 2025 Annual Report.

OUTLOOK

The near-term outlook continues to be influenced by uncertainty related to the timing of First Nations Child and Family Services Claim Settlement ("Jordan's Principle Claim Settlement") payments and uncertainty related to the economy, particularly the impact of higher oil prices, increasing fuel costs and inflation, and the impact of changes in U.S. government policy regarding tariffs and income support programs for individuals including the Supplemental Nutrition Assistance Program ("SNAP"). The resiliency of the Company's essential everyday product and service offering and Next 100 initiatives are expected to help mitigate some of this uncertainty. Further information on the factors impacting the near-term outlook are as follows:

Next 100

The Next 100 is expected to deliver annualized incremental EBIT which will continue to ramp up through 2026 as the initiatives mature, with the full annualized EBIT run-rate expected to be achieved in 2027. During this ramp up phase, the Company will continue to incur one-time costs for professional fees and other expenses related to the Next 100 initiatives. These one-time costs are expected to be more than offset by the annualized incremental EBIT of the initiatives however, some of the costs may be incurred before the full annualized benefits are achieved. These one-time costs will continue to be incorporated into our adjusted earnings measures in our quarterly and annual reports. Further information on the Next 100 is provided in the Strategies section.

First Nations Claim Settlements

The Canadian Operations are expected to be impacted by consumer demand arising from the following First Nations Claim Settlement payments:

- On October 24, 2023, the Federal Court of Canada approved the final settlement agreement of \$23.3 billion in compensation to be paid to individuals impacted by First Nations Child and Family Services programs and other services ("Jordan's Principle Claim Settlement"). A portion of the Jordan's Principle Claim Settlement is expected to be paid to individuals living within approximately 63 First Nations communities the Company serves. Based on the information available, each claimant is expected to receive a minimum payment of approximately \$40,000 with additional amounts paid based on individual circumstances. The application window for the first two classes of claims, Removed Child Class and Removed Child Family Class, opened on March 10, 2025. The application process for the other seven classes has not opened. Currently, only applications from the Removed Child Class are being processed and the Claims Administrator has indicated that completed claims are expected to be processed for payment within 6 to 12 months of being received. The distribution of settlement payments for the Removed Child Class are expected to increase in 2026 as claims are adjudicated. The settlement payments are expected to extend a number of years beyond 2026 based on the requirement for individuals in the Removed Child Class to reach the age of majority before payments are issued combined with the anticipated opening of the claim application process and distribution of settlement payments for the other classes however, the timing and duration of these settlement payments is uncertain.
- The Canadian Operations are expected to continue to be impacted by consumer demand arising from First Nations Drinking Water Settlement payments to individuals however, to a much lesser degree than in 2025. The amount and timing of these settlement payments to individuals in the communities served by the Company's stores is uncertain however, these settlement payments are expected to continue to decrease year over year through 2026.

Long-term Reform of First Nations Child and Family Services (“FNCFS”)

- On July 11, 2024, the Government of Canada announced an agreement in principle to provide \$47.8 billion to be disbursed over 10 years for the long-term reform of First Nations Child and Family Services (“FNCFS”) programs related to Jordan’s Principle. This agreement was designed to provide predictable funding for services and benefits for Indigenous children, youth, young adults and families. However, on October 17, 2024, members of the Assembly of First Nations rejected the \$47.8 billion agreement and instructed the Assembly of First Nations leadership to take a new approach to negotiating a different final agreement to address concerns raised. Accordingly, the funding for certain FNCFS Jordan’s Principle programs is pending the finalization of an agreement with First Nations leadership.
- On March 30, 2026, the Canadian Human Rights Tribunal approved the agreement between the Chiefs of Ontario, Nishnawbe Aski Nation and the Government of Canada which provides \$8.5 billion to reform First Nations Child and Family Services Programs in Ontario. The agreement on the long-term reform of the FNCFS program with 131 Ontario First Nations commits over \$900 million per year until March 31, 2034 for strengthening prevention-focused services, supporting families to continue to care for their children, enabling communities to design and deliver programs rooted in their own culture, languages and priorities and capital infrastructure including limited-time funding for housing.
- The long-term reform of FNCFS is expected to benefit Indigenous peoples and communities the Company serves directly through programs and indirectly through investments in infrastructure and local employment however, there is uncertainty regarding the timing of these benefits.

Further information on First Nations Claim Settlements and the Long-term Reform of First Nations and Inuit Child and Family Services is provided in the Outlook section in the 2025 Annual Report.

Capital Expenditures

- In 2026, the Company expects that capital expenditures will be in the \$150.0 million range (2025 - \$137.8 million). The timing and amount of store-based capital expenditures in 2026 are expected to continue to be impacted by the availability of skilled trades, in addition to other delays that can occur with remote location capital projects.

Beyond the previously noted factors impacting the near-term outlook, the medium and longer-term outlook for the Company is favourable based on the resiliency of our essential everyday product and service value offer and the upside expected from enhancing our core capabilities to deliver operational excellence and sustainable earnings growth aligned with our Next 100 work. The impact of Government of Canada transfer and settlement payments and higher infrastructure and services spending is also expected to benefit Indigenous people in the communities we serve.

RISK FACTORS AND ENTERPRISE RISK MANAGEMENT

Information on risk factors inherent within the business and enterprise risk management are included in the Company’s 2025 Annual Report and 2025 Annual Information Form, which are hereby incorporated by reference. These documents are available on the Company’s website at www.northwest.ca or on Sedar+ at www.sedarplus.ca. Those risks and risk management strategies remain unchanged.

QUARTERLY RESULTS OF OPERATIONS

The following is a summary of selected quarterly financial information:

Operating Results - Consolidated

	First Quarter		Fourth Quarter		Third Quarter		Second Quarter	
	89 days	89 days	92 days	92 days	92 days	92 days	92 days	92 days
(\$ in millions, except per share)	2026	2025	2025	2024	2025	2024	2025	2024
Sales	\$ 631.6	\$ 641.4	\$ 675.5	\$ 674.9	\$ 634.3	\$ 637.5	\$ 647.0	\$ 646.5
EBITDA⁽¹⁾	74.2	70.1	88.5	90.4	88.9	83.4	85.2	83.4
Earnings from operations	43.4	40.3	57.8	60.7	58.7	54.1	55.2	54.9
Net earnings	29.2	27.7	39.5	42.8	41.1	36.4	37.6	36.9
Net earnings attributable to shareholders of the Company	27.3	25.8	37.5	41.1	40.1	35.4	36.1	35.3
Net earnings per share:								
Basic	0.57	0.54	0.79	0.86	0.84	0.74	0.75	0.74
Diluted	0.56	0.53	0.78	0.85	0.82	0.72	0.74	0.73
Adjusted EBITDA⁽¹⁾	75.8	78.0	94.0	92.8	91.9	88.4	87.9	88.4
Adjusted net earnings⁽¹⁾	30.3	33.6	43.5	44.6	43.3	40.1	39.6	40.7

(1) 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 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, 2026 that have materially affected or are reasonably likely to materially affect the Company's internal controls over financial reporting.

ACCOUNTING STANDARDS AND AMENDMENTS

The material accounting policies are set out in the Company's 2025 Annual Audited Consolidated Financial Statements. These policies have been applied to all periods presented in these 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.

Adoption of Accounting Standards and Amendments In May 2024, amendments to IFRS 9 - *Financial Instruments* and IFRS 7 - *Financial Instruments: Disclosures* were issued. These amendments clarify the timing of recognition and derecognition of a financial asset or financial liability. Also included in the amendments are clarifications regarding the classification of financial assets, including those with features linked to environmental, social and corporate governance. The amendments require additional disclosure for financial instruments with contingent features and investments in equity instruments classified at fair value through other comprehensive income. These amendments were effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The amendments have been applied retrospectively with no restatement of comparative information, in accordance with the transition requirements for initial application. The adjustment to the cash balance reflects a \$10.2 million increase to the opening balance of cash and cash equivalents in the Condensed Consolidated Statements of Cash Flows.

Future Standards and Amendments In April 2024, the IASB issued IFRS 18 - *Presentation and Disclosure in Financial Statements* to improve the comparability of the financial performance of similar entities. The standard replaces IAS 1 and primarily impacts the statements of earnings where companies will be required to present separate categories of income and expense for operating, investing and financing activities. IFRS 18 will also require management-defined performance measures to be explained and included in a separate note within the consolidated financial statements. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements, and requires retrospective application. The Company is assessing the impact of the new standard.

There are no further IFRS or IFRIC interpretations that are either newly effective or 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 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 earnings from operations (EBIT) to EBITDA and adjusted EBITDA:

(\$ in thousands)	Consolidated	
	2026	2025
Earnings from operations (EBIT)	\$ 43,352	\$ 40,316
Add: Amortization	30,806	29,747
EBITDA	\$ 74,158	\$ 70,063
Adjusted for:		
Share-based compensation expense ⁽¹⁾	3,618	5,789
The Next 100 one-time costs ⁽²⁾	1,873	2,115
Gain on store disposal ⁽³⁾	(3,800)	—
Adjusted EBITDA	\$ 75,849	\$ 77,967

(\$ in thousands)	Canadian	
	2026	2025
Earnings from operations (EBIT)	\$ 24,017	\$ 25,035
Add: Amortization	20,352	19,273
EBITDA	\$ 44,369	\$ 44,308
Adjusted for:		
Share-based compensation expense ⁽¹⁾	3,091	4,650
The Next 100 one-time costs ⁽²⁾	1,389	1,539
Adjusted EBITDA	\$ 48,849	\$ 50,497

(1) 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 12 and Note 15 to the Company's Condensed Consolidated Financial Statements.

(2) The Next 100 one-time costs include professional fees and other non-recurring expenses incurred in the implementation of the Next 100 work outlined in the Strategies section.

(3) The Company sold its CUL store in Chalan Pago, Guam in advance of the expected opening of a new CUL store in Hagåtña ("Agana"), Guam in the third quarter of 2026.

Reconciliation of earnings from operations (EBIT) to EBITDA and adjusted EBITDA:

(\$ in thousands)	International (Stated in U.S. dollars)	
	First Quarter	
	2026	2025
Earnings from operations (EBIT)	\$ 14,101	\$ 10,753
Add: Amortization	7,624	7,371
EBITDA	\$ 21,725	\$ 18,124
Adjusted for:		
Share-based compensation expense ⁽¹⁾	384	802
The Next 100 one-time costs ⁽²⁾	353	405
Gain on store disposal ⁽³⁾	(2,771)	—
Adjusted EBITDA	\$ 19,691	\$ 19,331

Reconciliation of consolidated net earnings to adjusted net earnings:

(\$ in thousands)	Consolidated	
	First Quarter	
	2026	2025
Net earnings	\$ 29,230	\$ 27,744
Adjusted for:		
Share-based compensation expense, net of tax ⁽¹⁾	2,660	4,301
The Next 100 one-time costs, net of tax ⁽²⁾	1,377	1,544
Gain on store disposal, net of tax ⁽³⁾	(3,002)	—
Adjusted net earnings	\$ 30,265	\$ 33,589

(1) 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 12 and Note 15 to the Company's Condensed Consolidated Financial Statements.

(2) The Next 100 one-time costs include professional fees and other non-recurring expenses incurred in the implementation of the Next 100 work outlined in the Strategies section.

(3) The Company sold its CUL store in Chalan Pago, Guam in advance of the expected opening of a new CUL store in Hagåtña ("Agana"), Guam in the third quarter of 2026.

Unless otherwise stated, this Management's Discussion & Analysis ("MD&A") is based on the financial information included in the Company's Condensed Consolidated Financial Statements and notes to the 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 9, 2026.

Forward-Looking Statements

This Quarterly Report, including Management's Discussion & Analysis ("MD&A"), contains forward-looking statements about The North West Company Inc. and its subsidiaries (collectively, "North West Company", "North West", the "Company" or "NWC"), including its business operations, strategy, expected financial performance and condition, and legal matters. Specific forward-looking statements in this MD&A include, but are not limited to, future or conditional future financial performance (including sales, earnings, growth rates, capital expenditures, dividends, debt levels, financial capacity, access to capital and liquidity), ongoing business strategies or prospects, the Company's plans regarding sales of private label products and intentions regarding a normal course issuer bid and the number of shares purchased, the potential impact of a pandemic on the Company's operations, supply chain and the Company's related business continuity plans, the realization of cost savings from cost reduction plans, the anticipated impact of The Next 100 strategic priorities and possible future action by the Company. Forward-looking statements are contained throughout this MD&A and are typically identified by words such as "expects", "anticipates", "plans", "believes", "estimates", "intends", "targets", "projects", "forecasts", "foresees", "could", "goals", "intends", "seeks", "strives", "will", "may", "should" and other similar expressions, or negative versions thereof, as they relate to North West and its management.

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.

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 this MD&A and the Company's 2025 Annual Information Form. Such risk and uncertainties include, but are not limited to: changes in inflation, tariffs, commodity prices, interest and foreign exchange rates, government fiscal health and changes in government policy that result in a reduction in financial support for programs benefiting individuals including Nutrition North Canada ("NNC"), Jordan's Principle and Inuit Child First Initiative ("ICFI") in Canadian Operations, and the U.S. Supplemental Nutrition Assistance Program ("SNAP") and Alaska by-pass mail system in International Operations, which contribute to lower living costs for eligible customers, the expected impact from settlement payments to Indigenous Peoples including First Nations Child and Family Services and Jordan's Principle settlements, the Company's ability to maintain an effective supply chain, changes in accounting policies and methods used to report financial condition, uncertainties associated with critical accounting assumptions and estimates, including estimates of contingent consideration, 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 and realize benefits from capital projects, E-Commerce investments, strategic transactions and the integration of 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 that the foregoing list of important factors that may affect the Company's forward-looking statements is not exhaustive. Other risks and uncertainties not presently known to the Company or that the Company presently believes are not material could also cause actual results or events to differ materially from those expressed in its forward-looking statements. Additional risks and uncertainties are discussed in the Company's materials filed with the Canadian securities regulatory authorities from time to time, including, without limitations, the Risk Management section of the 2025 Annual Report, the Risk Factors section of the 2025 Annual Information Form, and in our most recent Condensed Consolidated Financial Statements, Management Information Circular, material change reports and news releases. The reader is also cautioned to consider these and other factors carefully and not place undue reliance on forward-looking statements, which reflect the Company's expectations only as of the date of this MD&A. 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.sedarplus.ca or on the Company's website at www.northwest.ca.

Condensed Consolidated Balance Sheets

(unaudited, \$ in thousands)	April 30, 2026	April 30, 2025	January 31, 2026
CURRENT ASSETS			
Cash	\$ 130,489	\$ 74,285	\$ 90,374
Accounts receivable (Note 5)	108,904	109,781	108,826
Inventories (Note 6)	342,946	343,558	340,517
Prepaid expenses	26,736	18,922	17,271
	609,075	546,546	556,988
NON-CURRENT ASSETS			
Property and equipment	742,024	706,410	742,157
Right-of-use assets	120,575	117,697	118,682
Goodwill	51,194	51,718	51,117
Intangible assets	30,703	27,054	30,277
Deferred tax assets	29,309	24,308	26,934
Other assets	39,877	32,160	40,925
	1,013,682	959,347	1,010,092
TOTAL ASSETS	\$ 1,622,757	\$ 1,505,893	\$ 1,567,080
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	\$ 259,044	\$ 235,342	\$ 239,843
Current portion of lease liabilities (Note 11)	21,694	20,440	20,408
Income tax payable (Note 14)	6,956	9,564	4,400
	287,694	265,346	264,651
NON-CURRENT LIABILITIES			
Long-term debt (Note 10)	333,991	293,896	311,437
Lease liabilities (Note 11)	106,155	105,650	107,105
Defined benefit plan obligation (Note 20)	19,500	20,470	21,100
Deferred tax liabilities	13,017	12,221	13,276
Other long-term liabilities (Note 22)	27,002	24,965	26,678
	499,665	457,202	479,596
TOTAL LIABILITIES	787,359	722,548	744,247
SHAREHOLDERS' EQUITY			
Share capital (Note 8)	179,192	180,361	178,980
Contributed surplus	4,432	4,886	3,574
Retained earnings	589,856	533,670	580,647
Accumulated other comprehensive income	36,557	40,810	36,187
Equity attributable to The North West Company Inc.	810,037	759,727	799,388
Non-controlling interests	25,361	23,618	23,445
TOTAL EQUITY	835,398	783,345	822,833
TOTAL LIABILITIES & EQUITY	\$ 1,622,757	\$ 1,505,893	\$ 1,567,080

See accompanying notes to condensed consolidated financial statements.

Condensed Consolidated Statements of Earnings

(unaudited, \$ in thousands, except per share amounts)	Three Months Ended April 30, 2026	Three Months Ended April 30, 2025
SALES	\$ 631,634	\$ 641,369
Cost of sales	(416,373)	(427,396)
Gross profit	215,261	213,973
Selling, operating and administrative expenses (Notes 12, 18)	(171,909)	(173,657)
Earnings from operations	43,352	40,316
Interest expense (Note 13)	(4,198)	(3,869)
Earnings before income taxes	39,154	36,447
Income taxes (Note 14)	(9,924)	(8,703)
NET EARNINGS FOR THE PERIOD	\$ 29,230	\$ 27,744
NET EARNINGS ATTRIBUTABLE TO		
The North West Company Inc.	\$ 27,349	\$ 25,835
Non-controlling interests	1,881	1,909
TOTAL NET EARNINGS	\$ 29,230	\$ 27,744
NET EARNINGS PER SHARE		
Basic	\$ 0.57	\$ 0.54
Diluted	\$ 0.56	\$ 0.53
WEIGHTED-AVERAGE NUMBER OF SHARES OUTSTANDING (000's)		
Basic	47,644	47,881
Diluted	48,626	48,762

See accompanying notes to condensed consolidated financial statements.

Condensed Consolidated Statements of Comprehensive Income

(unaudited, \$ in thousands)	Three Months Ended April 30, 2026	Three Months Ended April 30, 2025
NET EARNINGS FOR THE PERIOD	\$ 29,230	\$ 27,744
Other comprehensive income, net of tax:		
Items that may be reclassified to net earnings:		
Exchange differences on translation of foreign controlled subsidiaries	405	(16,716)
Items that will not be subsequently reclassified to net earnings:		
Remeasurements of defined benefit plans (Note 20)	1,396	(2,925)
Total other comprehensive income/(loss), net of tax	1,801	(19,641)
COMPREHENSIVE INCOME FOR THE PERIOD	\$ 31,031	\$ 8,103
OTHER COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO		
The North West Company Inc.	\$ 1,766	\$ (18,642)
Non-controlling interests	35	(999)
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)	\$ 1,801	\$ (19,641)
COMPREHENSIVE INCOME ATTRIBUTABLE TO		
The North West Company Inc.	\$ 29,115	\$ 7,193
Non-controlling interests	1,916	910
TOTAL COMPREHENSIVE INCOME	\$ 31,031	\$ 8,103

See accompanying notes to condensed consolidated financial statements.

Condensed 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, 2026	\$ 178,980	\$ 3,574	\$ 580,647	\$ 36,187	\$ 799,388	\$ 23,445	\$ 822,833
Net earnings for the period	—	—	27,349	—	27,349	1,881	29,230
Other comprehensive income	—	—	1,396	370	1,766	35	1,801
Comprehensive income	—	—	28,745	370	29,115	1,916	31,031
Shares purchased and cancelled (Note 8)	—	—	—	—	—	—	—
Equity settled share-based payments, net of tax	(2)	1,072	—	—	1,070	—	1,070
Dividends (Note 9)	—	—	(19,536)	—	(19,536)	—	(19,536)
Issuance of shares (Note 8)	214	(214)	—	—	—	—	—
	212	858	(19,536)	—	(18,466)	—	(18,466)
Balance at April 30, 2026	\$ 179,192	\$ 4,432	\$ 589,856	\$ 36,557	\$ 810,037	\$ 25,361	\$ 835,398
Balance at January 31, 2025	\$ 179,819	\$ 5,744	\$ 529,916	\$ 56,527	\$ 772,006	\$ 22,708	\$ 794,714
Net earnings for the period	—	—	25,835	—	25,835	1,909	27,744
Other comprehensive income/(loss)	—	—	(2,925)	(15,717)	(18,642)	(999)	(19,641)
Comprehensive income/(loss)	—	—	22,910	(15,717)	7,193	910	8,103
Equity settled share-based payments, net of tax	(30)	(286)	—	—	(316)	—	(316)
Dividends (Note 9)	—	—	(19,156)	—	(19,156)	—	(19,156)
Issuance of shares (Note 8)	572	(572)	—	—	—	—	—
	542	(858)	(19,156)	—	(19,472)	—	(19,472)
Balance at April 30, 2025	\$ 180,361	\$ 4,886	\$ 533,670	\$ 40,810	\$ 759,727	\$ 23,618	\$ 783,345

(1) Accumulated Other Comprehensive Income

See accompanying notes to condensed consolidated financial statements.

Condensed Consolidated Statements of Cash Flows

(unaudited, \$ in thousands)	Three Months Ended April 30, 2026	Three Months Ended April 30, 2025
CASH FROM (USED IN):		
Operating activities		
Net earnings for the period	\$ 29,230	\$ 27,744
Adjustments for:		
Amortization (Note 18)	30,806	29,747
Provision for income taxes (Note 14)	9,924	8,703
Interest expense (Note 13)	4,198	3,869
Equity settled share-based compensation, net of tax (Note 15)	1,070	(316)
Taxes paid	(10,344)	(8,383)
Gain on disposal of property and equipment	(3,008)	(475)
	61,876	60,889
Change in non-cash working capital (Note 7)	(3,331)	(7,943)
Change in other non-cash items	1,655	4,320
Cash from operating activities	60,200	57,266
Investing activities		
Purchase of property and equipment	(23,628)	(20,545)
Intangible asset additions	(2,542)	(2,184)
Proceeds from disposal of property and equipment	4,561	1,202
Cash used in investing activities	(21,609)	(21,527)
Financing activities		
Net increase in long-term debt (Note 10)	22,339	2,719
Payment of lease liabilities, principal	(6,891)	(5,612)
Payment of lease liabilities, interest	(1,434)	(1,379)
Dividends (Note 9)	(19,536)	(19,156)
Interest paid	(3,231)	(3,212)
Cash used in financing activities	(8,753)	(26,640)
Effect of foreign exchange rates on cash	114	(2,199)
NET CHANGE IN CASH	29,952	6,900
Cash, beginning of period	90,374	67,385
Impact of adoption amendments to IFRS 7 and IFRS 9 (Note 3)	10,163	—
Adjusted cash, beginning of period	100,537	67,385
CASH, END OF PERIOD	\$ 130,489	\$ 74,285

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 9, 2026.

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 2025 Annual Report which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

(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 compensation plans (Note 15)
- Defined benefit pension plan (Note 20)
- 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 2025 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. MATERIAL ACCOUNTING POLICIES

The material accounting policies are set out in the Company's 2025 Annual Audited Consolidated Financial Statements. These policies have been applied to all periods presented in these 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.

Adoption of Accounting Standards and Amendments In May 2024, amendments to IFRS 9 - *Financial Instruments* and IFRS 7 - *Financial Instruments: Disclosures* were issued. These amendments clarify the timing of recognition and derecognition of a financial asset or financial liability. Also included in the amendments are clarifications regarding the classification of financial assets, including those with features linked to environmental, social and corporate governance. The amendments require additional disclosure for financial instruments with contingent features and investments in equity instruments classified at fair value through other comprehensive income. These amendments were effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The amendments have been applied retrospectively with no restatement of comparative information, in accordance with the transition requirements for initial application. The adjustment to the cash balance reflects a \$10.2 million increase to the opening balance of cash and cash equivalents in the condensed consolidated statements of cash flows.

Future Standards and Amendments In April 2024, the IASB issued IFRS 18 - *Presentation and Disclosure in Financial Statements* to improve the comparability of the financial performance of similar entities. The standard replaces IAS 1 and primarily impacts the statements of earnings where companies will be required to present separate categories of income and expense for operating, investing and financing activities. IFRS 18 will also require management-defined performance measures to be explained and included in a separate note within the consolidated financial statements. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements, and requires retrospective application. The Company is assessing the impact of the new standard.

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

Use of Estimates The preparation of the condensed 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 condensed 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 condensed 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 condensed consolidated financial statements and accompanying 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, valuation of inventories, amortization of property and equipment, impairment of long-lived assets, goodwill and indefinite life intangible asset impairment, measurement of income taxes, valuation of defined benefit plan obligations, determination of lease term, estimate of incremental borrowing rate of each leased asset and measurement of contingent consideration.

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, Canadian and International. The Canadian segment consists of subsidiaries operating retail stores and complimentary businesses to serve northern Canada. The International segment consists largely of subsidiaries operating retail stores 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, 2026	Three Months Ended April 30, 2025
Sales		
Canadian		
Food	\$ 237,448	\$ 240,804
General merchandise and other	116,925	121,544
Canada	\$ 354,373	\$ 362,348
International		
Food	\$ 256,036	\$ 258,679
General merchandise and other	21,225	20,342
International	\$ 277,261	\$ 279,021
Consolidated	\$ 631,634	\$ 641,369
Earnings before amortization, interest and income taxes		
Canadian	\$ 44,369	\$ 44,308
International	29,789	25,755
Consolidated	\$ 74,158	\$ 70,063
Earnings from operations		
Canadian	\$ 24,017	\$ 25,035
International	19,335	15,281
Consolidated	\$ 43,352	\$ 40,316

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. SEGMENTED INFORMATION (continued)

Supplemental information

	April 30, 2026	April 30, 2025	January 31, 2026
Assets			
Canadian ⁽¹⁾	\$ 992,814	\$ 914,838	\$ 963,417
International ⁽¹⁾	629,943	591,055	603,663
Consolidated	\$ 1,622,757	\$ 1,505,893	\$ 1,567,080

(1) Canadian total assets includes goodwill of \$11,025 (April 30, 2025 – \$11,025; January 31, 2026 – \$11,025); International total assets includes goodwill of \$40,169 (April 30, 2025 – \$40,693; January 31, 2026 – \$40,092).

	Three Months Ended		Three Months Ended	
	April 30, 2026		April 30, 2025	
	Canadian	International	Canadian	International
Purchase of property and equipment	\$ 17,247	\$ 6,381	\$ 12,355	\$ 8,190
Amortization	\$ 20,352	\$ 10,454	\$ 19,273	\$ 10,474

5. ACCOUNTS RECEIVABLE

	April 30, 2026	April 30, 2025	January 31, 2026
Trade accounts receivable	\$ 73,589	\$ 77,786	\$ 83,395
Corporate and other accounts receivable ⁽¹⁾	45,420	43,723	36,508
Less: allowance for doubtful accounts	(10,105)	(11,728)	(11,077)
Total	\$ 108,904	\$ 109,781	\$ 108,826

(1) At April 30, 2026, Corporate and other accounts receivable includes \$12,500 of the promissory note receivable (April 30, 2025 – \$12,500; January 31, 2026 – \$12,500). See Note 21.

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.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. INVENTORIES

Inventories are valued at the lower of cost and net realizable value. Valuing inventories requires the Company to use estimates related to: the determination of margin factors used to convert inventory to cost; future retail sales prices and reductions, inventory losses or shrinkage during periods between the last physical count and the balance sheet date; and vendor rebates based on the volume of purchases during a period of time, product remaining in closing inventory and the probability that funds will be collected from vendors. Included in cost of sales for the three months ended April 30, 2026, the Company recorded \$953 (three months ended April 30, 2025 – \$742) for the write-down of 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, 2026 or the three months ended April 30, 2025.

Inventories include aviation-related parts of \$12,529 at April 30, 2026 (April 30, 2025 – \$10,728; January 31, 2026 – \$10,698).

7. CHANGE IN NON-CASH WORKING CAPITAL

The changes in non-cash working capital were as follows:

	Three Months Ended April 30, 2026	Three Months Ended April 30, 2025
Change in:		
Accounts receivable	\$ 10,596	\$ 8,478
Inventories	(2,157)	(8,602)
Prepaid expenses	(9,472)	2,353
Accounts payable and accrued liabilities	(1,217)	(9,960)
Other	(1,081)	(212)
Total	\$ (3,331)	\$ (7,943)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8. SHARE CAPITAL

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

April 30, 2026	Shares	Consideration
Balance at January 31, 2026	47,629,453	\$ 179,702
Issued under share-based compensation plans (Note 15)	26,284	214
Balance at April 30, 2026	47,655,737	\$ 179,916
Shares held in trust, January 31, 2026	(192,572)	\$ (722)
Purchased for future settlement of PSUs	(25,000)	(94)
Released for settlement of PSUs (Note 15)	24,420	92
Shares held in trust, April 30, 2026	(193,152)	\$ (724)
Issued and outstanding, net of shares held in trust, April 30, 2026⁽²⁾	47,462,585	\$ 179,192
April 30, 2025		
Balance at January 31, 2025	47,871,258	\$ 180,254
Issued under share-based compensation plans (Note 15)	63,398	572
Balance at April 30, 2025	47,934,656	\$ 180,826
Shares held in trust, January 31, 2025	(123,834)	\$ (435)
Purchased for future settlement of PSUs	(40,000)	(151)
Released for settlement of PSUs (Note 15)	32,035	121
Shares held in trust, April 30, 2025	(131,799)	\$ (465)
Issued and outstanding, net of shares held in trust, April 30, 2025⁽¹⁾	47,802,857	\$ 180,361

(1) At April 30, 2026, there were 16,299,284 (April 30, 2025 - 17,898,189) Variable Voting Shares representing 34.2% (April 30, 2025 - 37.3%) of the total shares issued and outstanding.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8. SHARE CAPITAL (continued)

Normal Course Issuer Bid

On November 20, 2025, the Company received approval from the Toronto Stock Exchange to renew the Normal Course Issuer Bid ("NCIB"). Under the NCIB, the Company may acquire up to a maximum of 4,752,000 of its shares, or approximately 10% of its float for cancellation over the following 12 months. During the three months ended April 30, 2026 and three months ended April 30, 2025, the Company purchased no common shares.

In connection with the NCIB, the Company has established an automatic securities purchase plan with its designated broker to facilitate the purchase of shares under the NCIB at times when the Company would ordinarily not be permitted to purchase its shares due to regulatory restrictions or self-imposed blackout periods. Under the plan, before entering a self-imposed blackout period, the Company may, but is not required to, ask the designated broker to make purchases under the NCIB within specific parameters.

9. DIVIDENDS

	Three Months Ended April 30, 2026	Three Months Ended April 30, 2025
Dividends recorded in equity and paid in cash	\$ 19,536	\$ 19,156
Dividends per share	\$ 0.41	\$ 0.40

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 condensed consolidated financial statements in the period in which they are approved by the Board of Directors (Note 24).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10. LONG-TERM DEBT

	April 30, 2026	April 30, 2025	January 31, 2026
Current:	\$ —	\$ —	\$ —
Non-current:			
Revolving loan facility ⁽¹⁾	\$ —	\$ —	\$ —
Revolving loan facilities ⁽²⁾	—	—	—
Revolving loan facilities ⁽³⁾	138,614	97,305	116,250
Senior notes ⁽⁴⁾	95,377	96,591	95,187
Senior notes ⁽⁵⁾	100,000	100,000	100,000
	\$ 333,991	\$ 293,896	\$ 311,437
Total	\$ 333,991	\$ 293,896	\$ 311,437

(1) The committed, revolving U.S. loan facility provides the International Operations with up to US\$50,000 for working capital requirements and general business purposes. This facility matures January 25, 2028, bears a floating rate of interest based on SOFR plus a spread and is secured by certain accounts receivable and inventories of the International Operations. As at April 30, 2026, the International Operations had drawn US\$NIL (April 30, 2025 – US\$NIL; January 31, 2026 – US\$NIL) on this facility.

(2) In April 2026, the Company extended the maturity date of the US\$52,000 loan facilities. These facilities mature April 8, 2031 and bear interest at SOFR plus a spread. These committed loan facilities are secured by certain assets of the Company and rank *pari passu* with the \$100,000 senior notes, the US\$70,000 senior notes due in 2027 and 2032 and the \$400,000 Canadian Operations loan facilities. At April 30, 2026, the Company had drawn US\$NIL (April 30, 2025 – US\$NIL; January 31, 2026 – US\$NIL) on these facilities.

(3) These committed, revolving loan facilities provide the Company's Canadian Operations with up to \$400,000 for working capital and general business purposes. In April 2026, the Company extended the maturity date of these facilities to April 8, 2031. These facilities are secured by certain assets of the Company and rank *pari passu* with the \$100,000 senior notes, the US\$70,000 senior notes due in 2027 and 2032 and the US\$52,000 loan facilities. These facilities bear a floating interest rate based on the Canadian Overnight Repo Rate or the Canadian prime interest rate.

(4) These US\$70,000 senior notes comprise US\$35,000 due June 16, 2027 with a fixed interest rate of 2.88% and US\$35,000 due June 16, 2032 with a fixed interest rate of 3.09%. The senior notes are secured by certain assets of the Company and rank *pari passu* with the \$400,000 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 \$400,000 Canadian Operations loan facilities, the US\$70,000 senior notes due in 2027 and 2032 and the US\$52,000 loan facilities.

11. 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, 2026, lease liabilities reflect a weighted-average risk-free rate of 4.4% (April 30, 2025 – 4.4%; January 31, 2026 – 4.4%) and weighted-average remaining lease term of 8.8 years (April 30, 2025 – 9.7 years; January 31, 2026 – 9.5 years).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. EMPLOYEE COSTS

	Three Months Ended April 30, 2026	Three Months Ended April 30, 2025
Wages, salaries and benefits including bonus	\$ 92,789	\$ 89,876
Post-employment benefits (Note 20)	2,728	2,758
Share-based compensation (Note 15)	3,618	5,789
Total	\$ 99,135	\$ 98,423

13. INTEREST EXPENSE

	Three Months Ended April 30, 2026	Three Months Ended April 30, 2025
Interest on long-term debt	\$ 3,068	\$ 2,666
Interest on lease liabilities	1,434	1,379
Net interest on defined benefit plan obligation	8	16
Other interest income	(200)	(68)
Interest capitalized	(112)	(124)
Total	\$ 4,198	\$ 3,869

14. INCOME TAXES

The estimated effective income tax rate for the three months ended April 30, 2026 is 25.3% (three months ended April 30, 2025 – 23.9%). 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.

The Company's income taxes include GMTA Pillar Two top up tax of \$852 for the three months ended April 30, 2026 (three months ended April 30, 2025 - \$870).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. SHARE-BASED COMPENSATION

The Company offers the following share-based compensation plans: Performance Share Units ("PSUs"); Share Options; Director Deferred Share Units ("DDSU"); Executive Deferred Share Units ("EDSU") 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 compensation plans for the three months ended April 30, 2026 is \$3,618 (three months ended April 30, 2025 – \$5,789). 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, 2026	April 30, 2025	January 31, 2026
Accounts payable and accrued liabilities	\$ 1,950	\$ 1,824	\$ 2,980
Other long-term liabilities	15,599	16,095	15,447
Contributed surplus	11,306	10,253	10,216
Total	\$ 28,855	\$ 28,172	\$ 28,643

Performance Share Units

The Company has granted Performance Share Units to officers and senior management. Each PSU entitles the participant to receive either a cash payment equal to the market value of the number of notional units granted or 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 and recognized over the vesting period based on the estimated total compensation to be paid. Compensation costs related to the PSUs for the three months ended April 30, 2026 are \$1,782 (three months ended April 30, 2025 – \$2,339).

Equity settled PSUs are redeemed with shares transferred from a trust established for this plan or by issuing shares from treasury. For the three months ended April 30, 2026, there were 50,078 PSUs (three months ended April 30, 2025 – 65,313) partially settled by releasing 24,420 shares from the employee trust (three months ended April 30, 2025 – 32,035).

For the three months ended April 30, 2026, there were no PSUs (three months ended April 30, 2025 – 3,349) partially settled by releasing shares issued from treasury (three months ended April 30, 2025 – 3,349). The total number of PSUs outstanding at April 30, 2026 that may be settled in treasury shares is 440,132 (April 30, 2025 – 384,681).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. 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. The grant date fair value of 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 9.1% of the Company's issued and outstanding shares at April 30, 2026. Fair value of the Company's options is determined using an option pricing model. Share options granted vest on a graduated basis over four years and are exercisable over a period of seven years. The share option compensation costs recorded for the three months ended April 30, 2026 are \$389 (three months ended April 30, 2025 – \$387).

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

	April 30, 2026	April 30, 2025
Fair value of options granted	\$ 8.88	\$ 10.31
Exercise price	\$ 51.53	\$ 54.39
Dividend yield	3.2 %	3.4%
Annual risk-free interest rate	3.3 %	2.7%
Expected share price volatility	21.9 %	26.4%

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.

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

Number of options outstanding	April 30, 2026	April 30, 2025
Outstanding options, beginning of period	1,139,513	1,128,718
Granted	214,798	161,328
Exercised	(62,970)	(140,532)
Outstanding options, end of period	1,291,341	1,149,514
Exercisable at end of period	783,356	636,646

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. SHARE-BASED COMPENSATION (continued)

Weighted-average exercise price	Standard Options	
	April 30, 2026	April 30, 2025
Outstanding options, beginning of period	\$ 38.36	\$ 34.97
Granted	51.53	54.39
Exercised	30.59	30.23
Outstanding options, end of period	\$ 40.93	\$ 38.27
Exercisable at end of period	\$ 36.36	\$ 34.14

Options outstanding at April 30, 2026 have an exercise price range of \$28.32 to \$54.39 and a weighted-average remaining contractual life of 4.2 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 and includes the value of dividends from the Company as if reinvested in additional DDSUs. The DDSUs are exercisable by the holder at any time after they cease to be a Director, but no later than December 31 of the first calendar year commencing after they leave the Company. 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 so that DDSUs credited to participants for fees they elect to allocate to the plan after this date are redeemable only in cash.

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, 2026 are of \$885 (three months ended April 30, 2025 – \$2,388). The total number of DDSUs outstanding at April 30, 2026 is 268,209 (April 30, 2025 – 247,137). There were no DDSUs exercised in cash during the three months ended April 30, 2026 and three months ended April 30, 2025.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. SHARE-BASED COMPENSATION (continued)

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, 2026 are \$50 (three months ended April 30, 2025 – \$183).

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, 2026 are \$512 (three months ended April 30, 2025 – \$492).

16. 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.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

17. SUBSIDIARIES AND JOINT VENTURES

The Company's principal operating subsidiaries at April 30, 2026 are set out below:

	Activity	Country of Organization	Proportion of voting rights held by:	
			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.

18. EXPENSES BY NATURE

	Three Months Ended April 30, 2026	Three Months Ended April 30, 2025
Employee costs (Note 12)	\$ 99,135	\$ 98,423
Amortization	30,806	29,747
Operating lease rentals	1,289	1,360

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

19. FINANCIAL INSTRUMENTS

Accounting classifications and fair value estimation

The following table comprises the carrying amounts of the Company's financial instruments at April 30, 2026. 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	\$ 130,489	\$ 130,489
Accounts receivable ⁽¹⁾	Short-term	108,904	108,904
Other financial assets	Long-term	1,846	1,846
Accounts payable and accrued liabilities	Short-term	(257,094)	(257,094)
Long-term debt	Long-term	(333,991)	(322,101)

(1) At April 30, 2026, \$12,500 of the promissory note receivable due within the next 12 months is included in accounts receivable (April 30, 2025 – \$12,500). See Note 21.

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, excluding debt with fixed interest rates, 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 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.

20. POST-EMPLOYMENT BENEFITS

A remeasurement of the defined benefit pension plan assets and liabilities was performed for the three months ended April 30, 2026 and the Company recorded an actuarial gain of \$1,396, net of tax (three months ended April 30, 2025 - actuarial loss of \$2,925, net of tax). These actuarial adjustments were recorded in other comprehensive income and recognized immediately in retained earnings and were primarily due to changes in the discount rate used to measure the defined benefit obligation and actual investment returns that differed from expected returns. The discount rate used to determine the benefit obligation for the defined benefit pension plan was 5.0% (April 30, 2025 – 4.8%; January 31, 2026 – 4.9%).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

21. PROMISSORY NOTE RECEIVABLE

On July 5, 2020, the Company sold 36 of its 46 Giant Tiger stores to Giant Tiger Stores Limited for cash consideration of \$45,000, subject to working capital adjustments, and additional contingent consideration payable of up to \$22,500 based on the achievement of financial measures in 2024 and 2025. The estimated consideration was recorded as an unsecured, non-interest bearing promissory note. \$45,000 in cash consideration has been received with the final cash consideration installment of \$15,000 received during the period ended January 31, 2025.

At the time of the transaction, additional contingent consideration was included in the fair value of the promissory note, discounted using an interest rate specific to the counterparty. The promissory note receivable has an estimated fair value of \$12,500 (April 30, 2025 - \$12,500) and has been recorded as accounts receivable. Based on the financial measures achieved in 2024 and 2025, the \$12,500 contingent cash consideration recorded in accounts receivable is past due.

The Company has filed a Statement of Claim against Giant Tiger Stores Limited seeking damages for breach of the asset purchase agreement for failing to pay the contingent cash consideration when due. The Company's Claim seeks \$7,500 in respect of the 2024 contingent consideration. The Company has also brought a motion to amend its Claim to seek an additional \$10,571 in respect of the 2025 contingent consideration plus damages. Giant Tiger Stores Limited has filed a Statement of Defence and Counterclaim seeking rectification of the asset purchase agreement, and has further denied that any contingent cash consideration is owing.

22. OTHER LONG-TERM LIABILITIES

	April 30, 2026	April 30, 2025	January 31, 2026
Director deferred share unit liability (Note 15)	\$ 13,646	\$ 13,667	\$ 12,762
Asset retirement obligations	9,987	7,414	9,428
Other	3,369	3,884	4,488
Total	\$ 27,002	\$ 24,965	\$ 26,678

Asset retirement obligations ("ARO") are recognized where there are legal or constructive obligations associated with leasehold site remediations and site restoration. ARO provisions are measured at the present value of management's best estimate of future cash flows required to settle the obligation.

Actual costs are uncertain and estimates may vary as a result of changes to relevant laws and regulations, operating experiences, prices and closure plans. The estimated timing of future decommissioning and restoration may change due to various factors, including closure plans. Changes to estimates related to future expected costs, discount rates, inflation assumptions and timing may have a material impact on the amounts presented.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

23. COMMITMENTS, CONTINGENCIES AND GUARANTEES

In February 2025, two Statements of Claims for putative class action proceedings were filed in the Manitoba Court of King's Bench against The North West Company Inc. and certain Canadian subsidiaries (the "Claims"). The Claims alleged that the Company misrepresented the amount of the federal subsidy it passed through to consumers through the Nutrition North Canada subsidy program. The Company maintains that its subsidy practices have complied with the Government of Canada's program requirements and brought a motion to strike on the basis that the Claims had no legal merit. On May 12, 2026, the Manitoba Court of King's Bench granted the Company's motion to strike the Claims.

24. SUBSEQUENT EVENTS

Dividends

On June 9, 2026, the Board of Directors declared a dividend of \$0.41 per share payable July 15, 2026 to shareholders of record on June 30, 2026.