THE NORTH WEST COMPANY INC.

Report to Shareholders

Quarterly Period Ended July 31, 2025

2025 SECOND QUARTER REPORT TO SHAREHOLDERS

Report to Shareholders

The North West Company Inc. reports its results for the second quarter ended July 31, 2025. Sales increased 0.1% to $647.0 million and were flat to last year excluding the impact of foreign exchange on the translation of International Operations sales as an increase in Canadian Operations sales were largely offset by lower sales in International Operations.

Second quarter net earnings increased 1.9% to $37.6 million compared to net earnings of $36.9 million last year. Net earnings attributable to shareholders were $36.1 million or $0.74 per share compared to $0.73 per share last year on a diluted earnings per share basis as an increase in earnings in Canadian Operations, a lower effective tax rate and the impact of foreign exchange were partially offset by lower earnings in International Operations.

The Board of Directors has approved a quarterly dividend of $0.41 per share, an increase of $0.01 or 2.5% per share, to shareholders of record on September 29, 2025.

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 2025 second quarter unaudited interim period condensed consolidated financial statements for the period ended July 31, 2025 ("Condensed Consolidated Financial Statements") and the audited annual consolidated financial statements and accompanying notes included in the 2024 Annual Report. The financial results in 2024 had one extra day of operations compared to 2025 as a result of February 29. The estimated impact of the extra day has been deducted from the year-to-date same store sales reported for 2024.

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

Second Quarter Highlights

CONSOLIDATED RESULTS SECOND QUARTER

Key Performance Indicators and Selected Second Quarter Information:

	Three Months Ended	
($ in thousands, except per share)	**July 31, 2025**	July 31, 2024
Sales	**$ 646,977**	$ 646,487
Same store sales %(1)		
Food	**(0.4)%**	4.6 %
General Merchandise	**(5.4)%**	1.9 %
Total	**(1.1)%**	4.3 %
Gross profit	**$ 219,934**	$ 219,756
Selling, operating and administrative expenses	**164,764**	164,875
EBITDA(2)	**85,152**	83,413
Earnings from operations ("EBIT")	**55,170**	54,881
Interest expense	**4,326**	4,348
Income taxes	**13,244**	13,636
Net earnings	**37,600**	36,897
Net earnings attributable to shareholders of the Company	**36,094**	35,300
Net earnings per share - basic	**0.75**	0.74
Net earnings per share - diluted	**0.74**	0.73

Sales Second quarter consolidated sales increased 0.1% to $647.0 million compared to $646.5 million last year due to an increase in Canadian sales, new stores and the impact of foreign exchange on the translation of International Operations sales. Consolidated sales excluding the foreign exchange impact were flat to last year with food sales decreasing 0.8% and general merchandise and other sales increasing 2.8% compared to last year driven by higher third-party airline revenue and pharmacy sales in Canada. These factors were largely offset by lower same store sales which decreased 1.1%[1] compared to a 4.3% sales gain in the second quarter last year due to a 1.8% decrease in same store sales in Canadian Operations and a 0.1%[1] increase in same store sales in International Operations. Same store sales in Canadian Operations were negatively impacted by wildfire-related community evacuations in northern Canada and the impact of a decrease in funding to individuals from Jordan's Principle and Inuit Child First programs. Excluding the stores impacted by wildfire-related community evacuations, adjusted same store sales[1] increased 0.6% compared to last year.

Gross Profit Gross profit increased 0.1% to $219.9 million compared to $219.8 million last year due to sales gains as the gross profit rate was flat to last year at 34.0%. The positive impact on gross profit rate from our Next 100 work, including more effective data-driven promotions, was offset by changes in sales blend and higher markdowns and inventory shrink.

(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 $0.1 million or 0.1% compared to last year and were down 3 basis points as a percentage to sales. The decrease in Expenses is largely due to a $3.9 million decrease in share-based compensation costs primarily related to changes in the Company's share price in the quarter compared to last year and a decrease in vessel repairs incurred through our investment in Transport Nanuk Inc. ("TNI") compared to last year. These factors were partially offset by an investment in staff resources and an increase in technology costs to support the Next 100 operational excellence work, an increase in depreciation and new stores. The impact of $1.7 million in one-time costs for professional fees related to the execution of the Next 100 strategy were offset by store labour productivity gains, other cost savings initiatives and more effective data-driven promotional activity, including a reduction in print media. Excluding the impact of share-based compensation and Next 100-related one-time costs, Expenses increased $2.2 million or 1.4% compared to last year and were up 32 basis points as a percentage to sales. 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 0.5% to $55.2 million compared to $54.9 million last year, and earnings before interest, income taxes, depreciation and amortization ("EBITDA[2]") increased 2.1% to $85.2 million compared to $83.4 million last year due to the sales, gross profit and Expense factors previously noted. Adjusted EBITDA[2], which excludes the impact of share-based compensation and Next 100-related one-time costs, decreased $0.5 million or 0.6% to $87.9 million compared to $88.4 million last year and as a percentage to sales was 13.6% compared to 13.7% last year.

Interest Expense Interest expense decreased 0.5% to $4.3 million due to lower interest rates and lower average debt. 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 decreased to $13.2 million compared to $13.6 million last year and the effective tax rate decreased to 26.0% compared to 27.0% last year. The decrease in the effective tax rate is largely due to the impact of The Global Minimum Tax ("GMTA") – Pillar Two legislation that was enacted in Canada on June 20, 2024 but was effective as of the beginning of the Company's 2024 fiscal year and resulted in a year-to-date adjustment recorded in the second quarter last year. Further information on income tax expense is provided in Note 14 to the Company's Condensed Consolidated Financial Statements.

Net Earnings Net earnings increased 1.9% to $37.6 million compared to net earnings of $36.9 million last year. Net earnings attributable to shareholders were $36.1 million and diluted earnings per share were $0.74 per share compared to $0.73 per share last year. Adjusted net earnings[2], which excludes the after-tax impact of share-based compensation and Next 100-related one-time costs, decreased $1.0 million or 2.5% to $39.6 million due to the sales, gross profit, Expense, interest and income tax expense factors previously noted, including the impact of wildfire-related community evacuations in northern Canada.

Comprehensive Income Comprehensive income increased to $41.0 million compared to $39.6 million last year largely due to the impact of a $3.0 million net actuarial gain this year resulting from the remeasurement of defined benefit pension plan assets and liabilities compared to no actuarial gain last year. A decrease in foreign exchange gain on the translation of International Operations to $0.4 million this year compared to a gain of $2.7 million last year was also a factor.

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

Year-To-Date Highlights

CONSOLIDATED RESULTS

Key Performance Indicators and Selected Year-To-Date July 31, 2025 Information:

	Year-to-date	
($ in thousands, except per share)	**July 31, 2025**	July 31, 2024
Sales	**$ 1,288,346**	$ 1,264,006
Same store sales %(1)		
Food	**1.7 %**	4.2 %
General Merchandise	**(2.6)%**	2.9 %
Total	**1.2 %**	4.1 %
Gross profit	**$ 433,907**	$ 419,385
Selling, operating and administrative expenses	**338,421**	324,682
EBITDA(2)	**155,215**	151,321
Earnings from operations (EBIT)	**95,486**	94,703
Interest expense	**8,195**	8,673
Income taxes	**21,947**	21,978
Net earnings	**65,344**	64,052
Net earnings attributable to shareholders of the Company	**61,929**	60,827
Net earnings per share - basic	**1.29**	1.27
Net earnings per share - diluted	**1.27**	1.26

Sales Year-to-date sales increased 1.9% to $1.288 billion led by same store sales gains, the impact of foreign exchange on the translation of International Operations sales and new stores. These factors were partially offset by lower wholesale sales. The exchange rate used for the translation of International Operations sales increased to 1.3968 compared to 1.3613 last year. Excluding the foreign exchange impact, consolidated sales increased 0.9% compared to last year with food sales increasing 0.4% and general merchandise and other sales increasing 2.3%. The increase in general merchandise and other sales was primarily due to higher airline revenue and pharmacy sales in Canadian Operations partially offset by lower general merchandise sales in Canadian and International Operations. Same store sales[1] were up 1.2% compared to last year, driven by a 1.0% increase in Canadian Operations and a 1.4% increase in International Operations, with a 1.7% increase in same store food sales[1] partially offset by a 2.6% decrease in general merchandise same store sales[1].

Gross Profit Gross profit increased 3.5% due to the impact of higher sales and a 50 basis point increase in the gross profit rate. The increase in gross profit rate was primarily due to changes in sales blend, including a lower blend of wholesale food sales, and positive impacts from our Next 100 work including more effective data-driven promotions. 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 $13.7 million or 4.2% and were up 58 basis points as a percentage to sales. The increase in Expenses is largely due to an investment in resources to support the Next 100 operational excellence work, an increase in depreciation, new stores and the impact of foreign exchange on the translation of International Operations Expenses. The impact of $3.8 million in one-time costs for professional fees related to the execution of the Next 100 strategy were offset by store labour productivity gains, other cost savings initiatives and more effective data-driven promotional activity, including a reduction in print media. A decrease in share-based compensation costs was also a factor. Excluding the impact of the Next 100-related one-time costs and share-based compensation costs, Expenses increased $11.0 million or 3.5% compared to last year and were up 38 basis points as a percentage to sales.

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

Earnings From Operations Earnings from operations ("EBIT") increased 0.8% to $95.5 million compared to $94.7 million last year and earnings before interest, income taxes, depreciation and amortization ("EBITDA[2]") increased $3.9 million or 2.6% to $155.2 million compared to $151.3 million last year due to the sales, gross profit and Expense factors previously noted. Adjusted EBITDA[2], which excludes the impact of Next 100-related one-time costs and share-based compensation costs, increased $6.6 million or 4.2% to $165.8 million compared to $159.2 million last year and as a percentage to sales was 12.9% compared to 12.6% last year.

Interest Expense Interest expense decreased 5.5% to $8.2 million compared to $8.7 million last year mainly due to lower average debt and interest rates. 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 decreased 0.1% to $21.9 million as the impact of higher earnings was offset by a decrease in the consolidated effective tax rate to 25.1% compared to 25.5% last year. The decrease in the effective tax rate is primarily due to the impact of changes in the blend of earnings across the various tax rate jurisdictions. Further information on income tax expense is provided in Note 14 to the Company's Condensed Consolidated Financial Statements.

Net Earnings Net earnings increased 2.0% to $65.3 million compared to $64.1 million last year. Net earnings attributable to shareholders were $61.9 million and diluted earnings per share were $1.27 per share compared to $1.26 per share last year due to the factors previously noted. Adjusted net earnings[2], which excludes the impact of Next 100-related one-time costs and share-based compensation costs, increased $3.1 million or 4.5% to $73.2 million compared to $70.1 million last year.

Comprehensive Income Comprehensive income decreased to $49.1 million compared to $75.7 million last year due to the impact of foreign exchange on the translation of the International Operations which resulted in a loss of $16.3 million this year compared to a gain of $9.6 million last year. A decrease in net actuarial gain on the remeasurement of defined benefit pension plan assets and liabilities, which resulted in a net actuarial gain of $0.1 million this year compared to a net actuarial gain of $2.0 million last year, was also a factor.

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

CANADIAN OPERATIONS SECOND QUARTER

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

Key Performance Indicators:

		Three Months Ended		
($ in thousands)		**July 31, 2025**		July 31, 2024
Sales	**$**	**368,315**	$	366,645
Same store sales %				
Food		**(1.5)%**		7.6 %
General Merchandise		**(3.5)%**		2.7 %
Total		**(1.8)%**		6.8 %
EBITDA(2)	**$**	**56,987**	$	55,575
Earnings from operations (EBIT)		**37,416**		36,688

Sales Canadian Operations sales increased 0.5% to $368.3 million compared to $366.6 million in the second quarter last year as the impact of higher third-party airline revenue and new stores was largely offset by a 1.8% decrease in same store sales compared to very strong same store sales last year of 6.8%. Food sales decreased 1.9% due to a decrease in same store sales and lower wholesale sales. General merchandise and other sales increased 5.6% compared to last year due to higher third-party airline cargo and passenger revenue and an increase in pharmacy sales that more than offset lower general merchandise same store sales. On a same store basis, food sales decreased 1.5% and general merchandise sales decreased 3.5% compared to last year. Sales in the quarter were negatively impacted by wildfire-related community evacuations in northern Canada. A decrease in the distribution of funding to individuals from First Nations Child and Family Services programs, including Jordan's Principle and Inuit Child First programs that help provide greater access to nutritious food, and a reduction in climate action incentive payments were also factors. These factors were partially offset by a modest increase in payments to individuals from First Nations Drinking Water Claim Settlements compared to the second quarter last year. Excluding the stores impacted by wildfire-related evacuations, adjusted same store sales increased 1.0% compared to very strong same store sales gains in the second quarter last year.

Gross Profit Gross profit decreased 0.3% as the impact of higher sales was more than offset by a decrease in gross profit rate primarily related to changes in sales blend and higher markdowns and inventory shrink, particularly in stores impacted by fire-related evacuations. These factors were partially offset by an increase in North Star Air ("NSA") gross profit, mainly due to the blend of cargo and passenger revenue, and the impact of more effective data-driven promotions as part of our Next 100 work.

Selling, Operating and Administrative Expenses Selling, operating and administrative expenses ("Expenses") decreased 1.1% and were down 43 basis points as a percentage to sales compared to last year mainly due to a $3.2 million decrease in share-based compensation costs primarily related to changes in the Company's share price and a decrease in vessel repairs incurred through our investment in TNI compared to last year. These factors were partially offset by an investment in staff resources and an increase in information technology costs to support the Next 100 operational excellence work, an increase in depreciation and the impact of new stores. The impact of $1.0 million in one-time costs for professional fees related to the execution of the Next 100 strategy was offset by store labour productivity gains and other cost savings initiatives.

Earnings From Operations Earnings from operations (EBIT) increased $0.7 million or 2.0% to $37.4 million compared to a 4.0% increase in EBIT to $36.7 million last year, and EBITDA[2] increased 2.5% to $57.0 million compared to a 6.7% increase in EBITDA[2] to $55.6 million last year due to the impact of the sales, gross profit and Expense factors previously noted. Adjusted EBITDA[2], which excludes the impact of share-based compensation and Next 100-related one-time costs, decreased $0.8 million or 1.3% to $58.9 million compared to $59.7 million last year and as a percentage to sales was 16.0% compared to 16.3% last year as higher earnings in NSA and TNI were more than offset by the impact of wildfire-related community evacuations in northern Canada and a decrease in funding for Jordan's Principle and Inuit Child First programs.

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

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

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

Key Performance Indicators:

	Three Months Ended	
($ in thousands)	**July 31, 2025**	July 31, 2024
Sales	**$ 202,903**	$ 204,488
Same store sales %		
Food	**1.1 %**	1.0 %
General Merchandise	**(11.2)%**	(0.2)%
Total	**0.1 %**	0.9 %
EBITDA(2)	**$ 20,479**	$ 20,356
Earnings from operations (EBIT)	**12,897**	13,310

Sales International Operations sales decreased 0.8% to $202.9 million compared to $204.5 million in the second quarter last year as a 0.1% increase in same store sales was more than offset by lower wholesale sales. Sales were negatively impacted by weaker economic conditions related to commercial fishing and tourism in certain markets in Alaska compared to last year. Weaker economic conditions in certain islands in the South Pacific was also a factor. Food sales increased 0.6% as a 1.1% increase in same store food sales was partially offset by lower wholesale sales compared to last year. General merchandise sales decreased 11.5% and were down 11.2% on a same store basis compared to last year as consumers shifted more of their spending on food and reduced spending on discretionary general merchandise.

Gross Profit Gross profit increased 0.3% compared to last year as an increase in the gross profit rate more than offset the impact of lower sales. The increase in the gross profit rate mainly related to changes in sales blend, including the impact of lower wholesale sales and positive changes from our Next 100 work. These factors were partially offset by higher markdowns on seasonal general merchandise.

Selling, Operating and Administrative Expenses Selling, operating and administrative expenses ("Expenses") increased 1.3% compared to last year mainly due to an investment in staff resources and an increase in information technology costs to support the Next 100 operational excellence work and an increase in depreciation that were partially offset by a decrease in share-based compensation costs compared to last year. Next 100-related one-time costs of $0.5 million were offset by store labour productivity gains and other cost savings initiatives.

Earnings From Operations Earnings from operations ("EBIT") decreased $0.4 million or 3.1% to $12.9 million compared to $13.3 million in the second quarter last year and EBITDA[2] increased $0.1 million or 0.6% to $20.5 million compared to $20.4 million last year due to the sales, gross profit and Expense factors previously noted. Adjusted EBITDA[2], which excludes the impact of share-based compensation costs and Next 100-related one-time costs, increased 0.2% to $21.1 million compared to $21.0 million last year and as a percentage to sales was 10.4% compared to 10.3% 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 second quarter decreased to 0.40:1 compared to 0.43:1 last year.

Working capital decreased $1.1 million or 0.4% compared to last year as an increase in inventories was more than offset by the impact of lower cash and an increase in accounts payable and accrued liabilities. The increase in inventories is largely due to an increase in motorized inventory and higher center store grocery compared to last year. The increase in accounts payable is related to higher inventories and the timing of payments.

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 9, 2025 Management Information Circular which is available on the Company's website at *www.northwest.ca* or on SEDAR+ at *www.sedarplus.ca*.

At July 31, 2025, there were 17,024,845 (July 31, 2024 - 18,888,843) Variable Voting Shares, representing 35.6% (July 31, 2024 - 39.5%) 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 increased to 47,909,000 shares compared to 47,759,000 shares last year due to shares issued under the Company's share option plan. The weighted-average fully diluted shares outstanding for the quarter were 48,784,000 shares compared to 48,453,000 shares last year. The increase in fully diluted shares outstanding compared to last year is also due to 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 19, 2024, 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 4,765,289 which is approximately 10% of the Company's public float at November 19, 2024. 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. During the three months and six months ended July 31, 2025, the Company purchased 91,406 common shares for cash consideration of $4.5 million with the excess of the purchase price over the book value of the shares charged to retained earnings. All shares purchased were cancelled. During the six months ended July 31, 2024, the Company purchased no common shares. 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 Ended July 31, 2025**	Three Months Ended July 31, 2024	Change	**Six Months Ended July 31, 2025**	Six Months Ended July 31, 2024	Change
Cash flows from (used in):						
Operating activities	**$ 44,086**	$ 48,174	$ (4,088)	**$ 101,352**	$ 96,698	$ 4,654
Investing activities	**(33,787)**	(21,584)	(12,203)	**(55,314)**	(39,097)	(16,217)
Financing activities	**(16,170)**	(21,549)	5,379	**(42,810)**	(25,392)	(17,418)
Effect of changes in foreign exchange rates on cash	**92**	373	(281)	**(2,107)**	1,426	(3,533)
Net change in cash	**$ (5,779)**	$ 5,414	$ (11,193)	**$ 1,121**	$ 33,635	$ (32,514)

Operating Activities Cash from operating activities in the quarter decreased $4.1 million to $44.1 million compared to $48.2 million in the second quarter last year mainly due to the change in other non-cash items related to changes in accrued share-based compensation and changes in non-cash working capital. Cash from operating activities for the year-to-date increased $4.7 million to $101.4 million compared to $96.7 million last year. The change in non-cash working capital in the quarter and for the year-to-date is largely related to the changes in inventories and accounts payable and accrued liabilities compared to the prior year. Further information on the change in non-cash working capital is provided in Note 7 to the Company's Condensed Consolidated Financial Statements.

Investing Activities Cash used in investing activities in the quarter increased to $33.8 million compared to $21.6 million last year and for the year-to-date was $55.3 million compared to $39.1 million last year. Investing activities in the quarter and for the year-to-date includes investments in stores, fixtures and equipment, the completion of a hangar in Thunder Bay, Ontario and the purchase of a PC-12 Pilatus aircraft in the second quarter this year. The increase in cash used in investing activities in the quarter and for the year-to-date is primarily due to the impact of the proceeds from the promissory note received in the second quarter last year. Further information on planned capital expenditures is included in the Outlook section.

Financing Activities Cash used in financing activities in the quarter decreased to $16.2 million compared to $21.5 million last year and for the year-to-date was $42.8 million compared to $25.4 million last year substantially due to changes in amounts drawn on revolving loan facilities, dividends to non-controlling shareholders and shares purchased under the NCIB. 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

Canadian Operations have $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 July 31, 2025, the Company had drawn $118.7 million on these facilities (July 31, 2024 - $111.0 million). The Canadian Operations also have committed, revolving loan facilities of US$52.0 million that bear interest at SOFR plus a spread. At July 31, 2025, the Company had drawn US$NIL on these facilities (July 31, 2024 - US$NIL). These loan facilities mature March 1, 2027 and 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$50.0 million committed, revolving loan facility which matures January 25, 2028. This loan facility bears a floating rate of interest based on SOFR plus a spread and is secured by certain accounts receivable and inventories of the International Operations. At July 31, 2025, the Company had drawn US$NIL on these facilities (July 31, 2024 - US$8.6 million).

The Company's lease liabilities are discounted at its incremental borrowing rate, generally calculated from applicable Canadian and U.S. corporate bond yields. At July 31, 2025, lease liabilities reflect a weighted-average risk-free rate of 4.5% (July 31, 2024 – 4.4%) and weighted-average remaining lease term of 9.6 years (July 31, 2024 – 10.2 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 July 31, 2025, 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 2025.

SHAREHOLDER DIVIDENDS

The Board of Directors declared a quarterly dividend of $0.41 per share, an increase of $0.01 or 2.5% per share, to shareholders of record on September 29, 2025, to be paid on October 15, 2025.

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.

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, and our shareholders. 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 ramp-up through 2025 and 2026 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 2024 Annual Report.

OUTLOOK

The near-term outlook continues to be influenced by uncertainty related to the economy, the impact of changes in U.S. government policy regarding tariffs, the impact of retaliatory tariffs that may be implemented and inflation however, the resiliency of the Company's essential everyday product and service offering is expected to help mitigate some of this uncertainty. In addition, the near-term outlook is expected to be impacted by the following:

Northern Canada Wildfires

Wildfires in northern Canada have continued into the third quarter but the impact has moderated in late August. At this time, there are three communities that remain evacuated due to the destruction of hydro transmission lines which is not expected to be repaired until later in the third quarter. Communities that previously had partial evacuations have ended. While the impact of the wildfires has moderated, several wildfires are still active and accordingly, the potential impact on the Company's operations and assets could change if conditions worsen.

Next 100

The Next 100 is expected to deliver annualized incremental EBIT which will ramp up through 2025 and 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 be incorporated into our adjusted earnings measures in our quarterly reports. Further information on the Next 100 is provided in the Strategies section.

Long-term Reform of First Nations and Inuit Child and Family Services ("CFS Program Funding")

There continues to be a decrease in CFS Program Funding in 2025 compared to 2024 for certain First Nations and Inuit children programs, including programs that provide greater access to nutritious food, and there is uncertainty regarding how long the decrease in funding will last:

- 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 the First Nations Child and Family Services ("FNCFS") programs related to Jordan's Principle. This agreement is designed to provide predictable funding for services and benefits for Indigenous children, youth, young adults and families. 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, 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 in 2025 has decreased compared to 2024 pending the finalization of an agreement.

- On February 26, 2025, the Chiefs of Ontario, Nishnawbe Aski Nation and the Government of Canada signed an $8.5 billion agreement to reform the First Nations Child and Family Services Program in Ontario. The agreements on the long-term reform of the First Nations Child and Family Services Program is subject to final approvals and a motion before the Canadian Human Rights Tribunal to end its oversight over the First Nations Child and Family Services Program.

- On March 21, 2025, the Government of Canada announced that it would extend the funding for the Inuit Child First Initiative ("ICFI") until March 31, 2026 to support continued service delivery during this interim period while Canada and Inuit Partners work together on the development of a long-term approach for supporting Inuit children. However, beginning in late April 2025, ICFI funding for programs supporting access to nutritious food for Inuit children has been limited to individual, child-specific claims compared to the ICFI food voucher program in 2024 which provided broad access to nutritious food for Inuit children. This change is expected to continue to result in a reduction in the distribution of funding to Inuit children for nutritious food in 2025.

First Nations Claim Settlements

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

- The First Nations Drinking Water Settlement, which is comprised of approximately $2.0 billion in payments to individuals and impacted First Nations and $6.0 billion to support construction, upgrading, operation and maintenance of water infrastructure on First Nations land, impacts approximately 30 communities served by the Company's stores representing a portion of the total settlement. The Canadian Operations are expected to continue to be impacted by consumer demand arising from Drinking Water Settlement payments to individuals however, to a lesser degree than in 2024 as we compare against payments issued last year. It is expected that these settlement payments will continue to be issued through 2025 however, the amount and timing of the payments to individuals in the communities served by the Company's stores is uncertain.

- 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 the 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 determined based on individual circumstances. The application window for the first two classes of claims opened on March 10, 2025. On August 7, 2025, the Assembly of First Nations reported that 40,000 applications have been received to-date and that the distribution of compensation payments are expected to begin in the later part of 2025 however, the timing of these compensation payments is uncertain.

Other Factors

- In 2025, the Company expects that capital expenditures, net of expected proceeds from the promissory note receivable will be in the $145.0 million range (2024 - $131.0 million, net of $15.0 million in proceeds from the promissory note receivable). The timing and amount of store-based capital expenditures in 2025 are expected to continue to be impacted by the availability of building materials and labour shortages, in addition to other delays that can occur with remote location capital projects.

- On July 5, 2020, the Company sold 36 of its 46 Giant Tiger stores to Giant Tiger Stores Limited for cash consideration of $45.0 million payable in $15.0 million installments on the second, third and fourth anniversaries of the transaction closing date, and up to $22.5 million in contingent consideration based on achieving certain financial measures in 2024 and 2025. The total consideration recorded by the Company at the time of the transaction included $12.5 million in estimated contingent consideration in accordance with IFRS 9 - *Financial Instruments*. The amount of consideration is dependent on achieving certain financial measures which may result in the actual amount of contingent consideration being higher or lower than the amount estimated by the Company, including the possibility of no further consideration owing if certain financial measures are not met. Based on the financial measures achieved in 2024, $7.5 million of the $12.5 million contingent consideration recorded in accounts receivable was due in 2024. On April 29, 2025, the Company filed a Statement of Claim against Giant Tiger Stores Limited seeking damages of $7.5 million for breach of the asset purchase agreement for failing to pay the contingent cash consideration when due. The remaining $5.0 million of contingent consideration in accounts receivable is dependent upon the achievement of certain financial measures in 2025. Further information is provided in Note 21 to the Company's Condensed Consolidated Financial Statements.

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 2024 Annual Report and 2024 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

	Second Quarter		First Quarter		Fourth Quarter		Third Quarter	
	92 days	**92 days**	**89 days**	**90 days**	**92 days**	**92 days**	**92 days**	**92 days**
($ in millions, except per share)	**2025**	**2024**	**2025**	**2024**	**2024**	**2023**	**2024**	**2023**
Sales	**$ 647.0**	$ 646.5	$ 641.4	$ 617.5	$ 674.9	$ 643.1	$ 637.5	$ 616.9
EBITDA[(1)]	**85.2**	83.4	70.1	67.9	90.4	79.1	83.4	83.0
Earnings from operations	**55.2**	54.9	40.3	39.8	60.7	51.7	54.1	55.7
Net earnings	**37.6**	36.9	27.7	27.2	42.8	36.0	36.4	38.0
Net earnings attributable to shareholders of the Company	**36.1**	35.3	25.8	25.5	41.1	34.5	35.4	37.2
Net earnings per share:								
Basic	**0.75**	0.74	0.54	0.53	0.86	0.72	0.74	0.78
Diluted	**0.74**	0.73	0.53	0.53	0.85	0.71	0.72	0.77
Adjusted EBITDA[(1)]	**87.9**	88.4	78.0	70.8	92.8	83.7	88.4	87.2
Adjusted net earnings[(1)]	**39.6**	40.7	33.6	29.4	44.6	39.5	40.1	41.4

(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 July 31, 2025 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 2024 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.

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.

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 are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The adoption is not expected to have a material impact on the Company's consolidated financial statements.

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:

	Consolidated			
	Second Quarter		Year-to-Date	
($ in thousands)	**2025**	2024	**2025**	2024
Earnings from operations (EBIT)	**$ 55,170**	$ 54,881	**$ 95,486**	$ 94,703
Add: Amortization	**29,982**	28,532	**59,729**	56,618
EBITDA	**$ 85,152**	$ 83,413	**$ 155,215**	$ 151,321
Adjusted for:				
Share-based compensation expense (1)	**1,071**	5,014	**6,860**	7,900
The Next 100 one-time costs (2)	**1,654**	—	**3,769**	—
Adjusted EBITDA	**$ 87,877**	$ 88,427	**$ 165,844**	$ 159,221

	Canadian	
	Second Quarter	
($ in thousands)	**2025**	2024
Earnings from operations (EBIT)	**$ 37,416**	$ 36,688
Add: Amortization	**19,571**	18,887
EBITDA	**$ 56,987**	$ 55,575
Adjusted for:		
Share-based compensation expense (1)	**909**	4,104
The Next 100 one-time costs (2)	**1,032**	—
Adjusted EBITDA	**$ 58,928**	$ 59,679

(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.

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

	International (Stated in U.S. dollars)	
	Second Quarter	
($ in thousands)	**2025**	2024
Earnings from operations (EBIT)	**$ 12,897**	$ 13,310
Add: Amortization	**7,582**	7,046
EBITDA	**$ 20,479**	$ 20,356
Adjusted for:		
Share-based compensation expense (1)	**129**	666
The Next 100 one-time costs (2)	**452**	—
Adjusted EBITDA	**$ 21,060**	$ 21,022

Reconciliation of consolidated net earnings to adjusted net earnings:

	Consolidated			
	Second Quarter		Year-to-Date	
($ in thousands)	**2025**	2024	**2025**	2024
Net earnings	**$ 37,600**	$ 36,897	**$ 65,344**	$ 64,052
Adjusted for:				
Share-based compensation expense, net of tax (1)	**844**	3,776	**5,145**	6,039
The Next 100 one-time costs, net of tax (2)	**1,204**	—	**2,748**	—
Adjusted net earnings	**$ 39,648**	$ 40,673	**$ 73,237**	$ 70,091

(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.

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Unless otherwise stated, this Management's Discussion & Analysis ("MD&A") is based on the financial information included in the Company's 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 September 8, 2025.

Forward-Looking Statements

This Quarterly Report, including Management's Discussion & Analysis ("MD&A"), contains forward-looking statements about the Company, including its business operations, strategy, 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 2024 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 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 2024 Annual Report and in the Risk Factors sections of the Annual Information Form and 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)	**July 31, 2025**	July 31, 2024	January 31, 2025
CURRENT ASSETS			
Cash	**$ 68,506**	$ 86,994	$ 67,385
Accounts receivable (Note 5)	**111,735**	104,273	119,023
Inventories (Note 6)	**373,933**	328,273	342,397
Prepaid expenses	**27,502**	26,934	21,463
	581,676	546,474	550,268
NON-CURRENT ASSETS			
Property and equipment	**715,626**	663,517	719,771
Right-of-use assets	**114,247**	116,856	118,194
Promissory note receivable (Note 21)	**—**	4,860	—
Goodwill	**51,777**	51,735	53,679
Intangible assets	**27,334**	27,284	28,226
Deferred tax assets	**26,944**	19,538	19,055
Other assets	**36,006**	31,804	38,312
	971,934	915,594	977,237
TOTAL ASSETS	**$ 1,553,610**	$ 1,462,068	$ 1,527,505
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	**$ 255,283**	$ 219,017	$ 250,175
Current portion of long-term debt (Note 10)	**—**	277	—
Current portion of lease liabilities (Note 11)	**19,905**	20,576	20,848
Income tax payable (Note 14)	**7,058**	6,059	3,831
	282,246	245,929	274,854
NON-CURRENT LIABILITIES			
Long-term debt (Note 10)	**315,421**	319,479	295,776
Lease liabilities (Note 11)	**103,094**	104,244	105,558
Defined benefit plan obligation (Note 20)	**20,194**	17,400	20,855
Deferred tax liabilities	**12,459**	12,080	12,972
Other long-term liabilities	**23,425**	21,951	22,776
	474,593	475,154	457,937
TOTAL LIABILITIES	**756,839**	721,083	732,791
SHAREHOLDERS' EQUITY			
Share capital (Note 8)	**179,943**	179,218	179,819
Contributed surplus	**5,388**	4,827	5,744
Retained earnings	**549,466**	490,179	529,916
Accumulated other comprehensive income	**41,167**	41,756	56,527
Equity attributable to The North West Company Inc.	**775,964**	715,980	772,006
Non-controlling interests	**20,807**	25,005	22,708
TOTAL EQUITY	**796,771**	740,985	794,714
TOTAL LIABILITIES & EQUITY	**$ 1,553,610**	$ 1,462,068	$ 1,527,505

See accompanying notes to condensed consolidated financial statements.

Condensed Consolidated Statements of Earnings

(unaudited, $ in thousands, except per share amounts)	**Three Months Ended July 31, 2025**	Three Months Ended July 31, 2024	**Six Months Ended July 31, 2025**	Six Months Ended July 31, 2024
SALES	**$ 646,977**	$ 646,487	**$ 1,288,346**	$ 1,264,006
Cost of sales	**(427,043)**	(426,731)	**(854,439)**	(844,621)
Gross profit	**219,934**	219,756	**433,907**	419,385
Selling, operating and administrative expenses (Notes 12, 18)	**(164,764)**	(164,875)	**(338,421)**	(324,682)
Earnings from operations	**55,170**	54,881	**95,486**	94,703
Interest expense (Note 13)	**(4,326)**	(4,348)	**(8,195)**	(8,673)
Earnings before income taxes	**50,844**	50,533	**87,291**	86,030
Income taxes (Note 14)	**(13,244)**	(13,636)	**(21,947)**	(21,978)
NET EARNINGS FOR THE PERIOD	**$ 37,600**	$ 36,897	**$ 65,344**	$ 64,052
NET EARNINGS ATTRIBUTABLE TO				
The North West Company Inc.	**$ 36,094**	$ 35,300	**$ 61,929**	$ 60,827
Non-controlling interests	**1,506**	1,597	**3,415**	3,225
TOTAL NET EARNINGS	**$ 37,600**	$ 36,897	**$ 65,344**	$ 64,052
NET EARNINGS PER SHARE				
Basic	**$ 0.75**	$ 0.74	**$ 1.29**	$ 1.27
Diluted	**$ 0.74**	$ 0.73	**$ 1.27**	$ 1.26
WEIGHTED-AVERAGE NUMBER OF SHARES OUTSTANDING (000's)				
Basic	**47,909**	47,759	**47,895**	47,739
Diluted	**48,784**	48,453	**48,773**	48,434

See accompanying notes to condensed consolidated financial statements.

Condensed Consolidated Statements of Comprehensive Income

(unaudited, $ in thousands)	**Three Months Ended July 31, 2025**	Three Months Ended July 31, 2024	**Six Months Ended July 31, 2025**	Six Months Ended July 31, 2024
NET EARNINGS FOR THE PERIOD	**$ 37,600**	$ 36,897	**$ 65,344**	$ 64,052
Other comprehensive income, net of tax:				
Items that may be reclassified to net earnings:				
Exchange differences on translation of foreign controlled subsidiaries	**409**	2,748	**(16,307)**	9,629
Items that will not be subsequently reclassified to net earnings:				
Remeasurements of defined benefit plans (Note 20)	**2,998**	—	**73**	2,047
Total other comprehensive income/(loss), net of tax	**3,407**	2,748	**(16,234)**	11,676
COMPREHENSIVE INCOME FOR THE PERIOD	**$ 41,007**	$ 39,645	**$ 49,110**	$ 75,728
OTHER COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO				
The North West Company Inc.	**$ 3,355**	$ 2,552	**$ (15,287)**	$ 10,977
Non-controlling interests	**52**	196	**(947)**	699
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)	**$ 3,407**	$ 2,748	**$ (16,234)**	$ 11,676
COMPREHENSIVE INCOME ATTRIBUTABLE TO				
The North West Company Inc.	**$ 39,449**	$ 37,852	**$ 46,642**	$ 71,804
Non-controlling interests	**1,558**	1,793	**2,468**	3,924
TOTAL COMPREHENSIVE INCOME	**$ 41,007**	$ 39,645	**$ 49,110**	$ 75,728

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, 2025	$ 179,819	$ 5,744	$ 529,916	$ 56,527	$ 772,006	$ 22,708	$ 794,714
Net earnings for the period	—	—	61,929	—	61,929	3,415	65,344
Other comprehensive income/(loss)	—	—	73	(15,360)	(15,287)	(947)	(16,234)
Comprehensive income/(loss)	—	—	62,002	(15,360)	46,642	2,468	49,110
Shares purchased and cancelled (Note 8)	(330)	—	(4,146)	—	(4,476)	—	(4,476)
Equity settled share-based payments, net of tax	(118)	216	—	—	98	—	98
Dividends (Note 9)	—	—	(38,306)	—	(38,306)	(4,369)	(42,675)
Issuance of shares (Note 8)	572	(572)	—	—	—	—	—
	124	(356)	(42,452)	—	(42,684)	(4,369)	(47,053)
Balance at July 31, 2025	**$ 179,943**	**$ 5,388**	**$ 549,466**	**$ 41,167**	**$ 775,964**	**$ 20,807**	**$ 796,771**
Balance at January 31, 2024	$ 177,951	$ 9,359	$ 464,556	$ 32,826	$ 684,692	$ 21,081	$ 705,773
Net earnings for the period	—	—	60,827	—	60,827	3,225	64,052
Other comprehensive income	—	—	2,047	8,930	10,977	699	11,676
Comprehensive income	—	—	62,874	8,930	71,804	3,924	75,728
Equity settled share-based payments, net of tax	162	(3,499)	—	—	(3,337)	—	(3,337)
Dividends (Note 9)	—	—	(37,251)	—	(37,251)	—	(37,251)
Issuance of shares (Note 8)	1,105	(1,033)	—	—	72	—	72
	1,267	(4,532)	(37,251)	—	(40,516)	—	(40,516)
Balance at July 31, 2024	$ 179,218	$ 4,827	$ 490,179	$ 41,756	$ 715,980	$ 25,005	$ 740,985

(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 July 31, 2025**	Three Months Ended July 31, 2024	**Six Months Ended July 31, 2025**	Six Months Ended July 31, 2024
CASH FROM (USED IN):				
Operating activities				
Net earnings for the period	**$ 37,600**	$ 36,897	**$ 65,344**	$ 64,052
Adjustments for:				
Amortization (Note 18)	**29,982**	28,532	**59,729**	56,618
Provision for income taxes (Note 14)	**13,244**	13,636	**21,947**	21,978
Interest expense (Note 13)	**4,326**	4,348	**8,195**	8,673
Equity settled share-based compensation, net of tax (Note 15)	**414**	(3,263)	**98**	(3,337)
Taxes paid	**(19,283)**	(14,367)	**(27,666)**	(23,179)
(Gain)/Loss on disposal of property and equipment	**429**	12	**(46)**	23
	66,712	65,795	**127,601**	124,828
Change in non-cash working capital (Note 7)	**(18,574)**	(23,527)	**(26,517)**	(29,379)
Change in other non-cash items	**(4,052)**	5,906	**268**	1,249
Cash from operating activities	**44,086**	48,174	**101,352**	96,698
Investing activities				
Purchase of property and equipment	**(30,839)**	(34,997)	**(51,384)**	(52,258)
Intangible asset additions	**(2,976)**	(1,894)	**(5,160)**	(2,177)
Proceeds from disposal of property and equipment	**28**	307	**1,230**	338
Proceeds from promissory note receivable	**—**	15,000	**—**	15,000
Cash used in investing activities	**(33,787)**	(21,584)	**(55,314)**	(39,097)
Financing activities				
Net increase in long-term debt (Note 10)	**21,380**	9,111	**24,099**	34,473
Payment of lease liabilities, principal	**(5,435)**	(7,564)	**(11,047)**	(13,197)
Payment of lease liabilities, interest	**(1,364)**	(1,346)	**(2,743)**	(2,675)
Dividends (Note 9)	**(19,150)**	(18,640)	**(38,306)**	(37,251)
Dividends to non-controlling interests (Note 9)	**(4,369)**	—	**(4,369)**	—
Interest paid	**(2,756)**	(3,110)	**(5,968)**	(6,814)
Net issuance of common shares	**—**	—	**—**	72
Common shares purchased and cancelled (Note 8)	**(4,476)**	—	**(4,476)**	—
Cash used in financing activities	**(16,170)**	(21,549)	**(42,810)**	(25,392)
Effect of foreign exchange rates on cash	**92**	373	**(2,107)**	1,426
NET CHANGE IN CASH	**(5,779)**	5,414	**1,121**	33,635
Cash, beginning of period	**74,285**	81,580	**67,385**	53,359
CASH, END OF PERIOD	**$ 68,506**	$ 86,994	**$ 68,506**	$ 86,994

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 September 8, 2025.

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 2024 Annual Report 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 2024 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 2024 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.

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.

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 are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The adoption is not expected to have a material impact on the Company's consolidated financial statements.

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, Canada 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 July 31, 2025	Three Months Ended July 31, 2024	**Six Months Ended July 31, 2025**	Six Months Ended July 31, 2024
Sales				
Canada				
Food	**$ 245,581**	$ 250,390	**$ 486,385**	$ 486,672
General merchandise and other	**122,734**	116,255	**244,278**	235,213
Canada	**$ 368,315**	$ 366,645	**$ 730,663**	$ 721,885
International				
Food	**$ 257,148**	$ 254,749	**$ 515,827**	$ 497,504
General merchandise and other	**21,514**	25,093	**41,856**	44,617
International	**$ 278,662**	$ 279,842	**$ 557,683**	$ 542,121
Consolidated	**$ 646,977**	$ 646,487	**$ 1,288,346**	$ 1,264,006
Earnings before amortization, interest and income taxes				
Canada	**$ 56,987**	$ 55,575	**$ 101,295**	$ 100,943
International	**28,165**	27,838	**53,920**	50,378
Consolidated	**$ 85,152**	$ 83,413	**$ 155,215**	$ 151,321
Earnings from operations				
Canada	**$ 37,416**	$ 36,688	**$ 62,451**	$ 63,391
International	**17,754**	18,193	**33,035**	31,312
Consolidated	**$ 55,170**	$ 54,881	**$ 95,486**	$ 94,703

4. SEGMENTED INFORMATION (continued)

Supplemental information

	July 31, 2025	July 31, 2024	January 31, 2025
Assets			
Canada [1]	**$ 954,731**	$ 884,465	$ 914,178
International [1]	**598,879**	577,603	613,327
Consolidated	**$ 1,553,610**	$ 1,462,068	$ 1,527,505

(1) Canadian total assets includes goodwill of $11,025 (July 31, 2024 – $11,025; January 31, 2025 – $11,025); International total assets includes goodwill of $40,752 (July 31, 2024 – $40,710; January 31, 2025 – $42,654).

	Three Months Ended July 31, 2025		Three Months Ended July 31, 2024		**Six Months Ended July 31, 2025**		Six Months Ended July 31, 2024	
	Canada	**International**	Canada	International	**Canada**	**International**	Canada	International
Purchase of property and equipment	**$ 24,263**	**$ 6,576**	$ 25,333	$ 9,664	**$ 36,618**	**$ 14,766**	$ 38,353	$ 13,905
Amortization	**$ 19,571**	**$ 10,411**	$ 18,887	$ 9,645	**$ 38,844**	**$ 20,885**	$ 37,552	$ 19,066

5. ACCOUNTS RECEIVABLE

	July 31, 2025	July 31, 2024	January 31, 2025
Trade accounts receivable	**$ 83,789**	$ 89,565	$ 88,161
Corporate and other accounts receivable[1]	**39,527**	27,688	43,537
Less: allowance for doubtful accounts	**(11,581)**	(12,980)	(12,675)
Total	**$ 111,735**	$ 104,273	$ 119,023

(1) At July 31, 2025, Corporate and other accounts receivable includes $12,500 of the promissory note receivable (July 31, 2024 – $7,500). 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.

6. INVENTORIES

Inventories, which include aviation-related parts of $11,397 at July 31, 2025 (July 31, 2024 – $13,898; January 31, 2025 – $10,591), 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 July 31, 2025, the Company recorded $94 (three months ended July 31, 2024 – $412) for the write-down of period end inventories as a result of net realizable value being lower than cost. For the six months ended July 31, 2025, the Company recorded $836 (six months ended July 31, 2024 - $1,316) for the write-down of period end inventories as a result of net realizable value being lower than cost. There was no reversal of inventories written down previously that are no longer estimated to sell below cost during the six months ended July 31, 2025 or 2024.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. CHANGE IN NON-CASH WORKING CAPITAL

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

	Three Months Ended July 31, 2025	Three Months Ended July 31, 2024	**Six Months Ended July 31, 2025**	Six Months Ended July 31, 2024
Change in:				
Accounts receivable	**(2,054)**	(11,247)	**6,424**	2,905
Inventories	**(30,040)**	(2,982)	**(38,642)**	(10,649)
Prepaid expenses	**(8,658)**	(4,247)	**(6,305)**	(12,241)
Accounts payable and accrued liabilities	**19,965**	(4,934)	**10,005**	(11,223)
Other	**2,213**	(117)	**2,001**	1,829
Change in non-cash working capital	**$ (18,574)**	$ (23,527)	**$ (26,517)**	$ (29,379)

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.

July 31, 2025	**Shares**	**Consideration**
Balance at January 31, 2025	**47,871,258**	**$ 180,254**
Purchased and cancelled[1]	**(91,406)**	**(330)**
Issued under share-based compensation plans (Note 15)	**63,398**	**572**
Balance at July 31, 2025	**47,843,250**	**$ 180,496**
Shares held in trust, January 31, 2025	**(123,834)**	**$ (435)**
Purchased for future settlement of PSUs	**(64,695)**	**(239)**
Released for settlement of PSUs (Note 15)	**32,035**	**121**
Shares held in trust, July 31, 2025	**(156,494)**	**$ (553)**
Issued and outstanding, net of shares held in trust, July 31, 2025[2]	**47,686,756**	**$ 179,943**

July 31, 2024		
Balance at January 31, 2024	47,711,467	$ 178,409
Issued under share-based compensation plans (Note 15)	90,870	1,105
Balance at July 31, 2024	47,802,337	$ 179,514
Shares held in trust, January 31, 2024	(129,452)	$ (458)
Purchased for future settlement of PSUs	(40,000)	(142)
Released for settlement of PSUs (Note 15)	84,543	304
Shares held in trust, July 31, 2024	(84,909)	$ (296)
Issued and outstanding, net of shares held in trust, July 31, 2024[2]	47,717,428	$ 179,218

(1) Variable voting shares and common voting shares purchased pursuant to NCIB program. The Company records shares repurchased on a transaction date basis.
(2) At July 31, 2025, there were 17,024,845 (July 31, 2024 - 18,888,843) Variable Voting Shares representing 35.6% (July 31, 2024 - 39.5%) of the total shares issued and outstanding.

8. SHARE CAPITAL (continued)

Normal Course Issuer Bid

On November 19, 2024, 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 4,765,289 of its shares, or approximately 10% of its float for cancellation over the following 12 months. During the six months ended July 31, 2025, the Company purchased 91,406 common shares having a book value of $330 for cash consideration of $4,476. The excess of the purchase price over the book value of the shares of $4,146 was charged to retained earnings. All shares purchased were cancelled. There were no shares purchased under the NCIB for the six months ended July 31, 2024.

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 July 31, 2025	Three Months Ended July 31, 2024	**Six Months Ended July 31, 2025**	Six Months Ended July 31, 2024
Dividends recorded in equity and paid in cash	**$ 23,519**	$ 18,640	**$ 42,675**	$ 37,251
Less: Dividends paid to non-controlling interests	**(4,369)**	—	**(4,369)**	—
Shareholder dividends	**$ 19,150**	$ 18,640	**$ 38,306**	$ 37,251
Dividends per share	**$ 0.40**	$ 0.39	**$ 0.80**	$ 0.78

The payment of dividends on the Company's shares is subject to the approval of the Board of Directors and is based upon, among other factors, the financial performance of the Company, its current and anticipated future business needs, and the satisfaction of solvency tests imposed by the CBCA for the declaration of dividends. Dividends are recognized as a liability in the consolidated financial statements in the period in which they are approved by the Board of Directors (Note 22).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10. LONG-TERM DEBT

	July 31, 2025	July 31, 2024	January 31, 2025
Current:			
Promissory note payable (6)	**$ —**	$ 277	$ —
Non-current:			
Revolving loan facility (1)	**$ —**	$ 11,871	$ —
Revolving loan facilities (2)	**—**	—	—
Revolving loan facilities (3)	**118,683**	111,000	94,531
Senior notes (4)	**96,738**	96,608	101,245
Senior notes (5)	**100,000**	100,000	100,000
	$ 315,421	$ 319,479	$ 295,776
Total	**$ 315,421**	$ 319,756	$ 295,776

(1) The committed, revolving U.S. loan facility provides the International Operations with up to US$50,000 for working capital requirements and general business purposes. This facility matures January 25, 2028, bears a floating rate of interest based on SOFR plus a spread and is secured by certain accounts receivable and inventories of the International Operations. As at July 31, 2025, the International Operations had drawn US$NIL (July 31, 2024 – US$8,587; January 31, 2025 – US$NIL) on this facility.

(2) The US$52,000 loan facilities mature March 1, 2027 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 $400,000 Canadian Operations loan facilities. At July 31, 2025, the Company had drawn US$NIL (July 31, 2024 – US$NIL; January 31, 2025 – US$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. The 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 mature March 1, 2027 and 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.

(6) The promissory note payable is non-interest bearing, has annual principal payments and is secured by certain assets of the Company.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 July 31, 2025, lease liabilities reflect a weighted-average risk-free rate of 4.5% (July 31, 2024 – 4.4%; January 31, 2025 – 4.4%) and weighted-average remaining lease term of 9.6 years (July 31, 2024 – 10.2 years; January 31, 2025 – 9.9 years).

12. EMPLOYEE COSTS

	Three Months Ended July 31, 2025	Three Months Ended July 31, 2024	**Six Months Ended July 31, 2025**	Six Months Ended July 31, 2024
Wages, salaries and benefits including bonus	**$ 90,832**	$ 87,898	**$ 180,708**	$ 173,850
Post-employment benefits (Note 20)	**2,376**	2,074	**5,134**	4,807
Share-based compensation (Note 15)	**1,071**	5,014	**6,860**	7,900
Total	**$ 94,279**	$ 94,986	**$ 192,702**	$ 186,557

13. INTEREST EXPENSE

	Three Months Ended July 31, 2025	Three Months Ended July 31, 2024	**Six Months Ended July 31, 2025**	Six Months Ended July 31, 2024
Interest on long-term debt	**$ 2,945**	$ 3,108	**$ 5,611**	$ 6,207
Interest on lease liabilities	**1,364**	1,346	**2,743**	2,675
Net interest on defined benefit plan obligation	**17**	61	**33**	121
Interest imputed on promissory note receivable (Note 21)	**—**	(153)	**(68)**	(302)
Interest capitalized	**—**	(14)	**(124)**	(28)
Total	**$ 4,326**	$ 4,348	**$ 8,195**	$ 8,673

14. INCOME TAXES

The estimated effective income tax rate for the three months ended July 31, 2025 is 26.0% (three months ended July 31, 2024 – 27.0%) and for the six months ended July 31, 2025 is 25.1% (six months ended July 31, 2024 – 25.5%). 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 $616 for the three months ended July 31, 2025 (three months ended July 31, 2024 - $1,000) and $1,486 for the six months ended July 31, 2025 (six months ended July 31, 2024 – $1,000).

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 ("DDSUs"); Executive Deferred Share Units ("EDSUs") and an Employee Share Purchase Plan. The purpose of these plans is to directly align the interests of the participants and the shareholders of the Company by providing compensation that is dependent on the performance of the Company's shares.

The total expense relating to share-based compensation plans for the three months ended July 31, 2025 is $1,071 (three months ended July 31, 2024 – $5,014) and $6,860 for the six months ended July 31, 2025 (six months ended July 31, 2024 - $7,900). 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:

	July 31, 2025	July 31, 2024	January 31, 2025
Accounts payable and accrued liabilities	**$ 1,759**	$ 1,691	$ 2,750
Other long-term liabilities	**14,342**	12,690	14,476
Contributed surplus	**10,668**	9,461	9,901
Total	**$ 26,769**	$ 23,842	$ 27,127

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 July 31, 2025 are $1,466 (three months ended July 31, 2024 – $1,935) and $3,805 for the six months ended July 31, 2025 (six months ended July 31, 2024 - $3,341).

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 July 31, 2025, there were no PSUs (three months ended July 31, 2024 – 18,812) partially settled by releasing shares from the employee trust (three months ended July 31, 2024 – 9,325). For the six months ended July 31, 2025, there were 65,313 PSUs (six months ended July 31, 2024 – 164,249) partially settled by releasing 32,035 shares (six months ended July 31, 2024 – 84,543) from the employee trust.

For the six months ended July 31, 2025, there were 3,349 PSUs (six months ended July 31, 2024 – 13,631) partially settled by releasing 3,349 shares issued from treasury (six months ended July 31, 2024 – 6,743). The total number of PSUs outstanding at July 31, 2025 that may be settled in treasury shares is 387,889 (July 31, 2024 – 305,025).

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 Share Option Plan affords the Board of Directors the discretion to either award Standard Options or to award options giving the holder the choice, upon exercise, to either deduct a portion of all dividends declared after the grant date from the options exercise price or to exercise the option at the strike price specified at the grant date (Declining Strike Price Options). Each option is exercisable into one share of the Company at the price specified in the terms of the option. Declining Strike Price ("DSP") Options allow the employee to acquire shares or receive a cash payment based on the excess of the fair market value of the Company's shares over the exercise price. No DSP Options have been issued since 2017 and all options issued subsequently have been standard options.

The grant date fair value of the Standard Options is recognized in net earnings and contributed surplus over the vesting period. The fair value of the DSP Options was remeasured at the reporting date and was recognized both in net earnings and as a liability over the vesting period. At July 31, 2025 and 2024, there were no outstanding DSP Options.

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 July 31, 2025. 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 July 31, 2025 are $395 (three months ended July 31, 2024 – $551) and for the six months ended July 31, 2025 are $782 (six months ended July 31, 2024 - $1,219).

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

		July 31, 2025		July 31, 2024
Fair value of options granted	**$**	**10.31**	$	7.24
Exercise price	**$**	**54.39**	$	39.04
Dividend yield		**3.4 %**		4.0%
Annual risk-free interest rate		**2.7 %**		3.5%
Expected share price volatility		**26.4 %**		26.1%

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.

15. SHARE-BASED COMPENSATION (continued)

The following continuity schedules reconcile the movement in outstanding options during the six months ended July 31:

Number of options outstanding	Declining Strike Price Options		Standard Options	
	July 31, 2025	July 31, 2024	**July 31, 2025**	July 31, 2024
Outstanding options, beginning of period	**—**	50,558	**1,128,718**	1,351,692
Granted	**—**	—	**161,328**	230,334
Exercised	**—**	(50,558)	**(140,532)**	(266,623)
Forfeited or cancelled	**—**	—	**—**	(3,550)
Outstanding options, end of period	**—**	—	**1,149,514**	1,311,853
Exercisable at end of period	**—**	—	**639,876**	729,867

Weighted-average exercise price	Declining Strike Price Options		Standard Options	
	July 31, 2025	July 31, 2024	**July 31, 2025**	July 31, 2024
Outstanding options, beginning of period	**$ —**	$ 27.24	**$ 34.97**	$ 32.80
Granted	**—**	—	**54.39**	39.03
Exercised	**—**	27.05	**30.23**	29.35
Forfeited or cancelled	**—**	—	**—**	35.66
Outstanding options, end of period	**$ —**	$ —	**$ 38.27**	$ 34.59
Exercisable at end of period	**$ —**	$ —	**$ 34.15**	$ 32.01

Options outstanding at July 31, 2025 have an exercise price range of $28.13 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.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. SHARE-BASED COMPENSATION (continued)

Compensation expense is initially measured at the time of the grant. Subsequent changes in the fair value of the DDSUs based on changes in the market value of the Company's shares are recognized at each reporting date. The DDSU plan compensation costs recorded for the three months ended July 31, 2025 are a recovery of $850 (three months ended July 31, 2024 – expense of $2,223) and an expense of $1,538 for the six months ended July 31, 2025 (six months ended July 31, 2024 - expense of $2,511). The total number of DDSUs outstanding at July 31, 2025 is 249,337 (July 31, 2024 – 233,473). There were 16,893 DDSUs exercised in cash during the six months ended July 31, 2025 (six months ended July 31, 2024 - 60,007).

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 July 31, 2025 are a recovery of $147 (three months ended July 31, 2024 – expense of $125) and for the six months ended July 31, 2025 are an expense of $36 (six months ended July 31, 2024 - expense of $135).

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 July 31, 2025 are $207 (three months ended July 31, 2024 – $180) and for the six months ended July 31, 2025 are $699 (six months ended July 31, 2024 - $694).

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 July 31, 2025 are set out below:

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

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

18. EXPENSES BY NATURE

	Three Months Ended July 31, 2025	Three Months Ended July 31, 2024	**Six Months Ended July 31, 2025**	Six Months Ended July 31, 2024
Employee costs (Note 12)	**$ 94,279**	$ 94,986	**$ 192,702**	$ 186,557
Amortization	**29,982**	28,532	**59,729**	56,618
Operating lease rentals	**1,377**	1,336	**2,737**	2,693

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 July 31, 2025. 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	$ 68,506	$ 68,506
Accounts receivable(1)	Short-term	111,735	111,735
Other financial assets	Long-term	1,869	1,869
Accounts payable and accrued liabilities	Short-term	(253,524)	(253,524)
Long-term debt	Long-term	(315,421)	(302,391)

(1) At July 31, 2025, $12,500 of the promissory note receivable due within the next 12 months is included in accounts receivable (July 31, 2024 – $7,500). 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.
- The carrying value of the promissory note receivable is a reasonable approximation of fair value. The fair value is estimated by calculating the present value of the future expected cash flows.

20. POST-EMPLOYMENT BENEFITS

A remeasurement of the defined benefit pension plan assets and liabilities was performed for the three months ended July 31, 2025 and the Company recorded a net actuarial gain of $2,998, net of tax (three months ended July 31, 2024 - $NIL). For the six months ended July 31, 2025, the Company recorded a net actuarial gain of $73, net of tax (six months ended July 31, 2024 - net actuarial gain of $2,047, 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 4.9% (July 31, 2024 – 5.2%; January 31, 2025 – 4.6%).

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. 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. For the period ended July 31, 2025, the Company recognized interest income of $68 (July 31, 2024 - $302) on the promissory note receivable. The promissory note receivable has an estimated fair value of $12,500 (July 31, 2024 - $12,360) of which $12,500 (July 31, 2024 - $7,500) has been reclassified to accounts receivable. Based on the financial measures achieved in 2024, $7,500 of the promissory note receivable was due in 2024. On April 29, 2025, the Company filed a Statement of Claim against Giant Tiger Stores Limited seeking damages of $7,500 for breach of the asset purchase agreement for failing to pay the contingent cash consideration when due. The remaining $5,000 of the $12,500 contingent consideration recorded in accounts receivable is dependent upon the achievement of certain financial measures in 2025.

22. SUBSEQUENT EVENTS

Dividends

On September 8, 2025, the Board of Directors declared a dividend of $0.41 per share payable October 15, 2025 to shareholders of record on September 29, 2025.