



The North West Company is a leading retailer of food and everyday products and services to rural communities and urban neighbourhoods in Canada, Alaska, the South Pacific and the Caribbean.

NEWS RELEASE - FOR IMMEDIATE RELEASE

The North West Company Inc. Announces Third Quarter Earnings and a Quarterly Dividend

Winnipeg, Manitoba, December 9, 2025 (TSX: NWC): The North West Company Inc. (the "Company" or "North West") today reported its unaudited financial results for the third quarter ended October 31, 2025. It also announced that the Board of Directors has declared a quarterly dividend of \$0.41 to shareholders of record on December 31, 2025, to be paid on January 15, 2026.

"Our third-quarter performance demonstrates the underlying strength of our business model, even within a softer sales environment from less money in market, with results driven by margin improvements unlocked through our Next 100 initiative and lower expenses which contributed to delivering double-digit earnings growth," said Dan McConnell, President & CEO. "We are encouraged by the contributions from our Next 100 work and the continuing value it is delivering to customers and shareholders".

Financial Highlights

Sales Third quarter consolidated sales decreased 0.5% to \$634.3 million compared to \$637.5 million last year due to a decrease in Canadian Operations same store sales which were partially offset by the impact of foreign exchange on the translation of International Operations sales and sales from new stores. Same store sales decreased 1.7%¹ compared to a 4.0% sales gain in the third quarter last year due to a 2.8% decrease in same store sales in Canadian Operations which were negatively impacted by a decrease in funding to individuals from Inuit Child First and Jordan's Principle programs. International Operations same store sales were flat to last year as an increase in food sales offset lower general merchandise sales.

Gross Profit Gross profit increased 1.4% to \$217.1 million compared to \$214.1 million last year due to a 64 basis point increase in gross profit rate. The increase in the gross profit rate is due to changes in sales blend and the positive impact from our Next 100 work, including refinements of our merchandise assortment and procurement.

Selling, Operating and Administrative Expenses Selling, operating and administrative expenses ("Expenses") decreased \$1.6 million or 1.0% compared to last year and were down 13 basis points as a percentage to sales. The decrease in Expenses is largely due to a \$3.3 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. The impact of \$1.3 million in one-time costs for professional fees related to the execution of the Next 100 strategy were offset by Next 100 gross profit factors, store labour productivity gains and other cost savings initiatives. Excluding the impact of share-based compensation and Next 100-related one-time costs, Expenses increased \$0.3 million or 0.2% compared to last year and were up 17 basis points as a percentage to sales.

Earnings From Operations Earnings from operations ("EBIT") increased 8.5% to \$58.7 million compared to \$54.1 million last year, and earnings before interest, income taxes, depreciation and amortization ("EBITDA²") increased 6.5% to \$88.9 million compared to \$83.4 million last year due to the sales, gross profit and Expense factors previously noted. Adjusted EBITDA², which excludes the impact of share-based compensation and Next 100-related one-time costs, increased \$3.5 million or 3.9% to \$91.9 million compared to \$88.4 million last year and as a percentage to sales was 14.5% compared to 13.9% last year.

¹ Excluding the impact of foreign exchange

² See Non-GAAP Measures Section of the news release

Interest Expense Interest expense decreased 7.4% to \$4.6 million due to changes in interest rates and average debt compared to last year.

Income Tax Expense Income tax expense increased to \$13.1 million compared to \$12.8 million last year as the impact of higher earnings was partially offset by a decrease in the effective tax rate to 24.2% compared to 26.0% last year. The decrease in the effective tax rate is due to changes in tax estimates, the blend of earnings across the various tax rate jurisdictions and the taxation of share-based compensation.

Net Earnings Net earnings increased 12.9% to \$41.1 million compared to net earnings of \$36.4 million last year. Net earnings attributable to shareholders were \$40.1 million and diluted earnings per share were \$0.82 per share compared to \$0.72 per share last year. Adjusted net earnings², which excludes the after-tax impact of share-based compensation and Next 100-related one-time costs, increased \$3.2 million or 8.1% to \$43.3 million due to the sales, gross profit, Expense, interest and income tax expense factors previously noted.

Non-GAAP Financial 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.

¹ Excluding the impact of foreign exchange

² See Non-GAAP Measures Section of the news release

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

(\$ in thousands)	Third Quarter	
	2025	2024
Earnings from operations (EBIT)	\$ 58,709	\$ 54,102
Add: Amortization	30,172	29,343
EBITDA	\$ 88,881	\$ 83,445
Adjusted for:		
Share-based compensation expense ⁽¹⁾	1,723	4,974
The Next 100 one-time costs ⁽²⁾	1,299	—
Adjusted EBITDA	\$ 91,903	\$ 88,419

Reconciliation of consolidated net earnings to adjusted net earnings:

(\$ in thousands)	Third Quarter	
	2025	2024
Net earnings	\$ 41,073	\$ 36,395
Adjusted for:		
Share-based compensation expense, net of tax ⁽¹⁾	1,326	3,705
The Next 100 one-time costs, net of tax ⁽²⁾	934	—
Adjusted net earnings	\$ 43,333	\$ 40,100

(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.

(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 of the 2025 third quarter Report to Shareholders.

Further information on the financial results is available in the Company's 2025 third quarter Report to Shareholders, Management's Discussion and Analysis and unaudited interim period condensed consolidated financial statements which can be found in the investor section of the Company's website at www.northwest.ca.

Third Quarter Conference Call

North West will host a conference call for its third quarter results on December 10, 2025 at 8:00 a.m. (Central Time).

Conference call link: https://register-conf.media_server.com/register/Ble081f07f34ee4a12bfa5fc7253f3a986

Register ahead of time to receive a unique PIN to access the conference call via telephone. Once registered, participants can dial into the conference call from their telephone via the unique PIN or click on the "Call Me" option to receive an automated call directly on their telephone.

Webcast link: <https://edge.media-server.com/mmc/p/a39bbant>

The conference call will be archived and available until December 10, 2026 at <https://www.northwest.ca/investors/conference-calls>

1 Excluding the impact of foreign exchange

2 See Non-GAAP Measures Section of the news release

Notice to Readers

Certain forward-looking statements are made in this news release, within the meaning of applicable securities laws. The forward-looking statements about North West including its business operations, strategy, expected financial performance and condition, and legal matters. Specific forward-looking statements in this press release 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 press release 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 press release and the Company's 2024 Annual Report and 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 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 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 limitation, the Risk Factors sections of the 2024 Annual Report and Annual Information Form, and in our most recent consolidated financial statements, management information circular, material change reports and news releases. The reader is also cautioned to consider these and other factors carefully and not place undue reliance on forward-looking statements, which reflect the Company's expectations only as of the date of this press release. 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.

1 Excluding the impact of foreign exchange

2 See Non-GAAP Measures Section of the news release

Company Profile

The North West Company Inc., through its subsidiaries, is a leading retailer of food and everyday products and services to rural communities and urban neighbourhoods in Canada, Alaska, the South Pacific and the Caribbean. North West operates 230 stores under the trading names Northern, NorthMart, Giant Tiger, Alaska Commercial Company, Cost-U-Less and RiteWay Food Markets and has annualized sales of approximately CDN\$2.6 billion.

The common shares of North West trade on the Toronto Stock Exchange under the symbol NWC.

-30-

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