



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 Fourth Quarter Earnings, a Quarterly Dividend, Appointment of a New Director and Extension of its Revolving Loan Facilities

Winnipeg, Manitoba, April 8, 2026 (TSX: NWC): The North West Company Inc. (the "Company" or "North West") today announces its unaudited financial results for the fourth quarter ended January 31, 2026 and released its 2025 Annual Report and Annual Information Form. The Annual Report includes the Company's Annual Audited Consolidated Financial Statements and Management's Discussion and Analysis for the year ended January 31, 2026. These documents are available on the Company's profile on the SEDAR+ website at www.sedarplus.ca and on the Company's website at www.northwest.ca. It also announced that the Board of Directors has declared a dividend of \$0.41 per share to be paid on April 24, 2026 to shareholders of record on April 15, 2026.

CEO Comments on Fourth Quarter Results and Annual Results

"Our results this quarter reflect a challenging operating environment with less money in market in our Canadian Operations and comparing against very strong earnings in the fourth quarter last year but, on the strength of our Next 100 initiatives, we were able to deliver a modest increase in Adjusted EBITDA in the quarter along with solid financial results for the year, with sales and earnings gains, while continuing to advance key operational and strategic priorities that support the long-term strength of our business," said Dan McConnell, President & CEO. "Looking ahead, we remain focused on the disciplined execution of our Next 100 initiatives and driving performance within this increasingly uncertain economic environment, including the impact of significantly higher oil prices and fuel costs, and another quarter of comparing against higher money in market in the first quarter last year."

Fourth Quarter and Annual Results

The following table provides a summary of selected information for the 2025 fourth quarter and annual results. Further information on the fourth quarter and annual financial performance is provided in the 2025 Annual Report available on the Company's website at www.northwest.ca or on SEDAR+ at www.sedarplus.ca.

Selected Fourth Quarter⁽³⁾ and Annual Information

	Three Months Ended January 31, 2026	Three Months Ended January 31, 2025	Twelve Months Ended January 31, 2026	Twelve Months Ended January 31, 2025
(\$ in thousands, except per share)				
Sales	\$ 675,548	\$ 674,886	\$ 2,598,209	\$ 2,576,344
Same store sales % increase ⁽²⁾	0.5 %	5.4 %	0.3 %	4.4 %
Gross profit	\$ 230,049	\$ 234,801	\$ 881,091	\$ 868,324
Selling, operating and administrative expenses	(172,208)	(174,060)	(669,055)	(658,778)
EBITDA ⁽¹⁾	88,548	90,399	332,644	325,165
Earnings from operations	57,841	60,741	212,036	209,546
Interest expense	(4,704)	(4,705)	(17,457)	(18,301)
Income taxes	(13,625)	(13,230)	(48,650)	(47,992)
Net earnings	39,512	42,806	145,929	143,253
Net earnings attributable to shareholders of the Company	37,483	41,094	139,485	137,296
Net earnings per share - basic	0.79	0.86	2.92	2.87
Net earnings per share - diluted	0.78	0.85	2.87	2.83
Cash flow from operating activities	126,934	108,282	279,595	260,625
Cash flow used in investing activities	(46,774)	(52,627)	(137,845)	(131,004)
Cash flow used in financing activities	(71,042)	(57,177)	(115,339)	(119,047)
Cash dividends per share	\$ 0.41	\$ 0.40	\$ 1.62	\$ 1.58

(1) See Non-GAAP Financial Measures section below.

(2) All references to same store sales exclude the foreign exchange impact.

(3) Unaudited interim financial information.

Annual Highlights

- Net earnings increased \$2.6 million or 1.9%.
- Return on average equity⁽¹⁾ was 18.2%.
- Return on net assets⁽¹⁾ was 17.1%.
- Debt-to-Equity was 0.38 at January 31, 2026 and has remained below 1.0 since 2000.
- Quarterly dividends increased \$0.01 per share or 2.5% to \$0.41 per share in September 2025 and annual dividends per share have increased 3.0% on a compound annual growth basis over the past 10 years.
- North Star Air acquired a PC-12 Pilatus aircraft and opened a hangar in Thunder Bay, Ontario.
- A new AC store offering an expanded assortment of produce, deli, bakery and grocery opened in Utqiagvik, Alaska, increasing the number of stores in the community to two.

Fourth Quarter Results

Consolidated Fourth Quarter Sales Sales for the fourth quarter increased 0.1% to \$675.5 million, which is on top of a 4.9% increase in sales in the fourth quarter last year, as an increase in International Operations sales was largely offset by lower sales in Canadian Operations. International Operations same store sales increased 5.6% driven by improved economic conditions in tourism-dependent markets in the Caribbean and market share gains in certain Alaska communities. Canadian same store sales, which decreased 2.8% compared to very strong same store sales gains last year of 6.7%, were negatively impacted by a decrease in the distribution of funding to individuals from First Nations Child and Family Services programs, including the Inuit Child First Initiative food voucher program, and a decrease in First Nations Drinking Water Settlement payments compared to last year, partially offset by the positive impact on consumer demand arising from Jordan's Principle Child in Care Settlement payments. Excluding the foreign exchange impact, consolidated sales increased 0.5% with food sales increasing 1.0% and general merchandise and other sales decreasing 0.7% as a decrease in general merchandise sales was partially offset by higher airline revenue. Same store sales were up 0.5%⁽²⁾ compared to a 5.4% increase in the fourth quarter last year, with food same store sales⁽²⁾ up 1.1% and general merchandise sales⁽²⁾ down 2.7%.

Gross Profit Gross profit decreased 2.0% due to a 74 basis point decrease in gross profit rate compared to last year. The decrease in gross profit rate was mainly due to changes in sales blend, including changes in aircraft utilization in NSA compared to last year. Higher markdowns and inventory shrink in stores and the impact of higher maintenance costs in NSA were also factors. These factors were partially offset by the positive impact of Next 100 work including refinements of our merchandise assortment and procurement.

Selling, Operating and Administrative Expenses Selling, operating and administrative expenses ("Expenses") decreased \$1.9 million or 1.1% compared to last year and were down 30 basis points as a percentage to sales. The decrease in Expenses is largely due to lower annual incentive plan costs, partially offset by an increase in share-based compensation costs and higher depreciation expense. The impact of \$1.3 million in Next 100 professional fees and one-time costs compared to \$1.0 million last year was also a factor. Excluding the impact of share-based compensation costs and the Next 100-related one-time costs, Expenses decreased \$4.9 million or 2.9% compared to last year and were down 76 basis points as a percentage to sales.

Earnings from operations and EBITDA⁽¹⁾ Earnings from operations or earnings before interest and taxes ("EBIT") decreased \$2.9 million or 4.8% to \$57.8 million compared to a 17.5% increase in EBIT to \$60.7 million last year and EBITDA⁽¹⁾ decreased \$1.9 million or 2.0% to \$88.5 million compared to a 14.2% increase in EBITDA to \$90.4 million last year due to the sales, gross profit and Expense factors previously noted. Adjusted EBITDA⁽¹⁾, which excludes share-based compensation costs and Next 100 one-time costs, increased \$1.2 million or 1.3% compared to last year and as a percentage to sales was 13.9% compared to 13.7% last year. The impact of the Next 100 one-time costs was more than offset by higher gross profit, labour productivity gains and other cost savings from the Next 100 initiatives.

Interest Expense Interest expense was flat to last year at \$4.7 million as the impact of lower average interest rates was offset by an increase in average long-term debt.

Income Tax Expense Income tax expense was \$13.6 million compared to \$13.2 million last year and the consolidated effective tax rate was 25.6% compared to 23.6% last year. The increase in the effective income tax rate was due to the blend of earnings across the various tax rate jurisdictions including an increase in global minimum tax expense and withholding tax.

Net Earnings Consolidated net earnings decreased \$3.3 million or 7.7% to \$39.5 million compared to a very strong increase in net earnings in the fourth quarter last year that were up 18.9% to \$42.8 million. Net earnings attributable to shareholders were \$37.5 million and diluted earnings per share were \$0.78 per share compared to \$0.85 per share last year as earnings gains in International Operations were more than offset by lower earnings in Canadian Operations due to the factors previously noted. Adjusted net earnings⁽¹⁾, which excludes the impact of the after-tax share-based compensation costs and Next 100 one-time costs, decreased \$1.1 million or 2.5% compared to last year.

Annual Results

Consolidated Sales Sales for the year ended January 31, 2026 increased 0.8% to \$2.598 billion compared to \$2.576 billion for the year ended January 31, 2025 due to same store sales gains in International Operations and the impact of foreign exchange on the translation of International Operations sales. These factors were partially offset by lower 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, a decrease in First Nations Drinking Water Settlements payments to individuals compared to last year and the impact of wildfire-related community evacuations in 2025. Excluding the foreign exchange impact, sales increased 0.2% compared to last year and were up 0.3% on a same store basis compared to a same store sales increase of 4.4% last year. Same store food sales increased 1.1% on top of a 4.5% increase last year which more than offset a general merchandise same store sales decrease of 4.5% compared to a 4.1% increase last year.

Gross Profit Gross profit increased 1.5% to \$881.1 million compared to \$868.3 million last year due to higher sales and a 21 basis point increase in the gross profit rate. The higher gross profit rate compared to last year was largely due to changes in sales blend, including a lower blend of wholesale sales, and the positive impacts of our Next 100 work including refinements of our merchandise assortment and procurement. 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") of \$669.1 million increased \$10.3 million or 1.6% compared to last year and were up 18 basis points as a percentage to sales. The increase in Expenses is largely due to higher staff costs related to inflationary and minimum wage increases, an investment in staff resources and an increase in technology costs to support the Next 100 operational excellence work, an increase in depreciation and the impact of foreign exchange on the translation of International Operations Expenses. These factors were partially offset by a decrease in share-based compensation costs and lower annual incentive plan costs. During the year, the Company incurred \$6.4 million in one-time costs for professional fees related to our Next 100 work compared to \$1.0 million last year. Excluding the impact of share-based compensation costs and the Next 100-related one-time costs, Expenses increased \$6.4 million or 1.0% compared to last year and were up 4 basis points as a percentage to sales.

Earnings from operations and EBITDA⁽¹⁾ Earnings from operations or earnings before interest and income taxes ("EBIT") increased \$2.5 million or 1.2% to \$212.0 million compared to \$209.5 million last year. Earnings before interest, income taxes, depreciation and amortization ("EBITDA⁽¹⁾") increased 2.3% to \$332.6 million compared to \$325.2 million last year. The increase in EBIT and EBITDA compared to 2024 is due to the sales, gross profit and Expense factors previously noted. Adjusted EBITDA⁽¹⁾, which excludes the impact of share-based compensation and one-time Next 100 costs, increased \$11.4 million or 3.3% to \$351.8 million compared to \$340.4 million last year. The impact of the Next 100 one-time costs was more than offset by higher gross profit, labour productivity gains and other cost savings from the Next 100 initiatives.

Interest Expense Interest expense decreased 4.6% to \$17.5 million compared to \$18.3 million last year as the impact of lower average interest rates more than offset an increase in average long-term debt.

Income Tax Expense Income taxes increased to \$48.7 million compared to \$48.0 million last year and the effective tax rate for the year was 25.0% compared to 25.1% last year.

Net Earnings Consolidated net earnings increased \$2.6 million or 1.9% to \$145.9 million compared to \$143.3 million last year. Net earnings attributable to shareholders of the Company were \$139.5 million compared to \$137.3 million last year and diluted earnings per share were \$2.87 per share compared to \$2.83 per share last year due to the factors previously noted. Excluding the after-tax impact of share-based compensation and one-time Next 100 costs, adjusted net earnings⁽¹⁾ increased \$5.2 million or 3.4% to \$160.0 million compared to \$154.8 million last year.

Other Highlights

Director Appointment

North West announces the appointment of Paul Soubry to its Board of Directors effective April 8, 2026. Mr. Soubry was President and Chief Executive Officer of NFI Group Inc. ("NFI") from January 2009 to January 2026. He holds a Bachelor of Commerce (Honours) degree from the University of Manitoba and completed the executive development program at Harvard Business School. Mr. Soubry has a sales, marketing, business development and operations background in businesses held by both trade and private equity owners, with substantial experience in business transformations and LEAN operational practices. Prior to joining NFI, Mr. Soubry worked for StandardAero for 24 years where he held a variety of increasingly senior positions including being named President in 2001, Chief Operating Officer in 2006, and Chief Executive Officer in 2007.

Mr. Soubry currently serves on the Board of True North Sports and Entertainment Limited/Winnipeg Jets Hockey Club and The Wawanesa Mutual Insurance Company. In 2003, Mr. Soubry was named one of the recipients of "Canada's Top 40 under 40" award, was inducted into the Canadian Manufacturers and Exporters Hall of Fame in 2014, and was recognized as Canada's 2016 CEO of the Year by the Financial Post. Mr. Soubry is a member of the Institute of Corporate Directors and a graduate of the Directors Education Program and was awarded an Honourary Doctorate of Laws from the University of Manitoba in 2022.

"We are pleased to welcome Paul to our Board", commented Brock Bulbuck, Chair of the Board. "Paul's experience at NFI Group Inc., combined with his substantial experience in business transformations and LEAN operational practices, will bring valuable insights and perspectives to our Board."

Extension of Revolving Loan Facilities

North West announces that it has refinanced its CAD\$400.0 million and US\$52.0 million loan facilities originally maturing March 1, 2027. These committed revolving loan facilities, refinanced with the existing lenders, provide the Company with up to CAD\$400.0 million and US\$52.0 million for working capital and general corporate purposes. The Canadian dollar facilities have a floating interest rate based on the Canadian Overnight Repo Rate plus a spread or the Canadian prime interest rate. The U.S. dollar facilities have a floating interest rate based on SOFR plus a spread. These loan facilities mature April 8, 2031 and rank *pari passu* with the \$100.0 million and US\$70.0 million senior notes.

Modern Slavery Act Report

In compliance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (referred to as Canada's "Modern Slavery Act"), the Company and certain of its subsidiaries have publicly filed their Joint Modern Slavery Act Report for the 2025 fiscal year. The Modern Slavery Act Report is available on the Company's website at www.northwest.ca.

Sustainability Report 2025

The Company's 2025 Sustainability Report outlines our Environmental, Social and Governance ("ESG") Strategy. Our ESG Strategy aims to achieve positive change through a shared-value framework that benefits people, our planet and creates strong partnerships for the future. Through our ESG strategy, we seek to drive positive change in the communities we serve by supporting their journey for improved health, nutrition and overall quality of life. We also seek to improve the experience of our employees by creating a more diverse, equitable and inclusive work environment, where employees can further develop their skills and grow their careers within our organization. The 2025 Sustainability Report is available on the Company's website at www.northwest.ca.

Non-GAAP Financial Measures

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) Earnings Before Interest, Income Taxes, Depreciation and Amortization (EBITDA), 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.

Reconciliation of Consolidated Earnings from Operations to EBITDA and Adjusted EBITDA

(\$ in thousands)	Fourth Quarter		Year-to-date	
	2025	2024	2025	2024
Earnings from operations	\$ 57,841	\$ 60,741	\$ 212,036	\$ 209,546
Add:				
Amortization	30,707	29,658	120,608	115,619
EBITDA	\$ 88,548	\$ 90,399	\$ 332,644	\$ 325,165
Share-based compensation expense	4,119	1,376	12,702	14,250
The Next 100 one-time costs ⁽¹⁾	1,342	991	6,410	991
Adjusted EBITDA	\$ 94,009	\$ 92,766	\$ 351,756	\$ 340,406

⁽¹⁾ The Next 100 one-time costs include professional fees and other non-recurring expenses incurred in the implementation of the Next 100 work.

Reconciliation of Consolidated Net Earnings to Adjusted Net Earnings

(\$ in thousands)	Fourth Quarter		Year-to-Date	
	2025	2024	2025	2024
Net earnings	\$ 39,512	\$ 42,806	\$ 145,929	\$ 143,253
Share-based compensation expense, net of tax	3,079	1,074	9,550	10,818
The Next 100 one-time costs, net of tax ⁽¹⁾	876	720	4,558	720
Adjusted Net Earnings	\$ 43,467	\$ 44,600	\$ 160,037	\$ 154,791

⁽¹⁾ The Next 100 one-time costs include professional fees and other non-recurring expenses incurred in the implementation of the Next 100 work.

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) Return on Net Assets (RONA) is not a recognized measure under IFRS. Management believes that RONA is a useful measure to evaluate the financial return on the net assets used in the business. RONA is calculated as earnings from operations (EBIT) for the year divided by average monthly net assets. The following table reconciles net assets used in the RONA calculation to IFRS measures reported in the consolidated financial statements as at January 31 for the following fiscal years:

(\$ in millions)		2025		2024
Total assets	\$	1,567.1	\$	1,527.5
Less: Total liabilities		(744.2)		(732.8)
Add: Total debt and lease liabilities		439.0		422.2
Net Assets Employed	\$	1,261.9	\$	1,216.9

(3) Return on Average Equity (ROE) is not a recognized measure under IFRS. Management believes that ROE is a useful measure to evaluate the financial return on the amount invested by shareholders. ROE is calculated by dividing net earnings for the year by average monthly total shareholders' equity. There is no directly comparable IFRS measure for return on equity.

Additional information regarding the financial performance of North West can be found within the 2025 Annual Report, Annual Audited Financial Statements and the Annual Information Form available on the Company's website at www.northwest.ca or on SEDAR+ at www.sedarplus.ca.

Fourth Quarter Conference Call

North West will host a conference call for its fourth quarter results on April 8, 2026 at 2:30 p.m. (Central Time).

Conference call link: <https://register-conf.media-server.com/register/BI34780ccc4d584cbda9697905c3021205>

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/xzaapc7m/>

The conference call will be archived and available until April 8, 2027 at: <https://www.northwest.ca/investors/conference-calls>

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 the Company 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 2025 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 Initiative ("ICFI") in Canadian Operations, and the U.S. Supplemental Nutrition Assistance Program ("SNAP") and Alaska by-pass mail system in International Operations, which contribute to lower living costs for eligible customers, the expected impact from settlement payments to Indigenous Peoples including First Nations Child and Family Services and Jordan's Principle, 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 Factors sections of the 2025 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.

Company Profile

The North West Company Inc., through its subsidiaries, is a leading retailer of food and everyday products and services to rural and developing small population communities in northern Canada, rural Alaska, the South Pacific and the Caribbean. North West operates 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.

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