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 Second Quarter Earnings and an Increase in the Quarterly Dividend

Winnipeg, Manitoba, September 8, 2026 (TSX: NWC): The North West Company Inc. (the "Company" or "North West") today reported its unaudited financial results for the second quarter ended July 31, 2026. It also announced that the Board of Directors has declared a quarterly dividend of $0.42, an increase of $0.01 or 2.4% per share, to shareholders of record on September 30, 2026, to be paid on October 15, 2026.

"We delivered strong second quarter sales growth driven by same-store sales gains that reflect momentum across the business. These sales gains, combined with continued progress on our Next 100 initiatives, contributed to solid increases in EBITDA and Adjusted Net Earnings in the quarter," said Dan McConnell, President & CEO. "At the same time, our results were impacted by unusually high fuel-related freight costs, driven by increases in global fuel prices. While the duration of these cost pressures remain difficult to predict, we are encouraged by the momentum in the business and remain focused on disciplined execution, strong expense management, and productivity improvements through our Next 100 work to help mitigate these pressures and continue creating value for our customers and shareholders."

Financial Highlights

Sales Second quarter consolidated sales increased 5.4% to $682.0 million compared to $647.0 million last year due to strong same store sales gains, the impact of foreign exchange on the translation of International Operations sales and higher fuel-related inflation in retail prices which more than offset the impact of the closure of a store in Canadian Operations and sale of a store in International Operations in the first quarter. Sales excluding the foreign exchange impact increased 4.7%, with food sales increasing 4.1% and general merchandise and other sales increasing 6.6% compared to last year. Same store sales increased 6.7%[1] compared to a 1.1%[1] decrease in the second quarter last year led by a 7.4% increase in same store sales in Canadian Operations, which were negatively impacted by wildfire-related community evacuations in northern Canada in the second quarter last year, and a 5.8%[1] gain in same store sales in International Operations.

Gross Profit Gross profit increased 5.7% to $232.4 million compared to $219.9 million last year due to sales gains and an 8 basis point increase in gross profit rate. The increase in the gross profit rate is due to the positive impact from our Next 100 work, including refinements of our merchandise assortment and procurement, and changes in sales blend. These factors were largely offset by the impact of higher fuel-related freight costs passed through in retail prices without mark-up and price investments on certain food items to help reduce the impact of higher freight costs on customers.

1 Excluding the impact of foreign exchange
2 See Non-GAAP Measures Section of the news release

Selling, Operating and Administrative Expenses Selling, operating and administrative expenses ("Expenses") increased $9.8 million or 6.0% compared to last year and were up 13 basis points as a percentage to sales. The increase in Expenses is largely due to an increase in staff costs in northern markets related to inflationary wage increases net of Next 100 productivity gains, higher depreciation mainly related to store renovations, an increase in fuel-related utility costs, an increase in technology costs and other inflationary cost pressures, partially offset by the store closures in Canadian and International Operations. The foreign exchange impact on the translation of International Operations expenses and a $3.0 million increase in share-based compensation costs primarily related to changes in the Company's share price in the quarter compared to last year partially offset by a $2.4 million gain on the disposition of a non-core redundant asset in Canadian Operations. The impact of $1.3 million in one-time costs for professional fees related to the execution of the Next 100 strategy, which decreased compared to $1.7 million in the second quarter last year, were more than offset by the Next 100 gross profit factors previously noted.

Earnings From Operations and EBITDA Earnings from operations ("EBIT") increased $2.6 million or 4.7% to $57.8 million compared to $55.2 million last year, and earnings before interest, income taxes, depreciation and amortization ("EBITDA[2]") increased $4.6 million or 5.4% to $89.8 million compared to $85.2 million last year due to the sales, gross profit and Expense factors previously noted. Adjusted EBITDA[2], which excludes the impact of the non-core asset disposal gain, share-based compensation and Next 100 one-time costs, increased 5.6% to $92.8 million compared to $87.9 million last year and as a percentage to sales was flat to last year at 13.6%.

Interest Expense Interest expense increased $0.1 million or 3.0% to $4.5 million mainly due to changes in average debt and interest rates compared to last year.

Income Tax Expense Income tax expense increased $1.8 million to $15.0 million compared to $13.2 million last year due to the impact of higher earnings and an increase in the effective tax rate to 28.1% compared to 26.0% last year. The increase in the effective tax rate is substantially due to $1.1 million in non-comparable withholding tax on intercompany dividends. The blend of earnings across the various tax rate jurisdictions was also a factor. Excluding the impact of the non-comparable withholding tax, the effective tax rate was 26.2% compared to 26.0% last year.

Net Earnings Net earnings increased 1.9% to $38.3 million compared to net earnings of $37.6 million last year. Net earnings attributable to shareholders were $36.8 million and diluted earnings per share were $0.76 per share compared to $0.74 per share last year. Adjusted net earnings[2], which excludes the after-tax impact of the non-core asset disposal gain, share-based compensation and Next 100 one-time costs, increased $0.9 million or 2.4% to $40.6 million, and was up 5.0% excluding the $1.1 million increase in income tax expense related to the non-comparable withholding tax, 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.

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

These measures do not have a standardized meaning prescribed by GAAP and therefore they may not be comparable to similarly titled measures presented by other publicly traded companies and should not be construed as an alternative to the other financial measures determined in accordance with IFRS.

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

	Second Quarter	
($ in thousands)	**2026**	2025
Earnings from operations (EBIT)	**$ 57,756**	$ 55,170
Add: Amortization	**32,014**	29,982
EBITDA	**$ 89,770**	$ 85,152
Adjusted for:		
Share-based compensation expense (1)	**4,064**	1,071
The Next 100 one-time costs (2)	**1,346**	1,654
Gain on disposition of non-core redundant asset(3)	**(2,358)**	—
Adjusted EBITDA	**$ 92,822**	$ 87,877

Reconciliation of consolidated net earnings to adjusted net earnings:

	Second Quarter	
($ in thousands)	**2026**	2025
Net earnings	**$ 38,304**	$ 37,600
Adjusted for:		
Share-based compensation expense, net of tax (1)	**3,028**	844
The Next 100 one-time costs, net of tax (2)	**986**	1,204
Gain on disposition of non-core redundant asset, net of tax(3)	**(1,726)**	—
Adjusted net earnings	**$ 40,592**	$ 39,648

(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 2026 second quarter Report to Shareholders.

(3) The gain on disposition of a non-core redundant asset is a non-recurring item.

Further information on the financial results is available in the Company's 2026 second 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.](http://www.northwest.ca)

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Second Quarter Conference Call

North West will host a conference call for its second quarter results on September 9, 2026 at 7:30 a.m. (Central Time).

Conference call link: https://register-conf.media-server.com/register/BIb83cfdeb86f841cfad2fa5f7f164c6ea

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/vxyxbbju/

The conference call will be archived and available until September 9, 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 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 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 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.

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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 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.

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*.

Company Profile

The North West Company Inc., through its subsidiaries, is a leading retailer of food and everyday products and services to rural communities in Canada, 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.

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

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