

PURE RETAIL

2020 Annual General Meeting of Shareholders




WE ARE **NORTH WEST**

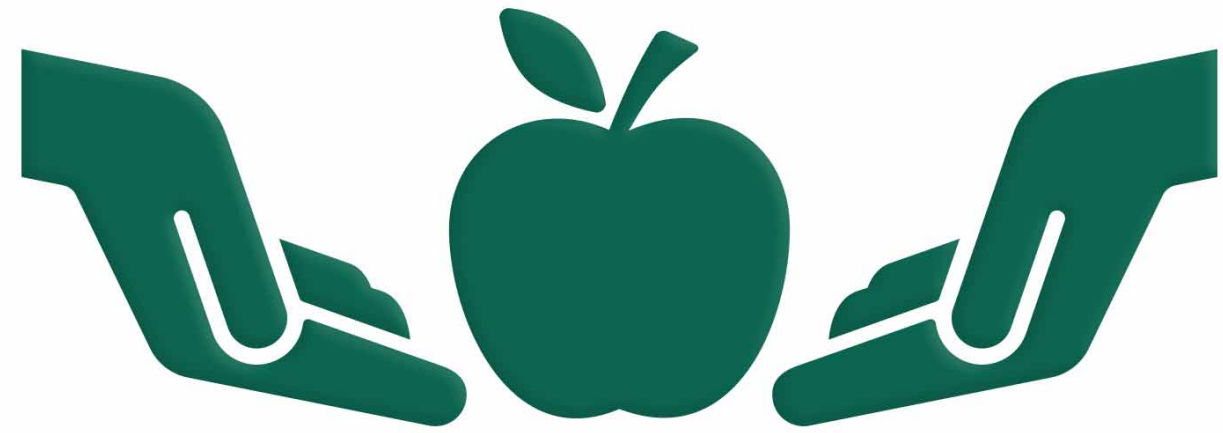
Caution Concerning Forward Looking Statements and Non-GAAP Financial Measures



Certain information presented today may constitute forward-looking statements. Such statements reflect North West's current expectations, estimates, projections and assumptions. These forward-looking statements are not guarantees of future performance and are subject to certain risks which could cause actual performance and financial results in the future to vary materially from those contemplated in the forward-looking statements. For additional information on these risks, please see North West's Annual Information Form under the heading "Risk Factors".

This presentation will also refer to "EBITDA", "Adjusted EBITDA" and "Adjusted Net Earnings", which are not recognized financial measures under International Financial Reporting Standards. North West's method of calculating these measures may differ from other companies and may not be comparable to measures used by other companies. For further information, please see North West's Annual Report under the heading "Non-GAAP Financial Measures".





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Chairman Remarks



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Brock Bulbuck



Deepak Chopra



Frank J. Coleman



Wendy F. Evans



Stewart Glendinning



Annalisa King



Vi Konkle



Jennefer Nepinak



Eric L. Stefanson



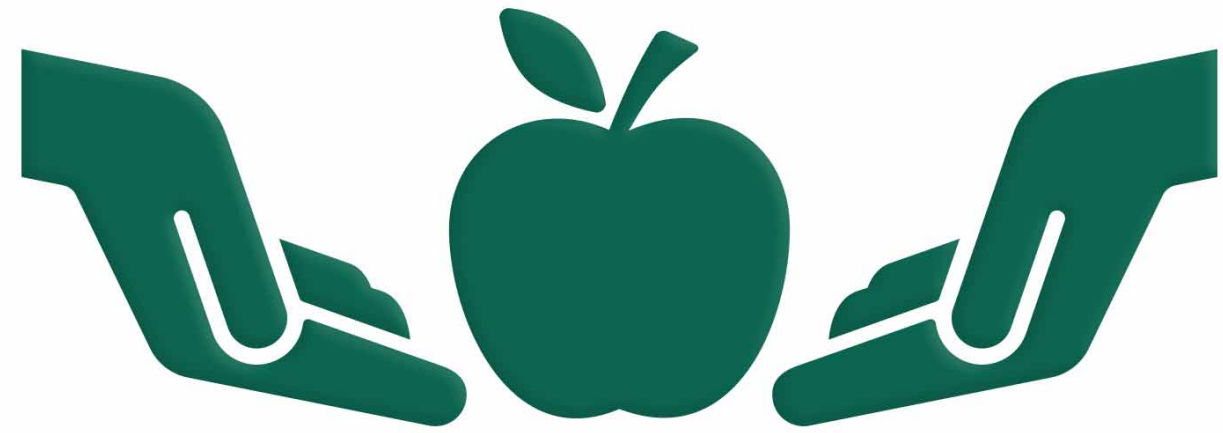
Victor Tootoo



Edward Kennedy



H. Sanford Riley



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1. Receive Audited Financial Statements



2. Election of Directors

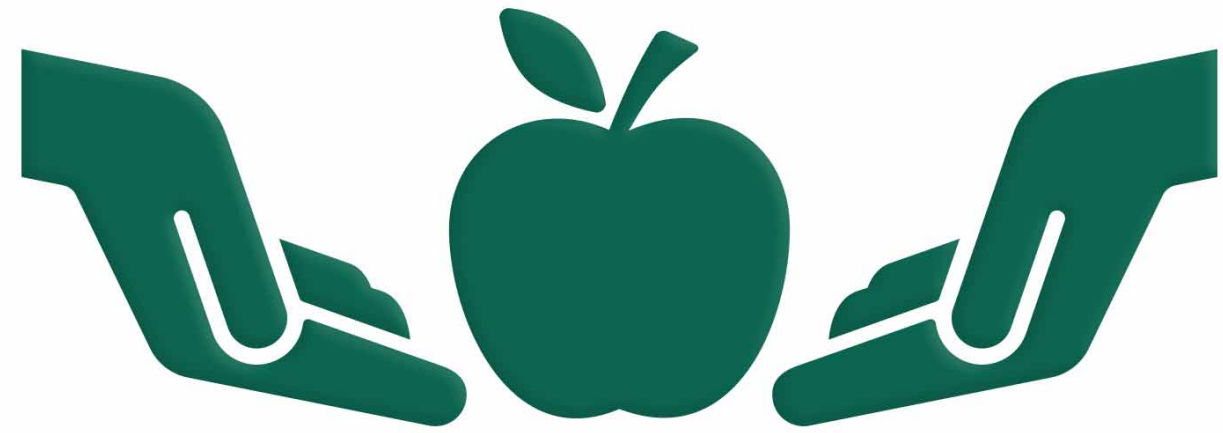


3. Appointment of Auditors



4. Advisory Resolution on Executive Compensation



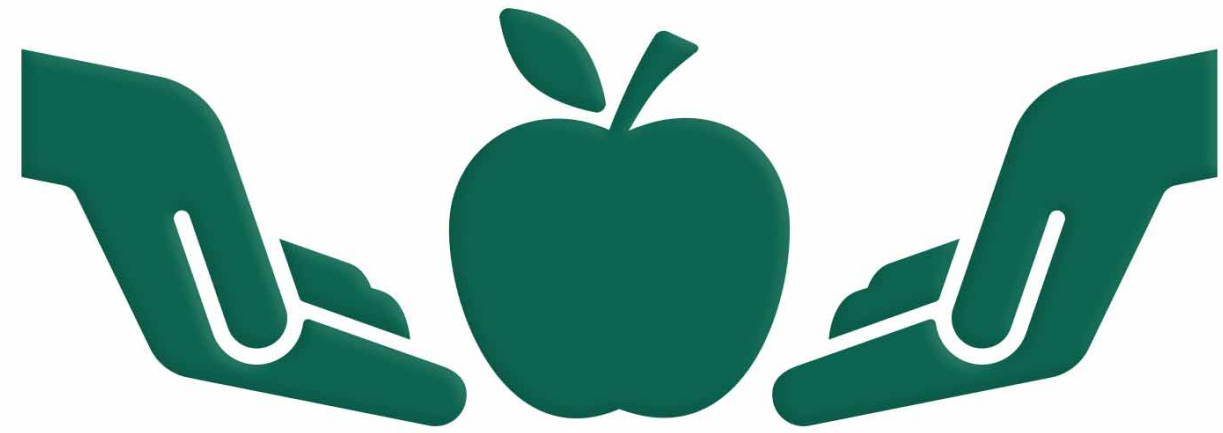


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President & Chief Executive Officer Remarks




WE ARE **NORTH WEST**

2020 President & Chief Executive Officer Remarks



Agenda

- Giant Tiger
- Canadian Costs
- Canadian Food Pricing
- COVID-19
- Q1 2020 Results
- Outlook



Giant Tiger Store Sale Agreement



Overview

- 36 stores to be sold to Giant Tiger Stores Limited (GTSL)
- Price is \$45 million plus up to \$22.5 million in contingent consideration
- Retain 6 stores in northern “gateway” communities
- Close 4 stores, resulting in a provision of \$9.4 million
- Transaction scheduled to be completed in July 2020

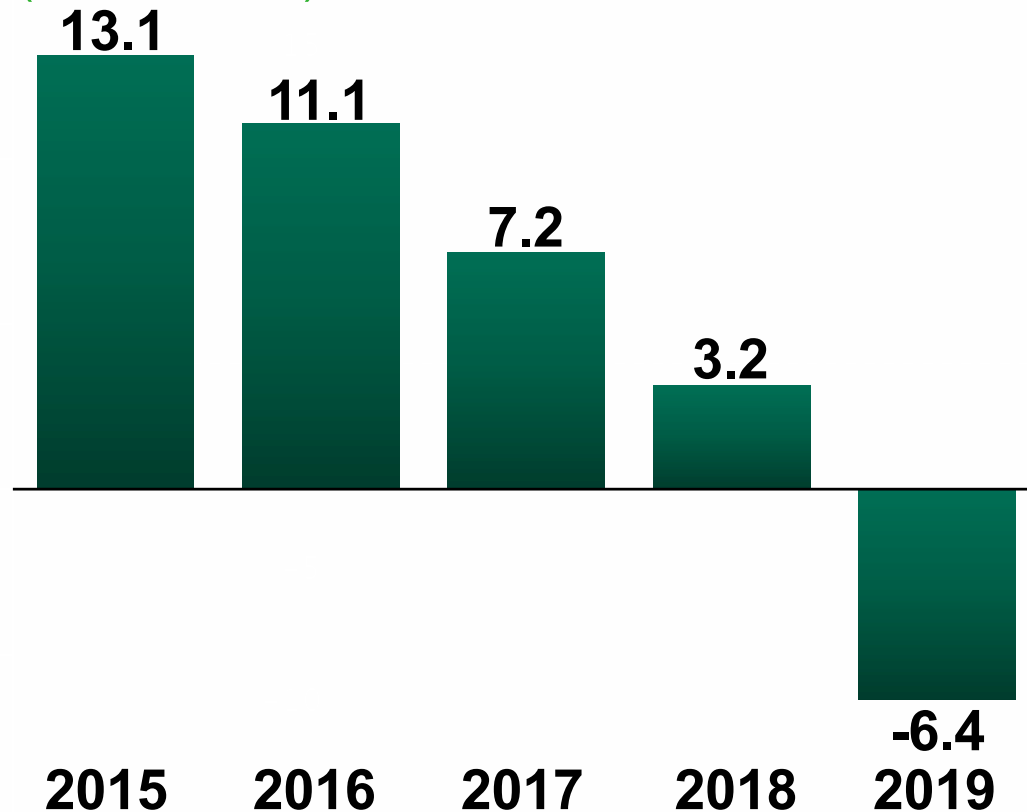


Giant Tiger Store Sale Agreement



Stores being sold impaired Canadian EBITDA ⁽¹⁾ performance...

(\$ in millions)



...and incurred other costs while we preserved our franchise exclusivity

- Average CapEx spend of \$6.7 million
- Slow new store maturation = losses over years 1–3
- Management attention vs. core business potential

(1) 2019 is reported on a Pre-IFRS 16 basis in order to facilitate comparisons to 2015-2018

Giant Tiger Reciprocal Supply Agreements



Overview

- NWC will continue to distribute food to sold GT stores
- Preserves and enhances NWC food scale
- Giant Tiger to supply NWC stores with general merchandise
- Enables access to superior range and costing



Overview

- 120 positions affected
- \$17 million in annual reductions
- Driven by:
 - Technology investments
 - Giant Tiger Agreements
 - Opportunity to grow share through lower cost and price structure



Lower Northern Canada Food Prices



- \$12 million investment
- Accelerated by COVID-19
- Tailored to store regions
- Compliments Nutrition North
- Learnings apply to Alaska



Key Factors

- Safety & Recognition
- NWC's Essential Retail Role
- Customer Spending Changes
- Supply & Logistics
- Liquidity



COVID-19: Safety & Recognition



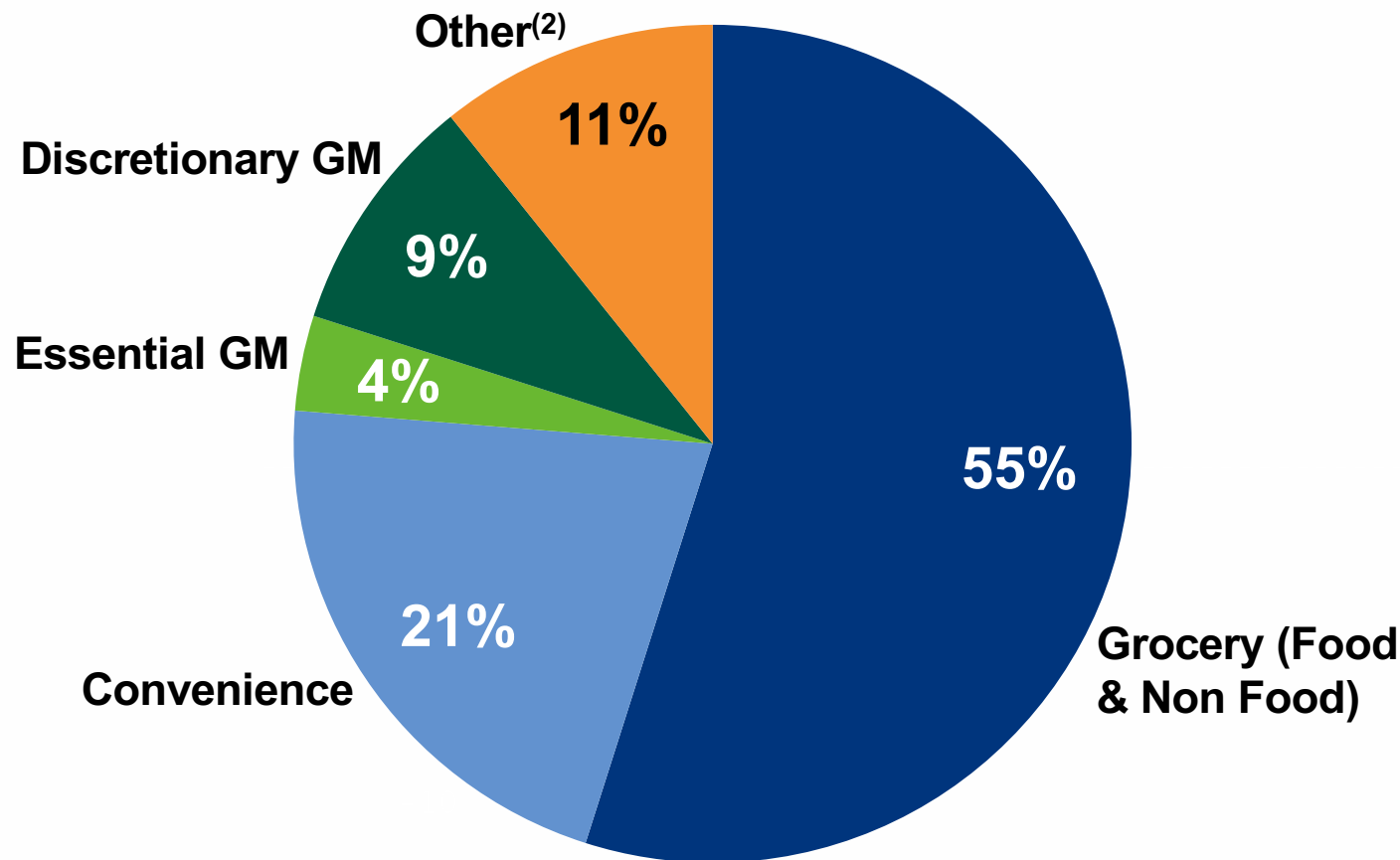
- Protective measures in place
- Close community consultation
- Front line pay increases
- Community donation ramp-up



COVID-19: Essential Service Role



Focus on Everyday Needs ⁽¹⁾



Steady Consumer Demands

- 91% of annual sales in everyday need categories
- Stores open in all jurisdictions
- Health, Financial Services and Wholesale

(1) Excluding discontinued/divested GT stores

(2) NSA, Financial Services, Fuel, Pharmacy, Prepaid Cards

COVID-19: Customer Spending Changes



- Limited travel = local spending
- At home activities = big ticket sales
- U.S. & Canada income supports
- Island tourism economy risks



COVID-19: Supply & Logistics



- Staying in-stock
- Enterprising solutions
- Dedicated air cargo capability
- Contingency plans in place

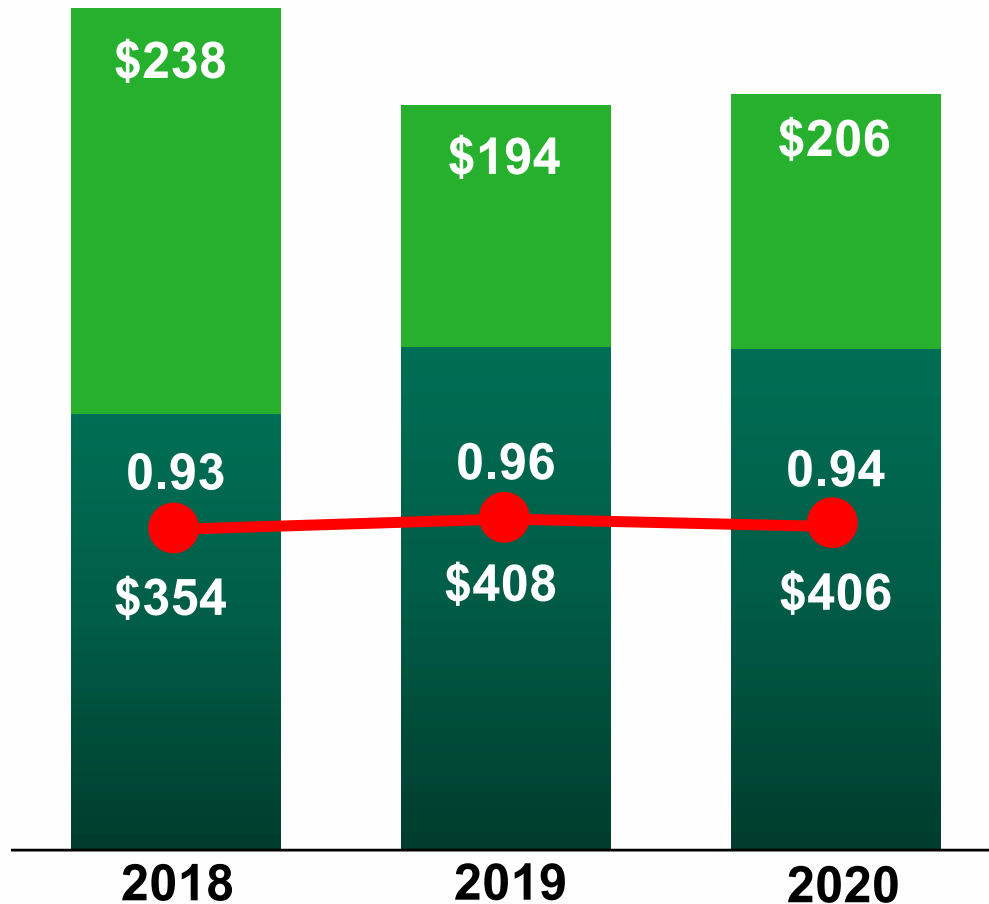


COVID-19: Liquidity



(April 30, \$ in millions)

● Debt-to-Equity ■ Available Capacity ■ Debt

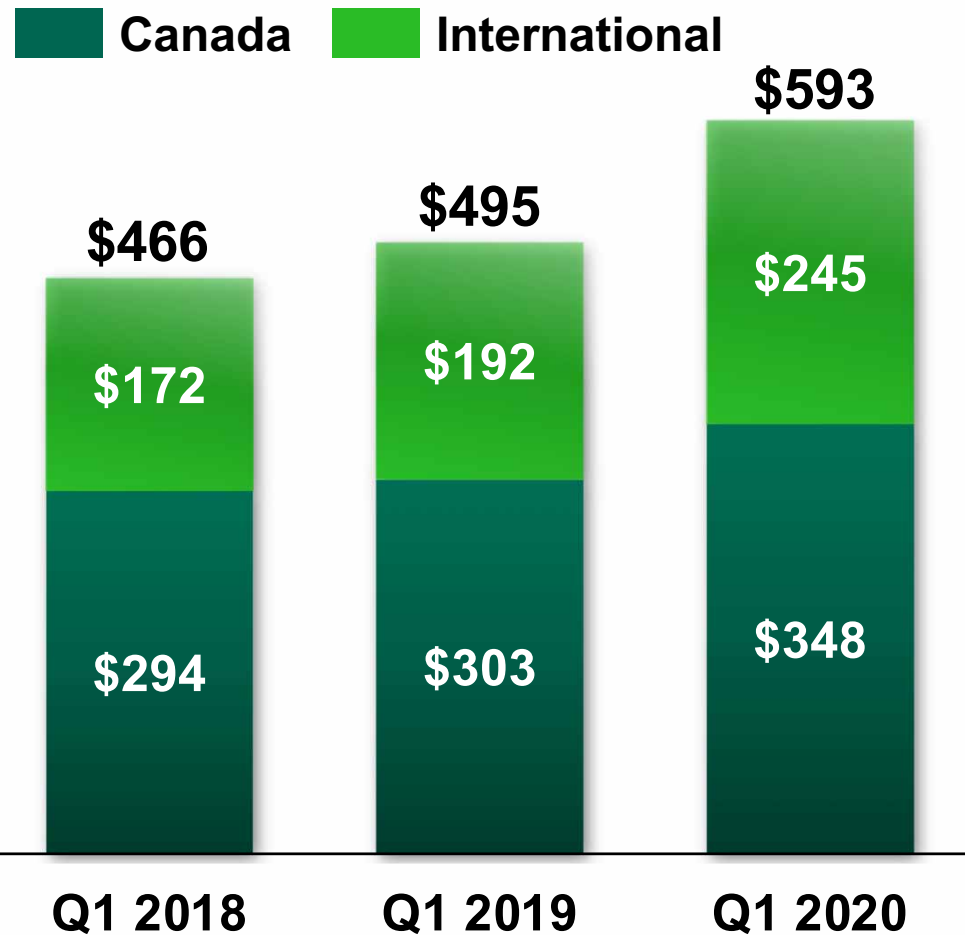


- Debt-to-equity below 1.0 since 2000
- \$206 million capacity on existing facilities
- 2020 CapEx will decrease to \$65 million range
- Essential service role, cost streamlining & GT transaction offset COVID-19 risks

Sales Performance • 2020 First Quarter Highlights



(\$ in millions)



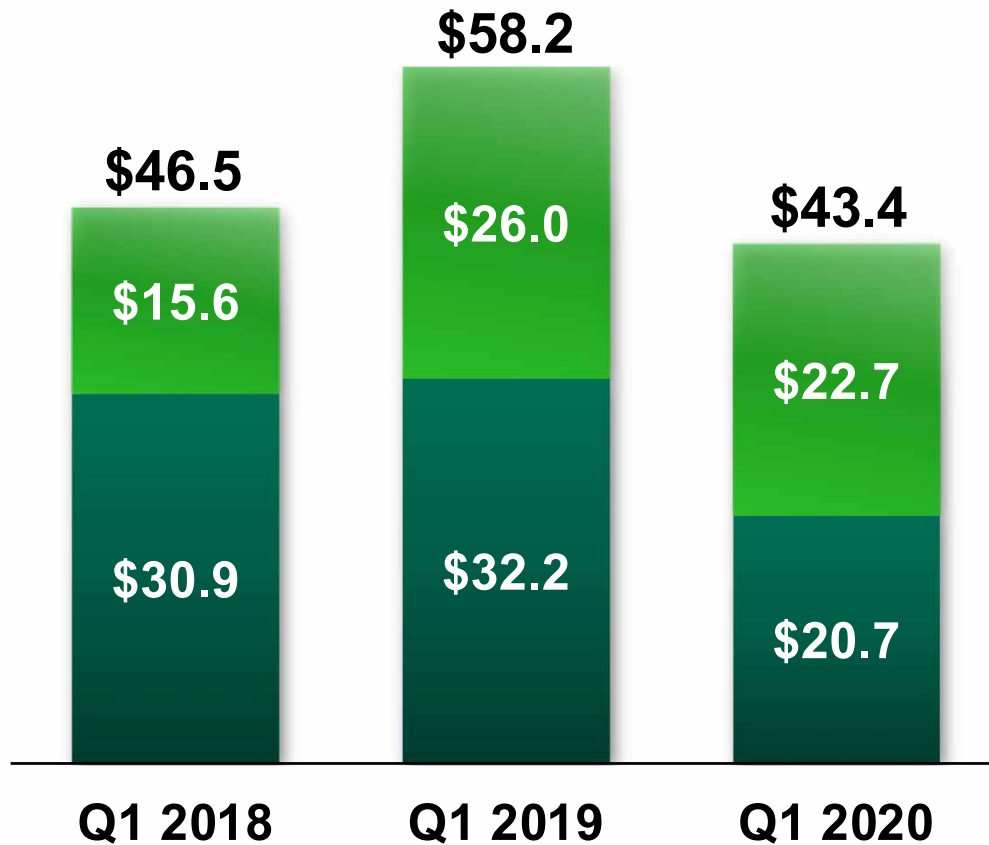
- Total sales +19.8%
- Same store +15.5%
- Food +23.2%
- General Merchandise +16.4%

EBITDA • 2020 First Quarter Highlights



(\$ in millions)

Canada International

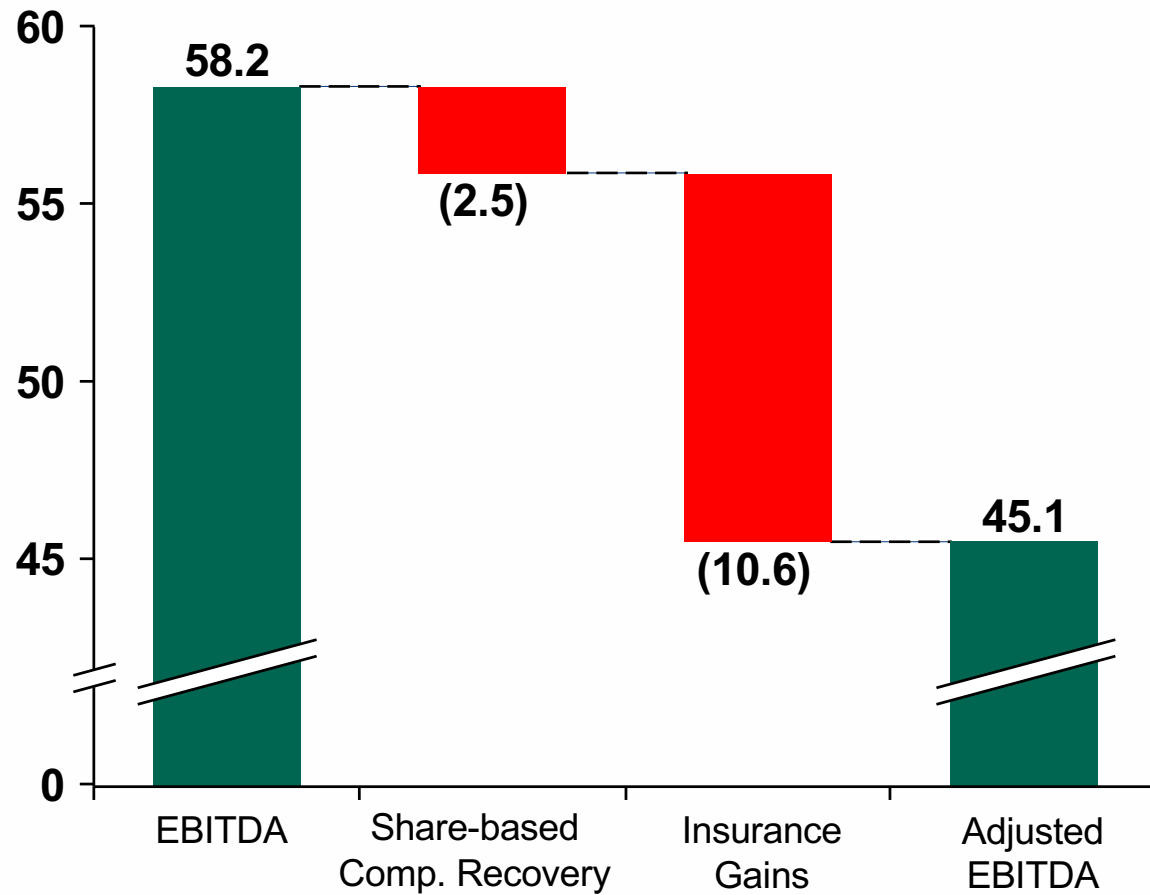


- Unadjusted for one-time charges

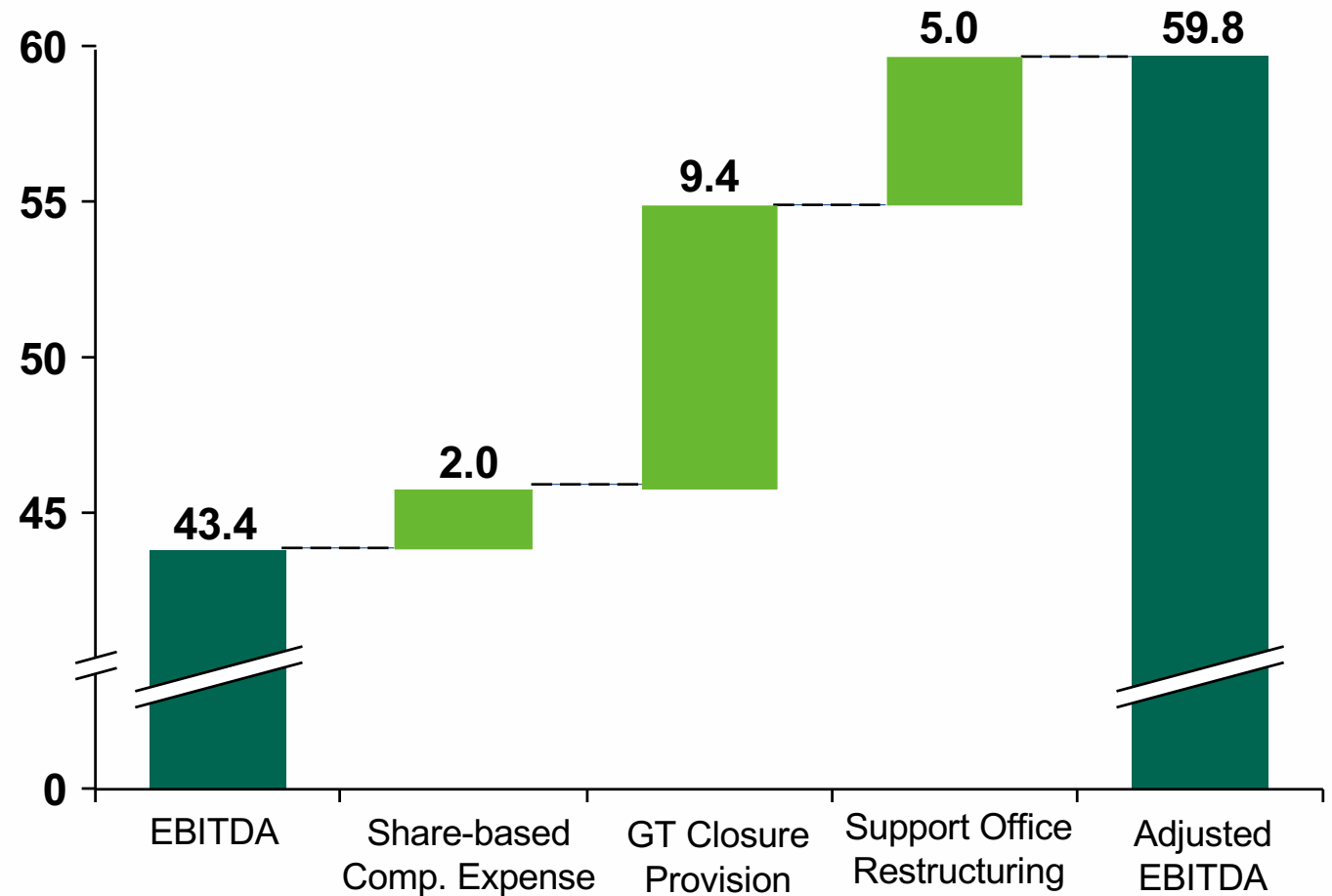
Adjusted EBITDA • 2020 First Quarter Performance



2019 First Quarter



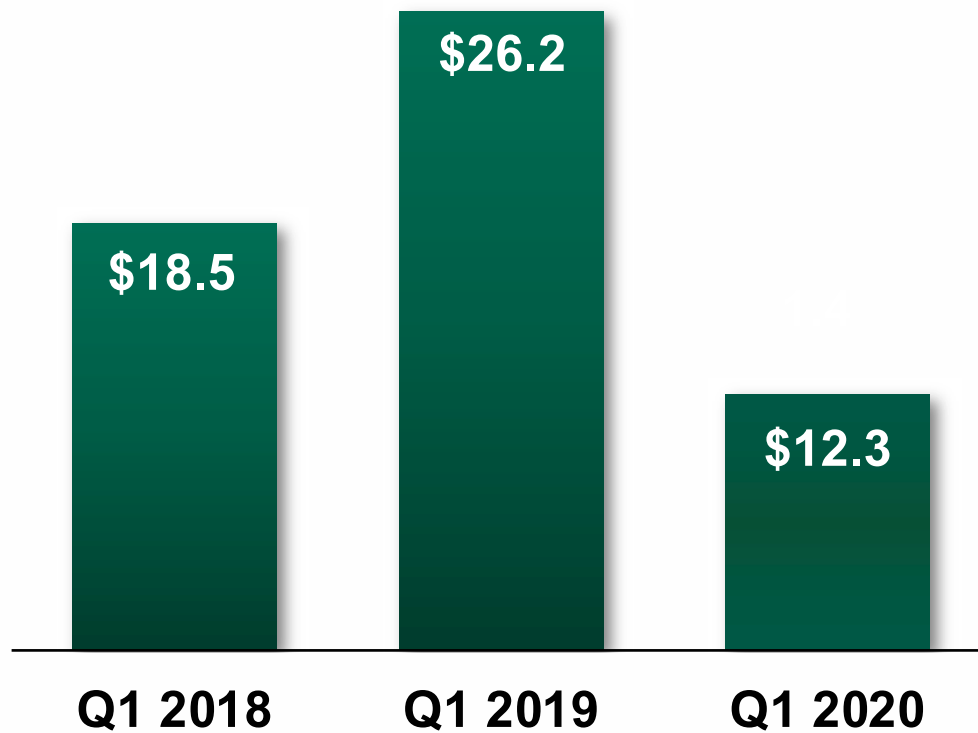
2020 First Quarter



Net Earnings Performance • 2020 First Quarter Highlights



(\$ in millions)

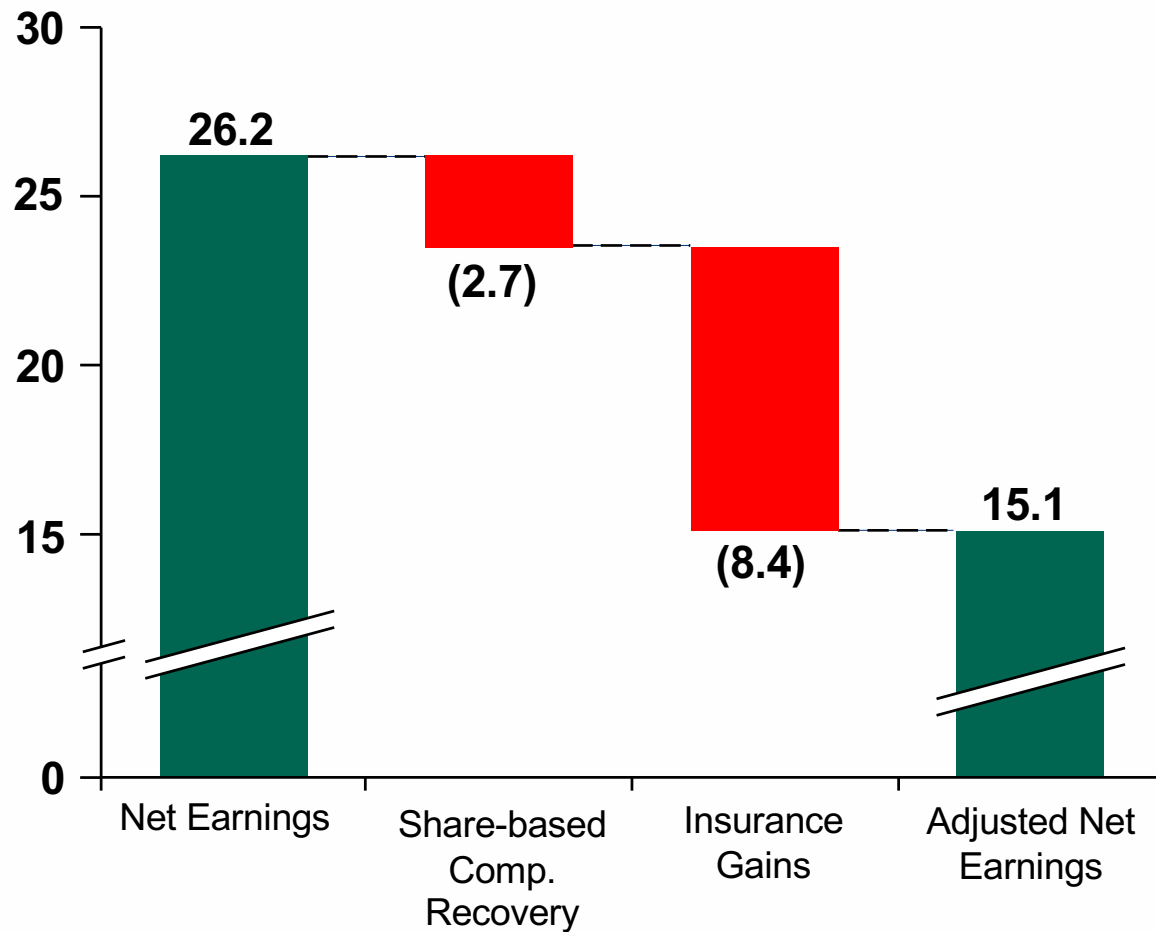


- Unadjusted for one-time charges

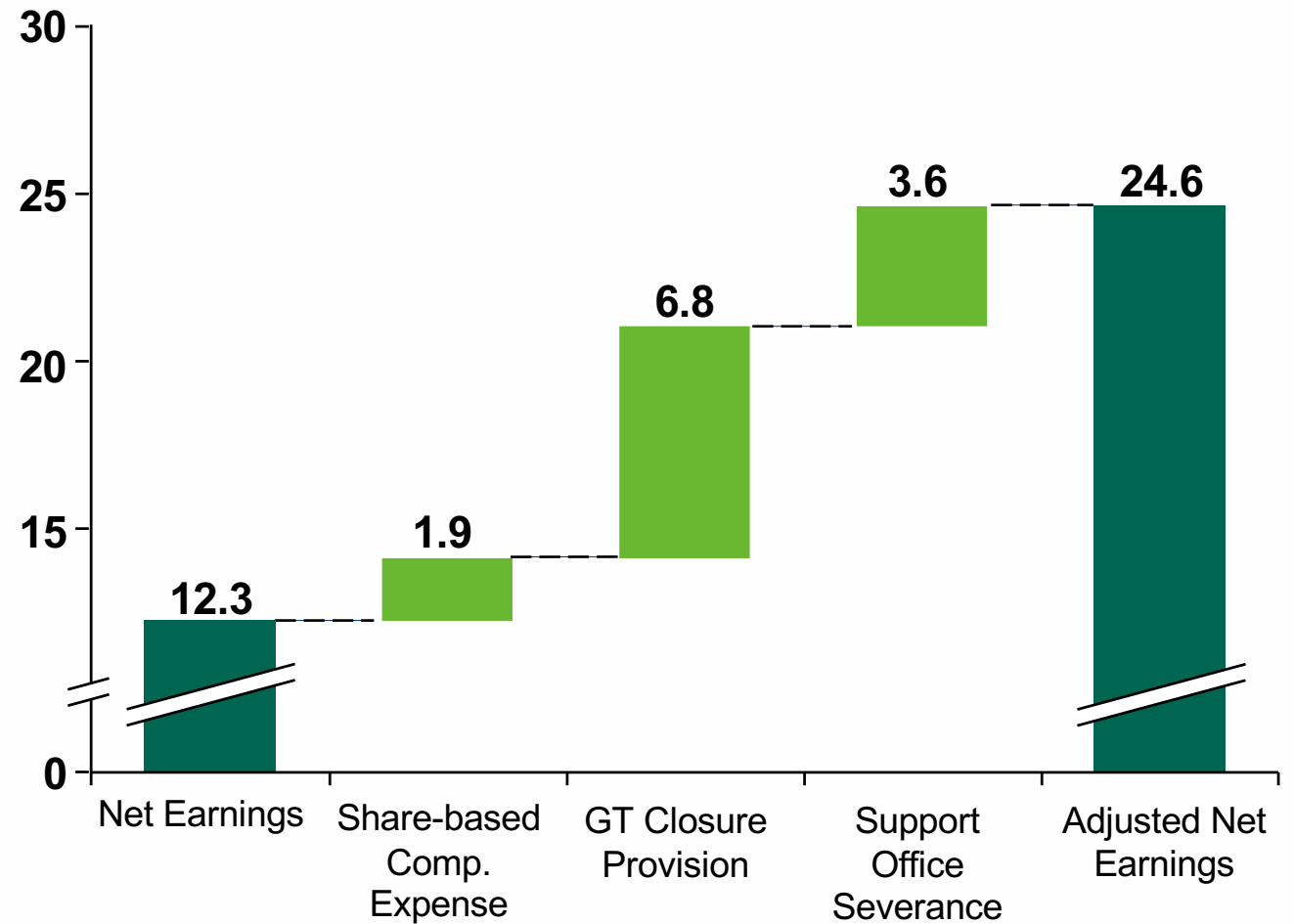
Adjusted Net Earnings • 2020 First Quarter Performance



2019 First Quarter



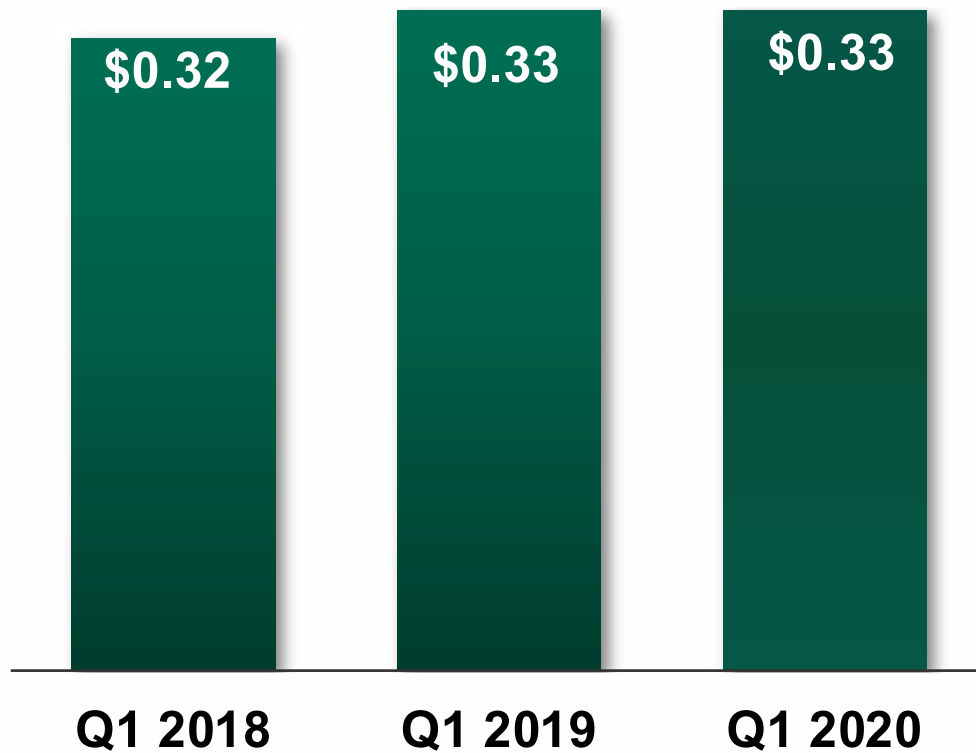
2020 First Quarter



Consistent Dividend Record • 2020 First Quarter Highlights



(Quarterly \$ per share)



- 4.5% yield
- Future increases based on cash flow growth

Key Factors

- Food price reduction impact
- COVID-19 depth and duration impact on:
 - NWC served communities
 - Competitive environment
 - Complimentary business opportunities



Key Factors

- COVID-19 impact on new opportunities
- Giant Tiger and other third party relationships
- Success of decentralized model
- Ability to build people and community strength

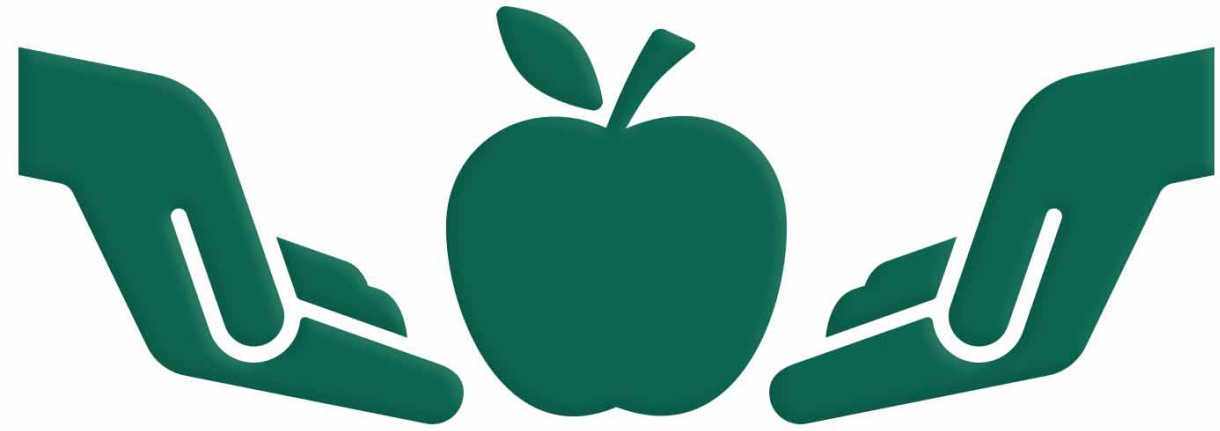


Our People



- Dedicated
- Inspiring
- Professional
- Enterprising
- Customer-driven





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THANK YOU FOR ATTENDING




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