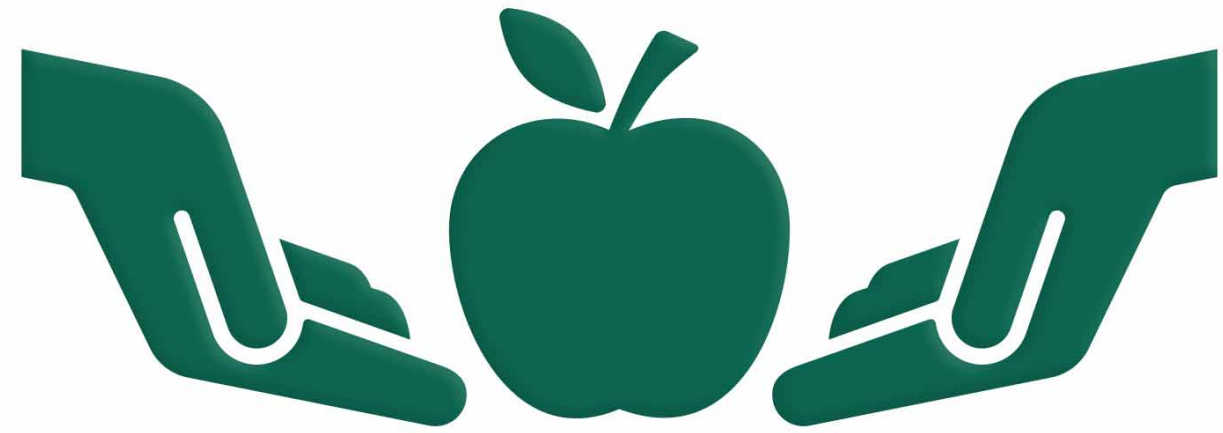


PURE RETAIL

2020 Annual General Meeting of Shareholders




WE ARE **NORTH WEST**



PURE RETAIL

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

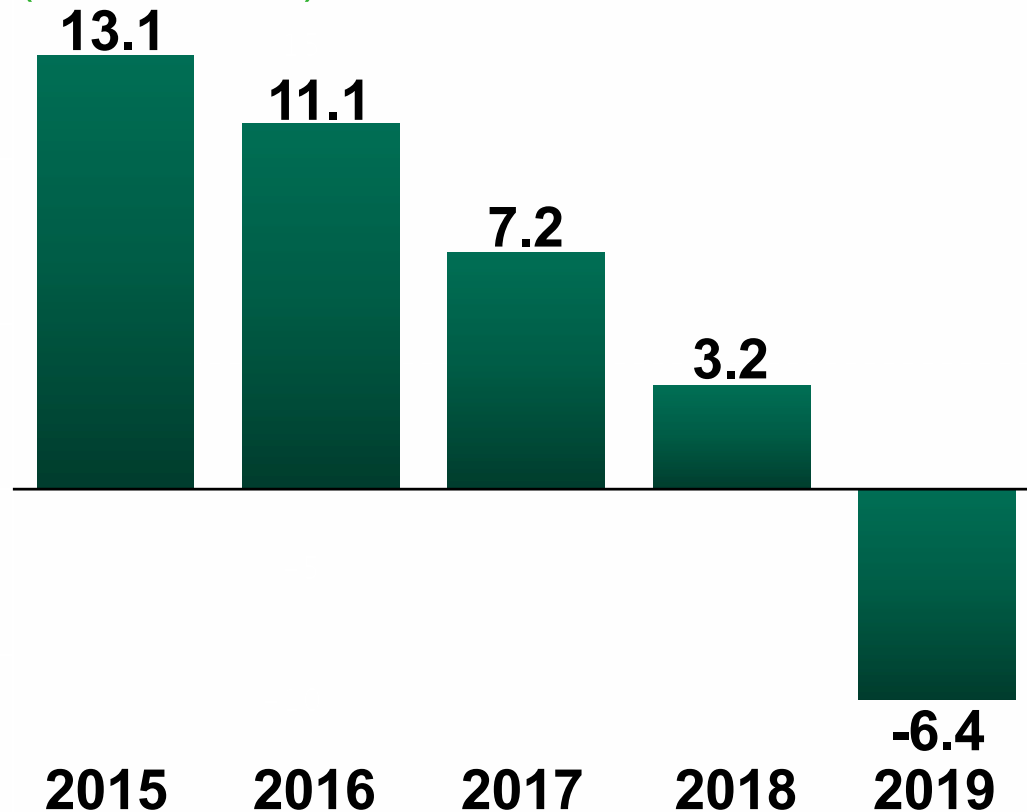


Giant Tiger Store Sale Agreement



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



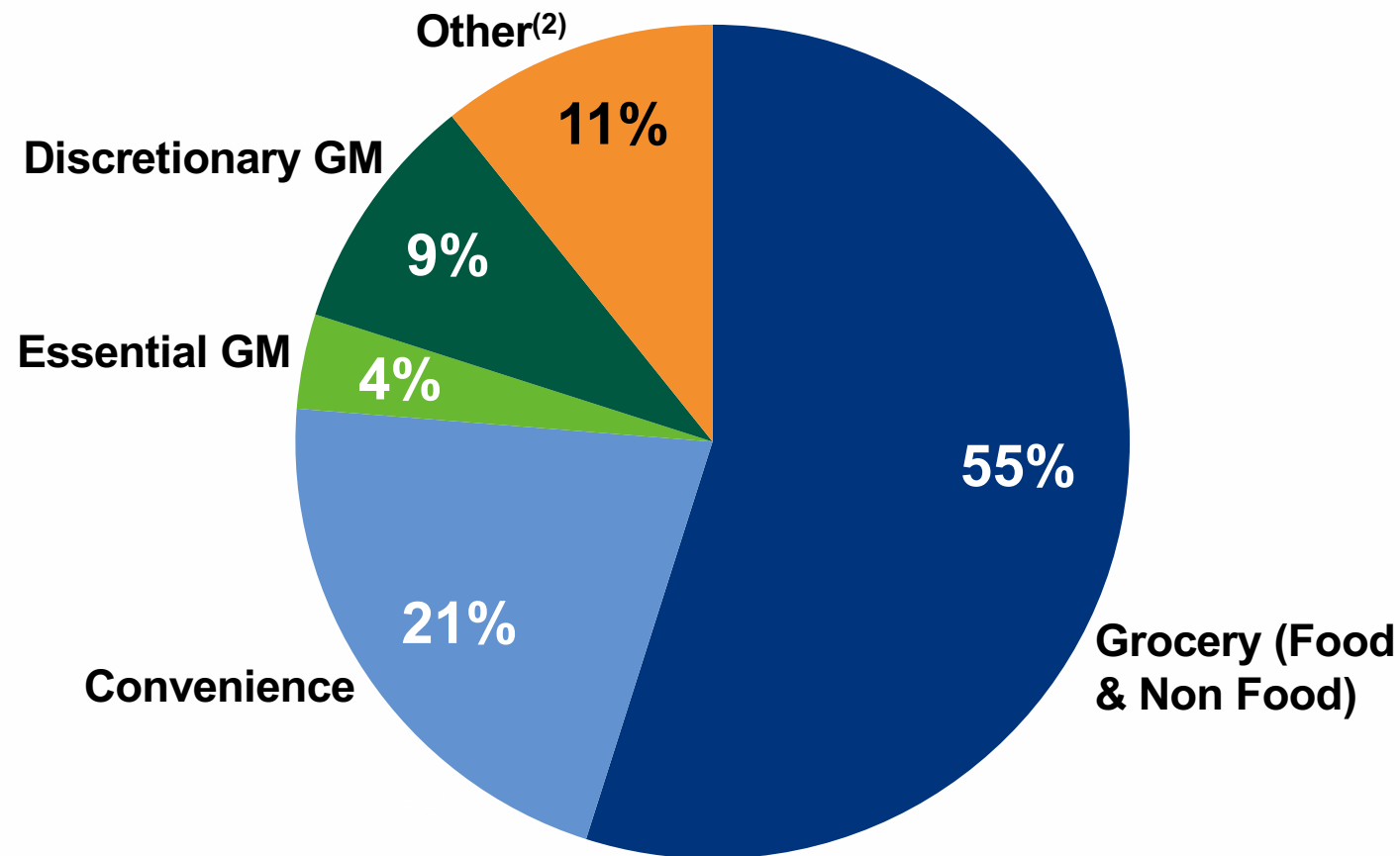
- Protective measures in place
- Close community consultation
- Front line pay increases
- Community donation ramp-up



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

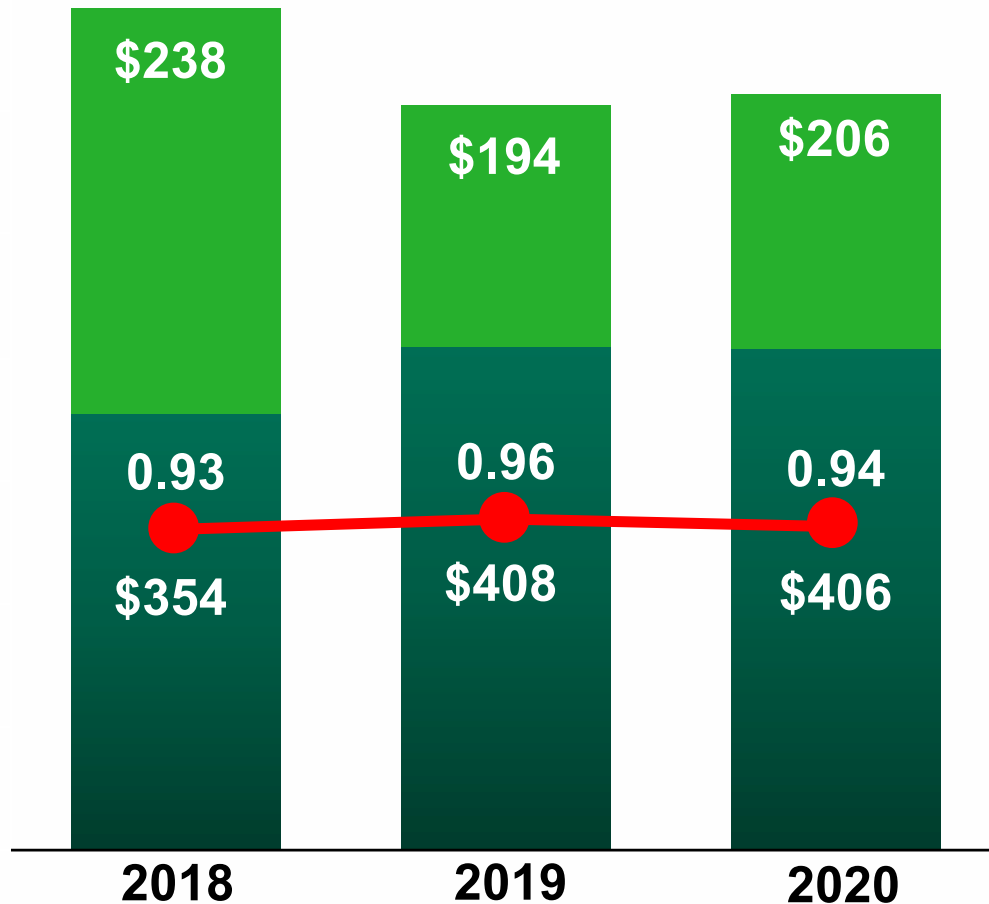


COVID-19: Liquidity



(April 30, \$ in millions)

● Debt-to-Equity ■ Available Capacity ■ Debt

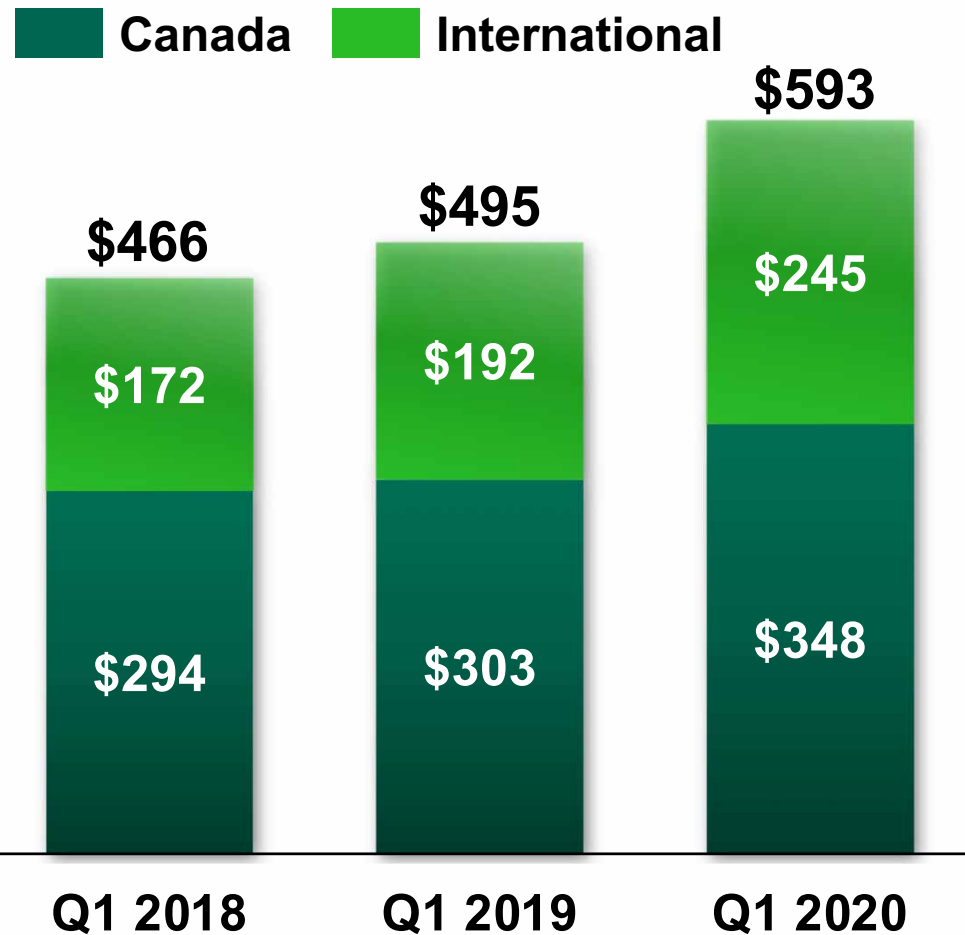


- Debt-to-equity below 1.0 since 2000
- \$206 million capacity on existing facilities
- 2020 CapEx will decrease to \$65 million range
- Essential service role, cost streamlining & GT transaction offset COVID-19 risks

Sales Performance • 2020 First Quarter Highlights



(\$ in millions)



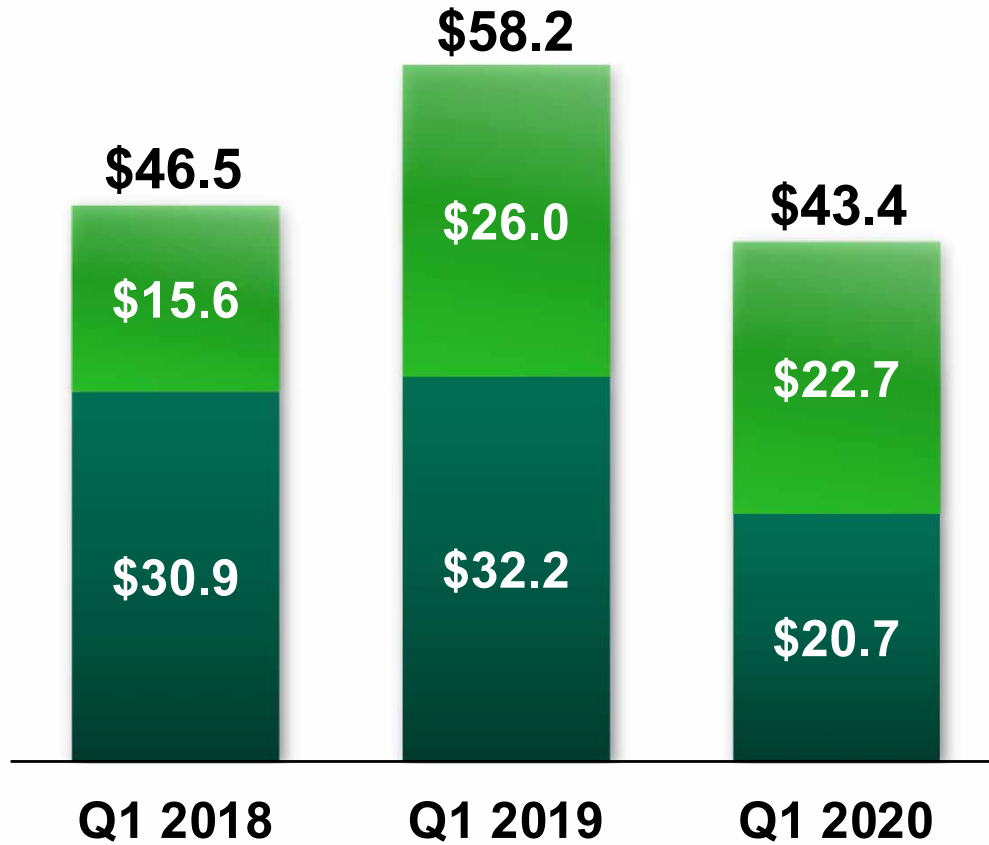
- Total sales +19.8%
- Same store +15.5%
- Food +23.2%
- General Merchandise +16.4%

EBITDA • 2020 First Quarter Highlights



(\$ in millions)

Canada **International**

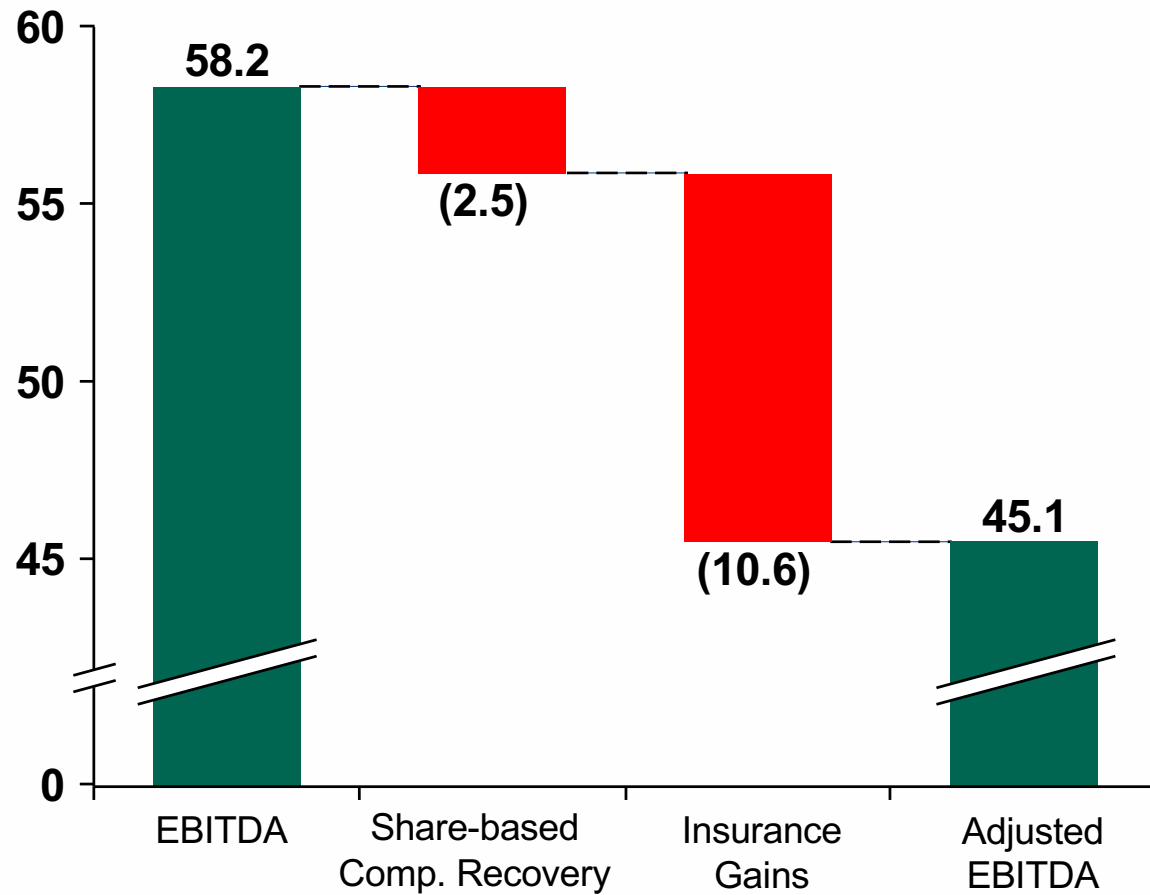


- Unadjusted for one-time charges

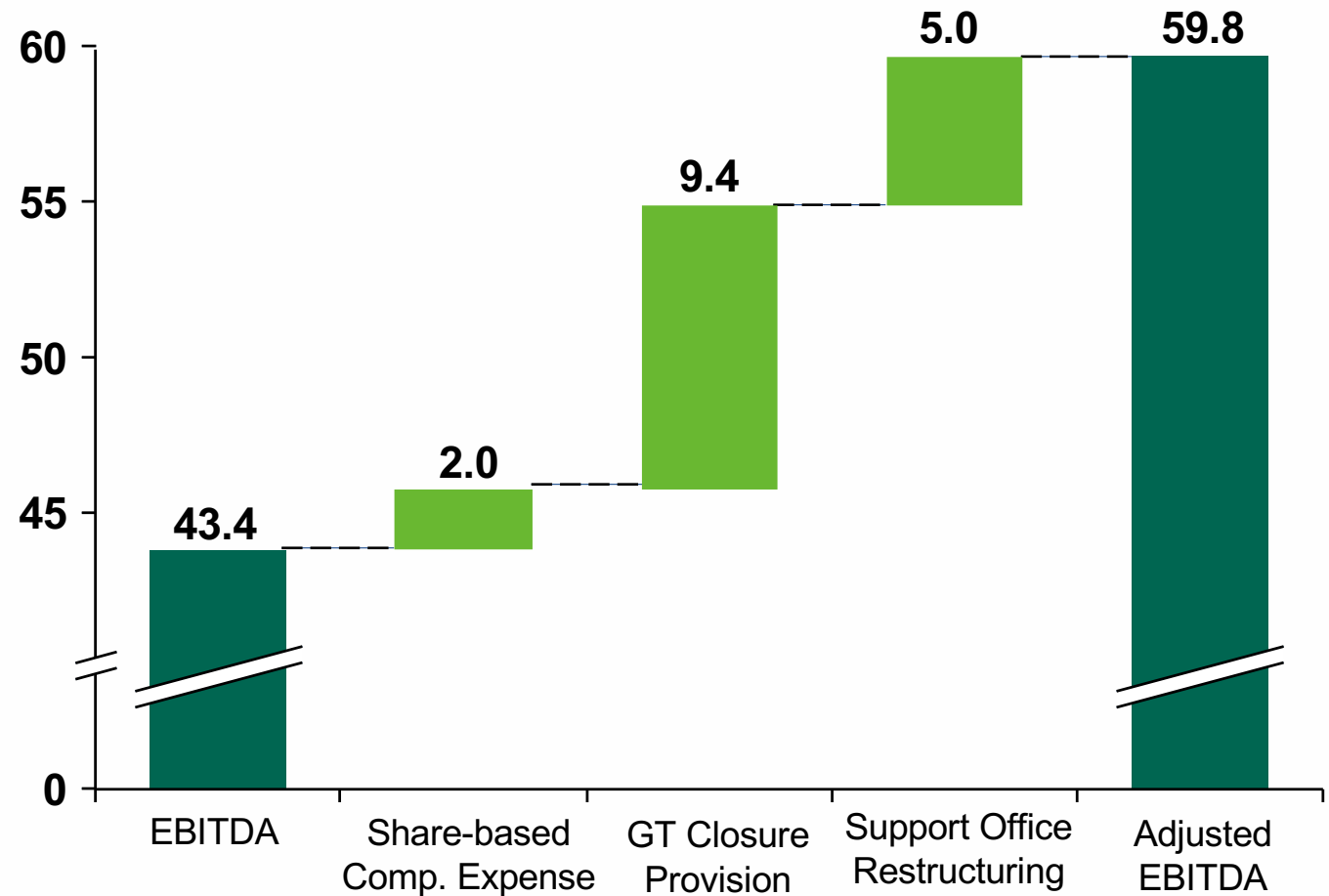
Adjusted EBITDA • 2020 First Quarter Performance



2019 First Quarter



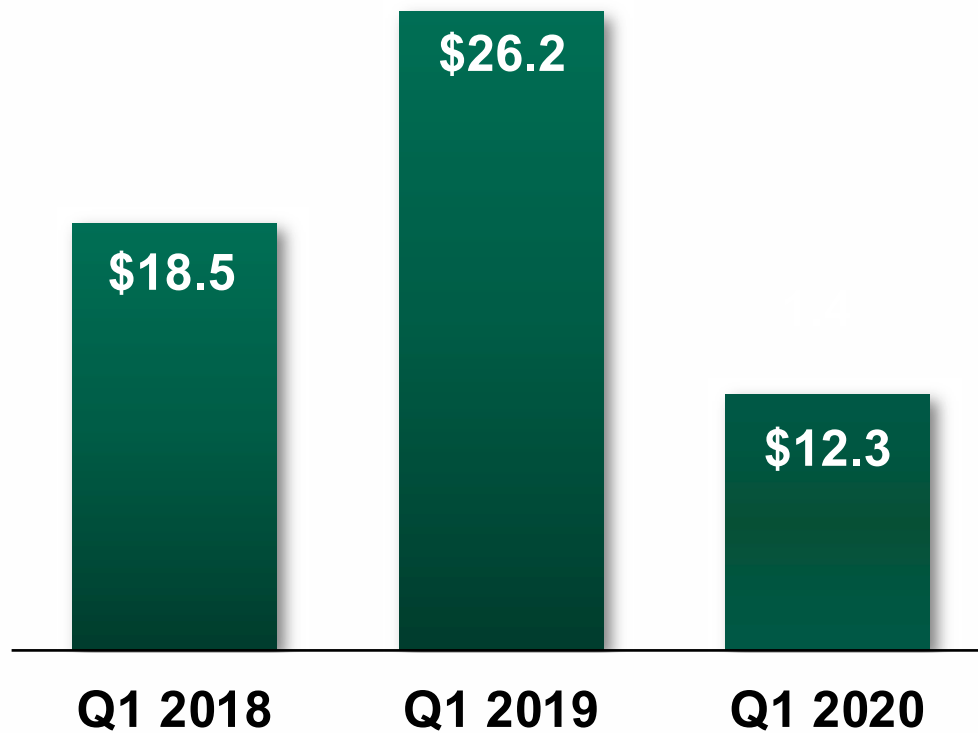
2020 First Quarter



Net Earnings Performance • 2020 First Quarter Highlights



(\$ in millions)

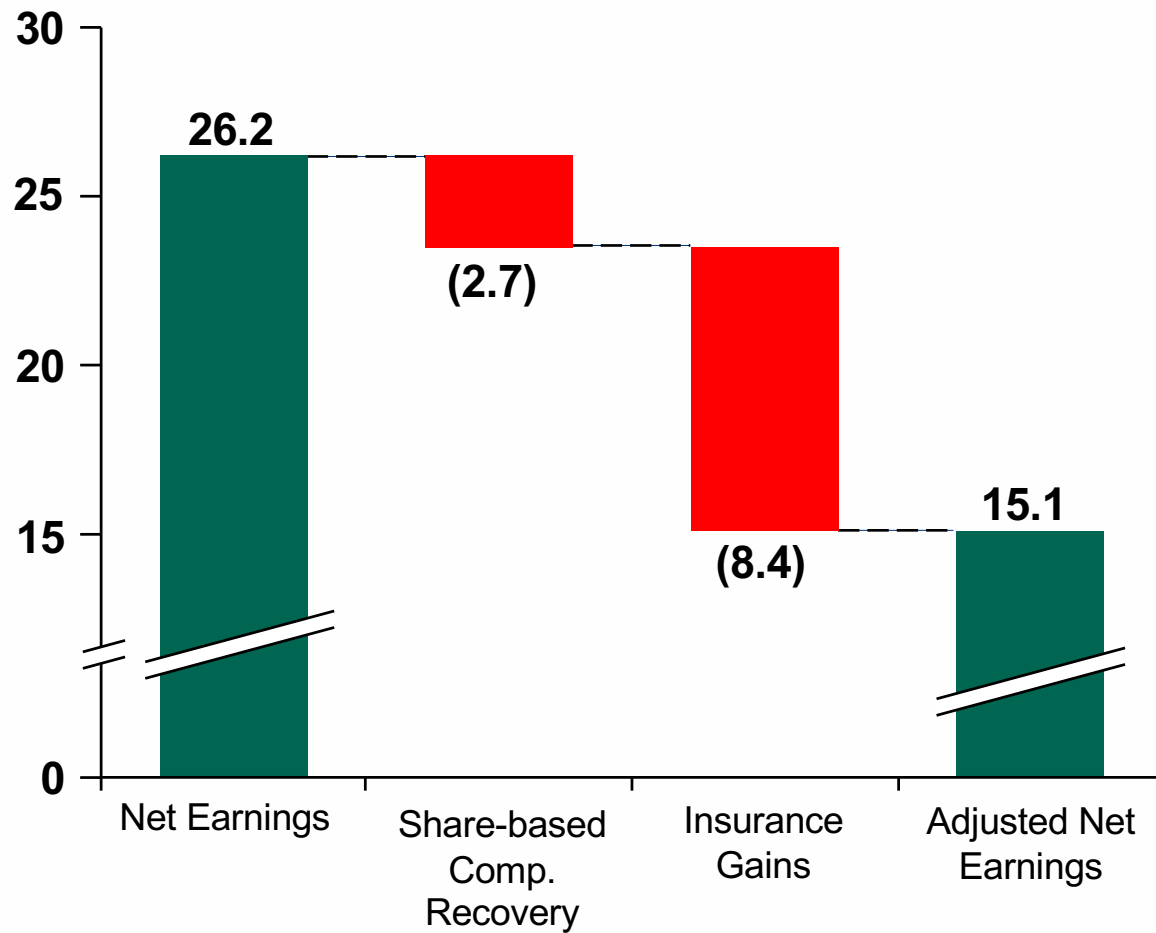


- Unadjusted for one-time charges

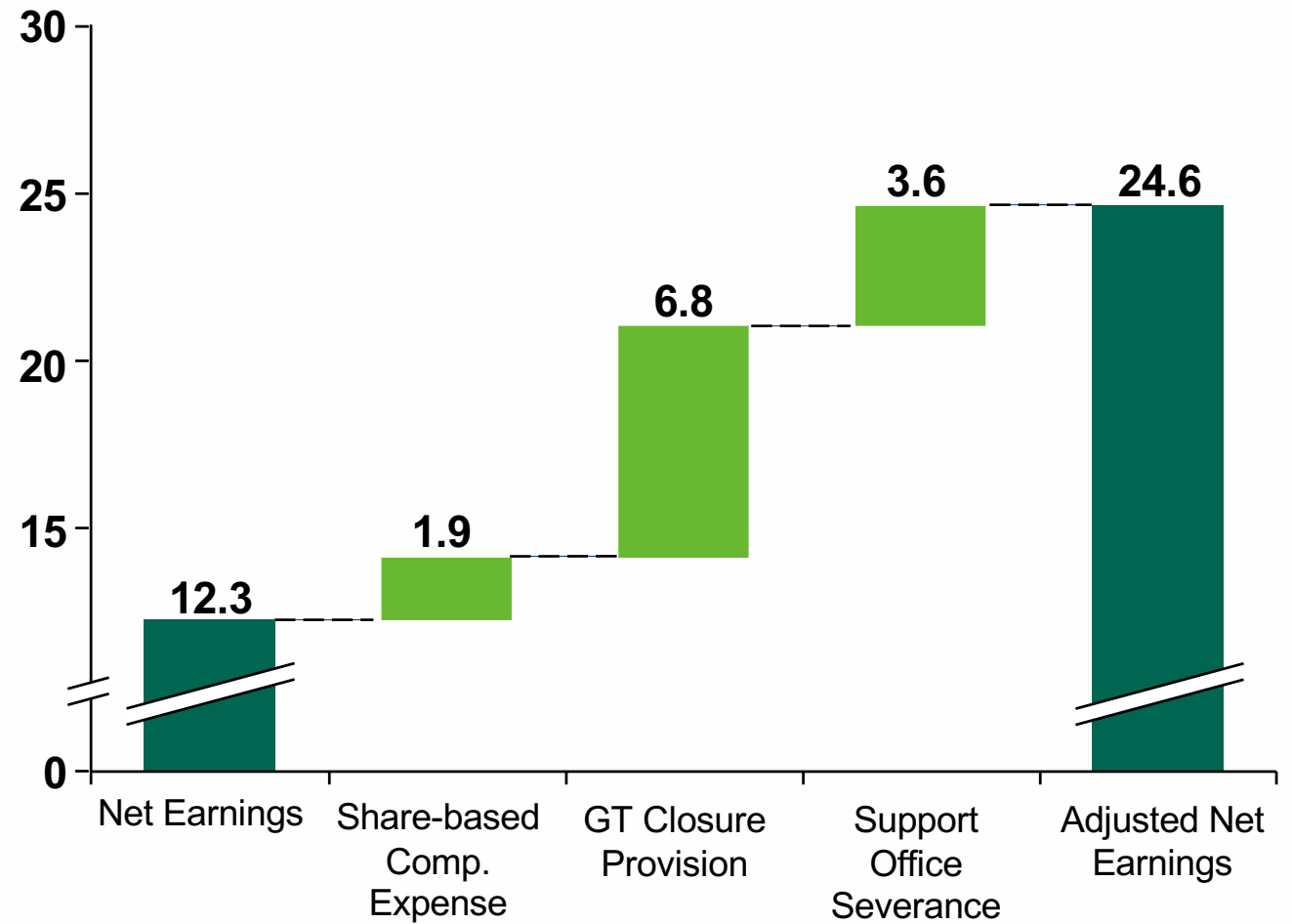
Adjusted Net Earnings • 2020 First Quarter Performance



2019 First Quarter



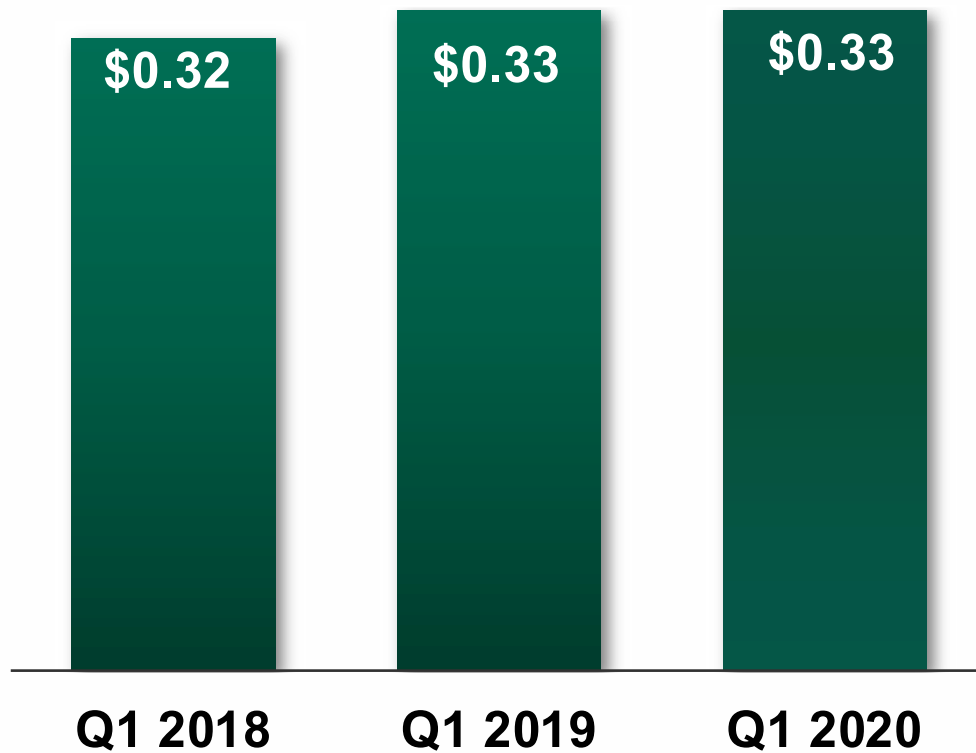
2020 First Quarter



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

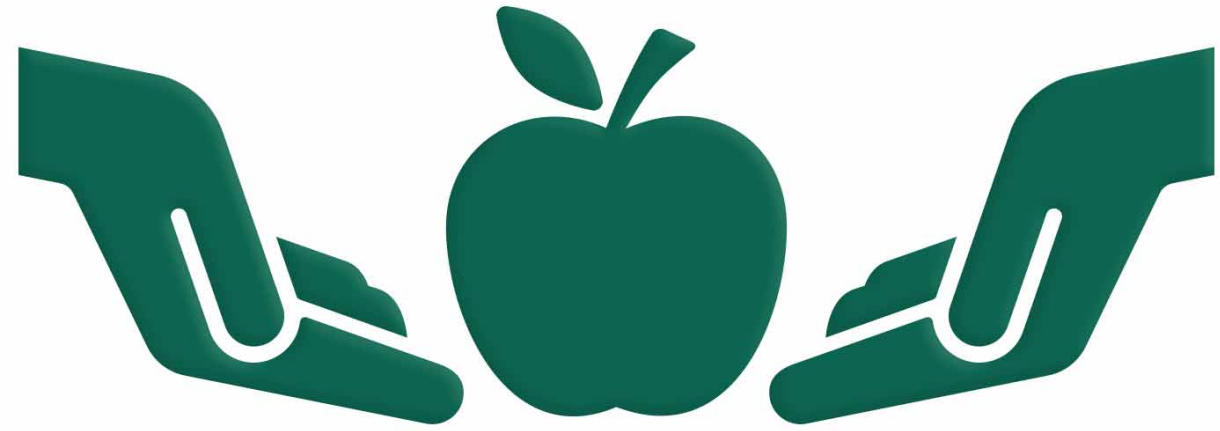


Our People



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





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THANK YOU FOR ATTENDING



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