The North West Company Investor Update

March 30, 2020

Forward Looking Statements

This presentation for The North West Company ("North West" or "the Company") contains forward-looking statements about the Company, including its business operations, strategy and expected financial performance and financial condition. Specific forward-looking statements in this presentation include, but are not limited to, statements with respect to the Company's anticipated future results, events and plans, strategic initiatives and restructuring, future liquidity, planned capital investments, the sale of certain of the Company's Giant Tiger stores to Giant Tiger Stores Limited ("GTSL") and the anticipated impact of the Covid-19 virus on the Company's operations and the Company's related business continuity plans.

- Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "plans", "believes", "estimates", "intends", "targets", "projects", "forecasts" or negative versions thereof and other similar expressions, or future or conditional future financial performance (including sales, earnings, growth rates, capital expenditures, dividends, debt levels, financial capacity, access to capital, and liquidity), on-going business strategies or prospects, and possible future action by the Company, including the closing of the GTSL transaction which is subject to commercial risks and closing conditions that are outside the control of the Company which may cause the GTSL Transaction to not close on the terms and conditions negotiated or at all.
- 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. They are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied by forward-looking statements made by the Company due to, but not limited to, important factors such as general economic, political and market factors in North America and internationally, interest and foreign exchange rates, changes in accounting policies and methods used to report financial condition, including uncertainties associated with critical accounting assumptions and estimates, 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 capital projects, strategic transactions and integrate 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 also cautioned to consider these and other factors carefully and not place undue reliance on forward-looking statements.
- Other risks are outlined in the Risk Management section of the 2018 Annual Report and in the Risk Factors sections of the Annual Information Form and Management Information Circular. 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. The reader is also cautioned to consider these and other factors carefully and not place undue reliance on forward-looking statements. 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.
- This presentation uses certain non-GAAP measures, such as Adjusted EBIT and Adjusted EBITDA which the Company believes provides useful information to both management and investors in measuring the financial performance of the Company. 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 other financial measures determined in accordance with GAAP.

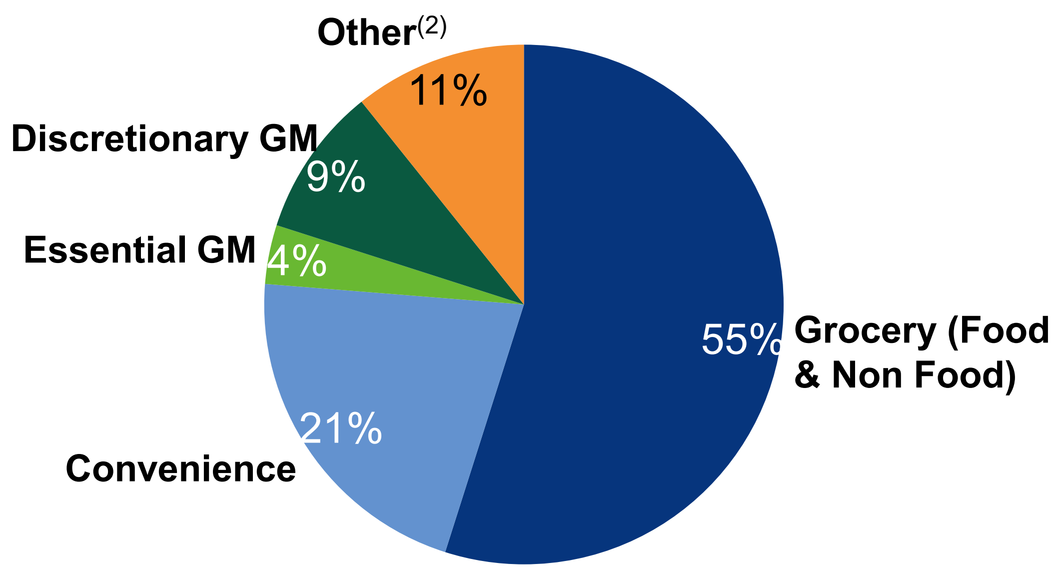
Additional information on the Company, including our Annual Information Form, can be found on SEDAR at www.sedar.com or on the Company's website at www.northwest.ca.

Agenda

1. COVID-19 Impact
2. Giant Tiger Sale/Restructure
3. North Star Air Performance

1. COVID-19 Impact

High "Essential" Product & Service Retail Sales Blend (1)



= Strong Consumer C-19 Demand

- 91% of sales are in essential product & service categories
- NWC (including GT & NSA) remains open in all jurisdictions
- Drastic drop in travel means higher local retail demand
- Incomes appear steady; will increase with announced C-19 Canada and U.S. transfers
  - Exception is non-U.S. territory islands
- Consolidated, rolling 60 day sales forecast is +10%

(1) Excluding discontinued/divested Giant Tiger ("GT") stores
(2) North Star Air ("NSA"), Financial Services, Fuel, Pharmacy

1. COVID-19 Impact

Other C-19 impacts on our business:

- **Order Fulfillment 1.0 –** stores are offering online / phone ordering with pick-up or delivery service for vulnerable customer groups
- **Order Fulfillment 2.0 –** where in-store shopping is no longer feasible or online exceeds capacity, stores will convert to dark store / micro fulfillment centres
- **Order Fulfillment 3.0 –** where staffing availability or other factors prevent effective store order fulfillment, orders will be filled from regional centres (Anchorage, Edmonton, Winnipeg, Montreal)
- **Key Risks:**
  - difficulty modelling the timing, degree and distribution of C-19 incidence severities across the locations we serve
  - staffing up to meet higher sales demands and to relieve or replace store and distribution roles

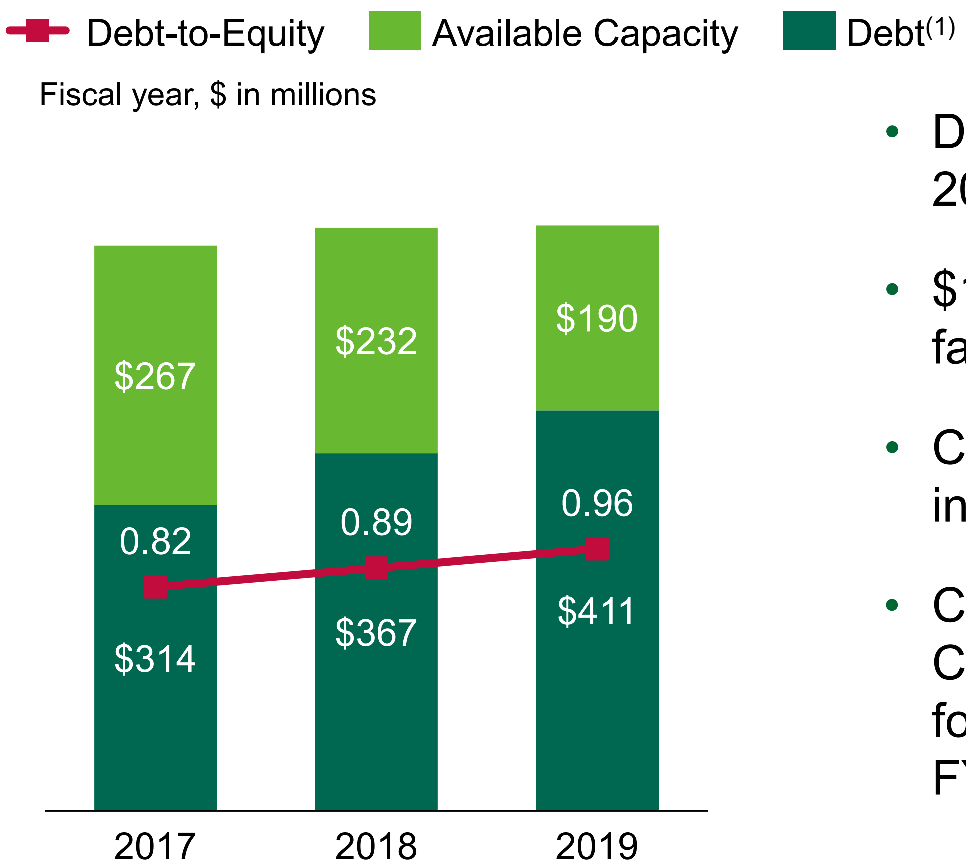
1. COVID-19 Impact

Other C-19 impacts on our business:

- **Canadian price investments –** planned for 2020 will be redirected to price reductions to support community C-19 response and build new customer relationships. Forecast gross profit dollar increases are expected to offset rate erosion
- **Additional store relief hires –** will have a monthly expense rate of approximately $500,000 beginning in April, through duration of C-19
- **March-announced admin cost base reductions –** are on target to achieve an annualized savings of $17 million by end of Q2
- **30% of NSA's revenue (1.5% of consolidated NWC) is passenger-based –** which has fallen off by 50% due to restrictions on non-essential travel. There may be government financial relief available
- **Shift to food-at-home and CUL format strength** (Costco-type) – should help offset a sharp decline in tourism activity

1. COVID-19 Impact

Liquidity



(1) Debt excluding IFRS 16 Lease liabilities

- Debt-to-equity less than 1.0 since 2000
- $190 million capacity on existing facilities
- Capex will reduce to $65 million range in 2020
- Cost reductions, GT transaction and C-19 essential services position NWC for operating cash flow growth over FY19

2. Giant Tiger Sale/ Restructure

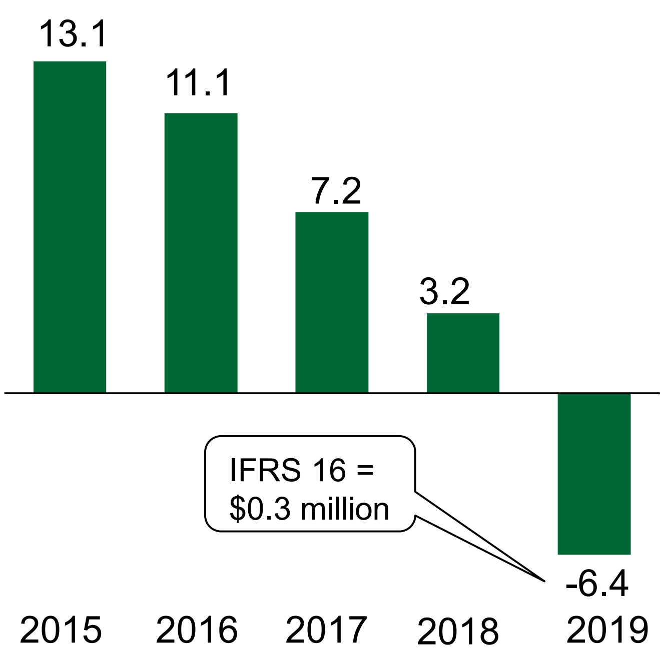
Overview

- 34 stores to be sold to Giant Tiger Stores Limited (GTSL) for $45 million plus up to $22.5 million in contingent consideration
- Five stores in northern “gateway” communities continue to be owned and operated by NWC plus one conversion to a clearance centre
- Six stores to be closed, resulting in a provision of $9 million
- NWC and GTSL to enter into reciprocal product supply agreements, with NWC continuing to distribute food products to the sold stores in western Canada
- GTSL to supply all NWC Canadian and select international stores with general merchandise products and select eastern Canada stores with food products
- Sale transaction expected to be completed in Q2

2. Giant Tiger Sale/ Restructure

Discontinued stores impaired Canadian EBITDA [1] performance…

Discontinued GT EBITDA ($ in millions)



…while we preserved our franchise exclusivity

- Average annual capex spend of $6.7 million
- Slow new store maturation = losses over years 1-3
- Performance upside from individual store franchising not pursued because non-economic to NWC
- Disproportionate management attention vs. core business potential

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

2. Giant Tiger Sale/ Restructure

Discontinued stores = 14% of 2019 Consolidated Revenue…

($ in millions)

…but food buying and distribution scale is protected

- Sold GT stores equal 40% of NWC-west food volumes
- Ongoing NWC supply ensures buying scale and DC productivity
- Enhanced further by agreement to jointly procure with GTSL's 4x volumes
- NWC will record approximately $100 million in annual wholesale revenue (food sales to GTSL)

3. NSA Performance

Supply chain and logistics are NWC core competencies. NSA gives us key strengths in these areas…

- 2-3 x weekly cargo service to 40 NWC northern Canadian retail stores, using three owned Basler, two owned ATR 72-500 and additional leased ATR aircraft as required
- Passenger service to 17 communities in northwestern Ontario, using 9 Pilatus aircraft and one leased Dash-8
- Four bases that provide freight handling and line maintenance, including new facilities in Thompson, MB and Kapuskasing, ON
- Within the current COVID-19 environment, NSA’s cargo fleet is a clear advantage over the combi configuration of other northern airlines which rely heavily on passenger revenue

3. NSA Performance

NSA's 2019 EBIT performance was $4.5 million short of plan and is at risk to be a further $2 million lower in 2020 (annualized) due to the following:

- $3 million in charter cargo aircraft usage due to Basler and ATR downtime and reduced Basler revenue due to new operating procedures
- $2 million increase in insurance primarily caused by two Basler aircraft accidents in 2019
- $1.5 million in parts expense primarily due to lack of scale in ATR fleet

3. NSA Performance

Q1 - Q2 Actions to address:

- Third owned ATR 72-500 will be in service in early Q2, replacing $1-1.5 million in third party aircraft expense and helping to scale ATR parts inventory utilization
- Ongoing plane load optimization is expected to generate $0.5 million - $1.5 million in load efficiency this year
- One or more Basler aircraft may be traded for ATR 42 aircraft to scale parts utilization, improve revenue margins and reduce insurance renewal rate risks
- Where NSA rates are below comparable NWC third party cargo service providers, adjustments will be made