



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 and a Quarterly Dividend

Winnipeg, Manitoba, April 9, 2025 (TSX: NWC): The North West Company Inc. (the "Company" or "North West") today announced its unaudited financial results for the fourth quarter ended January 31, 2025 and released its 2024 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, 2025. 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 \$0.40 per share to be paid on April 24, 2025 to shareholders of record on April 16, 2025.

CEO Comments on Fourth Quarter Results and Annual Results

"Our strong sales and earnings this quarter reflect solid performance across all North West Company banners", commented President & CEO Dan McConnell. "We're seeing early momentum from our Next 100 program, with new technologies improving on-shelf availability and our private label launch already delivering real value through more choice at better prices. Looking ahead, we're focused on building on this foundation and expanding our private label offering to ensure customers continue to have access to quality products at a better value, which is even more important in the current economic environment."

Fourth Quarter and Annual Results

The following table provides a summary of selected information for the 2024 fourth quarter and annual results. Further information on the fourth quarter and annual financial performance is provided in the 2024 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, 2025	Three Months Ended January 31, 2024	Twelve Months Ended January 31, 2025	Twelve Months Ended January 31, 2024
(\$ in thousands, except per share)				
Sales	\$ 674,886	\$ 643,109	\$ 2,576,344	\$ 2,471,678
Same store sales % increase ⁽²⁾	5.4 %	1.4 %	4.4 %	2.9 %
Gross profit	\$ 234,801	\$ 214,692	\$ 868,324	\$ 809,419
Selling, operating and administrative expenses	(174,060)	(162,995)	(658,778)	(613,522)
EBITDA ⁽¹⁾	90,399	79,136	325,165	301,173
Earnings from operations	60,741	51,697	209,546	195,897
Interest expense	(4,705)	(4,894)	(18,301)	(19,051)
Income taxes	(13,230)	(10,792)	(47,992)	(42,555)
Net earnings	42,806	36,011	143,253	134,291
Net earnings attributable to shareholders of the Company	41,094	34,492	137,296	129,391
Net earnings per share - basic	0.86	0.72	2.87	2.71
Net earnings per share - diluted	0.85	0.71	2.83	2.67
Cash flow from operating activities	108,282	90,481	260,625	230,427
Cash flow used in investing activities	(52,627)	(41,606)	(131,004)	(107,701)
Cash flow used in financing activities	(57,177)	(66,916)	(119,047)	(128,270)
Cash dividends per share	\$ 0.40	\$ 0.39	\$ 1.58	\$ 1.54

(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

- Three new stores were opened, two in Canadian Operations and one in International Operations, in addition to converting an existing store in Bethel, Alaska to an AC motorsports dealership.
- Sales increased 4.2%.
- Net earnings increased \$9.0 million or 6.7%.
- Return on average equity⁽¹⁾ was 19.3%.
- Return on net assets⁽¹⁾ was 17.8%.
- Debt-to-Equity was 0.37 at January 31, 2025 and has remained below 1.0 since 2000.
- Quarterly dividends increased \$0.01 per share or 2.6% to \$0.40 per share in September 2024 and annual dividends per share have increased 3.1% on a compound annual growth basis over the past 10 years.

Fourth Quarter Results

Consolidated Fourth Quarter Sales Sales for the quarter increased 4.9% to \$674.9 million driven by same store sales gains, the impact of foreign exchange on the translation of International Operations sales and sales from new stores. Sales were positively impacted by increased consumer demand in certain communities in Canadian Operations arising from payments to individuals from First Nations Drinking Water Claim Settlements and from First Nations Child and Family Services programs, including Jordan's Principle and Inuit Child First programs, that help provide greater access to nutritious food. International Operations sales were positively impacted by improved economic conditions in tourism-dependent markets in the Caribbean. These factors were partially offset by lower wholesale sales and airline revenue compared to last year. Excluding the foreign exchange impact, consolidated sales increased 2.7% with food sales increasing 4.2% and general merchandise and other sales decreasing 1.2% as an increase in same store general merchandise sales was more than offset by lower airline revenue. Same store sales were up 5.4%⁽²⁾ compared to the fourth quarter last year, with Canadian Operations same stores sales up 6.7% and International Operations same store sales up 3.5% compared to last year. On a same store basis, food sales⁽²⁾ increased 5.5% and general merchandise sales⁽²⁾ increased 5.1%.

Gross Profit Gross profit increased 9.4% due to sales gains and a 141 basis point increase in gross profit rate compared to last year. The increase in gross profit rate was largely due to changes in sales blend, including a lower blend of wholesale sales. Lower markdowns, including more effective data-driven promotions as part of our Next 100 work, compared to last year was also a factor.

Selling, Operating and Administrative Expenses Selling, operating and administrative expenses ("Expenses") increased \$11.1 million compared to last year and were up 45 basis points as a percentage to sales. The increase in Expenses is largely due to higher staff costs, including an investment in resources to support the Next 100 operational excellence work, an increase in depreciation, the impact of foreign exchange on the translation of International Operations Expenses and new stores. An increase in information technology costs was also a factor. These factors were partially offset by lower share-based compensation costs. The Company incurred \$1.0 million in one-time costs for professional fees related to the execution of its Next 100 strategy. The impact of these costs was more than offset in the quarter by more effective data-driven promotional activity, including a reduction in print media and other cost savings initiatives.

Earnings from operations and EBITDA⁽¹⁾ Earnings from operations or earnings before interest and taxes ("EBIT") increased \$9.0 million or 17.5% to \$60.7 million compared to \$51.7 million last year and EBITDA⁽¹⁾ increased \$11.3 million or 14.2% to \$90.4 million compared to \$79.1 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 \$9.1 million or 10.8% compared to last year and as a percentage to sales was 13.7% compared to 13.0% last year.

Interest Expense Interest expense decreased 3.9% to \$4.7 million compared to \$4.9 million last year. The decrease in interest expense is mainly due to lower average borrowing costs.

Income Tax Expense Income tax expense was \$13.2 million compared to \$10.8 million last year and the consolidated effective tax rate was 23.6% compared to 23.1% last year. The increase in the effective income tax rate was due to the the blend of earnings across the various tax rate jurisdictions and the taxation of discrete items, including share-based compensation.

Net Earnings Consolidated net earnings increased \$6.8 million or 18.9% to \$42.8 million compared to \$36.0 million last year. Net earnings attributable to shareholders were \$41.1 million and diluted earnings per share were \$0.85 per share compared to \$0.71 per share last year 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, increased \$5.1 million or 12.8% compared to last year due to earnings gains in both Canadian Operations and International Operations.

Annual Results

Consolidated Sales Sales for the year ended January 31, 2025 ("2024") increased 4.2% to \$2.576 billion compared to \$2.472 billion for the year ended January 31, 2024 ("2023"). The increase in sales compared to 2023 was due to same store sales gains, the impact of foreign exchange on the translation of International Operations sales and new store sales. These factors were partially offset by lower wholesale sales. Excluding the foreign exchange impact, sales increased 3.5% from 2023.

Gross Profit Gross profit increased 7.3% to \$868.3 million compared to \$809.4 million last year due to higher sales and a 95 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. Lower markdowns, including more effective data-driven promotional activity as part of our Next 100 work, compared to last year was also a factor.

Selling, Operating and Administrative Expenses Selling, operating and administrative expenses ("Expenses") of \$658.8 million increased \$45.3 million or 7.4% compared to last year and were up 75 basis points as a percentage of sales. The increase in Expenses is largely due to higher staff costs related to inflationary and minimum wage increases and an investment in additional resources required to execute the Next 100 operational excellence work, an increase in depreciation and the impact of foreign exchange on the translation of International Operations Expenses. The impact of new stores, higher vessel repairs incurred through our investment in Transport Nanuk Inc., an increase in share-based compensation costs and one-time costs related to our Next 100 work were also factors. These factors were partially offset by the \$3.7 million asset write-off from the loss of our store in Fox Lake, Alberta that was destroyed by wild fire last year. The investment in additional resources and Next 100 one-time costs are required to unlock the future growth and incremental EBIT expected from the Next 100 initiatives.

Earnings from operations and EBITDA⁽¹⁾ Earnings from operations or earnings before interest and income taxes ("EBIT") increased \$13.6 million or 7.0% to \$209.5 million compared to \$195.9 million last year. Earnings before interest, income taxes, depreciation and amortization ("EBITDA⁽¹⁾") increased 8.0% to \$325.2 million compared to \$301.2 million last year. The increase in EBIT and EBITDA compared to 2023 is due to the sales, gross profit and Expense factors previously noted. Adjusted EBITDA⁽¹⁾, which excludes the impact of share-based compensation, one-time Next 100 costs and the Fox Lake store fire loss last year, increased \$22.4 million or 7.0% to \$340.4 million compared to \$318.0 million last year. The impact of the Next 100 one-time costs was more than offset by more effective data-driven promotional activity, including a reduction in print media and other cost savings initiatives.

Interest Expense Interest expense decreased 3.9% to \$18.3 million compared to \$19.1 million last year. This decrease is due to lower average debt levels and interest rates. Average debt levels decreased 1.3% compared to last year mainly due to a decrease in amounts drawn on revolving loan facilities. The average cost of debt was 4.3% compared to 4.7% last year.

Income Tax Expense Income taxes increased to \$48.0 million compared to \$42.6 million last year and the effective tax rate for the year was 25.1% compared to 24.1% last year. The increase in income tax expense is due to higher earnings and the impact of a higher effective tax rate. The increase in the effective tax rate is substantially due to the impact of The Global Minimum Tax Act ("GMTA") – Pillar Two legislation included in Bill C-69 that was enacted in Canada on June 20, 2024. This legislation implements the Pillar Two global minimum tax regime developed by the Organisation for Economic Co-operation and Development ("OECD") which applies a minimum effective tax rate of 15% on income earned in each jurisdiction in which the Company operates. The Company operates retail stores in the Cayman Islands, Barbados and British Virgin Islands which are impacted by the GMTA - Pillar Two legislation. Changes in the effective income tax rate may also occur as a result of various factors, including changes in tax law, the impact of discrete items, including the taxation of share-based compensation and insurance gains, changes in tax estimates and the blend of earnings across the various tax rate jurisdictions.

Net Earnings Consolidated net earnings increased \$9.0 million or 6.7% to \$143.3 million compared to \$134.3 million last year. Net earnings attributable to shareholders of the Company were \$137.3 million compared to \$129.4 million last year and diluted earnings per share were \$2.83 per share compared to \$2.67 per share last year due to the factors previously noted. Excluding the impact of the share-based compensation, one-time Next 100 costs and the Fox Lake store fire loss last year, adjusted net earnings⁽¹⁾ increased \$7.8 million or 5.3% to \$154.8 million compared to \$147.0 million last year.

Other Highlights

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 will publicly file their Joint Modern Slavery Act Report for the 2024 fiscal year. The Modern Slavery Act Report will be available on the Company's website at www.northwest.ca.

Sustainability Report 2024

The Company's 2024 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 2024 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	
	2024	2023	2024	2023
Earnings from operations	\$ 60,741	\$ 51,697	\$ 209,546	\$ 195,897
Add:				
Amortization	29,658	27,439	115,619	105,276
EBITDA	\$ 90,399	\$ 79,136	\$ 325,165	\$ 301,173
Share-based compensation expense	1,376	4,558	14,250	13,167
The Next 100 one-time costs ⁽¹⁾	991	—	991	—
Fox Lake wildfire asset write-off ⁽²⁾	—	—	—	3,694
Adjusted EBITDA	\$ 92,766	\$ 83,694	\$ 340,406	\$ 318,034

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

⁽²⁾ On May 5, 2023, the Company's store in Fox Lake, Alberta was destroyed by wildfire which resulted in a write-off of assets.

Reconciliation of consolidated net earnings to adjusted net earnings:

(\$ in thousands)	Fourth Quarter		Year-to-Date	
	2024	2023	2024	2023
Net earnings	\$ 42,806	\$ 36,011	\$ 143,253	\$ 134,291
Share-based compensation expense, net of tax	1,074	3,523	10,818	10,177
The Next 100 one-time costs, net of tax ⁽¹⁾	720	—	720	—
Fox Lake wildfire asset write-off, net of tax ⁽²⁾	—	—	—	2,551
Adjusted Net Earnings	\$ 44,600	\$ 39,534	\$ 154,791	\$ 147,019

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

⁽²⁾ On May 5, 2023, the Company's store in Fox Lake, Alberta was destroyed by wildfire which resulted in a write-off of assets.

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)	2024	2023
Total assets	\$ 1,527.5	\$ 1,396.0
Less: Total liabilities	(732.8)	(690.2)
Add: Total debt and lease liabilities	422.2	405.5
Net Assets Employed	\$ 1,216.9	\$ 1,111.3

(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 2024 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 9, 2025 at 3:30 p.m. (Central Time). To access the call, please dial 416-340-2217 or 800-898-3989 with a pass code of 5418050#. The conference call will be archived and can be accessed by dialing 905-694-9451 or 800-408-3053 with a pass code of 4354532# on or before May 10, 2025.

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 2024 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.

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 2024 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 230 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.

-30-

For more information contact:

Dan McConnell, President and Chief Executive Officer, The North West Company Inc.
Phone 204-934-1482; fax 204-934-1317; email dmccconnell@northwest.ca

John King, Executive Vice-President and Chief Financial Officer, The North West Company Inc.
Phone 204-934-1397; fax 204-934-1317; email jking@northwest.ca