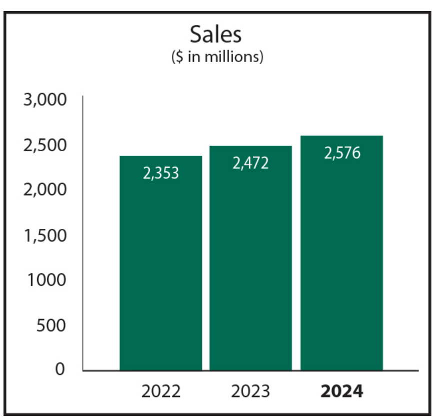
The North West Company Inc.

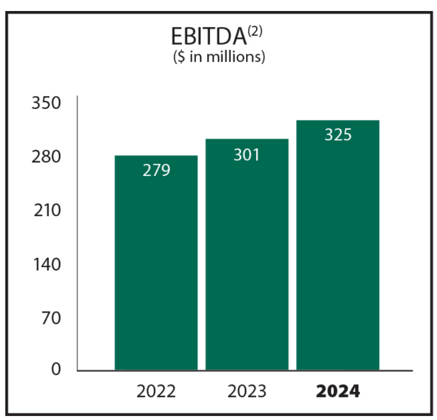
2024 Management's Discussion & Analysis

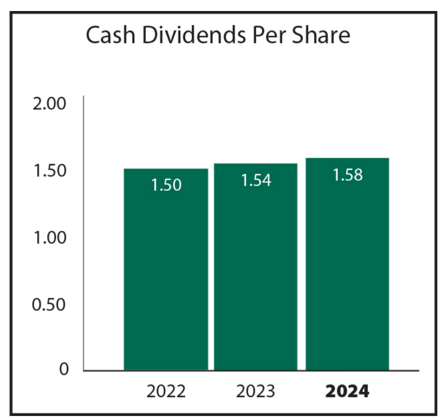
Financial Highlights

All currency figures in this report are in Canadian dollars, unless otherwise noted

($ in thousands, except per share information)		**Year Ended January 31, 2025**		Year Ended January 31, 2024		Year Ended January 31, 2023
RESULTS FOR THE YEAR						
Sales	**$**	**2,576,344**	$	2,471,678	$	2,352,760
Same store sales % increase/(decrease) (1)		**4.4 %**		2.9 %		(0.8)%
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) (2)	**$**	**325,165**	$	301,173	$	278,678
Earnings from operations (EBIT)		**209,546**		195,897		180,305
Net earnings		**143,253**		134,291		125,836
Net earnings attributable to The North West Company Inc.		**137,296**		129,391		122,190
Cash flow from operating activities (3)		**260,625**		230,427		182,838
FINANCIAL POSITION						
Total assets	**$**	**1,527,505**	$	1,396,010	$	1,336,890
Debt		**295,776**		281,576		290,050
Total equity		**794,714**		705,773		647,900
FINANCIAL RATIOS						
Debt-to-equity		**.37:1**		.40:1		.45:1
Return on net assets (RONA) (2)		**17.8 %**		17.7 %		17.9 %
Return on average equity (ROE) (2)		**19.3 %**		19.9 %		20.5 %
Sales blend: Food		**77.2 %**		76.9 %		77.3 %
General Merchandise and other		**22.8 %**		23.1 %		22.7 %
PER SHARE ($) - DILUTED						
EBITDA (2)	**$**	**6.70**	$	6.22	$	5.73
Net earnings attributable to The North West Company Inc.		**2.83**		2.67		2.51
Cash flow from operating activities		**5.37**		4.76		3.76
Market price: January 31		**46.44**		38.89		36.24
high		**55.93**		40.49		40.09
low		**37.15**		29.58		30.55







(1) All references to same store sales exclude the foreign exchange impact.
(2) See Non-GAAP Financial Measures section.
(3) See Consolidated Liquidity and Capital Resources.

Management's Discussion & Analysis

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MANAGEMENT'S DISCUSSION & ANALYSIS

Unless otherwise stated, this Management's Discussion & Analysis ("MD&A") for The North West Company Inc. ("NWC") and its subsidiaries (collectively, "North West Company", the "Company", "North West", or "NWC") is based on, and should be read in conjunction with the 2024 annual audited consolidated financial statements and accompanying notes. The Company's annual audited consolidated financial statements and accompanying notes for the year ended January 31, 2025 are in Canadian dollars, except where otherwise indicated, and are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").

The Board of Directors, on the recommendation of its Audit Committee, approved the contents of this MD&A on April 9, 2025 and the information contained in this MD&A is current to April 9, 2025, unless otherwise stated.

FORWARD-LOOKING STATEMENTS

This MD&A contains 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 MD&A 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 MD&A 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 MD&A and the Company's 2024 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 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 MD&A. 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.

Management's Discussion & Analysis

OUR BUSINESS TODAY

The North West Company is a leading retailer to rural and developing small population communities in the following regions: northern Canada, rural Alaska, the South Pacific and the Caribbean. Our stores offer a broad range of products and services with an emphasis on food and a compelling value offer of being the best local shopping choice for everyday household and lifestyle needs.

North West's core strengths include: our ability to adapt to varied community preferences and priorities; our on-the-ground presence with hard-to-replicate operating skills, customer insights and facilities; our logistics capability in moving product to remote markets; and, our ability to apply these strengths within complementary businesses.

North West has a rich enterprising legacy as one of the longest continuing retail enterprises in the world. The Company traces its roots back to 1668 and many of our stores in northern Canada have been in operation for over 200 years.

Our stores in Alaska and northern Canada serve communities with populations ranging from 300 to 9,000. A typical store is 6,500 square feet in size and offers food, family apparel, housewares, appliances, outdoor products and services such as fuel, post offices, pharmacies, quick-service prepared food, prepaid card products, ATMs, cheque cashing, income tax return preparation and proprietary credit programs.

Growth at North West is driven by market share capture within existing locations and from applying our expertise and infrastructure to new product categories, markets and complementary businesses. The latter includes vertical investments in shipping and air cargo, wholesaling to independent stores, and retailing through mid-sized warehouse and supermarket format stores serving the South Pacific islands and the Caribbean.

A key strength and ongoing strategy of North West is our ability to seize unique community-by-community selling opportunities better than our competition. Flexible store models, store management selection and education, store-level merchandise ordering, community relations and incentive plans are all ingredients of our approach to sustain a leading market position. Our enterprising culture, our execution skills in general, and our logistics and selling skills specifically, are also essential components to meeting customer needs within each market we serve.

North West delivers its products and services through the following retail, wholesale and complementary businesses:

Canadian Operations

- **121 Northern** stores, offering a combination of food, financial services and general merchandise to remote northern Canadian communities;
- **5 NorthMart** stores, targeted at larger northern markets with an emphasis on an expanded selection of fresh foods, apparel and health products and services;
- **30 Quickstop** convenience stores, offering extended hours, ready-to-eat foods, fuel and related services in northern Canadian markets;
- **5 Giant Tiger ("GT")** junior discount stores, offering family fashion, household products and food in northern market locations;
- **3 Valu Lots** discount centers and direct-to-customer food distribution outlets for remote communities in Canada;
- **1 Solo Market** store, targeted at less remote, rural markets;
- **3 Pharmacy and Convenience** stores, stand-alone northern pharmacies and convenience stores;
- **2 NWC Motorsports** dealership offering sales, service, parts and accessories for Ski-doo, Honda, Can-Am and other premier brands;
- **Crescent Multi Foods ("CMF")**, a distributor of produce and fresh meats to independent grocery stores in Saskatchewan, Manitoba and northwestern Ontario;
- **North West Tele-pharmacy Solutions**, a leading provider of contract tele-pharmacist services to rural hospitals and health centres across Canada; and
- **Transport Nanuk Inc. and North Star Air Ltd. ("NSA")**, water and air-based transportation businesses, respectively, serving northern Canada.

International Operations

- **34 Alaska Commercial Company ("AC")** stores, similar to Northern and NorthMart, offering a combination of food and general merchandise to communities across remote and rural regions of Alaska;
- **4 Quickstop** convenience stores within rural Alaska;
- **1 AC Motorsports** dealership offering sales, service, parts and accessories for Honda, Yamaha, Ski-doo and Can-Am brands;
- **Pacific Alaska Wholesale ("PAW")**, a leading distributor to independent grocery stores, commercial accounts and individual households in rural Alaska;
- **12 Cost-U-Less ("CUL")** mid-size warehouse stores, offering discount food and general merchandise products to island communities in the South Pacific and the Caribbean; and
- **9 Riteway Food Markets and a significant wholesale operation (collectively "RTW")** in the British Virgin Islands.

VISION

At North West our mission is to be a trusted provider of goods and services within harder-to-access, under-served communities. Our vision is to help our customers live better. This starts with our customers' ability and desire to shop locally with us for the widest possible range of products and services that meet their everyday needs. We respond by striving to be innovative, reliable, convenient, welcoming and adaptable, at the lowest local price, within what are typically higher cost environments. For our associates, we strive to be a preferred, fulfilling place to work. For our investors, we strive to deliver sustainable, total returns through earnings growth, dividends and disciplined capital allocation.

PRINCIPLES

The way we work at North West is shaped by six core principles: *Customer Driven, Enterprising, Passion, Accountability, Trust, and Personal Balance.*

Customer Driven refers to looking through the eyes of our customers while recognizing our presence as a supportive community citizen.
Enterprising is our spirit of innovation, improvement and growth, reflected in our unrelenting focus on new and better products, services and processes.
Passion refers to how we value our work and the opportunity to make a positive impact in our customers' lives.
Accountability is our management approach to getting work done through effective roles, tasks and resources.
Trust at North West means doing what you say you will do, with fairness, integrity, inclusion and respect.
Personal Balance is our commitment to sustaining ourselves and our organization, so that we work effectively and sustainably in our roles and for our customers and communities.

STRATEGIES

The strategies at North West are guided by our vision and aligned with a total return approach to investment performance. We aim to deliver top-quartile returns through earnings growth and dividend yield with opportunities considered in terms of their growth potential and ability to sustain an attractive cash return within a lower business risk profile.

The Company's overriding goal is to offer essential products and services that help our customers to live better and to deliver sustainable growth through operational excellence and by continuing to build capability for the future through the following priorities:

- striving for operational excellence in all facets of our business with a priority on ensuring in-stock availability on essential products that our customers rely on and reducing costs to help provide value to our customers;
- investing to grow our business through store openings in new and existing markets, store renovations, refined merchandise assortments and expanded product categories and services, including pursuing wholesale and B-to-B opportunities, consistent with our core capability as an essential everyday products and service provider in remote markets;
- building a superior logistics and supply chain capability with an ongoing focus on optimizing our transportation mix and air cargo capability to provide faster, more reliable and lower cost service to our stores and customers in remote markets;
- optimizing the IT infrastructure for our stores and support offices to deliver efficiencies and more streamlined processes and drive improvements in category management, pricing, data analytics, forecasting, replenishment and inventory management; and
- delivering on the priorities aligned within our Environmental, Social and Governance ("ESG") framework developed around People, Planet and Partnerships. This includes ensuring that we attract, develop and retain top talent that is inclusive of the diverse peoples and cultures that are represented within the communities we serve and that we are responsible towards the planet, the communities we serve and other stakeholder interests.

Collectively these priorities are referred to as "The Next 100", which is focused on driving operational excellence, expanding our capabilities and pursuing value for our customers, our employees, our shareholders and the communities we serve. The initiatives within the Next 100 program noted above leverage the power of data through new tools and analytics, and will be enabled by investments in technology and training which will help sustain the benefits of this work in the years to come. The Next 100 touches on every aspect of our business and aims to drive annualized incremental EBIT, which is expected to ramp-up through 2025 and 2026 as our initiatives reach maturity. As we lay the groundwork for these improvements, we are investing in additional resources and technology to support the execution of the Next 100 program. In addition to this investment in resources, we anticipate incurring one-time costs, including professional fees and other expenses, in advance of the incremental EBIT being realized.

Following is an update on the work in 2024 related to these strategic priorities:

Operational Excellence We continue to focus on being in-stock on food and other essential items such as transportation, home furnishings and appliances, while striving to provide value for our customers within a high cost environment by minimizing as much as possible the impact of cost increases from suppliers. In addition, we continue to seek opportunities to deliver cost savings in other aspects of our business through improved store labour planning, lower inventory shrink and other expense management initiatives.

In 2024, we piloted an inventory forecasting and replenishment application which is planned to be rolled out to stores in northern Canada in 2025. The implementation of forecasting and replenishment is expected to improve our in-stock position on essential food items, reduce inventory shrink and enable more efficient logistics planning.

Investing in Stores, Products and Services Three new stores were opened, including two stores in Canadian Operations and one store in International Operations as follows:

- a Quickstop convenience store in Grassy Narrows, Ontario;
- a Valu Lots store in Fisher River, Manitoba;
- an AC store in Anaktuvuk Pass, Alaska.

In addition, an AC Quickstop convenience store in Bethel, Alaska was converted into an AC Motorsports dealership.

As part of the refinement of merchandise assortments included in our Next 100 work, the Company added Loblaw Companies Ltd. as a supplier and expects to begin selling Loblaw private label products in its northern Canada stores in the first quarter of 2025 as the new assortments are implemented. Development of new private label products for our International Operations began in 2024, with the implementation of an expanded private label assortment planned for late 2025.

Building a Superior Logistics and Supply Chain Capability NSA's cargo aircraft utilization rates and service levels continue to meet targets and deliver consistent service to northern Canada and were a key factor in maintaining good in-stock rates in our stores. Third party cargo, charter and scheduled passenger business contributed to earnings gains in 2024. NSA is building a hangar in Thunder Bay, Ontario to support its cargo and passenger business, which is expected to be completed in the second quarter of 2025.

Optimizing our IT Infrastructure Investments are being made in upgrading hardware and replacing legacy software, including the implementation of new pricing and data analytics software, and the implementation of a new warehouse management system ("WMS") in International Operations in 2025 followed by the implementation of the WMS in Canadian Operations in 2026.

Environmental, Social and Governance ESG is integrated within our strategies and work priorities and guide our decisions across the Company. We recognize that one of the strengths of our Company is the diversity of our workforce and that continuing to enhance a culture of diversity, equity and inclusion is critical to our business and our ability to attract, develop and retain top talent. We completed a prioritization exercise to determine which areas of ESG have the greatest impact on our business and business partners, including the communities we serve, employees and other stakeholders. The results of this exercise have been incorporated into our strategy and work priorities. Our ESG strategy is embedded in our business operations and unique business model, supporting underserved communities in remote geographical locations.

As we continue to develop and implement our action plans, we recognize that this is an ongoing learning process that requires adaptability to make progress towards our ESG objectives. Our ESG strategy also aims to complement "Our Promise to Indigenous Peoples" and our commitment to building more collaborative relationships that will enhance the inclusion and social well-being of Indigenous People in Canada. North West is fully committed to the spirit of reconciliation reflected in the Truth and Reconciliation Commission of Canada's Call to Action and final report.

In 2024, North West received an Impact Award from Canadian Grocer in the Diversity, Equity and Inclusion category for our Indigenous Procurement Strategy which aims to reduce barriers and obstacles to allow the development of economic partnerships with local and Indigenous businesses and suppliers. In addition, we continued to advance our Indigenous Cultural training as part of Our Promise to Indigenous Peoples, having over 200 employees in associate, manager, director and executive roles completing a two-day Indigenous Cultural workshop.

Another factor that is critical to our success is talent attraction, development and retention, including the training and development of our front-line employees. In 2024, we launched “Compass”, an innovative learning platform, that has provided employees with new tools to support their well-being and professional growth.

Further information on our ESG Strategy is provided in the Corporate Social Responsibility and Sustainability section.

KEY PERFORMANCE DRIVERS AND CAPABILITIES REQUIRED TO DELIVER RESULTS

The financial capability to sustain the competitiveness of our core strengths and to pursue growth: Our investment priorities center on our store management and front line people, lower costs to help mitigate inflationary price increases, next level technology and superior logistics.

The ability to be a leading community store in every market we serve: We strive to connect with the customers and communities we serve in a highly valued way. It starts with being able to tailor our store formats, product/service mix, community support and store compensation, while still realizing the efficiencies of our size. Investing in relationships, embracing a broad range of products, services and store sizes, flexible technology platforms and "best practice" work processes, are required to achieve this goal.

Our ability to build and maintain supportive community relations: To preserve our community access we must be trusted, open, respectful, adaptable and socially helpful. Store leases and business licenses are often subject to community approval and depend on our track record in these areas and the perceived community and customer value of our retail store compared to other options.

Our ability to develop highly capable store level employees and work practices: Store work and related processes must drive sales and efficiently enable our store-level personnel to manage the other key facets of their store. This enables our full potential to realize local selling opportunities, meet our customer service commitments and build and maintain positive community relationships. It recognizes that our store roles must be compelling and provide opportunities to learn and reach their full potential in order to attract and retain the best people, including our on-going ability to hire within-community.

Our ability to deliver merchandise and information through our unique store network: The integration and build-out of our air cargo capability in northern Canada enables us to deliver and receive products faster, cheaper and more reliably compared to third-party providers. Similar advantages are possible through our investment in information technology.

Consolidated Results

2024 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.

FINANCIAL PERFORMANCE

Some of the key performance indicators used by management to assess results are summarized in the following table:

Key Performance Indicators and Selected Annual Information

($ in thousands, except per share)	**2024**	2023	2022
Sales	**$2,576,344**	$ 2,471,678	$ 2,352,760
Same store sales % increase/ (decrease)[2]	**4.4 %**	2.9 %	(0.8)%
EBITDA[1]	**$ 325,165**	$ 301,173	$ 278,678
Earnings from operations	**$ 209,546**	$ 195,897	$ 180,305
Net earnings	**$ 143,253**	$ 134,291	$ 125,836
Net earnings attributable to shareholders of the Company	**$ 137,296**	$ 129,391	$ 122,190
Net earnings per share - diluted	**$ 2.83**	$ 2.67	$ 2.51
Cash flow from operating activities[3]	**$ 260,625**	$ 230,427	$ 182,838
Cash dividends per share	**$ 1.58**	$ 1.54	$ 1.50
Total assets	**$1,527,505**	$ 1,396,010	$ 1,336,890
Total long-term liabilities	**$ 457,937**	$ 439,579	$ 440,384
Return on net assets[1]	**17.8 %**	17.7 %	17.9 %
Return on average equity[1]	**19.3 %**	19.9 %	20.5 %

(1) See Non-GAAP Financial Measures section.
(2) All references to same store sales exclude the foreign exchange impact.
(3) See Consolidated Liquidity and Capital Resources section.

Following is an analysis of the significant factors that impacted the financial results and key performance indicators:

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"), and were up 9.5% compared to $2.353 billion for the year ended January 31, 2023 ("2022"). 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 and were up 7.8% compared to 2022. The increase in sales compared to 2022 is largely due to same store sales gains, the impact of foreign exchange, sales from new stores and higher inflation.

On a same store basis, sales were up 4.4% compared to a same store sales increase of 2.9% in 2023 and a 0.8% decrease in 2022 as shown in the following table:

Same Store Sales

(% increase/(decrease))	**2024**	2023	2022
Food	**4.5 %**	3.4 %	1.7 %
General merchandise (GM)	**4.1 %**	(0.1)%	(13.3)%
Total food & GM sales	**4.4 %**	2.9 %	(0.8)%

The impact of higher merchandise and freight cost inflation in 2023 and 2022 resulted in changes in product sales blend as consumers allocated more of their spending to food and reduced purchases of general merchandise.

Consolidated food sales increased 4.7% from 2023 and were up 3.8% excluding the foreign exchange impact. Same store food sales increased 4.5% on top of a 3.4% increase last year. On a quarterly basis, same store food sales increased 3.8% in the first quarter followed by increases of 4.6%, 3.8% and 5.5% in the second, third and fourth quarter respectively. Canadian food sales increased 4.7% and International food sales increased 2.7% excluding the foreign exchange impact.

Consolidated general merchandise sales increased 4.0% compared to 2023 and were up 3.5% excluding the foreign exchange impact. Same store general merchandise sales increased 4.1% for the year compared to a 0.1% decrease last year. On a quarterly basis, same store general merchandise sales increased 3.9% in the first quarter followed by increases of 1.9%, 5.3% and 5.1% in the second, third and fourth quarter respectively. Canadian general merchandise sales increased 4.1% and International general merchandise sales increased 1.7% excluding the foreign exchange impact.

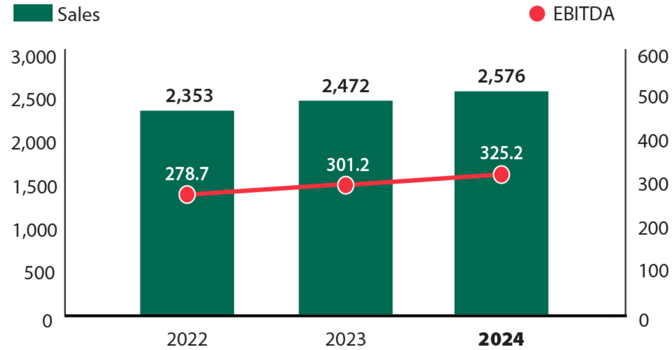
Other sales, which include airline revenue, financial services, fuel and pharmacy, increased 1.2% compared to 2023 mainly due to higher pharmacy sales. An increase in retail fuel sales and financial services revenue were also a factor. Other sales increased 13.6% compared to 2022 mainly due to higher airline revenue in North Star Air ("NSA") and sales gains in pharmacy and fuel.

Sales Blend The table below shows the consolidated sales blend over the past three years:

	2024	2023	2022
Food	**77.2 %**	76.9 %	77.3 %
General merchandise and other	**22.8 %**	23.1 %	22.7 %

Canadian Operations accounted for 57.3% of total sales (57.4% in 2023 and 56.2% in 2022) with International Operations accounting for the remaining 42.7% (42.6% in 2023 and 43.8% in 2022).

Sales & EBITDA[(1)] ($ in millions)



(1) See Non-GAAP Financial Measures section.

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. Further information on the Next 100 is provided in the Strategies and Outlook sections.

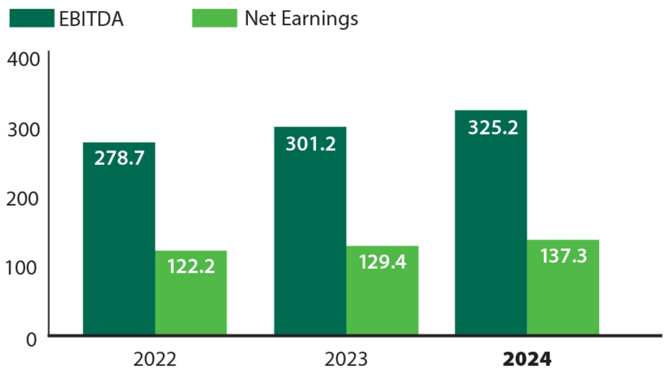
Earnings from Operations (EBIT) and EBITDA[(1)] Earnings from operations or earnings before interest and income taxes ("EBIT") increased $13.6 million or 7.0% to $209.5 million compared to $195.9 million last year, and increased $29.2 million or 16.2% compared to $180.3 million in 2022. Earnings before interest, income taxes, depreciation and amortization ("EBITDA[(1)]") increased 8.0% to $325.2 million compared to $301.2 million last year, and was up $46.5 million or 16.7% compared to 2022. The increase in EBIT and EBITDA compared to 2023 and 2022 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 and was up $48.6 million or 16.7% compared to 2022. 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.

Additional information on the financial performance of Canadian Operations and International Operations is provided on pages 9 and 11 respectively.

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. Further information on interest expense is provided in Note 19 to the consolidated financial statements.

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. Further information on income tax expense, the effective tax rate and deferred tax assets and liabilities is provided in Note 10 to the consolidated financial statements.

EBITDA[(1)] & Net Earnings[(2)] ($ in millions)



(1) See Non-GAAP Financial Measures section.
(2) Net earnings attributable to shareholders of the Company.

Net Earnings Consolidated net earnings increased $9.0 million or 6.7% to $143.3 million compared to $134.3 million last year, and are up $17.4 million or 13.8% compared to 2022. 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, and were up $18.7 million or 13.8% compared to 2022 adjusted net earnings[(1)] of $136.0 million. In 2024, the average exchange rate used to translate International Operations sales and expenses was 1.3775 compared to 1.3504 last year and 1.3088 in 2022.

The Canadian dollar's depreciation versus the U.S. dollar compared to 2023 had the following net impact on the 2024 results:

Sales...increase of $21.7 million or 2.0%
Earnings from operations...increase of $1.2 million
Net earnings..increase of $1.0 million
Diluted earnings per share..................................increase of $0.02 per share

Total Assets Consolidated total assets for the past three years is summarized in the following table:

($ in thousands)	**2024**	2023	2022
Total assets	**$ 1,527,505**	$ 1,396,010	$ 1,336,890

Consolidated assets increased $131.5 million or 9.4% compared to 2023 and were up $190.6 million or 14.3% compared to 2022. The increase in consolidated assets compared to last year and 2022 is mainly due to an increase in current assets, largely driven by higher inventories and cash, and an increase in property and equipment. Further information on the change in current assets is provided in the working capital section below. The increase in property and equipment is largely due to new stores, store renovations and investments in fixtures and equipment. An increase in property and equipment in NSA, including the replacement of a PC-12 aircraft and the start of construction of a hangar in Thunder Bay, Ontario, was also a factor. Further information on property and equipment is provided in Note 7 to the consolidated financial statements. The impact of foreign exchange was also a factor as the year-end exchange rate used to translate International Operations assets increased to 1.4485 compared to 1.3412 last year and 1.3382 in 2022.

Consolidated working capital for the past three years is summarized in the following table:

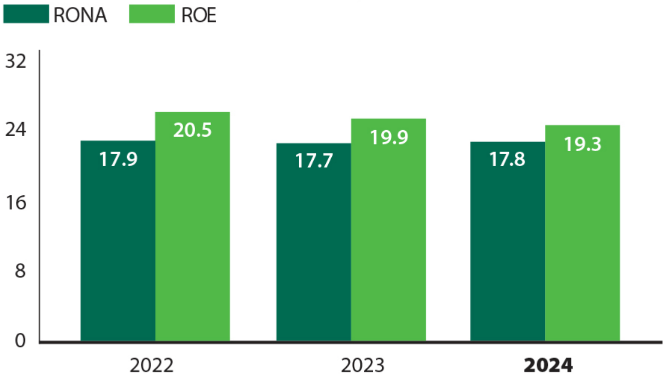
($ in thousands)	**2024**	2023	2022
Current assets	**$ 550,268**	$ 502,905	$ 474,844
Current liabilities	**$ (274,854)**	$ (250,658)	$ (248,606)
Working capital	**$ 275,414**	$ 252,247	$ 226,238

Working capital increased $23.2 million or 9.2% to $275.4 million compared to $252.2 million in 2023 and increased $49.2 million or 21.7% compared to $226.2 million in 2022. Current assets increased $47.4 million or 9.4% compared to last year and were up $75.4 million or 15.9% compared to 2022. The increase in current assets compared to 2023 and 2022 is primarily due to an increase in inventories, cash and prepaid expenses. Further information on current assets is provided in the net assets employed section under Canadian Operations and International Operations. Further information on the increase in cash is provided in the consolidated statements of cash flows and the Consolidated Liquidity and Capital Resources section.

Current liabilities increased $24.2 million or 9.7% to $274.9 million compared to $250.7 million last year and were up $26.2 million or 10.6% compared to $248.6 million in 2022. The increase compared to 2023 and 2022 is substantially due to an increase in accounts payable and accrued liabilities mainly due to the timing of payments of trade accounts payable. Further information on working capital for the Canadian Operations and International Operations is on page 10 and page 12 respectively.

The following graph shows the RONA and ROE for the past three years:

Return on Net Assets[1] & Equity[1] (%)



(1) See Non-GAAP Financial Measures section.

Return on net assets employed ("RONA") increased to 17.8% compared to 17.7% in 2023 and decreased compared to 17.9% in 2022. The increase compared to last year is due to a 7.0% increase in EBIT and a 6.6% increase in average net assets employed. Additional information on net assets employed for the Canadian Operations and International Operations is on page 10 and page 12 respectively.

Return on average equity ("ROE") decreased to 19.3% compared to 19.9% in 2023 due to the impact of higher average equity mainly related to an increase in retained earnings and accumulated other comprehensive income compared to last year partially offset by a 6.7% increase in net earnings. Further information on shareholders' equity is provided in the consolidated statements of changes in shareholders' equity in the consolidated financial statements.

Total Long-Term Liabilities Consolidated total long-term liabilities for the past three years is summarized in the following table:

($ in thousands)	**2024**	2023	2022
Total long-term liabilities	**$ 457,937**	$ 439,579	$ 440,384

Consolidated long-term liabilities increased $18.4 million or 4.2% to $457.9 million compared to 2023 and were up $17.6 million or 4.0% from 2022.

The increase in long-term liabilities compared to 2023 is primarily due to higher long-term debt resulting from an increase in amounts drawn on revolving loan facilities and the impact of foreign exchange on the translation of U.S. denominated debt. An increase in defined benefit plan obligations was also a factor. The increase in long term liabilities compared to 2022 is due to the impact of foreign exchange and an increase in lease liabilities and defined benefit plan obligations. Additional information on long-term debt, lease liabilities and defined benefit plan obligations is provided in Note 12, Note 8 and Note 13 respectively to the consolidated financial statements.

Canadian Operations

FINANCIAL PERFORMANCE

Canadian Operations results for the year are summarized by the key performance indicators used by management as follows:

Key Performance Indicators

($ in thousands)	**2024**	2023	2022
Sales	**$1,475,039**	$1,418,961	$1,323,185
Same store sales % increase/(decrease)	**5.8 %**	5.7 %	(2.4)%
EBITDA (1)	**$ 223,546**	$ 204,089	$ 185,458
Earnings from operations	**$ 146,875**	$ 133,909	$ 119,090
Return on net assets (1)	**21.0 %**	19.8 %	19.1 %

(1) See Non-GAAP Financial Measures section.

Sales Canadian Operations sales increased $56.1 million or 4.0% to $1.475 billion compared to $1.419 billion in 2023 and were up $151.9 million or 11.5% compared to 2022. The increase in sales compared to 2023 and 2022 was due to same store sales gains and the impact of new stores. Higher pharmacy sales, retail fuel sales and financial services revenue were also factors. These factors were partially offset by lower wholesale food sales and lower airline revenue compared to very strong airline revenue gains last year.

Food sales accounted for 67.0% of total Canadian Operations sales compared to 66.6% last year. The balance was made up of general merchandise and other sales at 33.0% (33.4% in 2023). Other sales consist primarily of airline revenue, financial services revenue, fuel and pharmacy.

Food sales increased by 4.7% from 2023 and were up 10.2% compared to 2022. Same store food sales increased 6.1% on top of a 5.9% increase in 2023 and a 0.4% increase in 2022. On a quarterly basis, same store food sales increased 4.4% in the first quarter followed by increases of 7.6% and 4.8% in the second quarter and third quarter respectively, and a 7.6% increase in the fourth quarter.

General merchandise sales increased 4.1% from 2023 and were up 13.9% compared to 2022. Same store sales in 2024 increased 4.3%, compared to a 5.3% increase in 2023 and a 13.3% decrease in 2022. On a quarterly basis, same store general merchandise sales increased 6.4% in the first quarter compared with increases of 2.7%, 5.3% and 3.4% in the last three quarters.

Other sales increased 1.4% from 2023 and were up 14.4% compared to 2022. The increase in sales compared to 2023 was mainly due to higher pharmacy and retail fuel sales and an increase in financial services revenue. These factors were partially offset by lower airline revenue this year compared to very strong airline revenue gains last year related to higher third-party cargo volumes and higher passenger-related revenues. The increase in other sales compared to 2022 is primarily due to higher airline revenue, pharmacy sales and retail fuel sales.

Sales Blend The table below shows the sales blend for the Canadian Operations over the past three years:

	2024	2023	2022
Food	**67.0 %**	66.6 %	67.8 %
General merchandise and other	**33.0 %**	33.4 %	32.2 %

Same Store Sales Canadian Operations same store sales for the past three years are shown in the following table. Sales in 2024 were positively impacted by increased consumer demand in certain communities 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. Sales in 2023 were positively impacted by government inflation relief payments to individuals to help mitigate higher cost of living. The decrease in general merchandise same store sales in 2022 was mainly due to higher merchandise and freight cost inflation that contributed to changes in sales blend as consumers allocated more of their spending to food and reduced purchases of general merchandise.

Same Store Sales

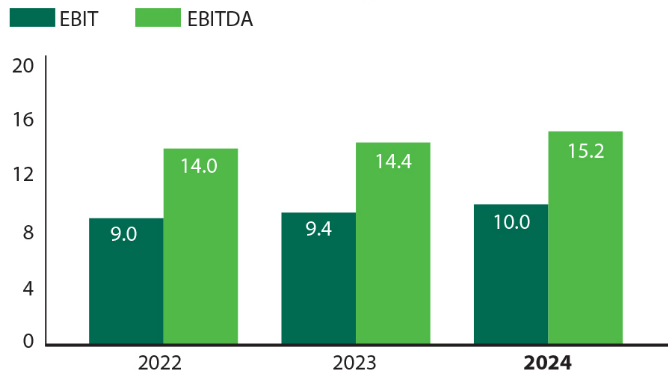
(% increase/(decrease))	**2024**	2023	2022
Food	**6.1 %**	5.9 %	0.4 %
General merchandise (GM)	**4.3 %**	5.3 %	(13.3)%
Total food & GM sales	**5.8 %**	5.7 %	(2.4)%

Gross Profit Gross profit dollars increased 7.8% compared to last year driven by sales gains and an increase in the gross profit rate. The higher gross profit rate was largely due to changes in sales blend, including a lower blend of wholesale food 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") increased 7.1% from 2023 and were up 80 basis points as a percentage of sales. The increase in Expenses is primarily 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, the impact of higher vessel repair costs incurred through our investment in Transport Nanuk Inc., additional Expenses from new stores and one-time costs related to our Next 100 work were also factors. These factors were partially offset by the impact of the $3.7 million asset write-off resulting from the Fox Lake store fire loss last year.

Earnings from Operations (EBIT) and EBITDA[1] Earnings from operations increased $13.0 million or 9.7% to $146.9 million compared to $133.9 million in 2023 and were up $27.8 million or 23.3% compared to $119.1 million in 2022. Earnings from operations as a percentage of sales was 10.0% compared to 9.4% last year and 9.0% in 2022. EBITDA[1] increased $19.5 million or 9.5% to $223.5 million compared to $204.1 million last year and was up $38.1 million or 20.5% compared to 2022. EBITDA as a percentage of sales was 15.2% compared to 14.4% in 2023 and 14.0% in 2022. The increase in EBIT and EBITDA compared to 2023 and 2022 was due to the sales, gross profit and Expense factors previously noted. Adjusted EBITDA[1], which excludes the impact of share-based compensation, Next 100 one-time costs and the Fox Lake store fire loss last year, increased $16.3 million or 7.4% compared to last year and was up $38.6 million or 19.6% compared to 2022. The Next 100 one-time costs were more than offset by more effective data-driven promotional activity, including a reduction in print media and other cost savings initiatives.

Canadian EBIT & EBITDA[1] Margins (% of sales)



(1) See Non-GAAP Financial Measures section.

Net Assets Employed Net assets employed increased 5.5% to $709.9 million compared to $672.8 million last year and were up 9.3% compared to $649.2 million in 2022 as summarized in the following table:

($ in millions at the end of the fiscal year)	**2024**	2023	2022
Property and equipment	**$ 457.7**	$ 417.5	$ 403.3
Right-of-use assets	**60.6**	62.0	50.8
Inventories	**186.1**	178.3	169.3
Accounts receivable	**99.0**	103.9	94.9
Other assets	**111.9**	105.0	125.9
Liabilities	**(205.4)**	(193.9)	(195.0)
Net assets employed	**$ 709.9**	$ 672.8	$ 649.2

The increase in property and equipment compared to last year and 2022 was mainly due to investments in stores, including store renovations, fixtures and equipment replacements, investments in staff housing and two new stores. An increase in property and equipment in NSA mainly due to the replacement of a PC-12 aircraft, the purchase of aircraft engines and the construction of a hangar in Thunder Bay, Ontario that is expected to be completed in the second quarter of 2025 were also factors.

Inventory increased $7.8 million or 4.4% compared to 2023 and was up $16.8 million or 9.9% compared to 2022 mainly due to the impact of higher cost inflation, new stores and an increase in sealift inventory to leverage lower freight costs. Average inventory levels in 2024 decreased $0.2 million or 0.1% compared to 2023 but were up $25.4 million or 15.9% compared to 2022. Inventory turnover increased to 5.2 times compared to 4.9 times last year but was down compared to 5.3 times in 2022.

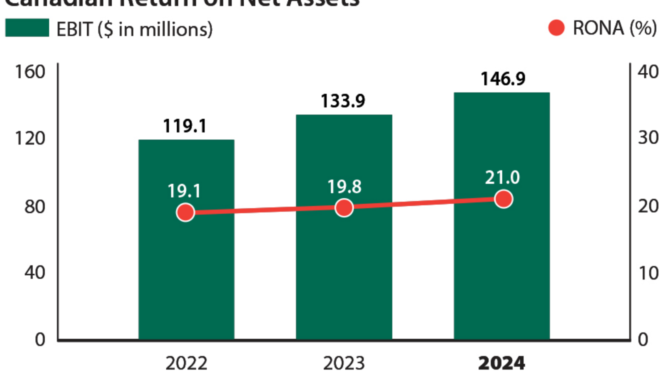
Accounts receivable decreased $4.9 million or 4.8% compared to last year but were up $4.1 million or 4.2% compared to 2022. The decrease compared to last year is primarily due to a decrease in the current portion of the promissory note receivable. Further information on accounts receivable and the promissory note receivable is provided in Note 5 and Note 25 respectively to the consolidated financial statements. Average accounts receivable decreased $2.8 million or 2.8% compared to 2023 but were up $10.2 million or 11.9% compared to 2022.

Other assets increased $6.9 million or 6.6% compared to last year but were down $14.0 million or 11.1% compared to 2022. The increase compared to last year is mainly due to an increase in defined benefit plan assets and higher prepaid expenses and cash. These factors were partially offset by a decrease in the promissory note receivable which is down $4.6 million compared to last year and down $26.3 million compared to 2022 as a result of payments and the $12.6 million current portion recorded in accounts receivable. A decrease in deferred tax assets compared to 2022 was also a factor. Further information on defined benefit plan assets and obligations is provided in Note 11 and Note 13 to the consolidated financial statements and further information on deferred tax assets and liabilities is provided in Note 10 to the consolidated financial statements.

Liabilities increased $11.5 million or 5.9% from 2023 and were up $10.4 million or 5.3% compared to 2022. The increase compared to 2023 and 2022 is mainly due to an increase in accounts payable and accrued liabilities related to the timing of payments and an increase in the defined benefit plan obligation.

Return on Net Assets (RONA[1]) The return on net assets employed for Canadian Operations increased to 21.0% from 19.8% in 2023 and was up compared to 19.1% in 2022. The increase compared to last year is due to a 9.7% increase in EBIT and a $24.0 million or 3.6% increase in average net assets due to the factors previously noted.

Canadian Return on Net Assets[1]



(1) See Non-GAAP Financial Measures section.

International Operations

(Stated in U.S. dollars)

FINANCIAL PERFORMANCE

International Operations results for the year are summarized by the key performance indicators used by management as follows:

Key Performance Indicators

($ in thousands)	2024	2023	2022
Sales	**$ 799,496**	$ 779,559	$ 786,656
Same store sales % increase/ (decrease)	**2.4 %**	(1.1)%	1.3 %
EBITDA[1]	**$ 73,770**	$ 71,893	$ 71,225
Earnings from operations	**$ 45,496**	$ 45,903	$ 46,772
Return on net assets [1]	**13.2 %**	14.5 %	16.0 %

(1) See Non-GAAP Financial Measures section.

Sales International sales increased 2.6% to $799.5 million compared to $779.6 million in 2023, and were up $12.8 million or 1.6% compared to 2022. The increase in sales compared to 2023 was due to same store sales gains and the impact of new stores in Alaska. These factors were partially offset by lower wholesale sales. Sales were positively impacted by improved tourism in certain Caribbean markets and an increase in the Alaska Permanent Fund Dividend ("PFD") to $1,702 this year compared to $1,312 last year. These factors were partially offset by weaker economic conditions related to commercial fishing in Alaska. The increase in sales compared to 2022 is due to same store sales gains and new store sales partially offset by the closure of a Cost-U-Less ("CUL") store in Curacao, Netherlands in the first quarter of 2023 and a PFD of $3,284 in 2022. Same store sales increased 2.4% compared to a 1.1% decrease in 2023 and a 1.3% increase in 2022. Food sales accounted for 90.9% (90.7% in 2023) of total sales with the balance comprised of general merchandise and other sales at 9.1% (9.3% in 2023). Other sales consist primarily of retail fuel sales and financial services revenue.

Food sales increased 2.7% from 2023 and were up 3.2% compared to 2022 due to new stores and the impact of higher inflation. Same store food sales were up 2.3% compared to a 0.3% increase in 2023 and a 3.3% increase in 2022. On a quarterly basis, same store food sales increased 3.1% and 1.0% in the first and second quarter followed by increases of 2.4% and 2.7% in the third and fourth quarter respectively.

General merchandise sales increased 1.7% from 2023 but were down 11.6% from 2022. On a same store basis, general merchandise sales were up 3.5% compared to a 13.3% decrease in 2023 and a 13.3% decrease in 2022. On a quarterly basis, same store general merchandise sales decreased 4.3% and 0.2% in the first and second quarter followed by increases of 5.2% and 10.8% in the third and fourth quarter respectively.

Other sales, which consist primarily of retail fuel sales and financial services revenue, were down 6.9% from 2023 and were down 13.5% from 2022 largely due to lower retail fuel sales.

Sales Blend The table below shows the sales blend for the International Operations over the past three years:

	2024	2023	2022
Food	**90.9 %**	90.7 %	89.5 %
General merchandise and other	**9.1 %**	9.3 %	10.5 %

Same Store Sales International Operations same store sales for the past three years are shown in the following table. Same store sales in 2024 were impacted by the factors previously noted including improved tourism in certain Caribbean markets and an increase in PFD payments compared to last year. In 2023 and 2022, the impact of higher merchandise and freight cost inflation resulted in changes in product sales blend as consumers allocated more of their spending to food and reduced purchases of general merchandise.

Same Store Sales

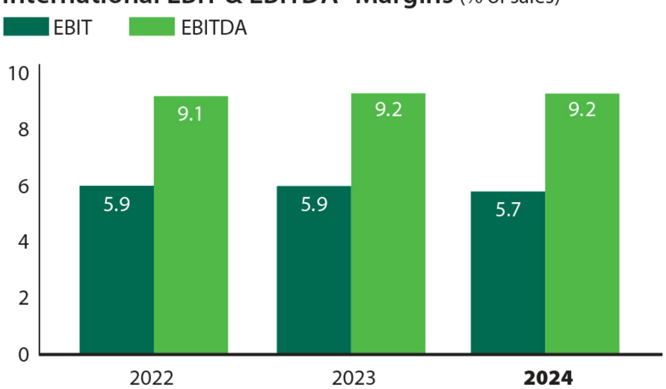
(% increase/(decrease))	2024	2023	2022
Food	**2.3 %**	0.3 %	3.3 %
General merchandise (GM)	**3.5 %**	(13.3)%	(13.3)%
Total food & GM sales	**2.4 %**	(1.1)%	1.3 %

Gross Profit Gross profit dollars increased 4.3% due to the impact of higher sales and an increase in the gross profit rate largely related to changes in sales blend, including the impact of lower wholesale sales. More effective data-driven promotional activity as part of our Next 100 work was also a factor.

Selling, Operating and Administrative Expenses Selling, operating and administrative expenses ("Expenses") increased 5.7% compared to last year and were up 69 basis points as a percentage of sales. The increase in Expenses is primarily due to higher staff costs, including an investment in resources to support the Next 100 operational excellence work, an increase in depreciation and the impact of Expenses from new stores. A $0.8 million increase in share-based compensation costs compared to last year largely related to changes in the Company's share price was also a factor.

Earnings from Operations (EBIT) and EBITDA[(1)] Earnings from operations decreased $0.4 million or 0.9% to $45.5 million compared to $45.9 million in 2023 and were down $1.3 million or 2.7% compared to $46.8 million in 2022 due to the sales, gross profit and Expense factors previously noted. Earnings from operations as a percentage of sales was 5.7% compared to 5.9% last year. EBITDA[(1)] increased $1.9 million or 2.6% to $73.8 million and was 9.2% as a percentage of sales compared to 9.2% in 2023. Adjusted EBITDA[(1)], which excludes the impact of share-based compensation and Next 100 one-time costs, increased $3.0 million or 4.0% to $76.5 million compared to $73.5 million last year.

International EBIT & EBITDA[(1)] Margins (% of sales)



(1) See Non-GAAP Financial Measures section.

Net Assets Employed International Operations net assets employed of $350.2 million increased $23.3 million or 7.1% compared to last year and were up $50.3 million or 16.8% compared to 2022 as summarized in the following table:

($ in millions at the end of the fiscal year)	2024	2023	2022
Property and equipment	**$ 181.0**	$ 169.4	$ 151.7
Right-of-use assets	**39.9**	39.4	39.6
Inventories	**107.9**	100.7	93.1
Accounts receivable	**13.8**	13.2	12.8
Other assets	**80.9**	73.2	73.0
Liabilities	**(73.3)**	(69.0)	(70.3)
Net assets employed	**$ 350.2**	$ 326.9	$ 299.9

Property and equipment increased $11.6 million or 6.8% compared to last year primarily due to investments in new stores, store renovations and fixtures and equipment replacements. In 2024, investments in new stores included a store in Anaktuvuk Pass, Alaska which is a new market and a new AC store in Kotzebue, Alaska that replaces a smaller store in the same community.

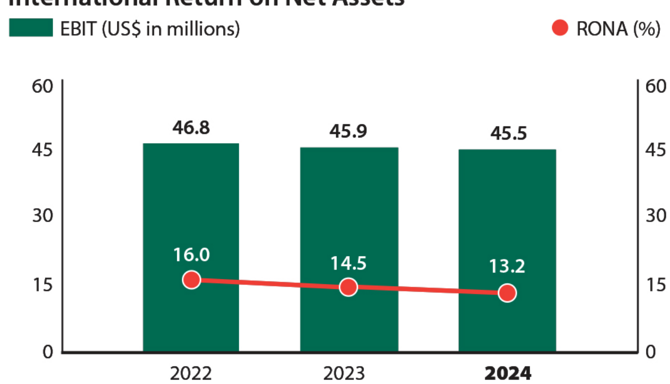
Inventories increased $7.2 million or 7.1% compared to last year and were up $14.8 million or 15.9% from 2022 largely due to cost inflation and the impact of new stores, including the opening of a motorsports dealership in Bethel, Alaska. Average inventory levels in 2024 increased $7.5 million or 7.6% compared to 2023 and were up $7.3 million or 7.4% compared to 2022. Inventory turnover decreased to 5.4 times compared to 5.7 times in 2023, and was down compared to 5.8 times in 2022.

Other assets increased $7.7 million or 10.5% compared to last year and were up $7.9 million or 10.8% compared to 2022 substantially due to an increase in cash and deferred tax assets.

Liabilities increased $4.3 million or 6.2% compared to 2023 and were up $3.0 million or 4.3% compared to 2022 primarily due to higher trade accounts payable related to the timing of payments.

Return on Net Assets (RONA[(1)]) The return on net assets employed for International Operations decreased to 13.2% compared to 14.5% in 2023 due to a 0.9% decrease in EBIT and a $28.8 million or 9.1% increase in average net assets.

International Return on Net Assets[(1)]



(1) See Non-GAAP Financial Measures section.

Consolidated Liquidity and Capital Resources

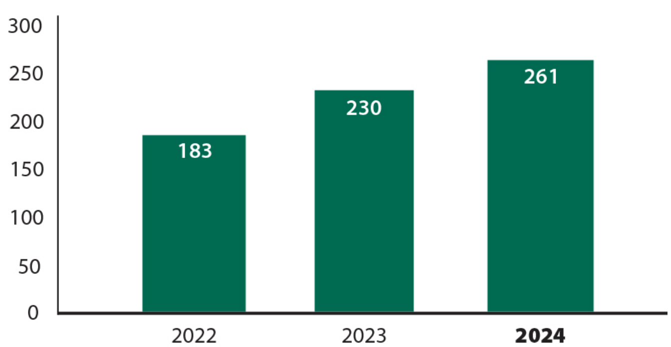
The following table summarizes the major components of cash flow:

($ in thousands)	**2024**	2023	2022
Cash provided by (used in):			
Operating activities before change in non-cash working capital and other	**$274,448**	$ 256,402	$ 234,116
Change in non-cash working capital	**(14,276)**	(23,233)	(50,905)
Change in other non-cash items	**453**	(2,742)	(373)
Operating activities	**260,625**	230,427	182,838
Investing activities	**(131,004)**	(107,701)	(106,802)
Financing activities	**(119,047)**	(128,270)	(68,298)
Effect of foreign exchange	**3,452**	94	1,645
Net change in cash	**$ 14,026**	$ (5,450)	$ 9,383

Cash from Operating Activities Cash flow from operating activities increased $30.2 million or 13.1% to $260.6 million compared to $230.4 million in 2023 largely due to higher earnings and the change in non-cash working capital mainly related to the change in accounts payable and accrued liabilities, inventories and accounts receivable compared to the prior year. Further information on working capital is provided in Note 21 to the consolidated financial statements and in the Canadian and International net assets employed sections on pages 10 and 12 respectively.

Cash flow from operating activities and unutilized credit available on existing loan facilities are expected to be sufficient to fund operating requirements, pension plan contributions, sustaining and planned growth-related capital expenditures as well as anticipated dividends during 2025.

Cash Flow from Operating Activities ($ in millions)



Cash Used in Investing Activities Net cash used in investing activities was $131.0 million compared to $107.7 million in 2023 and $106.8 million in 2022. The increase compared to 2023 and 2022 is largely due to investments in new stores, store renovations, equipment replacements and investments in aircraft, a hangar in Thunder Bay, Ontario, staff housing and information technology. Further information on purchases of property and equipment and intangible asset additions is provided in Note 7 and Note 9 to the consolidated financial statements.

Net investing in Canadian Operations was $87.5 million, net of $15.0 million in proceeds from the promissory note receivable compared to $59.4 million, net of $15.0 million in proceeds from the promissory note receivable in 2023 and $73.8 million, net of $9.8 million in proceeds from the promissory note receivable in 2022. A summary of the Canadian Operations investing activities is included in net assets employed on page 10.

Investing in International Operations was $43.5 million compared to $48.3 million in 2023 and $33.0 million in 2022. The decrease compared to 2023 is substantially due to new stores, store renovations and investments in fixtures and equipment. A summary of the International Operations investing activities is included in net assets employed on page 12.

The following table summarizes the number of stores and selling square footage under North West's various retail banners at the end of the fiscal year:

	Number of Stores		Selling square footage	
	2024	2023	**2024**	2023
Northern	**121**	121	**701,484**	701,484
NorthMart	**5**	5	**128,185**	128,185
Quickstop	**34**	34	**46,846**	47,604
Giant Tiger	**5**	5	**90,470**	90,470
Alaska Commercial	**34**	33	**277,519**	274,783
Cost-U-Less	**12**	12	**318,846**	318,846
Riteway Food Market	**9**	9	**61,899**	61,899
Other Formats	**10**	8	**68,037**	62,902
Total at year-end	**230**	227	**1,693,286**	1,686,173

In Canadian Operations, a Quickstop convenience store opened in Grassy Narrows, Ontario and a Valu Lots store opened in Fisher River, Manitoba. Total selling square footage in Canada increased to 1,022,735 compared to 1,018,357 in 2023 due to the new stores.

In International Operations, an AC store opened in Anaktuvuk Pass, Alaska and a Quickstop convenience store was converted to a Motorsports dealership in Bethel, Alaska. Total selling square footage increased to 670,551 compared to 667,816 last year.

Cash Used in Financing Activities Net cash used in financing activities decreased to $119.0 million compared to $128.3 million in 2023 largely due to changes in long-term debt related to amounts drawn on revolving loan facilities and share purchases under the normal course issuer bid ("NCIB"), partially offset by an increase in lease payments. Further information on dividends, the NCIB, interest and long-term debt is provided in the following sections.

Shareholder Dividends The Company paid dividends of $75.5 million or $1.58 per share compared to $73.5 million or $1.54 per share in 2023. The following table shows the quarterly cash dividends per share paid for the past three years:

	2024	2023	2022
First Quarter	**$ 0.39**	$ 0.38	$ 0.37
Second Quarter	**0.39**	0.38	0.37
Third Quarter	**0.40**	0.39	0.38
Fourth Quarter	**0.40**	0.39	0.38
Total	**$ 1.58**	$ 1.54	$ 1.50

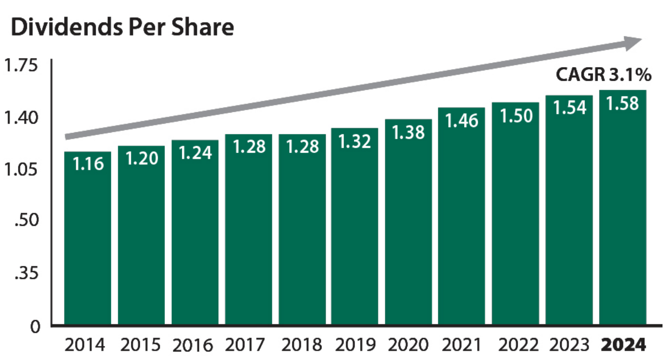
The payment of dividends on the Company's common shares is subject to the approval of the Board of Directors and is based on, among other factors, the financial performance of the Company, its current and anticipated future business needs and the satisfaction of solvency tests imposed by the Canada Business Corporations Act ("CBCA") for the declaration of dividends. The dividends were designated as eligible dividends in accordance with the provisions of the Canadian Income Tax Act.

The following table shows dividends paid in comparison to cash flow from operating activities for the past three years:

	2024	2023	2022
Dividends	**$ 75,525**	$ 73,533	$ 71,805
Cash flow from operating activities	**$ 260,625**	$ 230,427	$ 182,838
Dividends as a % of cash flow from operating activities	**29.0 %**	31.9 %	39.3 %

Dividends as a percentage of cash flow from operating activities decreased to 29.0% compared to 31.9% in 2023, and was down compared to 39.3% in 2022, substantially due to the changes in cash flow from operating activities as previously noted. Dividends as a percentage of cash flow from operating activities has averaged 30.3% over the past five years.

The Company has a well established track record of increasing dividends. Over the past ten years, the dividend has increased at a compound annual growth rate ("CAGR") of 3.1% as shown in the following graph:



On April 9, 2025, the Board of Directors approved a quarterly dividend of $0.40 per share to shareholders of record on April 16, 2025 and to be paid on April 24, 2025.

Normal Course Issuer Bid On November 19, 2024, the Company renewed its Normal Course Issuer Bid ("NCIB"). Under the NCIB, the Company may acquire up to a maximum of 4,765,289 of its shares, or approximately 10% of its float for cancellation over the following 12 months. During the year ended January 31, 2025, the Company did not purchase any common shares. During the year ended January 31, 2024, the Company purchased 153,998 common shares having a book value of $0.6 million for cash consideration of $5.0 million. The excess of the purchase price over the book value of the shares of $4.4 million was charged to retained earnings. All shares purchased were cancelled.

In connection with the NCIB, the Company has established an automatic securities purchase plan with its designated broker to facilitate the purchase of shares under the NCIB at times when the Company would ordinarily not be permitted to purchase its shares due to regulatory restrictions or self-imposed blackout periods. Under the plan, before entering a self-imposed blackout period, the Company may, but is not required to, ask the designated broker to make purchases under the NCIB within specific parameters.

Sources of Liquidity At January 31, 2025, the Company has US$70.0 million in senior notes it issued in two tranches; US$35.0 million due June 16, 2027 with a fixed interest rate of 2.88% and US$35.0 million due June 16, 2032 with a fixed interest rate of 3.09%. Interest is payable semi-annually on both tranches. The Company also has outstanding $100.0 million senior notes that mature September 26, 2029 and have a fixed interest rate of 3.74%. All of the senior notes are secured by certain assets of the Company and rank *pari passu* with the Company's other senior debt comprised of the $400.0 million loan facilities and the US$52.0 million loan facilities (collectively "Senior Debt"). The US$70.0 million senior notes have been designated as a hedge against the U.S. dollar investment in the International Operations. For more information on the senior notes and financial instruments, see Note 12 and Note 15 to the consolidated financial statements.

Canadian Operations have $400.0 million in committed, revolving loan facilities that mature on March 1, 2027. These loan facilities bear a floating rate of interest based on Bankers Acceptances rates plus a stamping fee or the Canadian prime interest rate. These facilities are secured by certain assets of the Company and rank *pari passu* with the Company's other Senior Debt. At January 31, 2025, the Company had $94.5 million outstanding on these facilities (January 31, 2024 - $87.6 million).

Canadian Operations also have US$52.0 million committed, revolving loan facilities that mature on March 1, 2027. These loan facilities, which bear interest at SOFR plus a spread, are secured by certain assets of the Company and rank *pari passu* with the Company's other Senior Debt. At January 31, 2025, the Company had US$NIL outstanding on these facilities (January 31, 2024 - US$NIL).

International Operations have a US$50.0 million revolving loan facility that matures January 25, 2028. This facility bears a floating rate of interest based on SOFR plus a spread and is secured by certain accounts receivable and inventories of the International Operations. At January 31, 2025, the International Operations had US$NIL outstanding on this facility (January 31, 2024 - US$NIL).

The loan facilities and senior notes contain covenants and restrictions including the requirement to meet certain financial ratios and financial condition tests. The financial covenants include an interest coverage ratio and a leverage test. At January 31, 2025, the Company is in compliance with the financial covenants under these facilities. Current and forecasted debt levels are regularly monitored for compliance with debt covenants.

Interest Costs and Coverage

	2024	2023	2022
Coverage ratio	**11.5**	10.3	12.2
Earnings from operations ($ in millions)	**$ 209.5**	$ 195.9	$ 180.3
Interest ($ in millions)	**$ 18.3**	$ 19.1	$ 14.8

The coverage ratio of earnings from operations ("EBIT") to interest expense increased to 11.5 times compared to 10.3 times in 2023 and decreased from 12.2 times in 2022. The increase in the interest coverage ratio compared to 2023 is due to a $0.8 million or 4.2% decrease in interest expense and a 7.0% increase in consolidated EBIT as previously noted. Additional information on interest expense is provided in Note 19 to the consolidated financial statements.

Contractual Obligations and Other Commitments

Contractual obligations of the Company at January 31, 2025 are listed in the chart below:

($ in thousands)	Total	0-1 Year	2-3 Years	4-5 Years	6 Years+
Long-term debt	$295,927	$ —	$145,229	$ 100,000	$ 50,698
Lease payments	160,850	25,936	38,615	29,678	66,621
Other liabilities(1)	17,226	2,750	14,476	—	—
Total	$474,003	$ 28,686	$198,320	$ 129,678	$117,319

(1) At year-end, the Company had additional long-term liabilities of $41.3 million which include other liabilities, defined benefit plan obligations and deferred income tax liabilities. These liabilities have not been included as the timing and amount of the future payments are uncertain.

Post-Employment Benefits The Company sponsors defined benefit and defined contribution pension plans covering the majority of Canadian employees. The Company recorded net actuarial gains on defined benefit pension plans of $3.6 million, net of deferred income taxes in other comprehensive income. This compares to net actuarial gains on defined benefit pension plans of $5.8 million in 2023 and $7.9 million in 2022, net of deferred income taxes in other comprehensive income. These gains in other comprehensive income were immediately recognized in retained earnings. Actuarial gains and losses occur primarily due to changes in the discount rate used to calculate pension liabilities and returns on pension plan assets.

In 2025, the Company will be not be required to contribute to the defined benefit pension plans. In addition to cash funding, a portion of the pension plan obligation may be settled by the issuance of a letter of credit in accordance with pension legislation. In 2024, the Company's defined benefit pension plans were in a surplus position and there were no cash contributions required compared to $0.8 million in 2023 and $1.2 million in 2022. The actual amount of the contribution may be different from the estimate based on actuarial valuations, plan investment performance, volatility in discount rates, regulatory requirements and other factors. The Company also expects to contribute approximately $7.8 million to the defined contribution pension plan and U.S. employees savings plan in 2025 compared to $7.4 million in 2024 and $6.8 million in 2023. Additional information regarding post-employment benefits is provided in Note 13 to the consolidated financial statements.

Director and Officer Indemnification Agreements The Company has agreements with its current and former directors, trustees and officers to indemnify them against charges, costs, expenses, amounts paid in settlement and damages incurred from any lawsuit or any judicial, administrative or investigative proceeding in which they are sued as a result of their service. Due to the nature of these agreements, the Company cannot make a reasonable estimate of the maximum amount it could be required to pay to counterparties. The Company has also purchased directors', trustees' and officers' liability insurance. No amount has been recorded in the consolidated financial statements regarding these indemnification agreements.

Other Indemnification Agreements The Company provides indemnification agreements to counterparties for events such as intellectual property rights infringement, loss or damage to property, claims that may arise while providing services, violation of laws or regulations, or as a result of litigation that might be suffered by the counterparties. The terms and nature of these agreements are based on the specific contract. The Company cannot make a reasonable estimate of the maximum amount it could be required to pay to counterparties. No amount has been recorded in the consolidated financial statements regarding these agreements.

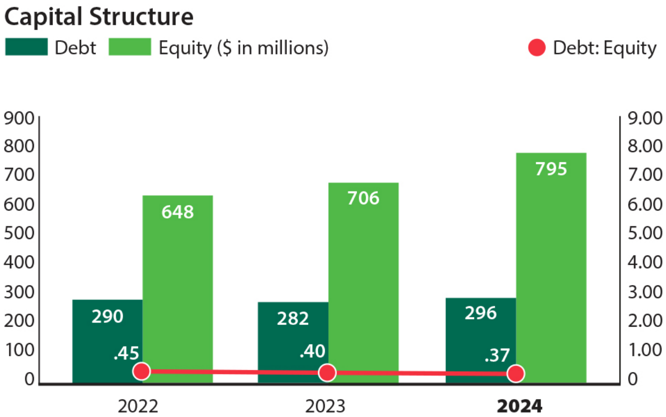
Additional information on commitments, contingencies and guarantees is provided in Note 23 to the consolidated financial statements.

Related Parties The Company has a 50% ownership interest in a Canadian Arctic shipping company, Transport Nanuk Inc. and purchases freight handling and shipping services from Transport Nanuk Inc. and its subsidiaries. The purchases are based on market rates for these types of services in an arm's length transaction. Additional information on the Company's transactions with Transport Nanuk Inc. is included in Note 24 to the consolidated financial statements.

Letters of Credit In the normal course of business, the Company issues standby letters of credit in connection with defined benefit pension plans, purchase orders and performance guarantees. The aggregate potential liability related to letters of credit is approximately $18.0 million (January 31, 2024 - $19.0 million).

Capital Structure The Company's capital management objectives are to deploy capital to provide an appropriate total return to shareholders while maintaining a capital structure that provides the flexibility to take advantage of growth opportunities, sustain existing assets, meet obligations and financial covenants and enhance shareholder value. The capital structure of the Company consists of bank advances, long-term debt and shareholders' equity. The Company manages capital to optimize efficiency through an appropriate balance of debt and equity. In order to maintain or adjust its capital structure, the Company may purchase shares for cancellation pursuant to normal course issuer bids, issue additional shares, borrow additional funds, adjust the amount of dividends paid or refinance debt at different terms and conditions.

The Company's capital structure over the past three years is summarized in the following graph:



On a consolidated basis, the Company had $295.8 million in debt and $794.7 million in equity at the end of the year and a debt-to-equity ratio of 0.37:1 compared to 0.40:1 last year. From 2022 to 2024, equity has increased $146.8 million or 22.7% and debt has increased $5.7 million or 2.0%. During this same period, the Company has made capital expenditures, including acquisitions and net of promissory note proceeds, of $347.1 million and has paid dividends of $220.9 million. This reflects the Company's balanced approach of investing to sustain and grow the business while providing shareholders with an annual cash return.

The debt outstanding at the end of the fiscal year is summarized as follows:

(CAD$ in thousands at the end of the fiscal year)	**2024**	2023	2022
CAD$ senior notes	**$ 100,000**	$ 100,000	$ 100,000
US$ senior notes	**101,245**	93,701	93,483
Canadian loan facilities	**94,531**	87,607	96,032
Promissory note payable	**—**	268	535
Total debt	**$ 295,776**	$ 281,576	$ 290,050

Consolidated debt at the end of the year increased $14.2 million or 5.0% to $295.8 million compared to $281.6 million in 2023, and was up $5.7 million or 2.0% from $290.1 million in 2022. The change in debt is largely due to changes in amounts drawn on the revolving loan facilities and the impact of foreign exchange on the translation of U.S. denominated debt compared to 2023 and 2022. The Company has US$70.0 million in debt at January 31, 2025 (January 31, 2024 - US$70.2 million, January 31, 2023 - US$70.4 million) that is exposed to changes in foreign exchange rates when translated into Canadian dollars. The exchange rate used to translate U.S. denominated debt into Canadian dollars at January 31, 2025 ("2024") was 1.4485 compared to 1.3412 at January 31, 2024 ("2023") and 1.3382 at January 31, 2023 ("2022"). The change in the foreign exchange rate resulted in a $7.5 million increase in debt compared to 2023 and a $7.8 million increase compared to 2022. Average debt outstanding during the year excluding the foreign exchange impact decreased $6.0 million or 2.1% from 2023 but was up $26.7 million or 10.5% compared to 2022.

Lease liabilities at the end of the fiscal year are summarized as follows:

(CAD$ in thousands at the end of the fiscal year)	**2024**	2023	2022
Current portion of lease liability	**$ 20,848**	$ 19,408	$ 18,644
Non-current lease liabilities	**105,558**	104,483	93,833
Total lease liabilities	**$ 126,406**	$ 123,891	$ 112,477

Lease liabilities increased $2.5 million or 2.0% to $126.4 million compared to $123.9 million in 2023 and were up $13.9 million or 12.4% compared to $112.5 million in 2022. The increase compared to 2023 and 2022 is due to new leases net of lease payments. Further information on lease liabilities is provided in Note 8 to the consolidated financial statements.

Shareholders' Equity The Company has an unlimited number of authorized shares and had issued and outstanding shares at January 31, 2025 of 47,871,258 (January 31, 2024 - 47,711,467). The Company has a Share Option Plan that provides for the granting of options to certain officers and senior management. Each option is exercisable into one common share of the Company at a price specified in the option agreement. At January 31, 2025, there were 1,128,718 options outstanding representing 2.4% of the issued and outstanding shares. In addition to share options, there were 329,143 in Performance Share Units ("PSUs") that may be settled by the issuance of shares based on meeting certain performance criteria and 242,874 in Director Deferred Share Units ("DDSUs") that may be settled by the issuance of shares. Further information on share options, PSUs and DDSUs is provided in Note 14 to the consolidated financial statements.

Effective June 12, 2019, the Company amended the rights of its shares to align them with the Canada Transportation Act ("CTA"), as amended by the provisions of the Transportation Modernization Act (Canada). The purpose of these amendments is to increase the permitted level of foreign ownership allowed in respect of Canadian air service from 25% to 49%, subject to certain restrictions.

The Company's share capital is comprised of Variable Voting Shares and Common Voting Shares. The two classes of shares have equivalent rights as shareholders except for voting rights. Holders of Variable Voting Shares are entitled to one vote per share except where (i) the number of outstanding Variable Voting Shares exceeds 49% of the total number of all issued and outstanding Variable Voting Shares and Common Voting Shares, or (ii) the total number of votes cast by or on behalf of the holders of Variable Voting Shares at any meeting on any matter on which a vote is to be taken exceeds 49% of the total number of votes cast at such meeting.

If either of the above-noted thresholds is surpassed at any time, the vote attached to each Variable Voting Share will decrease automatically without further act or formality. Under the circumstances described in paragraph (i) above, the Variable Voting Shares as a class cannot carry more than 49% of the total voting rights attached to the aggregate number of issued and outstanding Variable Voting Shares and Common Voting Shares of the Company. Under the circumstances described in paragraph (ii) above, the Variable Voting Shares as a class cannot, for the given Shareholders' meeting, carry more than 49% of the total number of votes cast at the meeting.

Variable Voting Shares may only be held, beneficially owned or controlled, directly or indirectly, by persons who are not Canadians (within the meaning of the CTA). An issued and outstanding Variable Voting Share is converted into one Common Voting Share automatically and without any further act of the Company or the holder, if such Variable Voting Share becomes held, beneficially owned and controlled, directly or indirectly, otherwise than by way of security only, by a Canadian, as defined in the CTA. Further information on the Company's Variable Voting Shares and Common Voting Shares is provided in the 2025 Management Information Circular which is available on the Company's website at *www.northwest.ca* or on SEDAR+ at *www.sedarplus.ca*.

At January 31, 2025, there were 16,749,614 Variable Voting Shares, representing 35.0% of the total shares issued and outstanding. Further information on the Company's share capital is provided in Note 16 to the consolidated financial statements.

Book value per share attributable to shareholders, on a diluted basis, at the end of the year increased to $15.90 per share compared to $14.14 per share in 2023. Total shareholders' equity increased $88.9 million or 12.6% compared to 2023 substantially due to an increase in retained earnings and accumulated other comprehensive income. Further information is provided in the consolidated statements of changes in shareholders' equity in the consolidated financial statements.

QUARTERLY FINANCIAL INFORMATION

Historically, the Company's first quarter sales are the lowest and fourth quarter sales are the highest, reflecting consumer buying patterns. Due to the remote location of many of the Company's stores, weather conditions are often more extreme compared to other retailers and can affect sales in any quarter. Net earnings generally follow higher sales, but can be dependent on changes in merchandise sales blend, promotional activity in key sales periods, variability in share-based compensation costs related to changes in the Company's share price and other factors which can affect net earnings.

The following is a summary of selected quarterly financial information:

($ thousands)	Q1(2)	Q2	Q3	Q4	Total(2)
Sales					
2024	$ 617,519	$ 646,487	$ 637,452	$ 674,886	$ 2,576,344
2023	$ 593,564	$ 618,095	$ 616,910	$ 643,109	$ 2,471,678
EBITDA(1)					
2024	$ 67,908	$ 83,413	$ 83,445	$ 90,399	$ 325,165
2023	$ 58,952	$ 80,108	$ 82,977	$ 79,136	$ 301,173
Earnings from operations (EBIT)					
2024	$ 39,822	$ 54,881	$ 54,102	$ 60,741	$ 209,546
2023	$ 33,768	$ 54,686	$ 55,746	$ 51,697	$ 195,897
Net earnings					
2024	$ 27,155	$ 36,897	$ 36,395	$ 42,806	$ 143,253
2023	$ 22,197	$ 38,045	$ 38,038	$ 36,011	$ 134,291
Net earnings attributable to shareholders of the Company					
2024	$ 25,527	$ 35,300	$ 35,375	$ 41,094	$ 137,296
2023	$ 20,894	$ 36,777	$ 37,228	$ 34,492	$ 129,391
Earnings per share-basic					
2024	$ 0.53	$ 0.74	$ 0.74	$ 0.86	$ 2.87
2023	$ 0.44	$ 0.77	$ 0.78	$ 0.72	$ 2.71
Earnings per share-diluted					
2024	$ 0.53	$ 0.73	$ 0.72	$ 0.85	$ 2.83
2023	$ 0.43	$ 0.76	$ 0.77	$ 0.71	$ 2.67

(1) See Non-GAAP Financial Measures section.

(2) The first quarter of 2024 had 90 days of operations compared to 89 days of operations in 2023 as a result of February 29th which resulted in 366 days of operations in 2024 compared to 365 days of operations in 2023.

Fourth Quarter Highlights

CONSOLIDATED RESULTS FOURTH QUARTER

Key Performance Indicators and Selected Fourth Quarter Information

($ in thousands, except per share)	2024	2023	2022
Sales	**$ 674,886**	$ 643,109	$ 635,164
Same store sales % change[2]			
Food	**5.5 %**	2.0 %	4.0 %
General Merchandise	**5.1 %**	(1.9)%	(6.1)%
Total	**5.4 %**	1.4 %	2.1 %
Gross profit	**$ 234,801**	$ 214,692	$ 201,177
Selling, operating and administrative expenses	**(174,060)**	(162,995)	(153,353)
EBITDA[1]	**90,399**	79,136	73,460
Earnings from operations	**60,741**	51,697	47,824
Interest expense	**(4,705)**	(4,894)	(4,192)
Income taxes	**(13,230)**	(10,792)	(8,503)
Net earnings	**42,806**	36,011	35,129
Net earnings attributable to shareholders of the Company	**41,094**	34,492	33,930
Net earnings per share - basic	**0.86**	0.72	0.71
Net earnings per share - diluted	**$ 0.85**	$ 0.71	$ 0.69

(1) See Non-GAAP Financial Measures section.
(2) All references to same store sales exclude the foreign exchange impact.

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. 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. Further information on debt is provided in Note 12 to the consolidated financial statements.

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. Further information on income tax expense is provided in Note 10 to the consolidated financial statements.

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.

CANADIAN OPERATIONS FOURTH QUARTER

Canadian Operations results for the fourth quarter are summarized by the following key performance indicators:

Key Performance Indicators

($ in thousands)	**2024**	2023	2022
Sales	**$ 385,169**	$ 375,950	$ 361,397
Same store sales % change			
Food	**7.6 %**	4.4 %	4.3 %
General Merchandise	**3.4 %**	1.4 %	(2.9)%
Total	**6.7 %**	3.7 %	2.6 %
EBITDA [(1)]	**$ 63,248**	$ 55,253	$ 50,511
Earnings from operations	**$ 43,865**	$ 37,166	$ 33,417

(1) See Non-GAAP Financial Measures section.

Sales Canadian Operations sales increased 2.5% to $385.2 million due to a 6.7% increase in same store sales. The impact of new stores was also a factor. These factors were partially offset by lower wholesale sales and airline revenue compared to the fourth quarter last year. Food sales increased 5.2% as same store sales gains of 7.6% were partially offset by lower wholesale sales. General merchandise and other sales decreased 2.3% compared to last year as a 3.4% increase in general merchandise same store sales was more than offset by lower airline revenue compared to strong airline revenue gains in the fourth quarter last year. Sales were positively impacted by increased consumer demand in certain communities 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.

Gross Profit Gross profit increased 7.0% due to sales gains and an increase in gross profit rate largely related to changes in sales blend, including a lower blend of wholesale sales. Lower markdowns, including more effective data-driven promotional activity, compared to last year was also a factor.

Selling, Operating and Administrative Expenses Selling, operating and administrative expenses ("Expenses") increased 2.9% and were up 13 basis points as a percentage to sales compared to the fourth quarter last year primarily 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, the impact of new stores, higher technology related costs and the Next 100 one-time costs previously noted were also factors.

Earnings from Operations (EBIT) and EBITDA[(1)] Canadian fourth quarter earnings from operations increased $6.7 million or 18.0% to $43.9 million compared to $37.2 million last year and EBITDA[(1)] increased $8.0 million or 14.5% to $63.2 million compared to $55.3 million in the fourth quarter last year due to the sales, gross profit and Expense factors previously noted. Adjusted EBITDA[(1)], which excludes the impact of share-based compensation costs and Next 100 one-time costs, increased $5.6 million or 9.6% compared to last year and was up $10.9 million or 20.3% compared to 2022.

INTERNATIONAL OPERATIONS FOURTH QUARTER

(Stated in U.S. dollars)

International Operations results for the fourth quarter are summarized by the following key performance indicators:

Key Performance Indicators

($ in thousands)	**2024**	2023	2022
Sales	**$ 203,966**	$ 197,750	$ 203,064
Same store sales % change			
Food	**2.7 %**	(0.9)%	3.7 %
General Merchandise	**10.8 %**	(11.2)%	(14.0)%
Total	**3.5 %**	(2.0)%	1.4 %
EBITDA[(1)]	**$ 19,127**	$ 17,449	$ 16,921
Earnings from operations	**$ 11,893**	$ 10,755	$ 10,630

(1) See Non-GAAP Financial Measures section.

Sales International Operations fourth quarter sales increased 3.1% to $204.0 million compared to $197.8 million in the fourth quarter last year due to a 3.5% increase in same store sales and the impact of new stores in Alaska. These factors were partially offset by lower wholesale sales in Alaska. Food sales increased 2.8% and were up 2.7% on a same store basis compared to a 0.9% same store sales decrease last year. General merchandise sales increased 9.6% and were up 10.8% on a same store basis compared to a decrease of 11.2% last year. Sales were positively impacted by improved economic conditions in tourism-dependent markets in the Caribbean which more than offset the impact of weaker economic conditions in certain markets in the South Pacific and weaker economic conditions related to commercial fishing in Alaska. An improved in-stock position of transportation merchandise compared to last year was also a factor contributing to the increase in general merchandise sales.

Gross Profit Gross profit increased 8.2% compared to last year due to higher sales and an increase in gross profit rate. The increase in gross profit rate is largely due to changes in sales blend, including a lower blend of wholesale sales.

Selling, Operating and Administrative Expenses Selling, operating and administrative expenses ("Expenses") increased 7.7% compared to last year largely due to higher staff costs, including an investment in resources to support the Next 100 operational excellence work, an increase in depreciation and the impact of new store costs.

Earnings From Operations ("EBIT") and EBITDA[(1)] Earnings from operations increased 10.6% to $11.9 million compared to $10.8 million last year and EBITDA[(1)] increased 9.6% to $19.1 million compared to $17.4 million in the fourth quarter last year due to the sales, gross profit and Expense factors previously noted. Adjusted EBITDA[(1)], which excludes the impact of share-based compensation and Next 100 one-time costs, increased $1.7 million or 9.6% compared to last year and was up $2.4 million or 13.5% compared to 2022.

CONSOLIDATED CASH FLOWS FOURTH QUARTER

The following table summarizes the major components of the fourth quarter cash flow:

($ in thousands)	2024	2023	2022
Operating activities	$ 108,282	$ 90,481	$ 100,230
Investing activities	(52,627)	(41,606)	(51,907)
Financing activities	(57,177)	(66,916)	(38,500)
Effect of foreign exchange	1,921	(1,450)	(43)
Net change in cash	399	(19,491)	9,780
Cash, beginning of period	66,986	72,850	49,029
Cash, end of period	$ 67,385	$ 53,359	$ 58,809

Cash From Operating Activities

The following table summarizes the major components of the cash flow from operating activities in the fourth quarter:

($ in thousands)	2024	2023	2022
Net earnings for the period	$ 42,806	$ 36,011	$ 35,129
Adjustments for:			
Amortization	29,658	27,439	25,636
Provision for income taxes	13,230	10,792	8,503
Interest expense	4,705	4,894	4,192
Equity settled share-based compensation	(249)	245	1,879
Taxes paid	(11,368)	(11,089)	(11,635)
Loss on disposal of property and equipment	257	1,185	144
Operating activities before change in non-cash working capital and other	79,039	69,477	63,848
Change in non-cash working capital	30,732	19,847	37,272
Change in other non-cash items	(1,489)	1,157	(890)
Cash from operating activities	$ 108,282	$ 90,481	$ 100,230

Cash from Operating Activities Cash flow from operating activities increased $17.8 million or 19.7% to $108.3 million compared to $90.5 million in the fourth quarter of 2023 and was up $8.1 million or 8.0% compared to 2022. The increase compared to last year is substantially due to higher earnings and the change in non-cash working capital largely related to changes in accounts payable and accrued liabilities, inventories and accounts receivable compared to the prior year.

Cash Used in Investing Activities

The following table summarizes the major components of the cash flow used in investing activities in the fourth quarter:

($ in thousands)	2024	2023	2022
Purchase of property and equipment	$ (49,200)	$ (36,937)	$ (51,572)
Intangible asset additions	(3,437)	(4,731)	(562)
Proceeds from disposal of property and equipment	10	62	227
Cash used in investing activities	$ (52,627)	$ (41,606)	$ (51,907)

Cash Used in Investing Activities Net cash used in the fourth quarter for investing activities was $52.6 million compared to $41.6 million in 2023 and $51.9 million in 2022. Investing activities in the quarter include store renovations, equipment replacements and ongoing construction of a hangar in Thunder Bay, Ontario which is expected to be completed in the second quarter of 2025. The investments in intangible assets is related to software.

Cash Used in Financing Activities

The following table summarizes the major components of the cash flow used in financing activities in the fourth quarter:

($ in thousands)	2024	2023	2022
Net decrease in long-term debt	$ (27,330)	$ (39,278)	$ (11,258)
Payment of lease liabilities, principal	(5,996)	(5,607)	(5,073)
Payment of lease liabilities, interest	(1,420)	(1,165)	(1,067)
Dividends	(19,148)	(18,607)	(18,144)
Interest paid	(3,283)	(3,126)	(3,028)
Issuance of common shares	—	867	70
Cash used in financing activities	$ (57,177)	$ (66,916)	$ (38,500)

Cash Used in Financing Activities Cash used in financing activities in the fourth quarter decreased to $57.2 million compared to $66.9 million in 2023 but was up compared to $38.5 million in 2022. The change compared to the fourth quarter last year is substantially due to changes in long-term debt resulting from amounts drawn on revolving loan facilities compared to last year.

DISCLOSURE CONTROLS

Management is responsible for establishing and maintaining a system of disclosure controls and procedures to provide reasonable assurance that material information relating to the Company is reported to senior management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") on a timely basis so that decisions can be made regarding public disclosure. Based on an evaluation of the Company's disclosure controls and procedures, as required by National Instrument 52-109 (Certification of Disclosure in Issuers' Annual and Interim Filings), the Company's CEO and CFO have concluded that these controls and procedures were designed and operated effectively as of January 31, 2025.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management is also responsible for establishing and maintaining internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can only provide reasonable assurance with respect to financial reporting and may not prevent or detect misstatements. Projections of any evaluations of effectiveness to future periods are subject to the risk that controls may become ineffective because of changes in conditions or the degree of compliance with policies and procedures may deteriorate. Furthermore, management is required to use judgment in evaluating controls and procedures. Based on an evaluation of the Company's internal controls over financial reporting using the Internal Control - Integrated Framework published by The Committee of Sponsoring Organizations of the Treadway Commission ("COSO Framework"), 2013, the Company's CEO and CFO have concluded that the internal controls over financial reporting were designed and operated effectively as at January 31, 2025. There have been no changes in the internal controls over financial reporting for the year ended January 31, 2025 that have materially affected or are reasonably likely to materially affect the internal controls over financial reporting.

OUTLOOK

The near-term outlook continues to be influenced by uncertainty related to the economy, the impact of changes in U.S. government policy regarding tariffs, the impact of retaliatory tariffs that may be implemented and inflation. There is also uncertainty regarding potential changes to U.S. income support programs for individuals including the Supplemental Nutrition Assistance Program ("SNAP"), however, the resiliency of the Company's essential everyday product and service offering is expected to help mitigate some of this uncertainty. In addition, the near-term outlook is expected to be impacted by the following:

- The Canadian Operations are expected to continue to be impacted by increased consumer demand arising from the First Nations Drinking Water Settlement which is comprised of approximately $2 billion in payments to individuals and impacted First Nations and $6 billion to support construction, upgrading, operation and maintenance of water infrastructure on First Nations land. This settlement impacts approximately 30 communities served by the Company's stores representing a portion of the total settlement. Payments are being distributed to individuals and it is expected that settlement payments will continue to be issued through 2025 however, the amount and timing of the payments to individuals in the communities served by the Company's stores is uncertain.

- In 2025, the Company expects to incur one-time costs for professional fees and other expenses related to the Next 100 initiatives as outlined in the Strategies section as the initiatives are operationalized. These one-time costs are expected to be offset by the annualized incremental EBIT of the initiatives however, the costs will be incurred before the full annualized benefits are achieved. Further information on these one-time costs and the expected benefits will be provided in our quarterly reports.

On July 5, 2020, the Company sold 36 of its 46 Giant Tiger stores to Giant Tiger Stores Limited for cash consideration of $45.0 million payable in $15.0 million installments on the second, third and fourth anniversaries of the transaction closing date, and up to $22.5 million in contingent consideration based on achieving certain financial measures in 2024 and 2025. The total consideration recorded by the Company at the time of the transaction included $12.5 million in estimated contingent consideration in accordance with IFRS 9 - *Financial Instruments*. The amount of consideration is dependent on achieving certain financial measures which may result in the actual amount of contingent consideration being higher or lower than the amount estimated by the Company, including the possibility of no further consideration owing if certain financial measures are not met. The determination of the total amount of the contingent consideration is expected to be finalized by the fourth quarter of 2025. Further information is provided in Note 25 to the consolidated financial statements.

Beyond the near-term outlook previously noted, the medium and longer-term outlook for the Company is favourable based on the resiliency of our essential everyday product and service value offer and the upside expected from enhancing our core capabilities to deliver operational excellence and sustainable earnings growth aligned with our Next 100 work. The impact of Government of Canada transfer and settlement payments and higher infrastructure and services spending is expected to benefit Indigenous people in the communities we serve. On October 24, 2023, the Federal Court of Canada approved the final settlement agreement of $23.3 billion in compensation to be paid to individuals impacted by First Nations Child and Family Services programs and other services. Based on the information available, each claimant is expected to receive a minimum payment of approximately $40,000 with additional amounts determined based on individual circumstances. The application window for the first two classes of claims opened on March 10, 2025. While the timing of these compensation payments is uncertain, the Company does not expect the payments to be distributed until late 2025 or 2026.

In addition to the First Nations Child and Family Services compensation payments to individuals, on July 11, 2024, the Government of Canada announced an agreement in principle to provide $47.8 billion to be disbursed over 10 years for the long-term reform of the First Nations Child and Family Services program and Jordan's Principle. This agreement is designed to provide predictable funding for services and benefits for Indigenous children, youth, young adults and families and builds on the previous agreement-in-principle to provide $20 billion in funding over five years. However, on October 17, 2024, members of the Assembly of First Nations rejected the $47.8 billion agreement and instructed the Assembly of First Nations leadership to take a new approach to negotiating a different final agreement to address concerns raised. The agreement on the long-term reform of the First Nations Child and Family Services Program is subject to final approvals and a motion before the Canadian Human Rights Tribunal to end its oversight over the First Nations Child and Family Services Program.

In 2025, the Company expects that capital expenditures, net of expected proceeds from the promissory note receivable will be in the $145.0 million range (2024 - $131.0 million, net of $15.0 million in proceeds from the promissory note receivable). The timing and amount of store-based capital expenditures in 2025 are expected to continue to be impacted by the availability of building materials and labour shortages, in addition to other delays that can occur with remote location capital projects.

RISK MANAGEMENT

The mandate of the Board of Directors includes ensuring that processes are in place to identify and manage the principle risks of the business, including environmental and climate-related risks, for which the Board has delegated primary responsibility to the Audit Committee. The North West Company maintains an Enterprise Risk Management ("ERM") program which assists in identifying, evaluating and managing risks that may reasonably have an impact on the Company. Management is accountable for completing an annual ERM assessment to evaluate risks and the potential impact that the risks may have on the Company's financial performance and ability to execute its strategies and achieve its objectives. The results of this annual assessment and quarterly updates are presented to the Audit Committee and reported to the Board of Directors. The principle risks, including environmental and climate-related risks, and the related mitigation strategies are incorporated into the Company's strategic planning process.

The North West Company is exposed to a number of risks in its business. The descriptions of the risks below are not the only ones facing the Company. Additional risks and uncertainties not presently known to the Company, or that the Company deems immaterial, may also impair the operations of the Company. If any of such risks actually occur, the business, financial condition, liquidity, results of operations and reputation of the Company could be materially adversely affected. Readers of this MD&A are also encouraged to refer to the Key Performance Drivers and Capabilities Required to Deliver Results and Outlook sections of this MD&A, as well as North West's Annual Information Form, which provides further information on the risk factors facing the Company and which is hereby incorporated by reference. While the Company employs strategies to minimize these risks, these strategies do not guarantee that events or circumstances will not occur that could negatively impact the Company's financial condition and performance.

Careful consideration should be given to the risk factors which include, but are not limited to, the following:

Employee Development and Retention Attracting, retaining and developing high caliber employees is essential to effectively managing our business, executing our strategies and meeting our objectives. Due to the vast geography, small size and remoteness of the Company's individual markets, there is an ongoing need for capable staffing, particularly at the store management level. The degree to which the Company is not successful in retaining and developing employees and establishing appropriate succession plans could lead to a lack of knowledge, skills and experience required to effectively run our operations and execute our strategies and could negatively affect financial performance. The Company's overall priority on building and sustaining store people capability reflects the importance of mitigating this risk. In addition to compensation programs and investments in staff housing that are designed to attract and retain qualified personnel, the Company also continues to implement and refine initiatives such as comprehensive store-based manager-in-training programs.

These risks also impact the Company's airline operations. Transport Canada has Canadian Airline Regulations ("CAR") with respect to pilot fatigue and flight duty times. These regulations have resulted in an increase in the number of pilots required by NSA which, combined with a Canada-wide shortage of pilots and aircraft mechanics, may result in higher recruitment and compensation costs and have a negative impact on the Company's financial performance. Changes to flight schedules, operating schedules, fatigue management systems and employee recruiting, compensation and training programs are expected to help mitigate the impacts of the new regulations and employee development and retention risk.

In addition to the foregoing, a pandemic could impact the health and wellness of the Company's employees, result in labour shortages or the temporary closure of stores, distribution facilities, airline or support offices.

Competition The Company has a leading market position in a large percentage of the markets it serves. Sustaining and growing this position depends on our ability to continually improve customer satisfaction while identifying and pursuing new sales opportunities. We actively monitor competitive activity and we are proactive in enhancing our value offer elements, ranging from in-stock position to service and pricing. To the extent that the Company is not effective in responding to consumer trends or enhancing its value offer, it could have a negative impact on the Company's financial performance and reputation. Furthermore, the entry of new competitors, an increase in competition, both local and outside the community, a significant expansion of E-Commerce, or the introduction of new products and services in the Company's markets could also negatively affect the Company's financial performance.

Cyber-security The Company relies on the integrity and continuous availability of its IT systems including networks, data hosting and processing facilities, cloud-based services and hardware. In the ordinary course of business, the Company collects, processes, transmits and retains confidential and personal information (collectively "Confidential Information") regarding the Company and its customers, employees and suppliers. The Company's IT systems are exposed to the risks of "cyber-attack", including viruses that can disrupt, paralyze or prevent access to IT systems or result in unauthorized access to Confidential Information.

The Company has security software and measures, including monitoring, testing and employee training, to prevent unauthorized access to its IT systems and Confidential Information, and to reduce the likelihood of disruptions, and continues to make investments in this area to mitigate cyber threats. Cyber-attacks are constantly evolving and are becoming more frequent and sophisticated in nature and there is a risk that the Company's security measures or its third party service providers' security measures, may be breached or unauthorized access may not be detected on a timely basis. Furthermore, employee error, faulty password management or malfeasance may result in unauthorized access to IT systems and Confidential Information. Any prolonged failure relating to IT system availability, breaches of IT system security, a significant loss of data, an impairment of data integrity or unauthorized access to Confidential Information, could adversely affect the financial performance, operations and reputation of the Company and may result in regulatory enforcement actions or litigation.

Community Relations A portion of the Company's sales are derived from communities and regions that restrict commercial land ownership and usage by non-Indigenous or non-local owned businesses, or which have enacted policies and regulations to support locally-owned businesses. We successfully operate within these environments through initiatives that promote positive community and customer relations. These include store lease arrangements with community-based development organizations and initiatives to recruit local residents into management positions and to incorporate community stakeholder advice into our business at all levels. Further information on community relations is provided under Corporate Social Responsibility and Sustainability. To the extent the Company is not successful in maintaining these relations or is unable to renew lease agreements with community-based organizations, or is subject to punitive fees or operating restrictions, it could have an adverse effect on the Company's reputation and financial performance.

Climate Change, Natural Disasters and Fire The Company's operations are exposed to extreme weather conditions ranging from blizzards to hurricanes, typhoons and cyclones which can cause loss of life, damage to or destruction of key stores and facilities, or temporary business disruptions. The stores located in the South Pacific, Caribbean and coastal areas of Alaska are also at risk of earthquakes, volcano and tsunamis which can result in loss of life and destruction of assets. The destruction of assets and the impact on the local economy resulting from these types of extreme weather conditions, particularly where more than one location is impacted, could have a material adverse effect on the operations and financial condition and performance of the Company. Severe weather conditions can also have a negative impact on NSA's operations by disrupting the transportation of merchandise and passengers.

The impact of warmer ocean water temperatures has increased the risk of frequency, severity and duration of hurricanes and typhoons especially in the northeastern Caribbean. Collectively the stores in this region have sales of $426.3 million and assets of $215.4 million for the year-ended January 31, 2025. In 2017, islands in this region were devastated by two category five hurricanes which resulted in the destruction of the Company's CUL store in St. Thomas and three RTW stores and significantly damaged a CUL store in St. Maarten. Rebuilding has significantly increased resiliency to future hurricanes however, these markets remain exposed to this risk.

The Company completed a specific climate-related risk management assessment of its stores in the northeastern Caribbean and upgraded its most hurricane-vulnerable stores to improve the building construction to a category five hurricane resiliency level. These improvements help mitigate the impact of hurricanes on the Company's stores however, there can be no certainty that the damage from hurricanes will not include significant damage to or loss of stores and warehouses. In addition, hurricanes can result in significant damage to or destruction of important infrastructure, including residences, which in turn may result in people relocating from an island. Any prolonged reduction in population in the communities the Company operates in could have a material impact on the financial performance of the Company.

Longer-term global warming conditions would also have a more pronounced effect, both positive and negative, on the Company's most northern latitude stores. On the downside, global warming will result in rising sea levels, which will cause flooding, and melting permafrost which could damage or destroy the Company's stores, warehouses and housing. The Company operates in 72 communities in northern Canada and 20 communities in Alaska that are potentially exposed to changes in permafrost. Collectively, stores in these communities have sales of $950.4 million and assets of $493.6 million for the year ended January 31, 2025. Rising sea levels and melting permafrost would also have the same negative impact on our customers which, combined with the potential damage to our facilities, could have a material adverse effect on the Company's operations, financial condition and performance. The Company has in-depth knowledge of and expertise in construction in northern markets and continues to incorporate new engineering and construction techniques in designing buildings and facilities to help mitigate the impact of changing permafrost conditions and minimize damage to the permafrost.

The Company relies upon the availability of winter roads to 40 communities in northern Canada. Global warming conditions may shorten or eliminate the availability of winter roads which would result in higher transportation costs to these remote locations. To the extent that higher transportation costs cannot be offset by other cost reductions or passed on through higher prices, this may result in lower operating margins which may have an adverse effect on the Company's financial performance. This risk related to the availability of winter roads is partially mitigated by the utilization of the Company's wholly-owned airline to transport merchandise to its stores.

On the upside, global warming could result in higher economic growth in the Company's northern markets and would reduce some operating expenses such as utility costs and enable the Company to use lower-cost sealift year-round to transport merchandise to the Company's stores compared to higher cost air transportation.

The Company's stores in northern Canada and Alaska are exposed to the risk of wild fires and other fire related losses. In many of the Company's remote northern markets, there is limited fire fighting equipment and capability. In the event of a fire, there is a high risk of a complete loss of the building, equipment and inventory. In 2023, the Company's store in Fox Lake, Alberta was destroyed by wildfire. In 2018, the Company also had three fires in northern Canada which destroyed one store and significantly damaged two other stores. Two of the fires were caused by electrical malfunction and one was arson-related. The Company was able to re-open the stores with reduced selling square footage and a limited merchandise assortment while reconstruction and repairs were being completed. The Company completed an independent review of its fire mitigation policies and procedures to identify opportunities to improve fire prevention in its northern Canada stores and has upgraded facilities to reduce the risk of fire-related losses.

In addition to the risk mitigation activities previously noted, the Company also maintains insurance to help mitigate the impact of losses however, there can be no assurance that one or more large claims or that any given loss will be mitigated in all circumstances. Further information on insurance risk is provided below.

Economic Environment External factors which affect customer demand and personal disposable income, and over which the Company exercises no influence, include government fiscal health, general economic growth, changes in commodity prices, inflation, tariffs, price increases from suppliers, unemployment rates, personal debt levels, levels of personal disposable income, interest rates and foreign exchange rates. Changes in inflation rates, commodity prices, tariffs, price increases from suppliers and foreign exchange rates are unpredictable and may impact the cost of merchandise and the prices charged to consumers which in turn could negatively impact the Company's reputation and financial results. A pandemic could result in an economic downturn, restrictions on travel and trade, disruptions to financial markets and negatively impact the availability and cost of capital, which in turn could have an adverse impact on the Company's financial results and condition.

Our largest customer segments derive most of their income directly or indirectly from government infrastructure spending or direct payment to individuals in the form of social assistance, child care benefits and old age security. While these tend to be stable sources of income, independent of economic cycles, a decrease in government income transfer payments to individuals, a recession or a significant and prolonged decline in consumer spending, could have an adverse effect on the Company's operations and financial performance.

Furthermore, customers in many of the Company's markets benefit from product cost subsidies through programs such as 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. If there are changes in government policy that result in a reduction in financial support for these programs, or if these subsidies and programs are not adjusted for cost inflation, there could be a negative impact on consumer demand for the Company's products and services which could have an adverse effect on the Company's operations, financial condition and reputation.

A major source of employment income in the remote markets where the Company operates is generated from local government and spending on public infrastructure. This includes housing, schools, health care facilities, military facilities, roads and sewers. Local employment levels will fluctuate from year-to-year depending on the degree of infrastructure activity and a community's overall fiscal health. A similar fluctuating source of income is employment related to tourism and natural resource development. A significant or prolonged reduction in government transfers, spending on infrastructure projects, natural resource development and tourism spending would have a negative impact on consumer income which in turn could result in a decrease in sales and gross profit, particularly for more discretionary general merchandise items.

Management regularly monitors economic conditions and considers factors which can affect customer demand in making operating decisions and the development of strategic initiatives and long-range plans however, changes in economic conditions may adversely impact consumer demand for the Company's products and services which could adversely affect the Company's financial performance, financial condition and reputation.

Logistics and Supply Chain The Company relies on a complex and elongated outbound supply chain due to the remoteness of the Company's stores. The delivery of merchandise to a substantial portion of the Company's stores involves multiple carriers and multiple modes of transportation including trucks, trains, aircraft, ships and barges through various ports and transportation hubs. The Company's reputation and financial performance can be negatively impacted by supply chain events or disruptions outside of the Company's control, including changes in foreign and domestic regulations which increase the cost of transportation; the quality of transportation infrastructure such as roads, ports and airports; labour disruptions at transportation companies; the impact of a pandemic, that reduces the availability of product or restricts transportation to distribution facilities or the communities the Company serves; the impact of severe weather; or the consolidation, financial difficulties or bankruptcy of transportation companies. To help mitigate these risks, the Company owns an airline, North Star Air Ltd., and has an investment in Transport Nanuk Inc., an arctic shipping company, which provides the Company with greater control over key components of our logistics network and service to our stores in northern Canada.

Business Model and Change Management The Company sells a broad range of products and services across geographically and culturally diverse markets within a high operating cost environment. Operational scale can be difficult to achieve across these remote geographies and the complexity of the Company's business model is higher compared to more narrowly-focused or larger retailers. Management continuously assesses the strength of its customer value offer to ensure that specific markets, products and services are financially attractive. The Company continues to focus on simplifying work across the business, with an emphasis on store processes. Certain Company initiatives may reduce the cost of operations and help ensure the Company has an efficient operating structure. These initiatives may include improving processes and generating efficiencies across the Company's administrative, store and distribution network. The success of strategic initiatives is dependent on effective leadership and change management to realize their intended benefits. Ineffective leadership or change management could result in a lack of integrated processes and procedures, decreased employee engagement, ineffective communication and training, a lack of requisite knowledge or may not achieve the benefits intended. Any of the foregoing could disrupt operations or increase the risk of customer dissatisfaction. To the extent the Company is not successful in developing and executing its strategies, it could have an adverse effect on the financial condition, reputation and financial performance of the Company.

Information Technology The Company relies on information technology ("IT") to support the current and future requirements of the business. A significant or prolonged disruption in the Company's current IT systems could negatively impact day-to-day operations of the business which could adversely affect the Company's financial performance and reputation. In 2025, the Company will be implementing a new Warehouse Management System ("WMS"), an inventory forecasting and replenishment application at store level, and pricing and data analytics software.

The failure to successfully upgrade legacy systems, or to migrate from legacy systems to new IT systems, could have an adverse effect on the Company's operations, reputation and financial performance. There is also a risk that the anticipated benefits, cost savings or operating efficiencies related to upgrading or implementing new IT systems may not be realized which could adversely affect the Company's operations, financial performance or reputation. To help mitigate these risks, the Company uses a combination of specialized internal and external IT resources as well as a strong governance structure and disciplined project management.

The Company also depends on accurate and reliable information from its IT systems for decision-making and operating the business. As the volume of data and the complexity and integration of IT systems increases, there is a greater risk of errors in data or misinterpretation of the data which could negatively impact decision making and in turn, have an adverse effect on the Company's financial performance.

Environmental The Company owns and leases a large number of facilities and real estate, particularly in remote locations, and is subject to environmental risks associated with the contamination of such facilities and properties. The Company operates retail fuel outlets in a number of locations and uses fuel to heat stores and housing. The Company also has aviation fuel storage containers and operates aviation fuel dispensing equipment. Contamination resulting from gasoline, heating and aviation fuel is possible. The Company employs operating, training, monitoring and testing procedures to minimize the risk of contamination. The Company also operates refrigeration equipment in its stores and distribution centres which, if the equipment fails, could release gases that may be harmful to the environment. The Company has monitoring and preventative maintenance procedures to reduce the risk of this contamination occurring. Even with these risk mitigation policies and procedures, the Company could incur increased or unexpected costs related to environmental incidents and remediation activities, including litigation and regulatory compliance costs, all of which could have an adverse effect on the reputation and financial performance of the Company.

Laws, Regulations and Standards The Company is subject to various laws, regulations and standards administered by federal, provincial and foreign regulatory authorities, including but not limited to income, commodity and other taxes, securities laws, anti-trust and competition laws, NNC and SNAP regulations, duties, currency repatriation, health and safety, labour and employment standards, minimum wage laws, Payment Card Industry ("PCI") standards, anti-money laundering ("AML") regulations, licensing requirements, product packaging and labeling regulations, hazardous waste regulations and zoning laws. New accounting standards and pronouncements or changes in accounting standards may also impact the Company's financial results.

These laws, regulations and standards and their interpretation by various courts and agencies are subject to change. In the course of complying with such changes, the Company may incur significant costs. Failure by the Company to fully comply with applicable laws, regulations and standards could result in financial penalties, assessments, sanctions, loss of operating licenses or legal action that could have an adverse effect on the reputation, financial condition and financial performance of the Company.

The Company is also subject to various privacy laws and regulations regarding the protection of personal information of its customers and employees. Any failure in the protection of this information or non-compliance with laws or regulations could negatively affect the Company's reputation and financial performance.

A portion of the Company's sales and net earnings are derived from financial services and pharmacy operations, which are subject to additional laws, regulations and standards. Changes in legislation regarding financial services fees, including but not limited to ATM, pre-paid Visa card and cheque-cashing fees and fees earned on customer accounts receivable, could have an adverse impact on the Company's financial performance if other fees or offsetting cost reductions cannot be implemented. In Canada, on-going prescription drug reform, changes in dispensing fees and the implementation of a national pharmacare system could have an adverse effect on the Company's financial performance if other fees or offsetting cost reductions cannot be implemented.

The airline industry is also subject to extensive legal, regulatory and administrative controls and oversight, including airline safety standards. Failure by the Company to comply with these laws, regulations and standards could result in the loss of operating licenses and could have an adverse effect on the Company's financial performance and reputation.

Furthermore, changes in legislation, including costs associated with recycling and disposal of consumer goods packaging and food waste, hazardous waste regulation, carbon taxes and the implementation of other greenhouse gas reduction initiatives and regulations related to transitioning to a low-carbon and more climate resilient future, could result in additional costs which could have a negative impact on the Company's financial performance if the Company is not able to fully pass on these additional costs to its customers or identify other offsetting cost reductions and efficiencies. In addition, failure to comply with these laws, standards and regulations could have an adverse affect on the Company's financial performance, financial condition and reputation.

Food, Drug, Product and Service Safety The Company is exposed to risks associated with food and drug safety, product packaging, labelling, handling, storage and distribution, and general merchandise product defects. The Company also operates pharmacies and provides tele-pharmacy services and is subject to risks associated with the distribution of prescription drugs, errors made through medication dispensing or patient services and consultation. Food sales represent approximately 77% of total Company sales. A significant outbreak of a food-borne illness or food safety issues including food tampering or contamination, or increased public concerns with certain food products could have an adverse effect on the reputation and financial performance of the Company and could lead to unforeseen liabilities from legal claims. The Company has food preparation, handling, dispensing and storage procedures which help mitigate these risks.

The Company also has product recall procedures in place in the event of a food-borne illness outbreak or product defect. The existence of these procedures does not eliminate the underlying risks and the ability of these procedures to mitigate risk in the event of a food-borne illness or product recall is dependent on their successful execution.

Social Social and political issues raise public awareness, perspectives and actions through protests and/or media campaigns. Issues that may relate to the Company's business include, but are not limited to food security, minimum wages, Indigenous rights, diversity and inclusion, local and ethical sourcing, nutritional labelling, the environment and climate change. Ineffective action or inaction on these matters, including perceived failure to adequately address these matters, could adversely affect the Company's reputation or financial performance.

Fuel and Utility Costs Compared to other retailers, the Company is more exposed to fluctuations in the price of energy, particularly oil. Due to the vast geography and remoteness of the store network, expenses related to aviation fuel, diesel-generated electricity and heating fuel costs are a more significant component of the Company's and its customers' expenses. To the extent that escalating fuel and utility costs cannot be offset by alternative energy sources, energy conservation practices or offsetting productivity gains, this may result in higher retail prices or lower operating margins which may affect the Company's financial performance and reputation. In this scenario, consumer retail spending could also be negatively affected by higher household energy-related expenses which could have an adverse effect on the Company's financial performance.

Insurance The Company manages its exposure to certain risks through an integrated insurance program which combines an appropriate level of self-insurance and the purchase of various insurance policies. The Company's insurance program is based on various lines and limits of coverage and is arranged with financially stable insurance companies as rated by professional rating agencies. Global insurance market conditions continue to be challenging as insurance companies limit their capacity for underwriting risks in certain geographic areas such as the Caribbean and northern Canada or in sectors such as aviation. Insurance companies that do provide coverage in these areas are requiring significantly higher insurance premiums and higher self-insured retention levels from companies. These factors are expected to continue to result in higher insurance costs and changes in self-insured retention levels which may result in greater earnings volatility in the event of future losses. There can be no assurance that the Company's insurance program will be sufficient to cover one or more large claims, or that any given risk will be mitigated in all circumstances. There can also be no assurance that the Company will be able to continue to purchase insurance coverage at reasonable rates or maintain its self-insured retention levels. To the extent that the Company's insurance policies do not provide sufficient coverage for a loss, it could have an adverse impact on the Company's operating results and financial condition.

Vendor and Third Party Service Partner Management The Company relies on a broad base of manufacturers, suppliers and operators of distribution facilities to provide goods and services. Events, such as a pandemic, or disruptions affecting these suppliers outside of the Company's control could in turn result in delays in the delivery of merchandise to the stores and therefore negatively impact the Company's reputation and financial performance. A portion of the merchandise the Company sells may be sourced from less developed countries which increases certain risks to the Company including risks associated with product safety, general merchandise product defects and products that do not meet the required standards. Additionally, products sourced from less developed countries may have an increased risk of non-compliance with human rights, forced labour, child labour and ethical and safe business practices which could negatively impact the Company's reputation. The Company uses offshore consolidators and sourcing agents to monitor product quality and ethical sourcing standards however, the Company does not have any direct influence over how these vendors and service partners are managed and there is no certainty that these risks can be completely mitigated in all circumstances.

NSA also relies upon suppliers and third party service partners for specialized aviation parts and aircraft maintenance services. A prolonged disruption affecting the supply of parts or provision of maintenance services could negatively impact the availability of aircraft to service the Company's stores and customers, or result in higher than anticipated costs, which could have an adverse effect on the Company's financial performance and reputation.

Ethical Business Conduct The Company has a Code of Business Conduct and Ethics policy which governs both employees and Directors. The Company also has a Whistleblower Policy that provides direct access to members of the Board of Directors. Unethical business conduct could negatively impact the Company's reputation and relationship with its customers, investors and employees, which in turn could have an adverse effect on the financial performance of the Company.

Income Taxes In the ordinary course of business, the Company is subject to audits by tax authorities. The Company regularly reviews its compliance with tax legislation, filing positions, the adequacy of its tax provisions and the potential for adverse outcomes. While the Company believes that its tax filing positions are appropriate and supportable, the possibility exists that certain matters may be reviewed and challenged by the tax authorities. If the final outcome differs materially from the tax provisions, the Company's income tax expense and its earnings could be affected positively or negatively in the period in which the outcome is determined.

Litigation and Casualty Losses In the normal course of business, the Company is involved in and potentially subject to claims and legal proceedings that may involve its customers, suppliers and others. The potential outcomes of claims and legal proceedings is uncertain. The Company records a provision for litigation claims if management believes the Company has liability for such claim or legal action. If management's assessment of liability or the amount of any such claim is incorrect, any difference between the final judgment amount and the provision would become an expense or a recovery in the period such claim was resolved. If the Company is unsuccessful in defending its position, the resolution of claims could have an adverse effect on the Company's financial results, financial condition and reputation.

In February 2025, two Statements of Claims for putative class action proceedings were filed in the Manitoba Court of King's Bench against The North West Company Inc. and certain Canadian subsidiaries: Kusugak et al (the "Kusugak Claim") and Muskego et al (the "Muskego Claim", collectively with the Kusugak Claim, the "Claims"). The Claims allege that the Company misrepresented the amount of federal subsidy it passed through to consumers through the Nutrition North Canada subsidy program (the "Subsidies") between April 1, 2011 and the present. The Claims are brought by individuals who allegedly purchased subsidized goods at the Company's stores in Nunavut, Quebec and Manitoba, and seek damages including, for alleged negligent misrepresentation and unjust enrichment as well as breach of contract, the *Competition Act* and certain provincial and territorial consumer protection acts. These actions are at an early stage and have not been certified as class proceedings. The Company believes these Claims are without merit and maintains that its practices regarding the Subsidies were fully compliant with the Government of Canada agreements and plans to actively defend these actions.

Consistent with risks inherent in the aviation industry, NSA could be subject to large liability claims arising out of major accidents or disasters involving aircraft which can result in serious injury, death or destruction of property. Accidents and disasters may occur from factors outside of the Company's control such as severe weather, lightning strikes, wind shear and bird strikes. Any such accident or disaster could have a material adverse effect on the Company's reputation, results from operations and financial condition.

Management of Inventory Success in the retail industry depends on being able to select the right merchandise, in the correct quantities in proportion to the demand for such merchandise. A miscalculation of consumer demand for merchandise could result in having excess inventory for some products and missed sales opportunities for others which could have an adverse effect on the Company's operations, financial performance and reputation. Excess inventory may also result in higher markdowns or inventory shrinkage all of which could have an adverse effect on the financial performance of the Company. In 2025, the Company will begin implementing a new IT application for inventory forecasting and replenishment at store level and a warehouse management system in International Operations. The failure to successfully implement these applications and the applicable processes and change management requirements, may increase the risks associated with inventory management.

Post-Employment Benefits The Company engages professional investment advisors to manage the assets in the defined benefit pension plans. The performance of the Company's pension plans and the plan funding requirements are impacted by the returns on plan assets, changes in the discount rate and regulatory funding requirements. If capital market returns are below the level estimated by management or if the discount rate used to value the liabilities of the plans decreases, the Company may be required to make contributions to its defined benefit pension plans in excess of those currently contemplated, which may have an adverse effect on the Company's financial performance.

The Company regularly monitors and assesses the performance of the pension plan assets and the impact of changes in capital markets, changes in plan member demographics, and other economic factors that may impact funding requirements, benefit plan expenses and actuarial assumptions. The Company makes cash contributions to the pension plan as required and also uses letters of credit to satisfy a portion of its funding obligations. Effective January 1, 2011, the Company entered into an amended and restated staff pension plan and added a defined contribution plan. Under the amended pension plan, all members who did not meet a qualifying threshold based on number of years in the pension plan and age were transitioned to the defined contribution pension plan effective January 1, 2011 and no longer accumulate years of service under the defined benefit pension plan. Effective January 1, 2022, the defined benefit pension plan for Canadian-based executives was closed to new members however, members prior to the closure will continue to accumulate service in the plan until the end of their employment. All of the Company's defined benefit pension plans are closed to new members and all new eligible employees will participate in the staff defined contribution plan. Further information on post-employment benefits is provided on page 29 and in Note 13 to the consolidated financial statements.

Geopolitical Changes in the domestic or international political environment may impact the Company's ability to source and provide products and services. Acts of terrorism, riots and political instability could have an adverse effect on the financial performance of the Company.

Dependence on Key Facilities There are five major distribution centres which are located in Winnipeg, Manitoba; Anchorage, Alaska; San Leandro, California; Port of Tacoma, Washington; and a third party managed facility in Fort Lauderdale, Florida. In addition, the Company's Canadian Operations support office is located in Winnipeg, Manitoba, NSA's support office is located in Thunder Bay, Ontario and the International Operations has support offices in Anchorage, Alaska and Boca Raton, Florida. A significant or prolonged disruption at any of these facilities due to fire, severe weather conditions, natural disasters, or otherwise could have a material adverse effect on the financial performance of the Company.

Financial Risks In the normal course of business, the Company is exposed to financial risks that have the potential to negatively impact its financial performance. The Company manages financial risk with oversight provided by the Board of Directors, who also approve specific financial transactions. The Company uses derivative financial instruments only to hedge exposures arising in respect of underlying business requirements and not for speculative purposes. These risks and the actions taken to minimize the risks are described below. Further information on the Company's financial instruments and associated risks are provided in Note 15 to the consolidated financial statements.

Credit Risk Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk primarily in relation to individual and commercial accounts receivable. The Company manages credit risk by performing regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable. The Company does not have any individual customer accounts greater than 10% of total accounts receivable.

Liquidity Risk Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due or can do so only at excessive cost. The Company manages liquidity risk by maintaining adequate credit facilities to fund operating requirements, pension plan contributions and planned sustaining and growth-related capital expenditures, and regularly monitoring actual and forecasted cash flow and debt levels. At January 31, 2025, the Company had undrawn committed revolving loan facilities available of $438.8 million (January 31, 2024 - $433.9 million). The undrawn capacity on existing loan facilities and the maturity dates of these facilities helps reduce liquidity risk. Further information on liquidity is provided in the Consolidated Liquidity and Capital Resources section.

Currency Risk Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk, primarily the U.S. dollar, through its net investment in International Operations and its U.S. dollar denominated borrowings. The Company manages its exposure to currency risk by hedging the net investment in foreign operations with a portion of U.S. dollar denominated borrowings as described in the Sources of Liquidity section. At January 31, 2025, the Company had US$70.0 million in U.S. denominated debt compared to US$70.2 million at January 31, 2024 and US$70.4 million at January 31, 2023. Further information on the impact of foreign exchange rates on the translation of U.S. denominated debt is provided in the Capital Structure section.

The Company is also exposed to currency risk relating to the translation of International Operations earnings to Canadian dollars. In 2024, the average exchange rate used to translate U.S. denominated earnings from the International Operations was 1.3775 compared to 1.3504 last year. The Canadian dollar's depreciation in 2024 compared to the U.S. dollar in 2023 positively impacted consolidated net earnings by $1.0 million. In 2023, the average exchange rate was 1.3504 compared to 1.3088 in 2022 which resulted in an increase in 2023 consolidated net earnings of $1.5 million compared to 2022.

Interest Rate Risk Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk primarily through its long-term borrowings. The Company manages exposure to interest rate risk though a combination of fixed and floating interest rate debt and may use interest rate swaps. Further information on long-term debt is provided in Note 12 to the consolidated financial statements. As at January 31, 2025, the Company had no outstanding interest rate swaps.

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

The North West Company opened its first store in 1668 as a trading post in the Cree Nation of Waskaganish in northern Canada and many of our stores in northern Canada and Alaska have been in operation for over 200 years. Our continuing presence in the communities we serve is based on sustainable practices that reflect our adaptability and respect for the social license and underlying trust we must earn.

Our ESG Strategy is embedded across our business operations and influences our unique business model, supporting underserved communities in remote geographical locations. We aim to achieve positive change through a shared-value framework that benefits people and our planet and supports creating strong partnerships for the future. Our ESG Strategy framework highlights ESG risks and opportunities that are important to our business and partners.

Our vision is at the heart of our ESG Strategy, which is centred on the community and employee experience. Wherever we can, we look to find opportunities to build trust with our community partners and provide them with the products and services they need. Through our ESG Strategy, we seek to enable positive change in the communities we serve by supporting their journey for improved health, nutrition and overall quality of life. We also strive 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.

Our ESG Strategy is defined by a clear pathway to drive our efforts towards a more sustainable and equitable future, accelerating progress to benefit **people, the planet** and **partnerships.**

People Help employees and local communities to advance towards a healthier, inclusive and equitable future.

Planet Promote the protection of the environment and address climate change.

Partnerships Maintain trust with our partners, by aligning to regulations and operating responsibly in global supply chains.

The Board of Directors are accountable for overseeing the Company's Corporate Social Responsibility and Sustainability which are integrated within the Company's risk management and strategic planning process. In addition to the information provided on climate change and environmental risk factors previously noted under Risk Management, further information on the Sustainability Report and and the report on Fighting Against Forced Labour and Child Labour in Supply Chains Act ("Modern Slavery") are available on the Company's website at www.northwest.ca.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make estimates, assumptions and judgments that affect the application of accounting policies and the reported amounts and disclosures made in the consolidated financial statements and accompanying notes. Judgment has been used in the application of accounting policy and to determine if a transaction should be recognized or disclosed in the consolidated financial statements, while estimates and assumptions have been used to measure balances recognized or disclosed. These estimates, assumptions and judgments are based on management's historical experience, knowledge of current events, expectations of future outcomes and other factors that management considers reasonable under the circumstances. Certain of these estimates and assumptions require subjective or complex judgments by management about matters that are uncertain and changes in these estimates could materially impact the consolidated financial statements and disclosures. Management regularly evaluates the estimates and assumptions it uses and revisions are recognized in the period in which the estimates are reviewed and in any future periods affected. The areas that management believes involve a higher degree of judgment or complexity, or areas where the estimates and assumptions may have the most significant impact on the amounts recognized in the consolidated financial statements include the following:

Valuation of Accounts Receivable The Company records an allowance for doubtful accounts related to trade accounts receivable that may potentially be impaired. The Company recognizes loss allowances for expected credit losses ("ECL's") on accounts receivable. The change in ECL's is recognized in net earnings and reflected as an allowance against accounts receivable. The Company uses historical trends, timing of recoveries and management's judgment as to whether current economic and credit conditions are such that actual losses are likely to differ from historical trends. A significant change in one or more of these factors could impact the estimated allowances for doubtful accounts recorded in the consolidated balance sheets and the provisions for debt loss recorded in the consolidated statements of earnings. Additional information on the valuation of accounts receivable is provided in Note 5 and the Credit Risk section in Note 15 to the consolidated financial statements.

Valuation of Inventories Inventories are stated at the lower of cost and net realizable value. Significant estimation is required in: (1) the determination of margin factors used to convert inventory to cost; (2) recognizing merchandise for which the customer's perception of value has declined and appropriately marking the retail value of the merchandise down to the perceived value; and (3) estimating inventory losses, or shrinkage, occurring between the last physical count and the balance sheet date.

Inventory shrinkage is estimated as a percentage of sales for the period from the date of the last physical inventory count to the balance sheet date. The estimate is based on historical experience and the most recent physical inventory results. To the extent that actual losses experienced vary from those estimated, both inventories and cost of sales may be impacted.

Changes or differences in these estimates may result in changes to inventories on the consolidated balance sheets and a charge or credit to cost of sales in the consolidated statements of earnings. Additional information regarding inventories is provided in Note 6 to the consolidated financial statements.

Post-Employment Benefits The defined benefit plan obligations are accrued based on actuarial valuations which are dependent on assumptions determined by management. These assumptions include the discount rate used to calculate benefit plan obligations, the rate of compensation increase, retirement ages and mortality rates. These assumptions are reviewed by management and the Company's actuaries.

The discount rate used to calculate benefit plan obligations and the rate of compensation increase are the most significant assumptions. The discount rate used to calculate benefit plan obligations and plan asset returns is based on market interest rates, as at the Company's measurement date of January 31, 2025 on a portfolio of Corporate AA bonds with terms to maturity that, on average, matches the terms of the defined benefit plan obligations. The discount rate used to measure the benefit plan obligations for fiscal 2024 was 4.62% compared to 4.88% in 2023 and 4.70% in 2022. Management assumed a rate of compensation increase of 4.0% for fiscal 2024, 2023 and 2022.

These assumptions may change in the future and may result in material changes in the defined benefit plan obligation on the Company's consolidated balance sheets, the defined benefit plan expense on the consolidated statements of earnings and the net actuarial gains or losses recognized in comprehensive income and retained earnings. Changes in financial market returns and interest rates could also result in changes to the funding requirements of the Company's defined benefit pension plans. Additional information regarding the Company's post-employment benefits, including the sensitivity of a 100 basis point change in the discount rate, is provided in Note 13 to the consolidated financial statements.

Amortization of Long-lived Assets and Right-of-Use Assets The Company makes estimates about the expected useful lives of long-lived assets, including right-of-use assets and aircraft, the expected residual values of the assets and the most appropriate method to reflect the realization of the assets future economic benefit. This includes using judgment to determine which asset components constitute a significant cost in relation to the total cost of an asset. Changes to these estimates, which can be significant, could be caused by a variety of factors, including changes in expected useful lives or residual values, changes to maintenance programs and changes in utilization of the aircraft. Estimates and assumptions are evaluated at least annually and any adjustments are accounted for as a change in estimate, on a prospective basis, through amortization expense in the Company's consolidated statements of earnings.

Business Combinations The Company accounts for business combinations using the acquisition method of accounting which requires the acquired assets and assumed liabilities to be recorded at their estimated fair values. Judgment is required to determine the fair value of the assets and liabilities with the most significant judgment and assumptions required to determine the estimated fair values of intangible assets, particularly trade names.

The Company uses the royalty relief method to determine the fair value of the trade name intangible assets. This technique values the intangible assets based on the present value of the expected after-tax royalty cash flow stream using a hypothetical licensing arrangement. Significant assumptions include, among others, the determination of projected revenues, royalty rate, discount rates and anticipated average income tax rates.

Impairment of Long-lived Assets The Company assesses the recoverability of values assigned to long-lived assets after considering potential impairment indicated by such factors as business and market trends, future prospects, current market value and other economic factors. Judgment is used to determine if a triggering event has occurred requiring an impairment test to be completed. If there is an indication of impairment, the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use, is estimated in order to determine the extent of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. For tangible and intangible assets excluding goodwill, judgment is required to determine the CGU based on the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. To the extent that the carrying value exceeds the estimated recoverable amount, an impairment charge is recognized in the consolidated statements of earnings in the period in which it occurs.

Various assumptions and estimates are used to determine the recoverable amount of a CGU. The Company determines fair value less costs of disposal using estimates such as market rental rates for comparable properties, property appraisals and capitalization rates. The Company determines value in use based on estimates and assumptions regarding future financial performance. The underlying estimates for cash flows include estimates for future sales, gross margin rates and store expenses, and are based upon the stores' past and expected future performance. Changes which may impact future cash flows include, but are not limited to, competition, general economic conditions and increases in operating costs that cannot be offset by other productivity improvements. To the extent that management's estimates are not realized, future assessments could result in impairment charges that may have a significant impact on the Company's consolidated balance sheets and consolidated statements of earnings.

Goodwill Goodwill is not amortized but is subject to an impairment test annually or whenever indicators of impairment are detected. Judgment is required to determine the appropriate grouping of CGUs for the purpose of testing for impairment. Judgment is also required in evaluating indicators of impairment which would require an impairment test to be completed. Goodwill is allocated to CGUs that are expected to benefit from the synergies of the related business combination and represents the lowest level within the Company at which goodwill is monitored for internal management purposes, which is both the Company's Canadian Operations and International Operations segments before aggregation.

The value of the goodwill was tested by means of comparing the recoverable amount of the operating segment to its carrying value. The recoverable amount is the greater of its value in use or its fair value less costs of disposal. The operating segment's recoverable amount was based on fair value less costs of disposal. A range of fair values was estimated by inferring enterprise values from the product of financial performance and comparable trading multiples. Values assigned to the key assumptions represent management's best estimates and have been based on data from both external and internal sources. Key assumptions used in the estimation of enterprise value include: budgeted financial performance, selection of market trading multiples and costs to sell. To the extent that management's estimates are not realized, future assessments could result in impairment charges that may have a significant impact on the Company's consolidated balance sheets and consolidated statements of earnings.

The Company performed the annual goodwill impairment test in 2024 and determined that the recoverable amount exceeded its carrying value. No goodwill impairment was identified and management considers any reasonably foreseeable changes in key assumptions unlikely to produce a goodwill impairment.

Income and Other Taxes Deferred tax assets and liabilities are recognized for the future income tax consequences attributable to temporary differences between the financial statement carrying values of assets and liabilities and their respective income tax bases. Deferred income tax assets or liabilities are measured using enacted or substantively enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The calculation of current and deferred income taxes requires management to use judgment regarding the interpretation and application of tax legislation in the various jurisdictions in which the Company operates. The calculation of deferred income tax assets and liabilities is also impacted by estimates of future financial results, expectations regarding the timing of reversal of temporary differences and assessing the possible outcome of audits of tax filings by the regulatory agencies.

Changes or differences in these estimates or assumptions may result in changes to the current or deferred income tax balances on the consolidated balance sheets, a charge or credit to income tax expense in the consolidated statements of earnings and may result in cash payments or receipts. Additional information on income taxes is provided in Note 10 to the consolidated financial statements.

Leases The values of right-of-use assets and lease liabilities are measured based on whether renewal options are reasonably certain of being exercised and an estimate of the incremental borrowing rate specific to each leased asset if the interest rate in the lease is not readily determined. The incremental borrowing rate for the Canadian and International Operations is determined based on the applicable corporate bond yield curve with an adjustment that reflects the security.

Promissory Note Receivable This financial asset includes management's estimate of the fair value of contingent consideration receivable for the sale of its Giant Tiger stores. The amount of consideration is dependent on achieving certain financial measures which may result in the actual amount of contingent consideration being higher or lower than the amount estimated by the Company, including the possibility of no further consideration owing if certain financial measures are not met. Additional information on the promissory note receivable is included in Note 15 and Note 25 to the consolidated financial statements.

NEW ACCOUNTING STANDARDS IMPLEMENTED

In October 2022, the IASB issued amendments to IAS 1 - *Presentation of Financial Statements,* which specifies that covenants whose compliance is assessed after the reporting date do not affect the classification of debt as current or non-current at the reporting date. The Company adopted these amendments this year and determined there was no impact on the consolidated financial statements.

The principal components of the Government of Canada's Global Minimum Tax Act ("GMTA") - Pillar Two legislation was included in Bill C-69 and enacted into law on June 20, 2024, and follow the Pillar Two model rules from the Organisation for Economic Co-operation and Development ("OECD"). These rules were developed by the OECD and designed to ensure that large, multinational enterprises would be subject to a minimum effective tax rate of 15% in each jurisdiction they operate. The Company operates retail stores in the Cayman Islands, Barbados and British Virgin Islands which are impacted by the GMTA - Pillar Two legislation. GMTA top up tax of $1.4 million has been included in the Company's income taxes. Additional information is provided in Note 10 to the consolidated financial statements

In May 2023, the IASB issued amendments to IAS 12 - *Income Taxes* which introduced a mandatory temporary exception from the recognition and disclosure of deferred taxes related to the implementation of Pillar Two model rules. The Company adopted this amendment during the second quarter of 2024 and has applied the exception to recognizing and disclosing information regarding Pillar Two deferred income tax assets and liabilities.

FUTURE ACCOUNTING STANDARDS

In April 2024, the IASB issued IFRS 18 - *Presentation and Disclosure in Financial Statements* to improve the comparability of the financial performance of similar entities. The standard replaces IAS 1 and primarily impacts the statements of earnings where companies will be required to present separate categories of income and expense for operating, investing and financing activities. IFRS 18 will also require management-defined performance measures to be explained and included in a separate note within the consolidated financial statements. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements, and requires retrospective application. The Company is assessing the impact of the new standard.

In May 2024, amendments to IFRS 9 - *Financial Instruments* and IFRS 7 - *Financial Instruments: Disclosures* were issued. These amendments clarify the timing of recognition and derecognition of a financial asset or financial liability. Also included in the amendments are clarifications regarding the classification of financial assets, including those with features linked to environmental, social and corporate governance. The amendments require additional disclosure for financial instruments with contingent features and investments in equity instruments classified at fair value through other comprehensive income. These amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The adoption is not expected to have a material impact on the Company's consolidated financial statements.

There are no further IFRS Accounting Standards or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company's consolidated financial statements.

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 earnings from operations to EBITDA and adjusted EBITDA

	Consolidated					
	Fourth Quarter			Year-to-date		
($ in thousands)	**2024**	2023	2022	**2024**	2023	2022
Earnings from operations	**$ 60,741**	$ 51,697	$ 47,824	**$ 209,546**	$ 195,897	$ 180,305
Add:						
Amortization	**29,658**	27,439	25,636	**115,619**	105,276	98,373
EBITDA	**$ 90,399**	$ 79,136	$ 73,460	**$ 325,165**	$ 301,173	$ 278,678
Share-based compensation expense	**1,376**	4,558	3,878	**14,250**	13,167	13,131
The Next 100 one-time costs (1)	**991**	—	—	**991**	—	—
Fox Lake wildfire asset write-off (2)	**—**	—	—	**—**	3,694	—
Adjusted EBITDA	**$ 92,766**	$ 83,694	$ 77,338	**$ 340,406**	$ 318,034	$ 291,809

	Canada					
	Fourth Quarter			Year-to-date		
($ in thousands)	**2024**	2023	2022	**2024**	2023	2022
Earnings from operations	**$ 43,865**	$ 37,166	$ 33,417	**$ 146,875**	$ 133,909	$ 119,090
Add:						
Amortization	**19,383**	18,087	17,134	**76,671**	70,180	66,368
EBITDA	**$ 63,248**	$ 55,253	$ 50,551	**$ 223,546**	$ 204,089	$ 185,458
Share-based compensation expense	**631**	3,605	3,049	**10,854**	10,971	10,983
The Next 100 one-time costs (1)	**619**	—	—	**619**	—	—
Fox Lake wildfire asset write-off (2)	**—**	—	—	**—**	3,694	—
Adjusted EBITDA	**$ 64,498**	$ 58,858	$ 53,600	**$ 235,019**	$ 218,754	$ 196,441

	International (Stated in U.S. dollars)					
	Fourth Quarter			Year-to-date		
($ in thousands)	**2024**	2023	2022	**2024**	2023	2022
Earnings from operations	**$ 11,893**	$ 10,755	$ 10,630	**$ 45,496**	$ 45,903	$ 46,772
Add:						
Amortization	**7,234**	6,694	6,291	**28,274**	25,990	24,453
EBITDA	**$ 19,127**	$ 17,449	$ 16,921	**$ 73,770**	$ 71,893	$ 71,225
Share-based compensation expense	**520**	707	623	**2,465**	1,626	1,641
The Next 100 one-time costs (1)	**258**	—	—	**258**	—	—
Adjusted EBITDA	**$ 19,905**	$ 18,156	$ 17,544	**$ 76,493**	$ 73,519	$ 72,866

(1) 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.

(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 2024	2023	2022	Year-to-Date 2024	2023	2022
Net earnings	**$ 42,806**	$ 36,011	$ 35,129	**$ 143,253**	$ 134,291	$ 125,836
Share-based compensation expense, net of tax	**1,074**	3,523	2,976	**10,818**	10,177	10,213
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	$ 38,105	**$ 154,791**	$ 147,019	$ 136,049

(1) 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.
(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. Further information on share-based compensation is provided in Note 14 and Note 18 to the consolidated financial statements.

(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	2022
Total assets	**$ 1,527.5**	$ 1,396.0	$ 1,336.9
Less: Total liabilities	**(732.8)**	(690.2)	(689.0)
Add: Total debt and lease liabilities	**422.2**	405.5	402.5
Net Assets Employed	**$ 1,216.9**	$ 1,111.3	$ 1,050.4

(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.

GLOSSARY OF TERMS & ABBREVIATIONS

AC Alaska Commercial Company store banner.

Basic earnings per share Net earnings attributable to shareholders of The North West Company Inc. divided by the weighted-average number of shares outstanding during the period.

Basis point A unit of measure that is equal to 1/100th of one percent.

Book value per share Equity attributable to shareholders of The North West Company Inc. divided by the number of shares, basic or diluted, outstanding at the end of the year.

B-to-B Business to business sales.

B-to-C Business to consumer sales.

Compound Annual Growth Rate ("CAGR") The compound annual growth rate is the year-over-year percentage growth rate over a given period of time.

CUL Cost-U-Less store banner.

Debt covenants Restrictions written into banking facilities, senior notes and loan agreements that prohibit the Company from taking actions that may negatively impact the interests of the lenders.

Debt loss An expense resulting from the estimated loss on potentially uncollectible accounts receivable.

Debt-to-equity ratio Provides information on the proportion of debt and equity the Company is using to finance its operations and is calculated as total debt divided by shareholders' equity.

Diluted earnings per share The amount of net earnings for the period attributable to shareholders of The North West Company Inc. divided by the weighted-average number of shares outstanding during the period including the impact of all potential dilutive outstanding shares at the end of the period.

EBIT (Earnings From Operations) Net earnings before interest and income taxes provides an indication of the Company's performance prior to interest expense and income taxes.

EBIT margin EBIT divided by sales.

EBITDA Net earnings before interest, income taxes, depreciation and amortization provides an indication of the Company's operational performance before allocating the cost of interest, income taxes and capital investments. See Non-GAAP Financial Measures section.

EBITDA margin EBITDA divided by sales.

ESG Environmental, social and governance.

Fair value The amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

Gross profit Sales less cost of goods sold and inventory shrinkage.

Gross profit rate Gross profit divided by sales.

GT Giant Tiger store banner.

Hedge A risk management technique used to manage interest rate, foreign currency exchange or other exposures arising from business transactions.

Interest coverage Net earnings before interest and income taxes divided by interest expense.

Next 100 The Company's strategy focused on driving operational excellence, expanding our capabilities and pursuing value for our customers, our employees and our shareholders. The initiatives within the Next 100 program leverage the power of data through new tools and analytics, and will be enabled by investments in technology and training, which will help sustain the benefits of this work in the years to come. Further information on the Next 100 strategy and work priorities is provided in the Strategies section.

NSA North Star Air Ltd., a regional airline providing cargo and passenger services in northern Canada.

Return on Average Equity ("ROE") Net earnings divided by average shareholders' equity. See Non-GAAP Financial Measures section.

Return on Net Assets ("RONA") Net earnings before interest and income taxes divided by average net assets employed (total assets less accounts payable and accrued liabilities, income taxes payable, defined benefit plan obligations, deferred tax liabilities, and other long-term liabilities). See Non-GAAP Financial Measures section.

RTW Roadtown Wholesale Trading Ltd. collectively consisting of the Riteway Food Markets banner, a Cash and Carry store and a significant wholesale operation.

Same store sales Is a supplementary financial measure of retail food and general merchandise sales performance from stores that have been open more than 52 weeks in the periods being compared, excluding the impact of foreign exchange and the estimated impact of the extra day of sales due to February 29th. Total same store sales consists of retail food and general merchandise sales and excludes other sales.

SOFR Secured Overnight Financing Rate.

WMS Means warehouse management system.

Working capital Total current assets less total current liabilities.

Year The fiscal year ends on January 31. Each fiscal year has 365 days of operations with the exception of a "leap year" which has 366 days of operations as a result of February 29. The following table summarizes the fiscal year:

Fiscal Year	Year-ended	Fiscal Year	Year-ended
2024*	January 31, 2025	2018	January 31, 2019
2023	January 31, 2024	2017	January 31, 2018
2022	January 31, 2023	2016*	January 31, 2017
2021	January 31, 2022	2015	January 31, 2016
2020*	January 31, 2021	2014	January 31, 2015
2019	January 31, 2020	2013	January 31, 2014

* Indicates years that had 366 days of operations due to February 29th.

Eleven-Year Financial Summary

Fiscal Year ($ in thousands)	**2024**	2023	2022	2021	2020
Consolidated Statements of Earnings					
Sales - Canadian Operations	**$1,475,039**	$ 1,418,961	$ 1,323,185	$1,291,139	$1,376,188
Sales - International Operations	**1,101,305**	1,052,717	1,029,575	957,657	983,051
Sales - Total	**2,576,344**	2,471,678	2,352,760	2,248,796	2,359,239
EBITDA[2] - Canadian Operations	**223,546**	204,089	185,458	215,209	206,498
EBITDA[2] - International Operations	**101,619**	97,084	93,220	96,166	94,929
EBITDA[2] - Total Operations	**325,165**	301,173	278,678	311,375	301,427
Amortization - Canadian Operations	**76,671**	70,180	66,368	61,881	62,357
Amortization - International Operations	**38,948**	35,096	32,005	29,069	29,721
Amortization - Total	**115,619**	105,276	98,373	90,950	92,078
Interest	**18,301**	19,051	14,836	13,058	16,808
Income taxes	**47,992**	42,555	39,633	49,916	48,981
Net earnings attributable to shareholders of the Company	**137,296**	129,391	122,190	154,802	139,874
Cash flow from operating activities	**260,625**	230,427	182,838	224,135	338,718
Dividends paid during the year	**75,525**	73,533	71,805	70,420	67,276
Capital and intangible asset expenditures	**146,354**	123,411	117,112	94,070	75,244
Net change in cash	**14,026**	(5,450)	9,383	(22,110)	43,349
Consolidated Balance Sheets					
Current assets[4]	**$ 550,268**	$ 502,905	$ 474,844	$ 403,358	$ 396,860
Property and equipment	**719,771**	644,681	606,310	554,457	531,794
Right-of-use assets	**118,194**	114,501	102,632	100,844	107,766
Promissory note receivable[4]	**—**	4,558	26,299	40,283	49,020
Other assets, intangible assets and goodwill	**120,217**	112,536	105,098	98,585	98,440
Deferred tax assets	**19,055**	16,829	21,707	21,746	7,288
Current liabilities	**274,854**	250,658	248,606	294,490	315,135
Long-term debt and other liabilities	**457,937**	439,579	440,384	344,579	370,802
Total Equity	**794,714**	705,773	647,900	580,204	505,231
Consolidated Dollar Per Share ($)					
Net earnings - basic	**$ 2.87**	$ 2.71	$ 2.55	$ 3.21	$ 2.87
Net earnings - diluted	**2.83**	2.67	2.51	3.16	2.82
EBITDA[2],[3]	**6.80**	6.31	5.82	6.45	6.18
Cash flow from operating activities[3]	**5.45**	4.83	3.82	4.64	6.95
Dividends paid during the year[3]	**1.58**	1.54	1.50	1.46	1.38
Equity (basic shares outstanding end of year)	**16.60**	14.79	13.57	12.12	10.39
Market price at January 31	**46.44**	38.89	36.24	35.05	32.37
Statistics at Year End					
Number of stores - Canadian	**170**	168	164	161	159
Number of stores - International	**60**	59	58	55	53
Selling square feet (000's) end of year - Canadian Stores	**1,023**	1,018	1,004	998	986
Selling square feet (000's) end of year - International Stores	**671**	668	686	677	667
Sales per average selling square foot - Canadian	**$ 1,445**	$ 1,404	$ 1,322	$ 1,302	$ 1,057
Sales per average selling square foot - International	**$ 1,645**	$ 1,555	$ 1,511	$ 1,425	$ 1,479
Number of employees - Canadian Operations	**4,777**	5,070	5,024	4,926	4,735
Number of employees - International Operations	**2,226**	2,312	2,287	2,598	2,204
Average shares outstanding (000's)	**47,788**	47,747	47,865	48,268	48,758
Shares outstanding at end of fiscal year (000's)	**47,871**	47,711	47,751	47,879	48,613
Shares traded during the year (000's)	**35,727**	46,137	52,348	50,474	60,827
Financial Ratios					
EBITDA[2] (%)	**12.6**	12.2	11.8	13.8	12.8
Earnings from operations (EBIT) (%)	**8.1**	7.9	7.7	9.8	8.9
Total return on net assets[2] (%)	**17.8**	17.7	17.9	23.8	22.4
Return on average equity[2] (%)	**19.3**	19.9	20.5	29.0	30.7
Debt-to-equity	**.37:1**	.40:1	.45:1	.41:1	.56:1
Dividends as % of cash flow from operating activities	**29.0**	31.9	39.3	31.4	19.9
Inventory turnover (times per year)	**5.3**	5.2	5.6	6.3	7.1

(1) IFRS 16 - *Leases* was applied retrospectively with restatement of certain prior year figures as described in Accounting Standard Changes Implemented in 2019 as disclosed in the 2019 Annual Report. Amounts prior to 2018 have not been restated for IFRS 16. Certain 2017 amounts have been restated upon the adoption of IFRS 15. Amounts prior to 2017 have not been restated for IFRS 15.

(2) See Non-GAAP Financial Measures on page 32.

(3) Based on average basic shares outstanding.

2019	2018(1)	2017 (1)	2016	2015	2014	Fiscal Year ($ in thousands)
						Consolidated Statements of Earnings
1,271,552	1,246,133	1,199,473	1,125,330	1,089,898	1,042,168	Sales - Canadian Operations
822,841	767,353	785,649	718,763	706,137	582,232	Sales - International Operations
2,094,393	2,013,486	1,985,122	1,844,093	1,796,035	1,624,400	Sales - Total
140,359	130,399	112,393	109,736	98,276	100,896	EBITDA(2) - Canadian Operations
79,216	87,623	57,231	56,762	53,071	36,942	EBITDA(2) - International Operations
219,575	218,022	169,624	166,498	151,347	137,838	EBITDA(2) - Total Operations
62,983	57,577	39,796	35,291	31,781	30,302	Amortization - Canadian Operations
26,239	24,444	15,857	13,076	12,245	10,070	Amortization - International Operations
89,222	82,021	55,653	48,367	44,026	40,372	Amortization - Total
20,948	19,640	10,145	7,220	6,210	6,673	Interest
23,132	25,738	34,135	33,835	31,332	27,910	Income taxes
82,724	86,739	67,154	77,076	69,779	62,883	Net earnings attributable to shareholders of the Company
161,117	155,725	141,419	126,024	132,987	115,086	Cash flow from operating activities
64,351	62,329	62,315	60,169	58,210	56,180	Dividends paid during the year
121,605	103,219	122,035	77,745	75,983	52,329	Capital and intangible asset expenditures
(10,261)	13,288	(5,083)	(7,000)	8,114	6,776	Net change in cash
						Consolidated Balance Sheets
$ 399,593	$ 376,297	$ 335,003	$ 327,938	$ 335,581	$ 315,840	Current assets
555,075	514,946	469,993	358,121	345,881	311,692	Property and equipment
127,870	127,794	—	—	—	—	Right-of-use assets
—	—	—	—	—	—	Promissory note receivable
104,765	96,119	91,502	86,909	83,293	68,693	Other assets, intangible assets and goodwill
28,233	34,705	34,450	32,853	29,040	28,074	Deferred tax assets
194,084	196,938	171,212	152,244	155,501	146,275	Current liabilities
594,482	541,907	377,580	285,792	280,682	248,741	Long-term debt and other liabilities
426,970	411,016	382,156	367,785	357,612	329,283	Total equity
						Consolidated Dollar Per Share ($)
$ 1.70	$ 1.78	$ 1.38	$ 1.59	$ 1.44	$ 1.30	Net earnings - basic
1.68	1.77	1.36	1.57	1.43	1.29	Net earnings - diluted
4.50	4.47	3.48	3.43	3.12	2.85	EBITDA(2),(3)
3.30	3.19	2.91	2.60	2.74	2.38	Cash flow from operating activities(3)
1.32	1.28	1.28	1.24	1.20	1.16	Dividends paid during the year(3)
8.76	8.43	7.60	7.57	7.37	6.80	Equity (basic shares outstanding at end of year)
27.56	31.17	29.14	29.28	30.53	26.56	Market price at January 31
						Statistics at Year End
198	193	188	185	181	178	Number of stores - Canadian
51	52	51	47	47	47	Number of stores - International
1,617	1,571	1,552	1,518	1,463	1,422	Selling square feet (000's) end of year - Canadian Stores
662	669	668	676	676	676	Selling square feet (000's) end of year - International Stores
$ 798	$ 798	$ 781	$ 755	$ 756	$ 742	Sales per average selling square foot - Canadian
$ 1,236	$ 1,148	$ 1,169	$ 1,063	$ 1,045	$ 849	Sales per average selling square foot - International
5,587	5,672	5,915	5,715	5,482	4,921	Number of employees - Canadian Operations
2,046	2,253	2,119	1,882	1,896	1,726	Number of employees - International Operations
48,751	48,697	48,680	48,524	48,509	48,432	Average shares outstanding (000's)
48,751	48,751	48,690	48,542	48,523	48,497	Shares outstanding at end of fiscal year (000's)
45,013	46,269	38,836	49,189	35,631	24,080	Shares traded during the year (000's)
						Financial Ratios
10.5	10.8	8.5	9.0	8.4	8.5	EBITDA(2) (%)
6.2	6.8	5.7	6.4	6.0	6.0	Earnings from operations (EBIT) (%)
13.5	15.3	16.7	20.1	19.5	18.4	Total return on net assets(2) (%)
20.5	23.2	18.3	21.8	20.6	19.3	Return on average equity(2) (%)
.96:1	.89:1	.82:1	.62:1	.63:1	.61:1	Debt-to-equity
39.9	40.0	44.1	47.7	43.8	48.8	Dividends as % of cash flow from operating activities
5.8	6.0	6.0	6.1	6.2	5.7	Inventory turnover (times per year)

(4) At January 31, 2025, accounts receivable includes $12,570 of the promissory note receivable (January 31, 2024 - $22,500). See Note 25 to the consolidated financial statements for additional information.