

CORBÝ

Acquisition of Ace Beverage Group

June 2023

TSX: CSW.A and CSW.B

CORBÝ



Forward Looking Statement

Today's presentation contains forward-looking statements, including statements concerning possible or assumed future results of operations of Corby Spirit and Wine Limited. Forward-looking statements typically are preceded by, followed by or include the words "believes", "expects", "anticipates", "estimates", "intends", "plans" or similar expressions. Forward-looking statements are not guarantees of future performance. They involve risks and uncertainties, including, but not limited to, the impact of the COVID-19 pandemic, the impact of competition, the impact and successful integration of acquisitions; business interruption; trademark infringement; consumer confidence and spending preferences, regulatory changes, general economic conditions, and the Company's ability to attract and retain qualified employees. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

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Market and Industry Data: Corby has obtained any market and industry data and other statistical information presented in this presentation from Euromonitor, International Wine and Spirit Research, Association of Canadian Distillers, LCBO and other third-party information. Such third-party publications and reports generally state that the information contained therein has been obtained from sources believed to be reliable. Although Corby believes these publications and reports to be reliable, it has not independently verified the data or other statistical information contained therein, nor has it ascertained the underlying economic or other assumptions relied upon by these sources. Corby has no intention and undertakes no obligation to update or revise any such information or data, whether as a result of new information, future events or otherwise, except as required by law.

Financial Information: Corby financial information is prepared using International Financial Reporting Standards ("IFRS") as prescribed by the International Accounting Standards Board. Ace financial information is prepared using GAAP.

Transaction Highlights



- Corby Spirit and Wine (“Corby” or the “Company”) has reached an agreement to acquire 90% of the outstanding shares of Ace Beverage Group (“Ace”) for \$148.5 million
 - Corby has a path to acquire the remaining 10% through two call options in 2025 and 2028
- Ace is a leading Canadian ready-to-drink (“RTD”) alcoholic beverage company, with an innovative portfolio focused on better-for-you (“BFY”) offerings
 - The acquired portfolio of brands includes Cottage Springs, Ace Hill, Cabana Coast, Liberty Village Beverage, and Good Vines
- The acquisition transforms Corby’s financial profile, adding a meaningful presence in the fastest growing alcoholic beverage category
 - Proforma, it is expected that Corby’s operating revenue will increase by approximately 35% and that the transaction will be accretive on Corby’s operating margin
 - Significant positive EPS accretion expected one-year post-close
 - Funded using available cash and an intercompany loan from Corby’s majority shareholder, Pernod Ricard⁽¹⁾
 - The transaction is expected to close in the first quarter of Corby’s fiscal year 2024, and is subject to customary closing conditions, regulatory approvals, and third-party consents



**ACE
BEVERAGE
GROUP**

Note: Figures in C\$, unless otherwise noted.

1. Loan funded based on arm-lengths financing at market rates.

Ace Beverage Group Highlights

#1

Fastest Growing RTD Brand in Canada

2 Million

Cases Sold for Retail Value of ~\$120M

\$57M

LTM Revenue

#1

Market Share RTD Brand in LCBO

28

2023 LCBO RTD Listings

37%

FY2020A – FY2022A Revenue CAGR



Note: Figures in C\$, unless otherwise noted. LTM represents the last twelve months for period ending March 31st.

Ace Beverage Group's Portfolio



Flagship Brand

78% of Revenue

Vodka Soda	Vodka Water	Vodka Lemonade	Vodka Iced Tea	Tequila Soda NEW	Flavoured Spirits NEW
Classic BFY Vodka Soda	BFY Non-Carbonated and Easy-Drinking	BFY Disruptor in Traditional Category	BFY Disruptor in Traditional Category	Early Mover in Emerging Category	BFY Offering in Innovative Category
#2 Vodka Soda in Ontario	#1 Vodka Water in Canada	#1 Vodka Lemonade in Ontario	#2 Hard Tea in Ontario	Launched March 2023	Launched April 2023

Secondary Brands

22% of Revenue

BFY Beer	Vodka Soda	Traditional RTD	BFY Cider	BFY Wine Spritzer
BFY and Craft Beer Offerings	Premium BFY Offerings Made with Real Fruit	Traditional RTD Cocktail Offerings	BFY Offering in Traditional Category	BFY Offering in Innovative Category
#1 Ontario Craft Beer Innovation in 2022	Top 10 LCBO BFY RTD	#1 RTD Moscow Mule in Canada	#1 Ontario Craft Cider SKU	Sugar-Free Wine Spritzer

Note: Revenue breakdown based on Ace's FY2022A figures with year end of December 31st, excluding Other Miscellaneous and Wholesale Revenue Normalization. Better-for-you abbreviated to "BFY".

Transaction Strategic Rationale and Benefits



1

Provides further expansion into the large, fast-growing and highly attractive RTD segment

2

Adds industry-leading brands in key categories to Corby's dynamic product portfolio

3

Fuels Corby's quest for continued innovation by combining two companies with track records of building leading brands

4

Diversifies Corby's product offering by satisfying evolving consumer tastes and preferences

5

Transforms Corby's financial profile with meaningful participation to the fastest growing alcoholic beverage segment

6

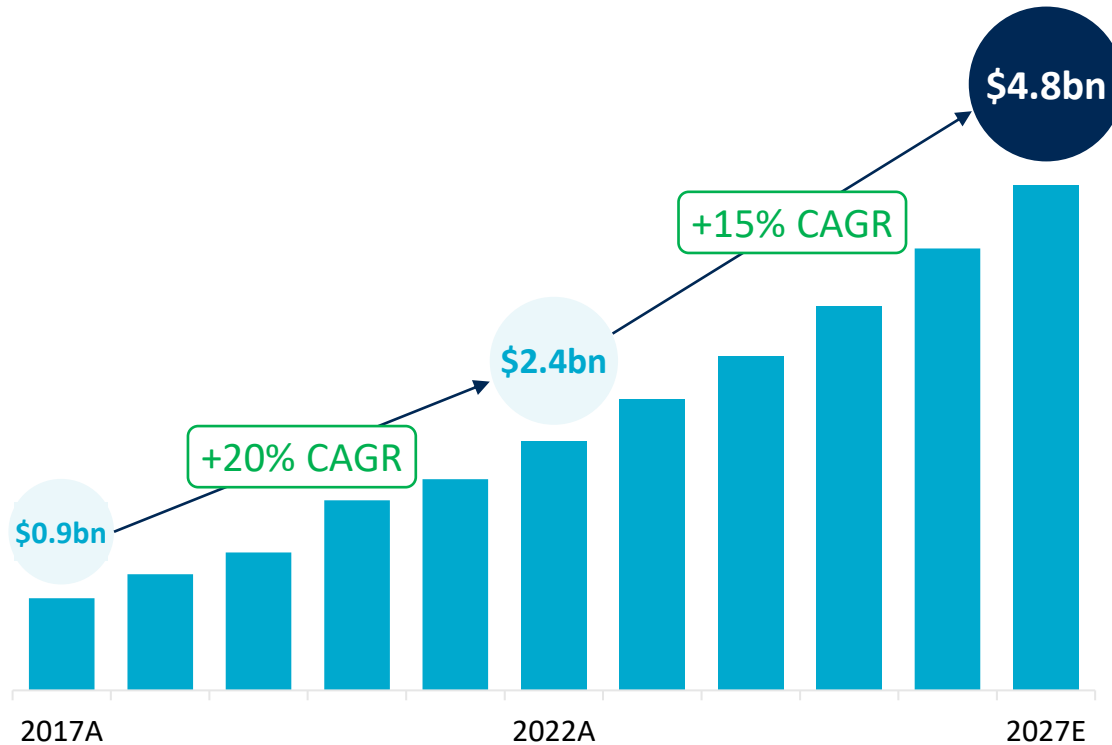
Highly accretive transaction creates value for Corby shareholders

RTD is a Large and Rapidly Growing Segment

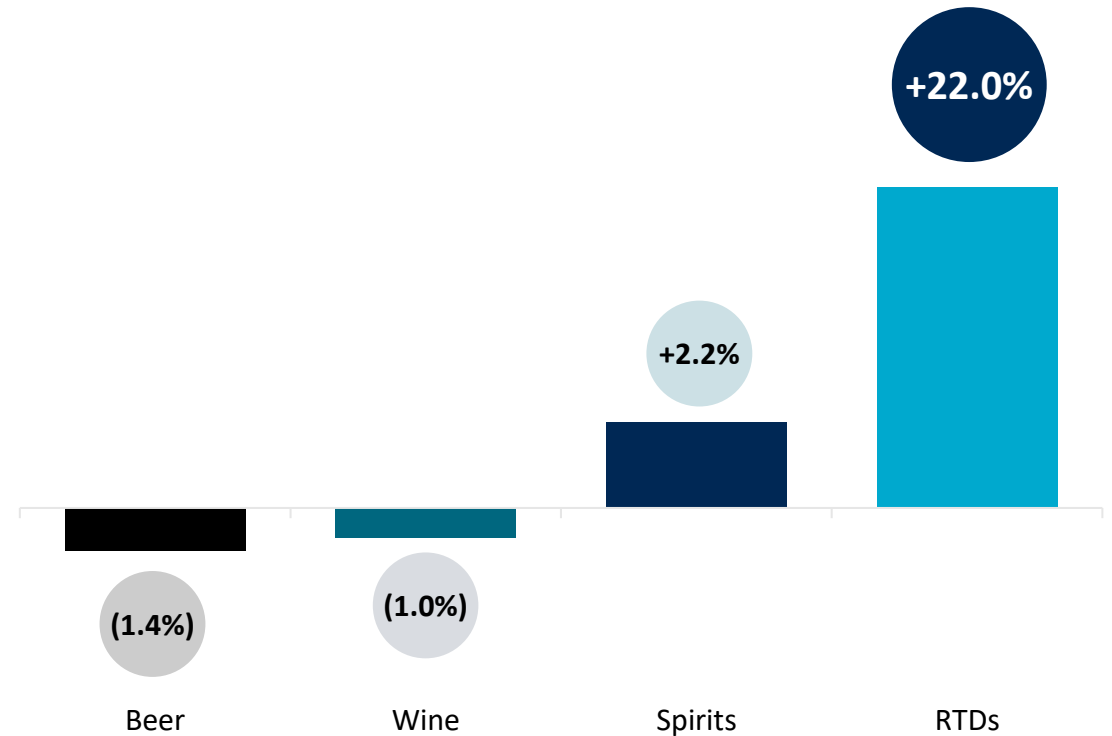
The \$2.4bn Canadian RTD market is the fastest growing and most attractive beverage alcohol category in Canada

RTDs have significantly outperformed the alcoholic beverage market, growing volumes 10x faster than spirits

Canadian RTD Retail Value



Canadian Volume 2017A – 2022A CAGR



Source: Euromonitor and International Wine and Spirit Research ("IWSR") Canada Report 2023.
Note: Figures in C\$, unless otherwise noted.

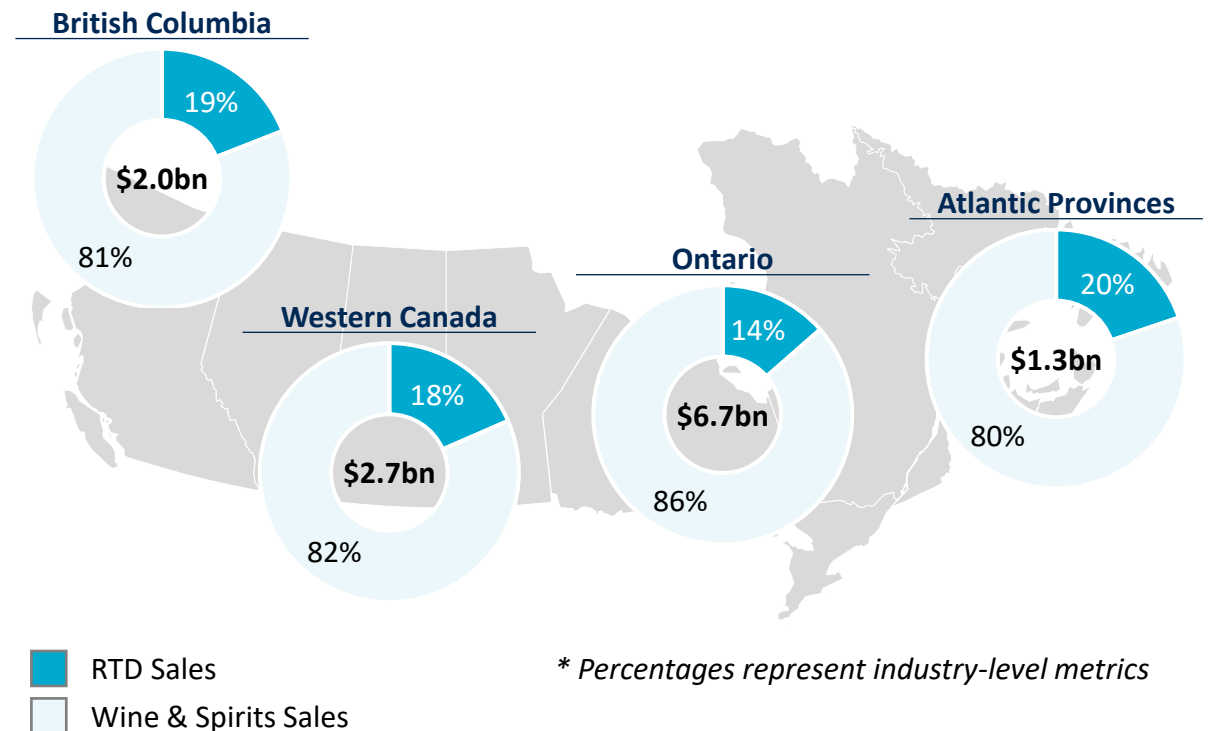
Market-Leading Brands with Significant Runway

Cottage Springs continues to outperform competitors and has grown to become the #1 RTD brand in the LCBO

Ace has a leading RTD position in Ontario, Canada's largest retail market, with room to grow due to the category's underpenetration relative to other provinces

Brand	LCBO RTD Market Share (2022)	LCBO YoY Sales Growth (2022)
Cottage Springs	12.2%	36%
White Claw	12.0%	(15%)
Smirnoff	9.7%	6%
Twisted Tea	8.5%	(1%)
Mike's Hard	6.3%	(18%)
Nutrl	3.8%	(21%)
Social Lite	3.6%	(7%)
Bud Light RTD	0.8%	(41%)
Vizzy	0.7%	(5%)
High Noon	0.5%	n/a

Retail Value by Geography – RTD vs Wine & Spirits⁽¹⁾



* Percentages represent industry-level metrics

Source: LCBO retail sales and Association of Canadian Distillers ("ACD").

Note: Figures in C\$, unless otherwise noted. Western Canada includes Alberta, Saskatchewan, and Manitoba. Atlantic Provinces includes Newfoundland, New Brunswick, Nova Scotia, and Prince Edward Island.

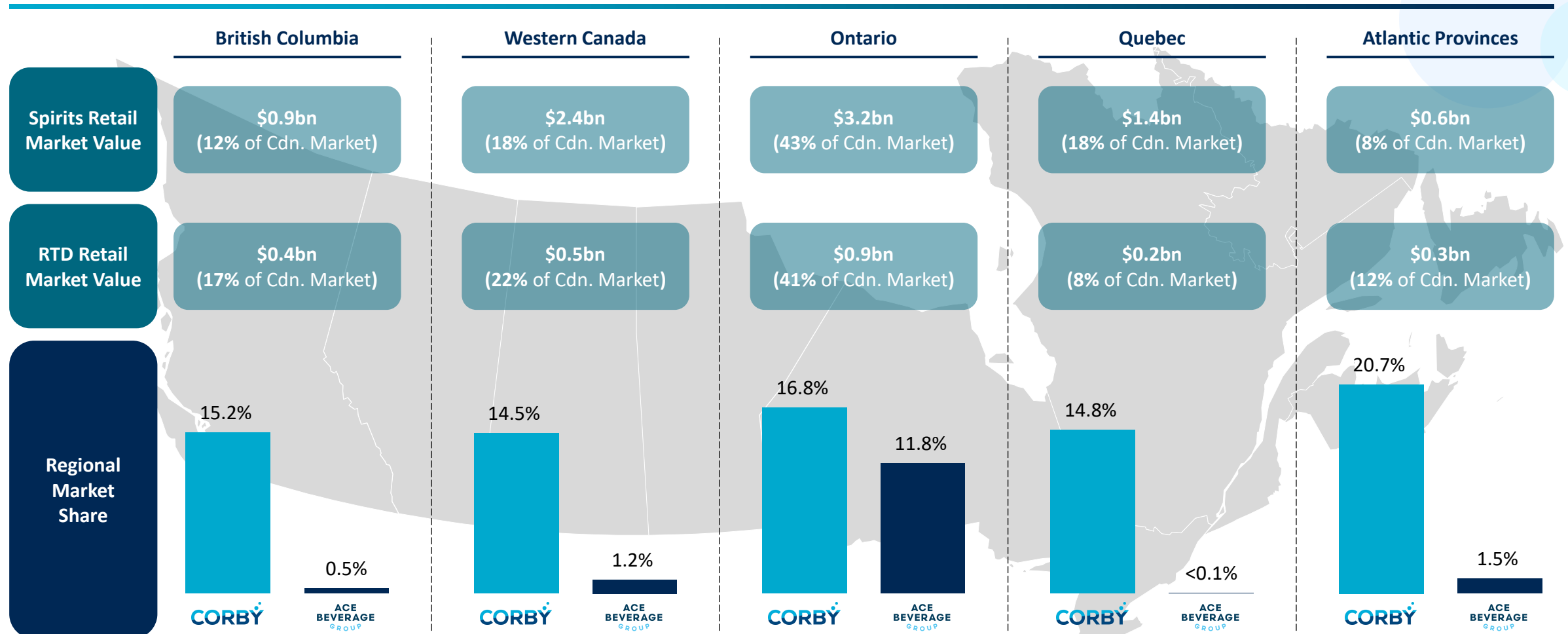
1. Data represents retail value for LTM Q1 2023.

Best-In-Class Innovations



Source: Company filings and publicly available information.

Canada-Wide Distribution and Execution Strength

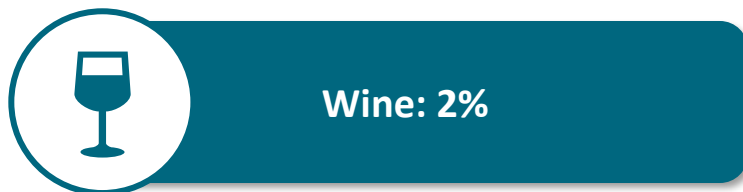
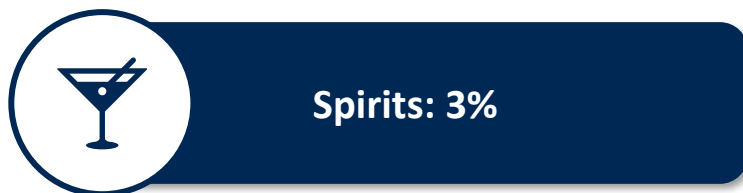


Leveraging combined strengths to continue the acceleration in Ontario for the whole portfolio, while applying the Ace playbook for RTD outside of Ontario

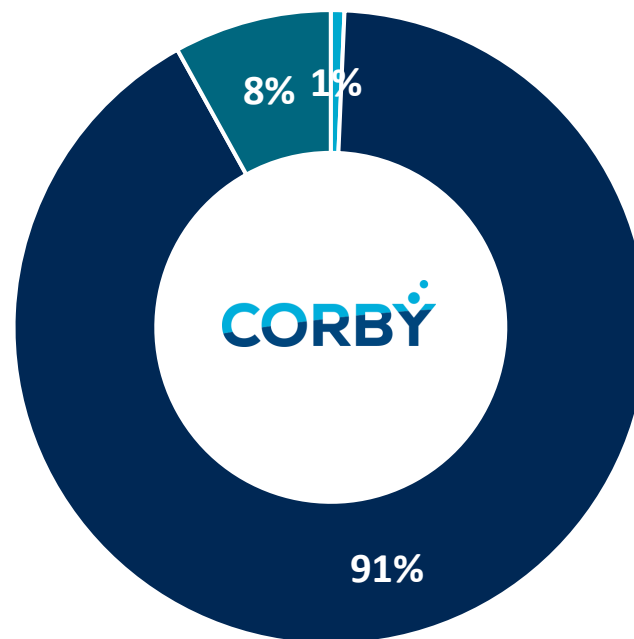
Source: ACD.
 Note: Figures in C\$. Western Canada includes Alberta, Saskatchewan, and Manitoba. Atlantic Provinces includes Newfoundland, New Brunswick, Nova Scotia, and Prince Edward Island.
 Data represents Canadian retail value for LTM Q1 2023.

Ace Shifts the Growth Profile of Corby's Portfolio

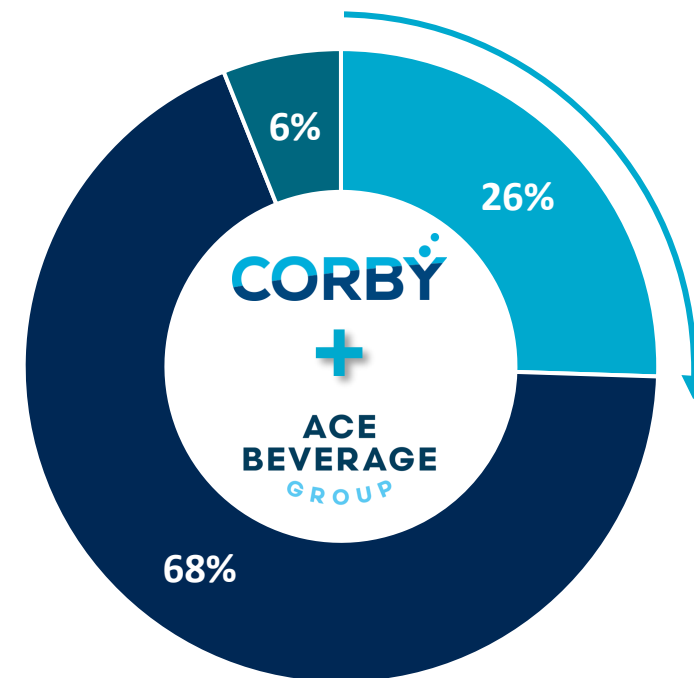
Projected Canadian Alcohol Category Volume CAGRs (2022A – 2027E)



Revenue by Category



Proforma Revenue by Category



Corby will significantly increase its participation in the highest growing beverage alcohol category which will now represent ~25% of the total portfolio

Source: Euromonitor and Company filings.
Note: Revenue by category based on LTM December 2022. Excludes beer.

Expanded Offering to Satisfy Evolving Consumer Preferences



	RTD	Spirits	Wine	Beer / Other
<p>CORBY</p> <p>+</p> <p>ACE BEVERAGE GROUP</p>		<p>JP WISER'S CANADIAN RYE WHISKY CANADISEN</p> <p>POLAR ICE VODKA</p> <p>ungava GIN</p> <p>LAMBS NAVY RUM</p> <p>LOT'40 CANADIAN WHISKY CANADISEN</p> <p>RHUM EPICE CHIC CHOC SPICED RUM</p> <p>Pike Creek CANADIAN WHISKY</p> <p>The Original! CABOT TRAIL Maple Liqueur</p> <p>MCGUINNESS</p>	<p>The Foreign Affair Winery</p>	
<p></p> <p>Pernod Ricard Representative Brands</p> <p>+</p> <p>Other Representative Brands</p>		<p>Ballantine's</p> <p>KAHLUA</p> <p>BEEFEATER LONDON</p> <p>CHIVAS REGAL 12</p> <p>THE GLENLIVET</p> <p>JAMESON IRISH WHISKEY</p> <p>OLMECA TEQUILA</p> <p>ABSOLUT VODKA</p> <p>MALIBU</p>	<p>JACOB'S CREEK</p> <p>STONELEIGH</p> <p>Campo Viejo</p> <p>G.H. MUMM CHAMPAGNE</p> <p>CHAMPAGNE PERRIER JOUET</p> <p>KENWOOD VINEYARDS</p> <p>BRANCOTT ESTATE</p>	

The addition of Ace brands will create the most diversified portfolio covering all consumer occasions at all price points

Corby to Maintain Diligent Capital Allocation Strategy

Return of Capital to Shareholders

- Dividend policy remains a key priority for Corby's capital allocation strategy
- Corby is expected to maintain quarterly dividends, subject to the discretion of Board of Directors

Strategic Business Investments

- Corby will continue to pursue strategic growth initiatives with a focus on creating value for shareholders
- No change to the long-term capex policy towards innovation, R&D, product launches, and marketing

Prudent Debt Balance

- Net Debt / LTM Adjusted EBITDA expected to be 1.8x upon closing
- Meaningful capacity for additional leverage given low leverage ratio relative to industry peers

Opportunistic M&A

- Corby will continue to selectively evaluate opportunities that meet the company's stringent M&A criteria
- Going forward, Corby will continue to assess opportunities that provide category / product expansion and provide new synergistic growth avenues



Note: Figures in C\$, unless otherwise noted. Leverage includes lease liabilities.

Additional Transaction Detail



Structure Summary	<ul style="list-style-type: none">▪ Corby will acquire 90% of the outstanding shares of Ace for an upfront purchase price of \$148.5 million<ul style="list-style-type: none">– Remaining 10% mainly held by certain Ace founders, with a path to 100% ownership by Corby through (i) a first call option on 5% of Ace’s equity, exercisable in June 2025 and (ii) a second call option on the remaining equity, exercisable in June 2028
Valuation	<ul style="list-style-type: none">▪ Overall Enterprise Value of \$165.0 million▪ Call options payable based upon the implied future equity value of Ace
Transaction Financing	<ul style="list-style-type: none">▪ Funded using available cash and \$120 million in arm-lengths financing at market rates from Corby’s majority shareholder, Pernod Ricard▪ No dilution to existing shareholders; do not foresee a need to issue equity▪ Net Debt / LTM Adj. EBITDA on a proforma basis expected to be 1.8x upon closing
Management and Governance	<ul style="list-style-type: none">▪ Ace to operate as a subsidiary of Corby, with members of Ace’s existing executive team remaining in charge of the day-to-day management of Ace
Closing	<ul style="list-style-type: none">▪ The transaction is expected to close in the first quarter of Corby’s fiscal year 2024, and is subject to customary closing conditions, regulatory approvals, and third-party consents

Note: Figures in C\$, unless otherwise noted. Leverage includes lease liabilities.



WINNING BRANDS

#1 RTD brand in LCBO
& fastest growing RTD brand in Canada

EXCELLENCE IN EXECUTION

2 x LCBO Supplier of the Year



ACE BEVERAGE GROUP



INNOVATION

Proprietary & multi-functional innovation process

AWARD WINNING CULTURE

Ranked #10 Best Place to work in Canada in 2023



Corby has one of the most diverse portfolio of strong brands across all Spirits, Wines and RTDs categories



CORBÿ BEVERAGE



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