IN THE SPIRIT OF CONNECTION

2020
ANNUAL REPORT

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FINANCIAL HIGHLIGHTS

As at and for the years ended June 30, 2020 and 2019 *(in thousands of Canadian dollars, except per share amounts)*		**2020**		2019
RESULTS				
Revenue	**$**	**153,356**	$	149,938
Earnings from operations		**35,875**		34,208
Earnings before income taxes		**36,424**		35,222
Net earnings		**26,652**		25,694
Cash flow from operating activities		**49,542**		34,000
FINANCIAL POSITION				
Working capital	**$**	**129,442**	$	121,875
Total assets		**234,382**		218,331
Shareholders' equity		**172,624**		169,097
PER COMMON SHARE				
Earnings from operations	**$**	**1.26**	$	1.20
Net earnings		**0.94**		0.90
Dividends declared and paid		**0.86**		1.32
Shareholders' equity		**6.06**		5.94
FINANCIAL RATIOS				
Working capital		**4.2**		4.6
Return on average shareholders' equity		**15.6**		14.5
Pre-tax return on average capital employed		**20.8**		19.7

REVENUE

(in millions of Canadian dollars)

Revenue growth was attributable to the performance of Corby's owned-brand domestic performance as well as increased commission income.

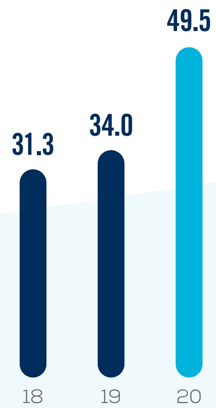
NET EARNINGS

(in millions of Canadian dollars)

Net earnings improvement of 4% was driven by strong top-line growth and strict prioritization of investment and structure costs in uncertain times.

CASH FLOW FROM OPERATING ACTIVITIES

(in millions of Canadian dollars)



Strong profit conversion to cash continued. Fluctuations in working capital balances and deferral of income tax instalment payments (as allowable under COVID-19 government relief measures) helped increase net cash from operating activities.

Looking Back on 2020

LETTER FROM OUTGOING CEO PATRICK O'DRISCOLL

It is with bittersweet emotions that I write my last letter to shareholders. After a 28-year career with Pernod Ricard, including 11 years with Corby, I decided to retire at the end of the 2020 fiscal year to enjoy a new chapter of my life with family and friends here in Canada.

There are so many moments to savour and challenges to remember. Yet I can safely say I've never encountered anything like the COVID-19 crisis that upended our lives in 2020. If we at Corby needed a test of our agility and resilience as a company, or our commitment to our values and purpose, this was it. The global economy collapsed, our on-premise customers were forced to shut down, consumer engagement events were cancelled, our offices were closed, and our friends, families and communities suffered hardship and loss.

I'm pleased that our organization passed the test, rising to the unparalleled challenges and continuing to create win-win memorable experiences for our customers, consumers, shareholders, employees and communities. Never would I have thought that the Hiram Walker & Sons distillery would be producing hand sanitizer for health care and other frontline workers or that we'd be partnering with one of our competitors to support hard-hit hospitality workers. At the same time, we can't help but feel that there are no real winners in all of this – only survivors – and we're proud to have behaved as a responsible company should.

Strong financial performance

The COVID-19 situation created a unique set of circumstances in 2020. The introduction of lockdown measures in March led to major disruption throughout the hospitality industry with the closure of restaurants and bars and the cancellation of social and sporting events. With retail stores remaining open, there was some "pantry loading" at the beginning of the crisis and overall consumption levels rose slightly.

While our overall volumes were strong, we did see a de-premiumization in the market, as luxury and super-premium brands were challenged but standard and premium categories performed well. Brands with a particularly strong on-premise footprint, such as Jameson Irish whiskey and Polar Ice vodka, found it harder to maintain momentum in a purely retail environment.

The net effect was revenue growth of 2% compared to fiscal 2019, attributable largely to the domestic performance of our wholly-owned brands and increased commission income. Net earnings rose 4% to $26.7 million, driven by strong top-line growth and strict prioritization of investment and structure costs during the uncertain times.

Creating value for investors

Corby maintains a generous dividend policy, currently providing for dividends to be paid quarterly at the greater of 90% of net earnings in the preceding fiscal year and $0.60 per share, subject to business conditions and opportunities, and appropriate adjustment for extraordinary events. While the COVID-19 crisis and economic contraction generated unparalleled volatility, the demonstrated resilience of our business model enabled our Board to maintain a dividend payment in line with the policy and to provide a dividend yield of over 5% (based on the share price on June 30, 2020).

Maintaining a strong dividend and the underlying value growth are predicated on the success of Corby's strategy. Through our portfolio of wholly-owned and represented brands, our priority is to build passion brands to beat the market. To do this, we innovate on brands through packaging redesign and product launches, working closely with customers to adapt our offerings in line with consumer demand. We are focused on driving value, rather than volume, with particular emphasis on revenue growth management and on adapting our teams' work routines to use data to improve promotional planning and execution. Finally, we continue the slow build of our export business as an important source of future value. You can find out more on the Strategy page of this report.

Many of the accomplishments that I'm most proud of from my tenure as President and CEO of Corby are tied to our strategy and to our underlying commitment to sustainability and responsibility. They include the revitalization of the J.P. Wiser's Canadian whisky brand; our purchase and scaling-up of Ungava gin and Cabot Trail cream liqueur brands; our development as a credible wine player, which included acquiring the Foreign Affair winery; our strong relationship with Pernod Ricard; and our embrace of Responsib'All Days and #CorbySafeRides on New Year's Eve, which have become regular community events.

In implementing our strategy, we have always been extremely diligent in gathering and using consumer insights to adapt and adjust as appropriate for the moment, and to build for the long term. Corby's flexibility and agility will become all the more important over the coming months as the company – and society at large – enter uncharted territory recovering from the pandemic. I have full confidence in the ability of the Corby team to excel in this environment.

Fond farewell

As I bid farewell, I'm delighted to pass the baton to Nicolas Krantz, who was Chief Executive Officer of Pernod Ricard Winemakers, Spain, until his appointment as Corby President and CEO as of July 1, 2020. I've known Nicolas for almost 20 years and am certain that his vision, energy and significant leadership and industry experience are just what the company needs to continue its momentum and grow shareholder value. I look forward to watching the progress.

I would also like to thank the many people with whom I've had the pleasure to work over these past 11 years, including those on Corby's Board, executive management team and all of our staff. I consider it one of the great privileges of my life. I leave with fond memories of convivial times with you all.

Sincerely,

(signed)

Patrick O'Driscoll

Looking Ahead
LETTER FROM INCOMING CEO NICOLAS KRANTZ

As I take the helm at Corby, it's with a deep sense of gratitude to Patrick O'Driscoll and the executive management team for the solid foundation they've built.

The Corby brand portfolio has everything, from emerging local brands like Ungava gin and Cabot Trail, to long-standing Canadian favourites like J.P. Wiser's, to big international brands like Absolut, Jameson and The Glenlivet. The Corby team, including executive management and throughout the ranks, has a diverse mix of skills and experience, and an incredible passion for the industry. Through the course of the COVID-19 pandemic in particular, they demonstrated their values-based leadership, adaptability and strong commitment to our customers and communities.

I'm excited to be joining this group and working with them to reach new heights. While we must balance the short and long term, I believe there are opportunities to be had for companies such as ours as the world emerges from the health crisis. Although we cut costs in some areas during the pandemic, we also continued to invest in our strategic brands. It's at times like these that smart companies can make progress and take share. So, while we may double down on short-term opportunities, it's always with a view to building long-term value.

Our top three priorities for fiscal 2021 are as follows:

- Brand portfolio – We want to develop ambitious, well-constructed brand plans and execute them with excellence, adapting the plans every quarter as needed to try to win share on brands that matter.
- Transformation – We want to accelerate Corby's transformation into an ever more consumer-centric company, leveraging Pernod Ricard's transform-and-accelerate strategy. This means taking concrete steps to work more efficiently and capitalize on digital innovations across marketing and distribution channels to get closer to consumers and the experiences they seek.
- People – Recognizing that everything starts with our employees, we plan to invest in them and ensure that everyone is engaged and working in the same direction. As I see it, when you invest in your people, you also help improve their ability to do a good job on your brands, and profits will follow.

I look forward to reporting back to you, our shareholders, a year from now. As we create deeper connections with consumers, customers, communities and our fellow employees, I'm convinced that Corby will be an even better company and deliver ever stronger returns.

Sincerely,

(signed)

Nicolas Krantz

MANAGEMENT'S DISCUSSION AND ANALYSIS

All figures are in millions of Canadian dollars except where otherwise noted.
June 30, 2020

The following Management's Discussion and Analysis ("MD&A") dated August 26, 2020 should be read in conjunction with the audited consolidated financial statements and accompanying notes as at and for the year ended June 30, 2020, prepared in accordance with International Financial Reporting Standards ("IFRS"). While the annual financial statements were audited, information for the three months ended June 30, 2020 and 2019 were not audited or reviewed by the Company's external auditors in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of unaudited financial statements by an entity's auditor.

This MD&A contains forward-looking statements, including statements concerning possible or assumed future results of operations of Corby Spirit and Wine Limited ("Corby" or the "Company"), including the statements made under the headings "Strategies and Outlook", "Liquidity and Capital Resources", "Recent Accounting Pronouncements" and "Risks and Risk Management." 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. Accordingly, readers should not place undue reliance on forward-looking statements. These factors are not intended to represent a complete list of the factors that could affect the Company and other factors could also affect Corby's results. For more information, please see the "Risk and Risk Management" section of this MD&A.

This document has been reviewed by the Audit Committee of Corby's Board of Directors and contains certain information that is current as of August 26, 2020. Events occurring after that date could render the information contained herein inaccurate or misleading in a material respect. Corby will provide updates to material forward-looking statements, including in subsequent news releases and its interim management's discussion and analyses filed with regulatory authorities as required under applicable law. Additional information regarding Corby, including the Company's Annual Information Form, is available on SEDAR at www.sedar.com.

Unless otherwise indicated, all comparisons of results for the fourth quarter of fiscal 2020 (three months ended June 30, 2020) are against results for the fourth quarter of fiscal 2019 (three months ended June 30, 2019). All dollar amounts are in Canadian dollars unless otherwise stated.

Business Overview

Corby is a leading Canadian manufacturer, marketer and importer of spirits and wines. Corby's national leadership is sustained by a diverse brand portfolio that allows the Company to drive profitable organic growth with strong, consistent cash flows. Corby is a publicly traded company, with its shares listed on the Toronto Stock Exchange under the symbols "CSW.A" (Voting Class A Common Shares) and "CSW.B" (Non-Voting Class B Common Shares). Corby's Voting Class A Common Shares are majority-owned by Hiram Walker & Sons Limited ("HWSL") (a private company) located in Windsor, Ontario. HWSL is a wholly-owned subsidiary of international spirits and wine company Pernod Ricard S.A. ("PR") (a French public limited company), which is headquartered in Paris, France. Therefore, throughout the remainder of this MD&A, Corby refers to HWSL as its parent, and to PR as its ultimate parent. Affiliated companies are those that are also subsidiaries of PR.

The Company derives its revenues from the sale of its owned-brands ("Case Goods"), as well as earning commission income from the representation of selected non-owned brands in Canada ("Commissions"). The Company also supplements these primary sources of revenue with other ancillary activities incidental to its core business, such as logistical fees and from time to time bulk whisky sales to rebalance its maturation inventories. Revenue from Corby's owned-brands predominantly consists of sales made to each of the provincial liquor boards ("LBs") in Canada, and also includes sales to international markets.

Corby's portfolio of owned-brands includes some of the most renowned brands in Canada, including J.P. Wiser's® Canadian whisky, Lamb's® rum, Polar Ice® vodka, McGuinness® liqueurs, Ungava® gin, Chic Choc® Spiced rum and Cabot Trail® maple cream liqueur (Coureur des Bois®, in Québec) (collectively, the "Ungava Spirit Brands") and the Foreign Affair® wine brands (the "Foreign Affair Brands"). Through its affiliation with PR, Corby also represents leading international brands such as ABSOLUT® vodka, Chivas Regal®, The Glenlivet® and Ballantine's® Scotch whiskies, Jameson® Irish whiskey, Beefeater® gin, Malibu® rum, Kahlúa® liqueur, Mumm® champagne, and Jacob's Creek®, Wyndham Estate®, Stoneleigh®, Campo Viejo® and Kenwood® wines. In addition to representing PR's brands in Canada, Corby also provides representation for certain selected, unrelated third-party brands ("Agency brands") when they fit within the Company's strategic direction and, thus, complement Corby's existing brand portfolio.

PR produces the majority of Corby's owned-brands under a distillate agreement and a co-pack agreement, each expiring September 30, 2026 at HWSL's production facility in Windsor, Ontario. Under an administrative services agreement which also expires September 30, 2026, the parties provide certain services to each other and, until June 30, 2020, Corby managed some of PR's business interests in Canada, including HWSL's production facility.

Corby sources more than 90% of its spirits production requirements from HWSL at its production facility in Windsor, Ontario. Corby's wholly-owned subsidiary, Ungava Spirits Co. Ltd. ("Ungava Spirits") produces the Ungava Spirits Brands and operates the Cowansville, Québec, production facility. Corby's wholly-owned subsidiary, the Foreign Affair Winery Ltd., produces the Foreign Affair Brands and operates the winery and vineyard (the "Foreign Affair Winery"), based in Ontario's Niagara region. The Company's remaining production requirements have been outsourced to various third-party vendors including a third-party manufacturer in the United Kingdom ("UK"). The UK site blends and bottles Lamb's products destined for sale in countries located outside North America.

In most provinces, Corby's route to market in Canada entails shipping its products to government-controlled LBs. The LBs then sell directly, or control the sale of, beverage alcohol products to end consumers. Exceptions to this model include Alberta, where the retail sector is privatized. In this province, Corby ships products to a bonded warehouse that is managed by a government-appointed service provider which is responsible for warehousing and distribution into the retail channel. Other provinces have aspects of both government-controlled and private retailing, including British Columbia, Saskatchewan and Québec.

Corby's shipment patterns to the LBs will not always exactly match short-term consumer purchase patterns. However, given the importance of monitoring consumer consumption trends over the long term, the Company stays abreast of consumer purchase patterns in Canada through its member affiliation with the Association of Canadian Distillers ("ACD"), which tabulates and disseminates consumer purchase information it receives from the LBs to its industry members. Corby refers to this data throughout this MD&A as "retail sales", which are measured in volume (measured in nine-litre case equivalents). Current retail value information as discussed in this MD&A is based on available pricing information as provided by the ACD and the LBs.

In addition to a focus on efforts to open new international markets, Corby's international business is concentrated in the United States ("US") and UK and the Company has a different route to market for each. For the US market, Corby manufactures its products in Canada and ships to third-party US distributors. The market in the US operates a three-tier distribution system which often requires a much longer and larger inventory pipeline than in other markets, resulting in a disconnect between quarterly shipment performance, as reported in the financial statements, and the true underlying performance of the brands at retail level during the same quarter.

For the other international markets, Corby products are distributed by PR affiliates or third parties (more information is provided in the "Related Party Transactions" section of this MD&A).

Corby's operations are subject to seasonal fluctuations: sales are typically strong in the first and second quarters, while third-quarter sales usually decline after the end of the retail holiday season. Fourth-quarter sales typically increase again with the onset of warmer weather as consumers tend to increase their purchasing levels during the summer season. In addition, retail sales comparisons can be affected by timing of key holidays and LB reporting calendars.

Strategies

Corby's business strategies are designed to maximize sustainable long-term value growth and deliver enhanced margin quality and profit, while continuing to produce strong and consistent cash flows from operating activities.

Management believes its focused brand prioritization strategy will permit Corby to capture market share in the segments and markets that are expected to deliver the most long-term value growth. Brand prioritization requires a consumer insight and data driven assessment of each brand's potential. This facilitates resource allocation of Corby's marketing and sales efforts, ensuring optimal value creation through revenue management and investment return maximization.

Therefore, the Company's strategy is to concentrate its endeavors to deliver relevant consumer offerings and invest to leverage the growth potential of its key strategic brands, while continuing to exploit new routes to market and channel opportunities.

Pursuing new growth opportunities outside of Canada is also a key strategic priority. Our goal is to leverage our Canadian whisky and gin expertise and expand our business into markets where we believe there is growth potential in both volume and margin.

Of importance to the implementation of our brand strategies is an effective route to market and an optimized organizational structure. Corby continues to invest in its trade marketing expertise, ensuring that commercial resources are specialized to meet the unique needs of its customers and their selling channels. In all areas of the business, management believes setting clear strategies and increasing efficiencies are key to Corby's overall success and creating value for Corby shareholders.

The Company's portfolio of owned and represented brands provides an excellent platform from which to achieve its objectives. Innovation is also essential to capture incremental growth opportunities. Successful innovation is delivered through a structured evaluation process powered by consumer insight and ongoing research and development. Corby benefits from having access to PR North America's leading-edge production technologies, through HWSL's Windsor, Ontario, facility, where most of its products are manufactured and developed. In addition, acquisitions can provide access to further growth opportunities. Potential acquisitions are assessed against specific criteria including the Company's core competencies, portfolio of brands and strategic priorities.

Finally, Corby is a strong advocate of social responsibility, especially with respect to its sales and promotional activities. Corby promotes responsible consumption of its products in collaboration with local partners.

Outlook

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus disease COVID-19 as a pandemic. In Canada, the pandemic initially resulted in country-wide government restrictions and regional closures of non-essential businesses including restaurants, bars and other on-premise establishments. Many non-essential businesses have recently been permitted to open on a phased basis, though restrictions remain in a number of jurisdictions in Canada. The liquor boards and retail stores in most provinces have remained open, albeit with supplier and customer restrictions.

The business has shown good resilience so far through the crisis. As a manufacturer and distributor of alcoholic beverages, Corby is deemed to be an essential business in Canada. Nonetheless, the health and safety of our employees and business partners remains the key priority; we have limited the scope of our operations and, where possible, employees are telecommuting from their homes. As well, in conjunction with liquor board social distancing measures and limitations on in-store activities, our commercial team's presence and activity has decreased in retail stores, but the team has adapted their methodology to connect virtually.

To help ease the impact of the crisis for our communities and business partners, Corby, together with HWSL, extended help through production and coordination of hand sanitizer donations (and materials for production of hand sanitizer) and is providing support to our suppliers and to our on-premise partners.

At the end of the fiscal year, the financial results have not been negatively impacted by the COVID-19 pandemic. As the pandemic continues to evolve, its full duration and impact on the Company's liquidity and financial position for the full fiscal year is yet unknown and cannot be reasonably estimated at this time. Corby has already taken, and will continue to take, action to mitigate the effects of the COVID-19 pandemic on its day-to-day business operations while prioritizing the best interests of its employees, customers and business partners. A comprehensive cost mitigation program is ongoing, together with active management of our financial position. Ways of working have been adapted to containment measures in place, so that supply chains remain broadly operational.

As this is a developing matter, management continues to monitor the situation closely as external political, economic and social developments evolve and our business and industry are impacted.

Three-Year Review of Selected Financial Information

The following table provides a summary of certain selected consolidated financial information for the Company. This information has been prepared in accordance with IFRS.

(in millions of Canadian dollars, except per share amounts)	**2020**[(1)]	2019	2018[(2)]
Revenue	**$ 153.4**	$ 149.9	$ 145.7
Earnings from operations	**35.9**	34.2	34.9
– Earnings from operations per common share	**1.26**	1.20	1.23
Net earnings	**26.7**	25.7	25.7
– Basic earnings per share	**0.94**	0.90	0.90
– Diluted earnings per share	**0.94**	0.90	0.90
Total assets	**234.4**	218.3	230.0
Total liabilities	**61.8**	49.2	45.3
Regular dividends paid per share	**0.86**	0.88	0.87
Special dividends paid per share	**–**	0.44	–

(1) *In fiscal year 2020, the Company adopted IFRS 16, Leases without restating prior year comparatives.*
(2) *In preparing its comparative information, in fiscal year 2018, the Company has adjusted amounts reported previously in the consolidated statement of earnings as a result of the retrospective application of IFRS 15, Revenue from Contracts with Customers.*

In 2020, revenue grew $3.5 million over 2019, representing an increase of 2% while net earnings improved $1.0 million or 4% compared to the prior year. This year-over-year improvement in revenue was primarily the result of strong domestic branded performance of Corby-owned brands J.P. Wiser's Deluxe Canadian whisky, Ungava gin and Cabot Trail maple cream liqueur, as well as commission growth from PR brand performance. International shipments, impacted by travel restrictions and regional containment measures imposed in response to the COVID-19 pandemic, declined slightly.

In line with industry practice, the Company sold bulk whisky in 2020, enabling the Company to rebalance its maturation inventories and to align them with long-term strategies and forecasts. Sales of bulk whisky increased compared to the prior year.

Net assets (i.e., total assets less total liabilities) were impacted by dividend payments and changes in the valuation of Corby's pension liabilities (primarily the result of net actuarial gains and losses and unrealized gains and losses on plan assets). In the year ended June 30, 2019, a special dividend of $0.44 per common share was declared and paid.

Brand Performance Review

Corby's portfolio of owned-brands accounts for approximately 80% of the Company's total annual revenue. Included in this portfolio are its key brands: J.P. Wiser's Canadian whisky, Lamb's rum, Polar Ice vodka, Corby's mixable liqueur brands and the Ungava Spirits Brands. The sales performance of these key brands significantly impacts Corby's net earnings. Therefore, understanding each key brand is essential to understanding the Company's overall performance.

Shipment Volume and Shipment Value Performance

The following table summarizes the performance of Corby's owned-brands (i.e., Case Goods) in terms of both shipment volume (as measured by shipments to customers in equivalent nine-litre cases) and shipment value (as measured by the change in net sales revenue). The table includes results for sales in both Canada and international markets. Specifically, J.P. Wiser's, Lamb's, Polar Ice, Lot No. 40, Pike Creek and the Ungava Spirits Brands are also sold to international markets, particularly in the US and UK.

BRAND PERFORMANCE CHART – INCLUDES BOTH CANADIAN AND INTERNATIONAL SHIPMENTS

	Three Months Ended				Year Ended			
			Shipment Change				Shipment Change	
(Volumes in 000s of 9L cases)	**June 30, 2020**	June 30, 2019	Volume %	Value %	**June 30, 2020**	June 30, 2019	Volume %	Value %
BRAND								
J.P. Wiser's Canadian whisky	**219**	200	9%	4%	**856**	826	4%	2%
Polar Ice vodka	**79**	98	(19%)	(34%)	**356**	362	(2%)	(8%)
Lamb's rum	**95**	103	(8%)	(3%)	**414**	394	5%	5%
Mixable liqueurs	**34**	37	(8%)	(1%)	**149**	152	(2%)	1%
Ungava Spirits Brands	**30**	28	9%	23%	**142**	127	12%	17%
Other Corby-owned brands[1]	**52**	51	1%	(5%)	**214**	214	(0%)	(3%)
TOTAL CORBY BRANDS	**509**	517	(2%)	(4%)	**2,131**	2,075	3%	2%

[1] *For presentation purposes, Foreign Affair Winery Brands have been grouped with other Corby-owned brands as full comparable periods have been attained.*

In the year ended June 30, 2020, Corby's owned-brands shipment volume grew 3% while shipment value increased 2% compared to the prior year. Revenue was driven by strategic price management and the domestic performance of Ungava Spirits Brands and J.P. Wiser's, as well as Lamb's rum in export markets. Notably, earlier fiscal gains were partially offset by fourth-quarter domestic performance of brands such as Polar Ice vodka, Lamb's rum and mixable liqueurs which tend to have stronger presence in the on-premise channel (restaurants and bars). Social distancing and containment measures implemented in response to the COVID-19 pandemic resulted in regional closures of bars and restaurants with phased and limited reopening during fiscal 2020. International market performance was also impacted by COVID-19 related travel restrictions that impacted the duty-free channel, in addition to variations in local consumer purchasing behaviours, particularly in the US market. As a result, in the three months ended June 30, 2020, shipment volume declined 2% and shipment value declined 4% compared to the same period last year.

Trends in Canada differ from international markets as highlighted in the following table:

	Three Months Ended				Year Ended			
			Shipment Change				Shipment Change	
(Volumes in 000s of 9L cases)	**June 30, 2020**	June 30, 2019	Volume %	Value %	**June 30, 2020**	June 30, 2019	Volume %	Value %
Domestic	**469**	470	(0%)	(3%)	**1,933**	1,886	2%	2%
International	**40**	47	(15%)	(15%)	**198**	189	4%	(5%)
TOTAL CORBY BRANDS	**509**	517	(2%)	(4%)	**2,131**	2,075	3%	2%

Domestic shipments grew 2% in volume and 2% in value in the fiscal year compared to the same time last year. Fourth-quarter domestic shipment volumes remained flat and decreased 3% in value as we experienced some fourth-quarter giveback following late March COVID-19 pandemic-influenced consumer pantry loading and continued on-premise restrictions. Performance on J.P. Wiser's Deluxe and Wiser's Special Blend Canadian whiskies, Ungava gin and Cabot Trail maple cream liqueur delivered strong year-over-year growth, continuing to thrive in at-home occasions. Ungava Spirits Brands results were impacted by the exploration of the grocery wine opportunity in Québec in the prior year. See "Retail Sales Performance/Summary of Corby's Key Brands" below for additional information.

On international performance, fourth-quarter shipment volumes declined 15%, while shipment value declined 15% compared to the same period last year. Value was highly impacted by a decrease in shipments to the US market and changes in product and market mix while partially offset by improvement from new Lamb's rum opportunities in the UK market. For the year ended June 30, 2020, shipment volumes improved 4% on a year-over-year comparable basis, while value declined 5% compared to the prior period.

Retail Sales Performance/Spirit Market Trends

It is of critical importance to understand the performance of Corby's brands at the retail level in Canada. Analysis of performance at the retail level provides insight with regards to consumers' current purchase patterns and trends.

The COVID-19 pandemic resulted in a change in consumption behaviours as on-premise channels initially closed as a result of social distancing measures. Consumption shifted to more at-home occasions, with less frequent in-store purchases. Instead, consumers increased their purchases of familiar brands, choosing large formats and increasing their basket sizes. E-commerce channels, the ability to purchase online, and click-and-collect vary across the different provincial regions. Through our J.P. Wiser's and Foreign Affair Winery brand homes, Corby is able to provide e-commerce purchasing to consumers as permitted by applicable legislation.

The Canadian spirits industry exhibited fourth-quarter retail sales volume growth of 9%, while retail sales value improved 10%. Quarter retail sales were highly impacted by these changes in consumer purchase patterns as purchases for at-home consumption increased amidst growing uncertainties regarding business closures. Retail sales volumes for the year ended June 30, 2020 grew 6% compared to the prior year, while retail sales value grew 8%. Industry trends were led by retail sales volume and value growth in the vodka, coffee and cream liqueurs, gin, tequila, Irish whiskey and bourbon categories.

In the year ended June 30, 2020, the vodka category grew 7% in retail volume and 9% in retail value compared to the prior period led by a resurgence in flavoured vodkas. During the same period, Canadian whisky category volumes grew 3% and 5% in value, the rum category rebounded with 3% volume growth and 5% value growth and gin increased volumes by 16% and value by 22%.

Corby's portfolio is heavily weighted in the Canadian whisky, rum and vodka categories; together they make up about 87% of the Company's total retail volumes.

The following brand discussion provides a more detailed analysis of the performance of each of Corby's key brands relative to its respective industry category. Retail sales volume and value data, as provided by the ACD, is set out in the following table and is discussed throughout this MD&A.

It should be noted that the retail information presented does not include international retail sales of Corby-owned brands and onsite winery sales.

Retail Sales Performance/Summary of Corby's Key Brands

RETAIL SALES FOR THE CANADIAN MARKET ONLY (AS PROVIDED BY THE ACD)[1]

	Three Months Ended				Year Ended			
(Volumes in 000s of 9L cases)	**June 30, 2020**	June 30, 2019	% Retail Volume Growth	% Retail Value Growth	**June 30, 2020**	June 30, 2019	% Retail Volume Growth	% Retail Value Growth
BRAND								
J.P. Wiser's Canadian whisky	**181**	174	4%	5%	**775**	748	4%	6%
Polar Ice vodka	**79**	86	(9%)	(7%)	**357**	356	0%	2%
Lamb's rum	**67**	73	(8%)	(6%)	**300**	313	(4%)	(2%)
Mixable liqueurs	**33**	34	(4%)	(1%)	**150**	154	(3%)	(0%)
Ungava Spirits Brands	**30**	23	30%	30%	**137**	110	24%	24%
Other Corby-owned brands[2]	**46**	46	0%	3%	**197**	194	2%	2%
TOTAL	**436**	437	(0%)	2%	**1,916**	1,875	2%	4%

(1) *Refers to sales at the retail store level in Canada, as provided by the Association of Canadian Distillers.*
(2) *For presentation purposes, Foreign Affair Winery Brands have been grouped with other Corby-owned brands as full comparable periods have been attained.*

J.P. WISER'S CANADIAN WHISKY

The J.P. Wiser's message of friendship and human connection became all the more important in 2020 and helped propel it to another year of strong growth. J.P. Wiser's Canadian whisky is Corby's flagship brand and one of Canada's best-selling Canadian whiskies. The brand's retail volumes (excluding Special Blend) grew 5% in the year ended June 30, 2020, while retail value (excluding Special Blend) grew 7% compared to last year. Retail sales volumes for the Canadian whisky category grew 3%, while retail value for the category improved 5% over the same period.

The introduction of a new bottle design in Q3 represents the culmination of the J.P. Wiser's packaging restage evolution that began in 2017. The modern and more premium bottle shape and label redesign elevates and rejuvenates the brand, making it more relevant to today's consumer. As a result, we are seeing market share gains and attracting new consumers.

The brand launched #CheersAcrossCanada across social media platforms during the COVID-19 pandemic and has partnered with Hiram Walker in its production and donation of hand sanitizers to front-line health care workers and others, like the Toronto Transit Commission. As well, the *Drinks Soon?* campaign continues to reach across a range of media channels.

Within the J.P. Wiser's premium range, organic growth in both retail volume and value was posted by J.P. Wiser's Deluxe and J.P. Wiser's ready-to-pour Old Fashioned and Manhattan cocktails as well as J.P. Wiser's Apple Whisky. Value growth was also driven through a series of new J.P. Wiser's products launched in fiscal 2019 which include a range of super-premium, limited edition Canadian whiskies created in partnership with the NHL® Alumni Association.

The brand continued to receive prestigious accolades that speak to its quality; J.P. Wiser's 23-Year-Old Cask Strength Blend was awarded Best Canadian Blended Limited Release Whisky, J.P. Wiser's 18-Year-Old was awarded Best Canadian Corn Whisky and Darryl Sittler Alumni Whisky Series was awarded World's Best Canadian Blended Whisky at the 2020 World Whiskies Awards. Yvan Cournoyer and Dave Keon Alumni Whisky Series and J.P. Wiser's Seven Rebels were awarded Gold at the 2020 Canadian Whisky Awards.

Corby has strategically separated the premium variants of J.P. Wiser's from its standard offering of Special Blend, differentiating the J.P. Wiser's premium range with enhanced packaging, an award-winning media campaign and premium innovations. Wiser's Special Blend retail volumes improved 1%, with 4% retail value growth in the year ended June 30, 2020.

POLAR ICE VODKA

Polar Ice vodka is among the top-selling vodka brands in Canada. Retail value grew 2% while retail volume remained flat to the prior year. The overall vodka category in Canada grew 7% in retail volume and 9% in value on a comparable basis driven by the premium and flavoured vodka segment. The standard vodka category, where Polar Ice vodka competes, improved 4% in retail volume and 5% in value compared to the same period in the prior year.

The brand is responding to a combination of strategic price repositioning and a new targeted marketing campaign, and has benefited from new packaging launched this fiscal year. The brand is a favourite in the on-premise channel and as a result was highly impacted by government restrictions and mandatory closures imposed in response to the COVID-19 pandemic.

LAMB'S RUM

Lamb's rum, one of the top-selling rum families in Canada, continued to be impacted by ongoing changes in consumer trends for standard rum, particularly in regional strongholds. Retail volumes for the overall rum category rebounded as a result of COVID-19 pandemic-influenced purchasing with growth of 3% for the year ended June 30, 2020, while retail values improved 5% compared to last year driven by the premium rum segment. The economy rum category, however, remained flat in retail volumes with 1% growth in value. Lamb's performance suffered as a result of COVID-19 related government restrictions and declined 4% in retail volumes and 2% in retail value.

The Lamb's rum product line is heavily weighted in the dark and white segments, which have faced evolving consumer preferences in recent years and increased competitor pressure in key markets. Our strategy remains to defend regional strongholds with targeted campaigns, focus on the most differentiated variants and launch new flavour variants and format innovations to help recruit new drinkers.

MIXABLE LIQUEURS

Corby's portfolio of mixable liqueur brands consists of McGuinness liqueurs (which is Canada's largest mixable liqueur brand family) and Meaghers liqueurs. Retail volume for Corby's mixable liqueurs portfolio decreased 3% for the year ended June 30, 2020, while retail value remained flat. The liqueurs category grew 7% in retail value and 5% in retail volume for the year ended June 30, 2020, with category growth driven by traditional coffee and cream liqueurs.

Our strategy has been to expand innovation and focus on strong programming in the retail environment, ensuring that our flavour offering is aligned to consumer trends. For example, an expanded range of flavour offerings in a convenient 375mL format is designed to encourage consumer trial. McGuinness also benefited from co-branded programs activated in retail and on-premise and through social media.

UNGAVA SPIRITS BRANDS

Retail volume and value for the Ungava Spirits Brands increased 24% in volume and 24% in value for the year ended June 30, 2020 compared to the prior year. The flagship brand, Ungava gin, grew 19% in retail volume and 20% in retail value, outperforming the Canadian gin category, which grew 16% in retail volume while retail value grew 22%. Ungava gin is the market value leader in the super-premium gin category.

Cabot Trail maple-based liqueurs (in Québec, Coureur des Bois) continued to perform well, benefiting from increased distribution and successful recruitment through retail tastings. Retail volume increased 24% in the current fiscal year while retail value grew 26%. Cabot Trail benefited from increased consumer interest in coffee and cream liqueurs during COVID-19 pandemic social distancing.

OTHER CORBY-OWNED BRANDS

Premium offerings in Canadian whisky such as Lot No. 40, Pike Creek and Gooderham & Worts (collectively known as the Northern Border Collection) lost momentum in the year ended June 30, 2020, declining 10% in retail volume and 8% in retail value.

Pike Creek 21-Year-Old Oloroso Cask Finish won Whisky of the Year at the 2020 Canadian Whisky Awards where Lot No. 40, Pike Creek and Gooderham & Worts were all awarded medals. In addition, at the 2020 World Whiskies Awards, Lot No. 40 Cask Strength: Third Edition won World's Best Canadian Rye Whisky.

Pike Creek recently collaborated with Foreign Affair Winery in a dual launch of Pike Creek 15-Year-Old Cabernet Sauvignon Finish, a whisky aged in Foreign Affair Winery's cabernet sauvignon casks, and Whisky Barrelled Cabernet Sauvignon, aged in Pike Creek whisky barrels.

Foreign Affair Brands are available through several channels including direct delivery (on-premise and wine club) and the onsite winery visitor centre, where the majority of sales are conducted. Retail performance is typically impacted by customer ordering patterns and does not capture direct delivery and onsite sales to consumers. The Foreign Affair Brands won top awards, including Silver and Gold medals at the Ontario Wine Awards, and the winery has recently launched the inaugural Whisky Barrelled Cabernet Sauvignon, aged in Pike Creek whisky barrels.

Royal Reserve® grew 3% in retail volume and 4% in retail value during the year ended June 30, 2020.

Financial and Operating Results

The following table presents a summary of certain selected consolidated financial information of the Company for the year ended June 30, 2020 and 2019.

(in millions of Canadian dollars, except per share amounts)		**2020**		2019		$ Change	% Change
REVENUE	**$**	**153.4**	$	149.9	$	3.5	2%
Cost of sales		**(60.4)**		(57.0)		(3.4)	6%
Marketing, sales and administration		**(57.1)**		(58.8)		1.7	(3%)
Other income		**0.0**		0.1		(0.1)	(50%)
EARNINGS FROM OPERATIONS		**35.9**		34.2		1.7	5%
Financial income		**1.3**		1.5		(0.2)	(14%)
Financial expenses		**(0.7)**		(0.5)		(0.3)	53%
		0.5		1.0		(0.5)	(46%)
Earnings before income taxes		**36.4**		35.2		1.2	3%
Income taxes		**(9.8)**		(9.5)		(0.2)	3%
NET EARNINGS	**$**	**26.7**	$	25.7	$	1.0	4%
Per common share							
– Basic net earnings	**$**	**0.94**	$	0.90	$	0.04	4%
– Diluted net earnings	**$**	**0.94**	$	0.90	$	0.04	4%

Overall Financial Results

Net earnings grew $1.0 million or 4% for the year ended June 30, 2020. Strong domestic Case Goods performance, strategic realignment of marketing and sales promotional activities, well-controlled administrative expenses and improved PR commission revenue drove favourable results.

Revenue

The following highlights the key components of the Company's revenue streams:

(in millions of Canadian dollars)		**June 30, 2020**		June 30, 2019		$ Change	% Change
REVENUE STREAMS							
Case Goods	**$**	**121.4**	$	119.4	$	2.0	2%
Commissions		**27.7**		26.8		0.9	3%
Other services		**4.3**		3.7		0.6	16%
REVENUE	**$**	**153.4**	$	149.9	$	3.5	2%

Case Goods revenue increased $2.0 million, or 2%, for the year ended June 30, 2020, when compared to the same period last year. Growth during the year was attributable to strong shipments resulting from LB orders, UK market performance, premium innovations, and robust performance of Ungava Spirits Brands. This was partially offset by certain portfolio challenges arising from on-premise closures related to the COVID-19 pandemic.

Commissions increased $0.9 million, or 3%, as PR's spirit portfolio continued to perform well in the fourth quarter following COVID-19 pandemic pantry loading and increased consumer at-home occasions, mitigating earlier softness in the PR and agency wine portfolios. The PR brand portfolio benefited from its positioning within premium categories along with PR's investment to build these brands in Canada.

Other services represent ancillary revenue incidental to Corby's core business activities, such as logistical fees, on-premise spirit, wine and merchandise sales, and occasional bulk whisky sales. Revenue from other services grew $0.6 million, or 16%, in the year ended June 30, 2020 and are attributable to increased bulk whisky sales.

Cost of Sales

Cost of sales was $60.4 million, an increase of $3.4 million, or 6%, when compared to last year. The overall increase in cost of sales is the result of product and market mix as well as increased bulk sales. As well, the Company periodically reviews the value of items in inventory and provides write-downs or write-offs of inventory based on its assessment of market conditions. These write-downs and write-offs are charged to cost of sales. On a case rate basis, our Case Goods costs have increased 3.1%. Cost increases have been partially offset by price initiatives and adjustments and the launch of premium innovation resulting in overall gross margin of 52%, a decrease compared to 54% in the same period last year (note: Commissions are not included in this calculation).

Marketing, Sales and Administration

Marketing, sales and administration expenses decreased $1.7 million, or 3%, for the year ended June 30, 2020. Marketing and promotional investment for the year to date was strategically realigned to focus on key priorities, J.P. Wiser's Deluxe and Ungava Spirits Brands. Overhead expenses, though well-controlled, increased as a result of inflation, one-time employee costs, and pre-COVID-19 pandemic travel and meeting expenses.

Net Financial Income

Net financial income comprises interest earned on deposits in cash management pools, offset by interest costs associated with the Company's pension and post-retirement benefit plans. Interest income for the year ended June 30, 2020 decreased compared to the prior year as interest rates decreased in connection with the economic downturn which resulted from the COVID-19 pandemic.

The Company adopted IFRS 16, "Leases" ("IFRS 16") on July 1, 2019. Consequently, $0.2 million in financial expenses related to lease liabilities was recognized. Under previous accounting standards, these payments were included in marketing, sales and administration expenses (please refer to the "Recent Accounting Pronouncements" section of this MD&A).

Income Taxes

A reconciliation of the effective tax rate to the statutory rates for each period is presented below.

	2020	2019
Combined basic federal and provincial tax rates	**26.7%**	26.8%
Other	**0.1%**	0.3%
EFFECTIVE TAX RATE	**26.8%**	27.1%

Liquidity and Capital Resources

Corby's sources of liquidity are its deposits in cash management pools of $81.7 million as at June 30, 2020, and its cash generated from operating activities. Corby's total contractual maturities are represented by its accounts payable and accrued liabilities and its short-term lease liabilities which totalled $40.4 million as at June 30, 2020 and are all due to be paid within one year. In addition, the Company has long-term lease liabilities of $3.6 million which will be paid over the next five years and thereafter. Other than obligations under lease liabilities, the Company does not have any liabilities under short-term or long-term debt facilities.

The Company believes that its deposits in cash management pools, combined with its historically strong operational cash flows, provide for sufficient liquidity to fund its operations, investing activities and commitments for the foreseeable future. The Company's cash flows from operations are subject to fluctuation due to commodity, foreign exchange and interest rate risks. Please refer to the "Risks and Risk Management" section of this MD&A for further information.

Cash Flows

(in millions of Canadian dollars)		2020		2019		$ Change
OPERATING ACTIVITIES						
Net earnings, adjusted for non-cash items	$	**46.3**	$	41.1	$	5.2
Net change in non-cash working capital		**8.6**		0.9		7.7
Net payments for interest and income taxes		**(5.4)**		(8.0)		2.6
		49.5		34.0		15.5
INVESTING ACTIVITIES						
Additions to property, plant and equipment		**(2.4)**		(4.3)		1.9
Additions to intangible assets		**(0.9)**		(0.9)		–
Proceeds from disposition of capital assets		**0.2**		0.0		0.2
Proceeds from disposition of intangible assets		**0.2**		–		0.2
Deposits in cash management pools		**(20.5)**		8.8		(29.3)
		(23.4)		3.6		(27.0)
FINANCING ACTIVITIES						
Payment of lease liabilities		**(1.6)**		–		(1.6)
Dividends paid		**(24.5)**		(37.6)		13.1
	$	**(26.1)**	$	(37.6)	$	11.5
NET CHANGE IN CASH	$	**–**	$	–	$	–

Operating Activities

Net cash generated from operating activities was $49.5 million during the year ended June 30, 2020 compared to $34.0 million last year, representing an increase of $15.5 million. This increase was driven by timing of customer billings and resulting earlier collections, lower payments to vendors, particularly related to advertising and promotional spend, lower pension plan contributions, and deferral of income tax instalments (as allowed under COVID-19 pandemic-related government relief measures, $2.9 million). The Company adopted IFRS 16 without restatement of prior year figures. As a result, in the current year, $1.6 million in cash payments related to lease obligations are presented in financing activities. Under previous accounting standards, these payments were included in operating activities (please refer to the "Recent Accounting Pronouncements" section of this MD&A). Adjusted for the deferral of income tax instalments and the impact of reclassification of lease payments under IFRS 16, cash flows from operating activities would have been $45.0 million, or an increase of $11.0 million compared to the prior year.

Investing Activities

Net cash used in investing activities was $23.4 million for the year ended June 30, 2020. In the prior year, $3.6 million was generated from investing activities. Investing activities include withdrawals from and deposits into Corby's cash management pools, as well as additions to capital assets in both the current and the prior comparable period. In the year ended June 30. 2020, $20.5 million was deposited into Corby's cash management pools.

Cash management pools represent cash on deposit with Citibank NA via Corby's Mirror Netting Service Agreement with PR. Corby has daily access to these funds and earns a market rate of interest from PR on its deposits. Changes in cash management pools reflect amounts either deposited in or withdrawn from these bank accounts and are simply a function of Corby's cash requirements during the period. For more information related to these deposits, please refer to the "Related Party Transactions" section of this MD&A.

Financing Activities

Cash used for financing activities was $26.1 million for the year ended June 30, 2020, compared to $37.6 million last year. Financing activity reflects dividend payments paid to shareholders and, in the current year, payment of lease liabilities resulting from the adoption of the new IFRS 16 accounting standard (please refer to the "Recent Accounting Pronouncements" section of this MD&A).

On August 26, 2020, subsequent to the year ended June 30, 2020, Corby's Board of Directors declared its regular quarterly dividend of $0.20 per common share, to be paid September 30, 2020, to shareholders of record as at the close of business on September 16, 2020. Despite the COVID-19 pandemic and an uncertain economic outlook, the Board of Directors decided to exercise its discretion to declare a quarterly dividend consistent with the dividend declared in the quarter ended March 31, 2020 and moderately lower than previous quarters. The policy provides that, subject to business conditions and opportunities and appropriate adjustment for extraordinary events, regular dividends will be paid quarterly, on the basis of an annual amount equal to the greater of 90% of net earnings per share in the preceding fiscal year ended June 30 and $0.60 per share.

The following table summarizes dividends paid and payable by the Company over the last two fiscal years:

For	Declaration Date	Record Date	Payment Date	$/Share
2020 – Q4	August 26, 2020	September 16, 2020	September 30, 2020	$ 0.20
2020 – Q3	May 13, 2020	May 27, 2020	June 12, 2020	0.20
2020 – Q2	February 12, 2020	February 26, 2020	March 6, 2020	0.22
2020 – Q1	November 6, 2019	November 22, 2019	December 6, 2019	0.22
2019 – Q4	August 21, 2019	September 11, 2019	September 27, 2019	0.22
2019 – Q3	May 8, 2019	May 24, 2019	June 14, 2019	0.22
2019 – Q2	February 13, 2019	February 27, 2019	March 8, 2019	0.22
2019 – special	November 7, 2018	December 14, 2018	January 11, 2019	0.44
2019 – Q1	November 7, 2018	November 23, 2018	December 7, 2018	0.22
2018 – Q4	August 22, 2018	September 12, 2018	September 28, 2018	0.22
2018 – Q3	May 9, 2018	May 25, 2018	June 13, 2018	0.22
2018 – Q2	February 7, 2018	February 23, 2018	March 9, 2018	0.22
2018 – Q1	November 8, 2017	November 24, 2017	December 8, 2017	0.22

Outstanding Share Data

As at August 26, 2020, Corby had 24,274,320 Voting Class A Common Shares and 4,194,536 Non-Voting Class B Common Shares outstanding. The Company does not have a stock option plan, and therefore there are no options outstanding.

Contractual Obligations

The following table presents a summary of the maturity periods of the Company's contractual obligations as at June 30, 2020:

	Payments During 2021	Payments Due in 2022 and 2023	Payments Due in 2024 and 2025	Payments Due after 2026	Obligations with No Fixed Maturity	Total
Operating lease obligations	$ 1.5	$ 2.2	$ 1.3	$ 0.3	$ –	$ 5.3
Employee future benefits	–	–	–	–	15.3	15.3
	$ 1.5	$ 2.2	$ 1.3	$ 0.3	$ 15.3	$ 20.6

Related Party Transactions

Transactions with Parent, Ultimate Parent and Affiliates

Corby engages in a significant number of transactions with its parent company, its ultimate parent and various affiliates. Specifically, Corby renders services to its parent company, its ultimate parent and affiliates for the marketing and sale of beverage alcohol products in Canada. Furthermore, Corby outsources the large majority of its distilling, maturing, storing, blending, bottling and related production activities to its parent company. A significant portion of Corby's bookkeeping, recordkeeping services, data processing and other administrative services are also outsourced to its parent company. Transactions with the parent company, ultimate parent and affiliates are subject to Corby's related party transaction policy, which requires such transactions to undergo an extensive review and require approval from an Independent Committee of the Board of Directors.

The companies operate under the terms of agreements that became effective on September 29, 2006 (the "2006 Agreements"). These agreements provide the Company with the exclusive right to represent PR's brands in the Canadian market for 15 years, as well as providing for the continuing production of certain Corby brands by PR at its production facility in Windsor, Ontario, for 10 years. Corby also managed PR's business interests in Canada, including the Windsor production facility, until June 30, 2020. Certain officers of Corby have been appointed as directors and officers of PR's North American entities, as approved by Corby's Board of Directors. On August 26, 2015, Corby entered into an agreement with PR and certain affiliates amending the September 29, 2006 Canadian representation agreements, pursuant to which Corby agreed to provide more specialized marketing, advertising and promotion services for the PR and affiliate brands under the applicable representation agreements in consideration of an increase to the rate of commission payable to Corby by such entities. On November 11, 2015, Corby and PR entered into agreements for the continued production and bottling of Corby's owned-brands by Pernod Ricard at the HWSL production facility in Windsor, Ontario, for a 10-year term commencing September 30, 2016. On the same date, Corby and PR also entered into an administrative services agreement, under which Corby agreed to continue to manage certain of PR's business interests in Canada, including the HWSL production facility, with a similar term and commencement date. Following PR's recent decision to reorganize its global operations, Corby management of the HWSL production facility ended as of July 1, 2020.

In addition to the 2006 Agreements, Corby signed an agreement on September 26, 2008 with its ultimate parent to be the exclusive Canadian representative for the ABSOLUT vodka and Plymouth gin brands, for a five-year term, which expired October 1, 2013 and was extended as noted below. These brands were acquired by PR subsequent to the original representation rights agreement dated September 29, 2006. Corby also agreed to continue with the mirror netting arrangement with PR and its affiliates, under which Corby's excess cash continues to be deposited to cash management pools. The mirror netting arrangement with PR and its affiliates is further described below. On November 9, 2011, Corby entered into an agreement with a PR affiliate for a new term for Corby's exclusive right to represent ABSOLUT vodka in Canada from September 30, 2013 to September 29, 2021, which is consistent with the term of Corby's Canadian representation of the other PR brands in Corby's portfolio (the "2011 Agreement"). On September 30, 2013, Corby paid $10.3 million for the additional eight years of the new term pursuant to an agreement entered into between Corby and The Absolut Company Aktiebolag, an affiliate of PR and owner of the ABSOLUT brand, to satisfy the parties' obligations under the 2011 Agreement. Since the 2011 Agreement is a related party transaction, the agreement was approved by the Independent Committee of the Corby Board of Directors, in accordance with Corby's related party transaction policy, following an extensive review and with external financial and legal advice.

On March 21, 2016, the Company entered into an agreement with Pernod Ricard UK Ltd. ("PRUK"), an affiliated company, which provides PRUK the exclusive right to represent Lamb's rum in Great Britain effective July 1, 2016. Previously, Lamb's rum was represented by an unrelated third party in this market. The agreement provides Lamb's with access to PRUK's extensive national distribution network throughout Great Britain. On March 28, 2019, the agreement was amended to include Ungava gin. The agreement is effective for a five-year period ending June 30, 2021.

Deposits in Cash Management Pools

Corby participates in a cash pooling arrangement under a Mirror Netting Service Agreement, together with PR's other Canadian affiliates, the terms of which are administered by Citibank N.A. effective July 17, 2014. The Mirror Netting Service Agreement acts to aggregate each participant's net cash balance for purposes of having a centralized cash management function for all of PR's Canadian affiliates, including Corby. As a result of Corby's participation in this agreement, Corby's credit risk associated with its deposits in cash management pools is contingent upon PR's credit rating. PR's credit rating as at August 26, 2020, as published by Standard & Poor's and Moody's, was BBB+ and Baa1, respectively. PR compensates Corby for the benefit it receives from having the Company participate in the Mirror Netting Service Agreement by paying interest to Corby based upon the 30-day Canadian Dealer Offered Rate plus 0.40%. Corby accesses these funds on a daily basis and has the contractual right to withdraw these funds or terminate these cash management arrangements upon providing five days' written notice.

Results of Operations – Fourth Quarter of Fiscal 2020

The following table presents a summary of certain selected consolidated financial information for the Company for the three-month periods ended June 30, 2020 and 2019:

	Three Months Ended			
(in millions of Canadian dollars, except per share amounts)	**June 30, 2020**	June 30, 2019	$ Change	% Change
REVENUE	**$ 38.2**	$ 39.2	$ (1.0)	(3%)
Cost of sales	**(15.0)**	(14.0)	(1.0)	8%
Marketing, sales and administration	**(13.3)**	(14.8)	1.5	(10%)
Other income	**(0.1)**	0.1	(0.2)	(316%)
EARNINGS FROM OPERATIONS	**9.8**	10.5	0.7	(7%)
Financial income	**0.2**	0.3	(0.1)	(38%)
Financial expenses	**(0.2)**	(0.1)	(0.1)	44%
	0.0	0.2	(0.2)	(85%)
Earnings before income taxes	**9.8**	10.7	(0.9)	(8%)
Income taxes	**(2.6)**	(2.9)	0.3	(10%)
NET EARNINGS	**$ 7.2**	$ 7.8	$ (0.6)	(8%)
Per common share				
– Basic net earnings	**$ 0.25**	$ 0.27	$ (0.02)	(7%)
– Diluted net earnings	**$ 0.25**	$ 0.27	$ (0.02)	(7%)

Revenue

The following table highlights the various components of the Company's revenue streams for the quarter:

		Three Months Ended		
(in millions of Canadian dollars)	**June 30, 2020**	June 30, 2019	$ Change	% Change
REVENUE STREAMS				
Case Goods	**$ 30.0**	$ 31.2	$ (1.2)	(4%)
Commissions	**7.2**	6.7	0.5	8%
Other services	**1.0**	1.3	(0.3)	28%
REVENUE	**$ 38.2**	$ 39.2	$ (1.0)	(3%)

Total revenue for the three months ended June 30, 2020 decreased 3% on a quarter-over-quarter comparison basis, or $1.0 million. This is primarily related to a decrease in Case Goods revenue of $1.2 million resulting from fourth-quarter giveback following late March COVID-19 pandemic-influenced consumer pantry loading, continued on-premise restrictions and US market challenges. The impact to Case Goods revenue was partially mitigated by improved pricing and portfolio mix.

Commissions, compared to the same period last year, increased $0.5 million as LBs rebuilt heavily depleted warehouses following COVID-19 pandemic-related consumer pantry loading. Familiar brands and formats also benefited from a rise in in-home consumption occasions. This was amplified by strategic price management on represented brands.

Other services represent ancillary revenue incidental to Corby's core business activities, such as logistical fees and, from time to time, bulk whisky sales. The reduced revenue for the quarter was mostly attributable to phasing of bulk whisky sales compared to the same period last year, as the Company continued to rebalance its maturation inventories.

Cost of Sales

Cost of goods sold was $15.0 million, representing a $1.0 million, or 8%, increase this period when compared with the same three-month period last year. Gross margin was 51% for the current year quarter compared to 57% for the same period last year, largely driven by product and market mix and inventory write-down and write-offs in the fourth quarter.

Marketing, Sales and Administration

Marketing, sales and administration expenses decreased $1.5 million, or 10%, over the same quarter last year. This decrease was driven by strategic realignment of domestic and international advertising and promotional activities during the COVID-19 pandemic, in addition to decreased overhead expenses.

Net Earnings and Earnings per Share

Net earnings for the fourth quarter were $7.2 million, or $0.25 per share, which is a decrease of $0.6 million over the same quarter last year due to the aforementioned reasons.

Selected Quarterly Information

SUMMARY OF QUARTERLY FINANCIAL RESULTS

(in millions of Canadian dollars, except per share amounts)	**Q4 2020**	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Revenue	**$ 38.2**	$ 33.1	$ 43.4	$ 38.6	$ 39.2	$ 31.0	$ 41.9	$ 37.9
Earnings from operations	**9.8**	6.9	10.6	8.7	10.5	5.9	9.1	8.7
Net earnings	**7.2**	5.2	7.8	6.5	7.8	4.5	6.9	6.5
Basic EPS	**0.25**	0.18	0.28	0.23	0.27	0.16	0.24	0.23
Diluted EPS	**0.25**	0.18	0.28	0.23	0.27	0.16	0.24	0.23

The above table demonstrates the seasonality of Corby's business, as sales are typically strong in the first and second quarters, while third-quarter sales (January, February and March) usually decline after the end of the retail holiday season. Fourth-quarter sales typically increase again with the onset of warmer weather, as consumers tend to increase their purchasing levels during the summer season.

Recent Accounting Pronouncements

A number of new standards, amendments to standards and interpretations are effective for the financial period ended June 30, 2020 and, accordingly, have been applied in preparing the audited consolidated financial statements for the year ended June 30, 2020:

(i) LEASES

In January 2016, the IASB issued a new standard, IFRS 16, "Leases" ("IFRS 16"), which replaced IAS 17, "Leases" ("IAS 17"). IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The standard is effective for annual periods beginning on or after January 1, 2019 and must be applied retrospectively. For Corby, this standard became effective July 1, 2019.

The guidance permits two methods of adoption: retrospectively to each prior reporting period restated (full retrospective method), or retrospectively with the cumulative effect of initially applying the guidance recognized at the date of initial application (modified retrospective method). The Company adopted this standard using the modified retrospective method. The Company has elected to set the right-of-use asset equal to the lease liability on the date of adoption. The Company has also elected not to restate prior year comparative information under the modified retrospective approach. Comparative information continues to be reported under IAS 17 and related interpretations.

In applying IFRS 16 for the first time, the Company used the following practical expedients as permitted by the standard:

- Elected to not apply the requirements of IFRS 16 to short-term leases and leases for which the underlying asset is of low value;
- Elected to set the right-of-use asset equal to the lease liability on the date of adoption; and
- Excluded initial direct costs for the measurement of the right-of-use asset at the date of initial application.

Upon adoption of the standard, the Company recognized a right-of-use asset and a lease liability for the present value of the remaining future lease payments, discounted using the incremental borrowing rate at the date of initial application. The adoption of this standard resulted in the recognition of right-of-use assets and lease liabilities of $6,333 as at July 1, 2019.

The weighted average lessee's incremental borrowing rate applied to the lease liabilities on the date of initial application was 3%. The Company will recognize the lease payments associated with these leases on a straight-line basis, over the lease term.

Under IFRS 16, depreciation expense on the right-of-use asset and interest expense on the lease liability replaced operating lease expenses.

The reconciliation between lease liabilities recognized on July 1, 2019 and operating lease commitments disclosed using the weighted average incremental borrowing rate as at the date of initial application is as follows:

		As at July 1, 2019
Operating lease commitment as at June 30, 2019 as disclosed in the Company's notes to the consolidated financial statements	$	6.7
Discounted using the incremental borrowing rate at July 1, 2019		6.3
Short-term and low value leases excluded		(0.0)
LEASE LIABILITIES RECOGNIZED AS AT JULY 1, 2019	$	6.3
Lease liabilities due within one year	$	1.5
Lease liabilities		4.8
TOTAL LEASE LIABILITIES	$	6.3

Right-of-use assets are measured at the initial amount of the lease liabilities plus any indirect costs, lease payments made at or before the commencement date net of lease incentives received, and decommissioning costs. Subsequent to initial measurement, the right-of-use assets will be measured at cost and depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Right-of-use assets are included as follows in the audited consolidated balance sheet as at June 30, 2020:

	As at June 30, 2020		
	Building	Other	Total
COST			
Net earnings, adjusted for non-cash items	$ 4.5	$ 1.8	$ 6.3
Net payments for interest and income taxes	–	0.2	0.2
BALANCE, END OF PERIOD	$ 4.5	$ 2.0	$ 6.5
ACCUMULATED DEPRECIATION			
Balance, beginning of period	$ –	$ –	$ –
Depreciation	0.9	0.7	1.6
BALANCE, END OF PERIOD	$ 0.9	$ 0.7	$ 1.6
CARRYING AMOUNT AS AT JUNE 30, 2020	$ 3.6	$ 1.3	$ 4.9

Transactions involving lease liabilities as at and for the period ended June 30, 2020 were as follows:

	As at June 30, 2020
Balance, beginning of period	$ 6.3
Lease additions	0.2
Lease payments	(1.7)
Interest expense on lease liabilities	0.1
Less: Accrued interest on lease liabilities	–
BALANCE, END OF PERIOD	$ 4.9
Lease liabilities due within one year	$ 1.3
Lease liabilities	3.6
TOTAL LEASE LIABILITIES	$ 4.9

(ii) UNCERTAINTY OVER INCOME TAX TREATMENTS

In June 2017, the IASB issued a new interpretation, IFRIC 23, "Uncertainty over Income Tax Treatments" ("IFRIC 23"). IFRIC 23 specifies the accounting treatment for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over the tax treatments. The standard is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted. For Corby, this standard became effective July 1, 2019. The new interpretation did not have a significant impact on the Company's audited consolidated financial statements.

(iii) FINANCIAL INSTRUMENTS

The IASB issued amendments to IFRS 9, "Financial Instruments" ("IFRS 9"). The amendment addresses concerns about how IFRS 9 classified prepayable financial assets and clarifies an aspect of accounting for financial liabilities following a modification. The amendments are to be applied retrospectively for fiscal years beginning on or after January 1, 2019. For Corby, this standard became effective July 1, 2019. The new amendment did not have a significant impact on the Company's audited consolidated financial statements.

(iv) EMPLOYEE BENEFITS

The IASB published amendments to IAS 19, "Employee Benefits" ("IAS 19"). The amendment harmonizes accounting practices to provide more relevant information for decision-making. The amendments are to be applied retrospectively to plan amendments, curtailments or settlements occurring on or after January 1, 2019. For Corby, this standard became effective July 1, 2019. The new amendment did not have a significant impact on the Company's audited consolidated financial statements.

(v) INCOME TAXES

The IASB published amendments to IAS 12, "Income Taxes" ("IAS 12"). The amendment clarifies that the income tax consequences of dividends, where transactions or events that generate distributable profits are recognized, apply to all income tax consequences of dividends. The amendments are to be applied retrospectively for fiscal years beginning on or after January 1, 2019. For Corby, this standard became effective July 1, 2019. The new amendment did not have a significant impact on the Company's interim condensed consolidated financial statements.

Disclosure Controls and Procedures

The Company maintains a system of disclosure controls and procedures that has been designed to provide reasonable assurance that information required to be disclosed by the Company in its public filings is recorded, processed, summarized and reported within required time periods and includes controls and procedures designed to ensure that all relevant information is accumulated and communicated to senior management, including the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), to allow timely decisions regarding required disclosure.

Management, with the participation of the CEO and CFO, has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in National Instrument 52-109) as at June 30, 2020, and has concluded that such disclosure controls and procedures are effective based upon such evaluation.

Internal Controls over Financial Reporting

The Company maintains a system of disclosure controls and procedures to provide reasonable assurance that all material information relating to the Company is gathered and reported to senior management on a timely basis so that appropriate decisions can be made regarding public disclosure.

In addition, the CEO and CFO have designed, or caused to be designed under their supervision, 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 IFRS. Internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be designed effectively can provide only reasonable assurance with respect to financial reporting and financial statement preparation.

Management, with the participation of the CEO and CFO, has evaluated the effectiveness of the Company's internal controls over financial reporting as at June 30, 2020, and has concluded that internal control over financial reporting is designed and operating effectively to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management's assessment was based on the framework established in Internal Control – Integrated Framework (2013), published by the Committee of Sponsoring Organizations of the Treadway Commission.

There were no changes in internal controls over financial reporting during the Company's most recent interim period that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Risks and Risk Management

The Company is exposed to a number of risks in the normal course of its business that have the potential to affect its operating and financial performance.

Industry and Regulatory

The beverage alcohol industry in Canada is subject to government policy, extensive regulatory requirements and significant rates of taxation at both the federal and provincial levels. As a result, changes in the government policy, regulatory and/or taxation environments within the beverage alcohol industry may affect Corby's business operations, causing changes in market dynamics or changes in consumer consumption patterns. In addition, the Company's provincial LB customers have the ability to mandate changes that can lead to increased costs, as well as other factors that may impact financial results.

Additionally, as the Company becomes more reliant on international product sales in the US, UK and other countries, exposure to changes in the laws and regulations (including on matters such as regulatory requirements, import duties and taxation) in those countries could also adversely affect the operations, financial performance or reputation of the Company.

The Company continuously monitors the potential risk associated with any proposed changes to its government policy, regulatory and taxation environments and, as an industry leader, actively participates in trade association discussions relating to new developments.

COVID-19 Pandemic

The COVID-19 pandemic has resulted in economic volatility in global markets. While governments and central banks have responded with monetary and fiscal interventions to stabilize economies and ease financial disruption, it is not currently known how these interventions will impact debt and equity markets or the economy generally. The ultimate impact of the COVID-19 pandemic on the global economy and its duration remain uncertain, and disruptions caused by the COVID-19 pandemic may adversely affect Corby's performance.

As a manufacturer and distributor of alcoholic beverages, Corby is deemed to be an essential business in Canada and remains open for business. Nonetheless, the health and safety of our employees and business partners remains the key priority. We have limited the scope of our operations and, where possible, employees are telecommuting from their homes.

As well, in conjunction with liquor board social distancing measures and limitations on in-store activities, our commercial team's presence has decreased in retail stores, but the team has adapted its methodology to connect virtually.

As the COVID-19 pandemic continues to evolve, its full duration and impact on the Company's liquidity and the financial position is yet unknown and cannot be reasonably estimated at this time, and will depend on future developments which involve a high degree of uncertainty and cannot be predicted. This includes but is not limited to the spread of the disease, duration of the outbreak, changes to global government regulations, the impact on consumers (including LBs) and possible disruptions in the supply chain. Corby has already taken, and will continue to take, action to mitigate the effects of the COVID-19 pandemic on its day-to-day business operations with the best interests of its employees, customers and business partners at the centre. A comprehensive cost mitigation program is ongoing, together with active management of our financial position. Ways of working have been adapted to containment measures in place, so that supply chains remain broadly operational.

Consumer Consumption Patterns

Beverage alcohol companies are susceptible to risks relating to changes in consumer consumption patterns. Consumer consumption patterns are affected by many external influences, not the least of which is economic outlook and overall consumer confidence in the stability of the economy as a whole. Additionally, the legalization of recreational cannabis in Canada could have the potential to impact consumer consumption patterns with respect to beverage alcohol products. The duration and impact of the COVID-19 pandemic on consumer consumption patterns remains unknown. Corby offers a diverse portfolio of products across all major spirits categories and at various price points. Corby continues to identify and offer new innovations in order to address consumer desires.

Distribution/Supply Chain Interruption

The Company is susceptible to risks relating to distributor and supply chain interruptions. Distribution in Canada is largely accomplished through the government-owned provincial LBs and, therefore, an interruption (e.g., a labour strike or pandemic) for any length of time or a change in business model may have a significant impact on the Company's ability to sell its products in a particular province and/or market. International sales are subject to the variations in distribution systems within each country where the products are sold.

Supply chain interruptions, including a manufacturing or inventory disruption or regional or global disruptions related to the COVID-19 pandemic, could impact product quality and availability. The Company adheres to a comprehensive suite of quality programs and proactively manages production and supply chains to mitigate any potential risk to consumer safety or Corby's reputation and profitability.

Inherent to producing maturing products, there is a potential for shortages or surpluses in future years if demand and supply are materially different from long-term forecasts. Additionally, the loss through contamination, fire or other natural disaster of the stock of maturing products may result in significant reduction in supply and, as a result, Corby may not be able to meet customer demands. The Company monitors category trends and regularly reviews maturing inventory levels.

Environmental Compliance

Environmental liabilities may potentially arise when companies are in the business of manufacturing products and, thus, required to handle potentially hazardous materials. As Corby largely outsources its production, including all of its storage and handling of maturing alcohol, the risk of environmental liabilities is considered minimal. Corby currently has no significant recorded or unrecorded environmental liabilities.

Industry Consolidation

In recent years, the global beverage alcohol industry has continued to experience consolidation. Industry consolidation can have varying degrees of impact and, in some cases, may even create exceptional opportunities. Either way, management believes that the Company is well positioned to deal with this or other changes to the competitive landscape in Canada and other markets in which it carries on business.

Corby's Ability to Properly Complete Acquisitions and Subsequently Integrate Them May Affect Its Results

Corby monitors growth opportunities that may present themselves, including by way of acquisitions. While the Company believes that an acquisition may create the opportunity to realize certain benefits, achieving these benefits will depend in part on successfully consolidating functions and integrating operations, procedures and personnel in an efficient manner, as well as the Company's ability to realize any anticipated growth opportunities or costs savings from combining the target's assets and operations with Corby's existing brands and operations. Integration efforts following any acquisition may require the dedication of substantial management effort, time and resources, which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. In addition, Corby may be required to assume greater-than-expected liabilities due to liabilities that are undisclosed at the time of completion of an acquisition. A failure to realize, in whole or in part, the anticipated benefits of an acquisition may have a negative impact on the results or financial position of Corby.

Competition

The Canadian and international beverage alcohol industry is extremely competitive. Competitors may take actions to establish and sustain a competitive advantage through advertising and promotion and pricing strategies in an effort to maintain market share, which may negatively affect the Company's sales, revenues and profitability. Corby constantly monitors the market and adjusts its own advertising, promotion and pricing strategies as appropriate.

Competitors may also affect Corby's ability to attract and retain high-quality employees. The Company's long heritage attests to Corby's strong foundation and successful execution of its strategies. Its role as a leading Canadian beverage alcohol company helps facilitate recruitment efforts.

Credit Risk

Credit risk arises from deposits in cash management pools held with PR via Corby's participation in the Mirror Netting Service Agreement (as previously described in the "Related Party Transactions" section of this MD&A), as well as from credit exposure to customers, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the Company's financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of its counterparties, taking into account their financial position, past experience and other factors. As the large majority of Corby's accounts receivable balances are collectible from government-controlled LBs, management believes the Company's credit risk relating to accounts receivable is at an acceptably low level.

Exposure to Interest Rate Fluctuations

The Company does not have any short- or long-term debt facilities. Interest rate risk exists, as Corby earns market rates of interest on its deposits in cash management pools. An active risk management program does not exist, as management believes that changes in interest rates would not have a material impact on Corby's financial position over the long term.

Exposure to Commodity Price Fluctuations

Commodity risk exists, as the manufacture of Corby's products requires the procurement of several known commodities, such as grains, sugar and natural gas. The Company strives to partially mitigate this risk through the use of longer-term procurement contracts where possible. In addition, subject to competitive conditions, the Company may pass on commodity price changes to consumers through pricing over the long term.

Foreign Currency Exchange Risk

The Company has exposure to foreign currency risk, as it conducts business in multiple foreign currencies; however, its exposure is primarily limited to the US dollar ("USD") and UK pound sterling ("GBP"). Corby does not utilize derivative instruments to manage this risk. Subject to competitive conditions, changes in foreign currency rates may be passed on to consumers through pricing over the long term.

USD EXPOSURE

The Company's demand for USD has traditionally outpaced its supply, due to USD sourcing of production inputs and advertising and promotion expenses exceeding that of the Company's USD sales. Therefore, decreases in the value of the Canadian dollar ("CAD") relative to the USD will have an unfavourable impact on the Company's earnings.

GBP EXPOSURE

The Company's exposure to fluctuations in the value of the GBP relative to the CAD was reduced as both sales and cost of production are denominated in GBP. While Corby's exposure has been minimized, increases in the value of the CAD relative to the GBP will have an unfavourable impact on the Company's earnings.

Third-Party Service Providers

HWSL, which Corby manages on behalf of PR, provides more than 90% of the Company's production requirements, among other services including administration and information technology. However, the Company is reliant upon certain third-party service providers in respect of certain of its operations. It is possible that negative events affecting these third-party service providers could, in turn, negatively impact the Company. While the Company has no direct control over how such third parties are managed, it has entered into contractual arrangements to formalize these relationships. In order to minimize operating risks, the Company actively monitors and manages its relationships with its third-party service providers.

Renewal of Distribution Agreements

The 2006 Agreements and the agreement regarding ABSOLUT vodka, both described in the "Related Party Transactions" section of this MD&A, expire on September 29, 2021. Commissions from the distribution agreements represent approximately 17% of Corby's revenue. The parties continue to operate under these agreements, as well as under the production and administrative services agreements which run until 2026, and are required to negotiate in good faith regarding renewal during the period September 29, 2019 to March 29, 2021, which they are currently doing. In accordance with its related party transaction policy, Corby's Independent Committee is involved in the negotiations.

Brand Reputation and Trademark Protection

The Company promotes nationally branded, non-proprietary products as well as proprietary products. Damage to the reputation of any of these brands, or to the reputation of any supplier or manufacturer of these brands, could negatively impact consumer opinion of the Company or the related products, which could have an adverse impact on the financial performance of the Company. The Company strives to mitigate such risks by selecting only those products from suppliers that strategically complement Corby's existing brand portfolio and by actively monitoring brand advertising and promotion activities.

Additionally, although the Company registers trademarks, as applicable, it cannot be certain that trademark registrations will be issued with respect to all the Company's applications. Also, while Corby constantly watches for and responds to competitive threats, as necessary, the Company cannot predict challenges to, or prevent a competitor from challenging, the validity of any existing or future trademark issued or licensed to Corby.

Information Technology and Cyber Security

The Company uses technology supplied by third parties, both related and non-related, to support operations and invests in information technology to improve route to market, reporting, analysis, and marketing initiatives. Issues with availability, reliability and security of systems and technology could adversely impact the Company's ability to compete resulting in corruption or loss of data, regulatory-related issues, litigation or brand reputation damage. With the fast-paced changing nature of the technology environment including digital marketing, the Company works with these third parties to maintain policies, processes and procedures to help secure and protect these information systems as well as consumer, corporate and employee data.

Valuation of Goodwill and Intangible Assets

Goodwill and indefinite-life intangible assets account for a significant amount of the Company's total assets. Indefinite-life intangible assets are included in Corby's consolidated balance sheet in intangible assets (which also includes finite-lived intangible assets such as software and representation rights). For further information, please refer to Note 12 of the annual audited consolidated financial statements for the year ended June 30, 2020.

Goodwill and indefinite-lived intangible assets are subject to impairment tests that involve the determination of fair value. Inherent in such fair value determinations are certain judgments and estimates including, but not limited to, projected future sales, earnings and capital investment, discount rates and terminal growth rates. These judgments and estimates may change in the future due to uncertain competitive market and general economic conditions, or as the Company makes changes in its business strategies. Certain of the aforementioned factors affecting the determination of fair value may be impacted and, as a result, the Company's financial results may be adversely affected.

The following table summarizes Corby's goodwill and indefinite-life intangible assets and details the amounts associated with each brand (or basket of brands) and market as at June 30, 2020:

		Carrying Values as at June 30, 2020		
Associated Brand	Associated Market	Goodwill	Intangibles	Total
Lamb's rum	United Kingdom[(1)]	$ 1.3	$ 11.8	$ 13.1
Ungava Spirits Brands[(2)]	Canada	5.1	3.2	8.3
Foreign Affair Brands	Canada	0.4	2.5	2.9
Other domestic brands	Canada	1.9	–	1.9
		$ 8.7	$ 17.5	$ 26.2

(1) *The international business for Lamb's rum is primarily focused in the UK; however, the trademarks and licences purchased relate to all international markets outside of Canada, as Corby previously owned the Canadian rights.*

(2) *The Ungava Spirits Brands include trademarks related to Ungava Premium Canadian gin, Chic Choc Spiced rum and Cabot Trail maple-based liqueurs.*

Therefore, economic factors (such as consumer consumption patterns) specific to these brands and markets are primary drivers of the risk associated with their respective goodwill and indefinite-life intangible assets valuations.

Employee Future Benefits

The Company has certain obligations under its registered and non-registered defined benefit pension plans and other post-retirement benefit plan. There is no assurance that the Company's benefit plans will be able to earn the assumed rate of return. New regulations and market-driven changes may result in changes in the discount rates and other variables, which would result in the Company being required to make contributions in the future that differ significantly from estimates. An extended period of depressed capital markets and low interest rates could require the Company to make contributions to these plans in excess of those currently contemplated, which, in turn, could have an adverse impact on the financial performance of the Company. Somewhat mitigating the impact of a potential market decline is the fact that the Company monitors its pension plan assets closely and follows strict guidelines to ensure that pension fund investment portfolios are diversified in line with industry best practices. For further details related to Corby's defined benefit pension plans, please refer to Note 9 of the annual audited consolidated financial statements for the year ended June 30, 2020.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Corby Spirit and Wine Limited (the "Company") were prepared by management in accordance with International Financial Reporting Standards. The significant accounting policies, which management believes are appropriate for the Company, are described in the accompanying notes to the consolidated financial statements. The financial information contained elsewhere in this annual report is consistent with that in the consolidated financial statements.

Management is responsible for the integrity and objectivity of the information contained in the consolidated financial statements and Management's Discussion and Analysis, including that which is based on estimates and judgments when transactions affecting the current accounting period are dependent upon future events. Management has established systems of internal control that are designed to provide reasonable assurance that assets are safeguarded from losses or unauthorized use, and to produce reliable accounting records for the preparation of financial information.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board of Directors has constituted an Audit Committee that consists of directors who are not members of management. The Audit Committee meets quarterly with management and the internal and independent auditors, and separately with the internal and independent auditors, to review reports on internal accounting controls and audit results and to review accounting principles and practices. The Audit Committee also reviews the consolidated financial statements and the independent auditor's report thereon to the shareholders prior to submission to the Board of Directors for approval.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards and applicable laws and maintains proper standards of conduct for its activities.

(signed)

Nicolas Krantz
President & Chief Executive Officer

(signed)

Edward Mayle
Vice-President & Chief Financial Officer

Deloitte.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Corby Spirit and Wine Limited

Opinion

We have audited the consolidated financial statements of Corby Spirit and Wine Limited (the "Company"), which comprise the consolidated balance sheets as at June 30, 2020 and June 30, 2019, and the consolidated statements of earnings, consolidated statements of comprehensive income, consolidated statements of changes in shareholders' equity and consolidated statements of cash flow for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2020 and June 30, 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis;
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Francois Sauvageau.

/s/ Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
August 26, 2020
Toronto, Ontario, Canada

CONSOLIDATED BALANCE SHEETS

As at June 30, 2020 and 2019 *(in thousands of Canadian dollars)*	Notes		**June 30, 2020**		June 30, 2019[1]
ASSETS					
Deposits in cash management pools		**$**	**81,681**	$	61,136
Accounts receivable	7		**26,332**		32,260
Inventories	8		**61,344**		61,912
Prepaid expenses			**439**		554
TOTAL CURRENT ASSETS			**169,796**		155,862
Other assets	9		**4,693**		1,498
Right-of-use assets	3		**4,913**		–
Property, plant and equipment	10		**18,785**		19,032
Goodwill	11		**8,757**		8,757
Intangible assets	12		**27,438**		33,182
TOTAL ASSETS		**$**	**234,382**	$	218,331
LIABILITIES					
Accounts payable and accrued liabilities	14	**$**	**35,034**	$	32,998
Right-of-use assets			**3,958**		989
Current lease liabilities	3		**1,362**		–
TOTAL CURRENT LIABILITIES			**40,354**		33,987
Provision for employee benefits	9		**15,253**		13,427
Deferred income taxes	15		**2,588**		1,820
Long-term lease liabilities	3		**3,563**		–
TOTAL LIABILITIES			**61,758**		49,234
SHAREHOLDERS' EQUITY					
Share capital	16		**14,304**		14,304
Accumulated other comprehensive (loss) income	17		**(1,868)**		(3,226)
Retained earnings			**160,188**		158,019
TOTAL SHAREHOLDERS' EQUITY			**172,624**		169,097
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**234,382**	$	218,331

[1] *Certain comparative information has been reclassified to conform to the current year's presentation.*

The accompanying notes are an integral part of these consolidated financial statements.

Approved by the Board of Directors

(signed)

George F. McCarthy
Director

(signed)

Robert L. Llewellyn
Director

CONSOLIDATED STATEMENTS OF EARNINGS

For the years ended June 30, 2020 and 2019 *(in thousands of Canadian dollars, except per share amounts)*	Notes		**June 30, 2020**		June 30, 2019
REVENUE	18	**$**	**153,356**	$	149,938
Cost of sales			**(60,432)**		(57,028)
Marketing, sales and administration			**(57,097)**		(58,798)
Other income	19		**48**		96
EARNINGS FROM OPERATIONS			**35,875**		34,208
Financial income	20		**1,280**		1,492
Financial expenses	20		**(731)**		(478)
			549		1,014
EARNINGS BEFORE INCOME TAXES			**36,424**		35,222
Current income taxes			**(9,499)**		(9,215)
Deferred income taxes			**(273)**		(313)
Income taxes			**(9,772)**		(9,528)
NET EARNINGS		**$**	**26,652**	**$**	**25,694**
Basic earnings per share	21	**$**	**0.94**	$	0.90
Diluted earnings per share	21	**$**	**0.94**	$	0.90
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING					
Basic			**28,468,856**		28,468,856
Diluted			**28,468,856**		28,468,856

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended June 30, 2020 and 2019 *(in thousands of Canadian dollars)*	Notes		**June 30, 2020**		June 30, 2019
NET EARNINGS		**$**	**26,652**	$	25,694
OTHER COMPREHENSIVE INCOME (LOSS)					
Amounts that will not be subsequently reclassified to earnings:					
Net actuarial gains (losses)	9		**1,853**		(5,073)
Income taxes	15		**(495)**		1,361
			1,358		(3,712)
TOTAL COMPREHENSIVE INCOME		**$**	**28,010**	**$**	**21,982**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended June 30, 2020 and 2019 *(in thousands of Canadian dollars)*	Share Capital	Accumulated Other Comprehensive (Loss) Income	Retained Earnings	Total
Balance as at June 30, 2019	$ 14,304	$ (3,226)	$ 158,019	$ 169,097
Total comprehensive income	–	1,358	26,652	28,010
Dividends	–	–	(24,483)	(24,483)
BALANCE AS AT JUNE 30, 2020	**$ 14,304**	**$ (1,868)**	**$ 160,188**	**$ 172,624**
Balance as at June 30, 2018	$ 14,304	$ 486	$ 169,904	$ 184,694
Total comprehensive income	–	(3,712)	25,694	21,982
Dividends	–	–	(37,579)	(37,579)
BALANCE AS AT JUNE 30, 2019	$ 14,304	$ (3,226)	$ 158,019	$ 169,097

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOW

For the years ended June 30, 2020 and 2019 *(in thousands of Canadian dollars)*	Notes	**June 30, 2020**	June 30, 2019[(1)]
OPERATING ACTIVITIES			
Net earnings		**$ 26,652**	$ 25,694
Adjustments for:			
Amortization and depreciation	22	**10,517**	8,668
Net financial income	20	**(549)**	(1,014)
Income tax expense		**9,772**	9,528
Provision for employee benefits		**(92)**	(1,783)
		46,300	41,093
Net change in non-cash working capital balances	24	**8,639**	881
Interest received		**1,134**	1,492
Income taxes paid		**(6,531)**	(9,466)
NET CASH FROM OPERATING ACTIVITIES		**49,542**	34,000
INVESTING ACTIVITIES			
Additions to property and equipment	10	**(2,344)**	(4,351)
Additions to intangible assets	12	**(926)**	(903)
Proceeds from disposition of property and equipment		**165**	14
Proceeds from disposition of intangible assets		**159**	–
Deposits in cash management pools		**(20,545)**	8,819
NET CASH FROM (USED IN) INVESTING ACTIVITIES		**(23,491)**	3,579
FINANCING ACTIVITY			
Payment of lease liabilities	3	**(1,568)**	–
Dividends paid		**(24,483)**	(37,579)
NET CASH USED IN FINANCING ACTIVITY		**(26,051)**	(37,579)
NET INCREASE IN CASH		**–**	–
Cash, beginning of year		**–**	–
CASH, END OF YEAR		**$ –**	**$ –**

(1) *Certain comparative information has been reclassified to conform to the current year's presentation.*

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2020 and 2019
(in thousands of Canadian dollars, except per share amounts)

1. General Information

Corby Spirit and Wine Limited ("Corby" or the "Company") is a leading Canadian manufacturer, marketer and importer of spirits and wines. The Company derives its revenues from the sale of its owned-brands in Canada and other international markets, as well as earning commissions from the representation of selected non-owned brands in the Canadian marketplace. Revenues predominantly consist of sales made to each of the provincial liquor boards in Canada. The Company also supplements these primary sources of revenue with other ancillary activities incidental to its core business, such as logistical fees.

Corby is controlled by Hiram Walker & Sons Limited ("HWSL"), which is a wholly-owned subsidiary of Pernod Ricard, S.A. ("PR"), a French public limited company that controls 51.6% of the outstanding Voting Class A Common Shares of Corby as at June 30, 2020.

Corby is a public company incorporated and domiciled in Canada, whose shares are traded on the Toronto Stock Exchange. The Company's registered address is 225 King Street West, Suite 1100, Toronto, ON M5V 3M2.

2. Basis of Preparation

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and using the accounting policies described herein.

These consolidated financial statements were approved by the Company's Board of Directors on August 26, 2020.

Functional and Presentation Currency

The Company's consolidated financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency.

Foreign Currency Translation

Transactions denominated in foreign currencies are translated into the functional currency using the exchange rate applying at the transaction date. Non-monetary assets and liabilities denominated in foreign currencies are recognized at the historical exchange rate applicable at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate applying at the balance sheet date. Foreign currency differences related to operating activities are recognized in earnings from operations for the period; foreign currency differences related to financing activities are recognized within net financial income.

Basis of Measurement

These consolidated financial statements are prepared in accordance with the historical cost model, except for certain categories of assets and liabilities, which are measured in accordance with other methods provided for by IFRS as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Use of Estimates and Judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make certain judgments, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period.

Judgment is commonly used in determining whether a balance or transaction should be recognized in the consolidated financial statements and estimates, and assumptions are more commonly used in determining the measurement of recognized transactions and balances. However, judgment and estimates are often interrelated.

Estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Estimates are made on the assumption that the Company will continue as a going concern and are based on information available at the time of preparation. Estimates may be revised where the circumstance on which they were based change or where new information becomes available. Future outcomes can differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus disease ("COVID-19") as a pandemic. In Canada, the pandemic has resulted in country-wide government restrictions and temporary regional closures of non-essential businesses including restaurants, bars and other on-premise establishments. The liquor boards and retail stores in most provinces have remained open, albeit with supplier and customer restrictions. As a manufacturer and distributor of alcoholic beverages, Corby is deemed to be an essential business.

As this is a developing matter, management continues to monitor the situation closely as the external political, economic and social developments evolve and our business and industry are impacted. The outbreak may impact the future collectability of receivables, recoverability of property, plant and equipment, goodwill and intangible assets. The pandemic's duration and impact on the Company's liquidity and financial position in future periods cannot be reasonably estimated at this time. For the year ended June 30, 2020, the financial results have not been negatively impacted by COVID-19 and no indicators of impairment have arisen as a result of the pandemic.

Critical judgments, estimates and assumptions are used in applying accounting policies and have the most significant effect on the following:

(i) IMPAIRMENT

The Company uses judgment in determining the grouping of assets to identify its Cash-Generating Units ("CGUs") for purposes of testing for impairment of goodwill, intangible assets and property, plant and equipment. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes.

Intangible assets and property, plant and equipment are subject to impairment tests whenever there is an indication that the value of the asset has been impaired and at least once a year for non-current assets with indefinite useful lives (goodwill and trademarks and licences). Judgment has been used in determining whether there has been an indication of impairment.

The Company uses estimates to determine a CGU's or group of CGUs' recoverable amount based on the higher of fair value less costs to sell and value in use ("VIU"), which involves estimating future cash flows before taxes. The process of determining the recoverable amount requires the Company to make estimates and assumptions of a long-term nature regarding discount rates, projected revenues, royalty rates and margins, as applicable, derived from past experience, actual operating results and budgets. These estimates and assumptions may change in the future due to uncertain competitive and economic market conditions or changes in business strategies.

(ii) PURCHASE PRICE ALLOCATION

The purchase price related to a business combination is allocated to the underlying acquired assets and liabilities based on their estimated fair values at the time of acquisition. The determination of fair value requires the Company to make assumptions, estimates and judgments regarding future events. The allocation process is inherently subjective and impacts the amounts assigned to individually identifiable assets and liabilities. As a result, the purchase price allocation impacts the Company's reported assets and liabilities and future net earnings due to the impact on future depreciation and amortization expense and impairment tests. In addition, due to the timing and complexities related to business combinations, adjustments to provisional amounts recorded are expected subsequent to the reporting period until the allocation is finalized.

(iii) INCOME AND OTHER TAXES

In calculating current and deferred income and other taxes, the Company uses judgment when interpreting the tax rules in jurisdictions where the Company operates. The Company also uses judgment in classifying transactions and assessing probable outcomes of claimed deductions, which considers expectations of future operating results, the timing and reversal of temporary differences, and possible audits of income tax and other tax filings by tax authorities.

Deferred income tax assets require management's judgment in order to determine the amounts to be recognized. This includes assessing the timing of the reversal of temporary differences to which deferred income tax rates are applied.

(iv) POST-EMPLOYMENT BENEFITS

The accounting for the Company's post-employment benefit plan requires the use of estimates and assumptions. The accrued benefit liability is calculated using actuarial determined data and the Company's best estimates of future salary escalations, retirement ages of employees, employee turnover, mortality rates, market discount rates and expected health and dental care costs.

(v) FAIR VALUE OF GRAPES AT POINT OF HARVEST

Where possible, the fair value of grapes at the point of harvest is determined by reference to local market prices for grapes of a similar quality and varietal. For grapes for which local market prices are not readily available, the average price of similar grapes is used.

(vi) OTHER

Other estimates include determining the useful lives of property, plant and equipment and intangible assets for the purpose of depreciation and amortization, as well as measuring items such as allowances for uncollectible accounts receivable and inventory obsolescence and certain fair value measures including those related to the valuation of share-based payments and financial instruments.

3. Adoption of New and Revised Standards and Interpretations

Recent Accounting Pronouncements

(i) LEASES

In January 2016, the International Accounting Standards Board ("IASB") issued a new standard, IFRS 16, "Leases" ("IFRS 16"), which replaced IAS 17, "Leases" ("IAS 17"). The standard provides a single lessee accounting model. The Company, as a lessee, has recognized right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. The standard is effective for annual periods beginning on or after January 1, 2019 and must be applied retrospectively. For Corby, this standard became effective July 1, 2019.

The guidance permits two methods of adoption: retrospectively to each prior reporting period restated (full retrospective method), or retrospectively with the cumulative effect of initially applying the guidance recognized at the date of initial application (modified retrospective method). The Company adopted this standard using the modified retrospective method and has elected to set the right-of-use asset equal to the lease liability on the date of adoption. The Company has also elected to not restate prior year comparative information under the modified retrospective approach. Accordingly, comparative information is reported under IAS 17 and related interpretations.

In applying IFRS 16 for the first time, the Company used the following practical expedients as permitted by the standard:

- Elected to not apply the requirements of IFRS 16 to short-term leases and leases for which the underlying asset is of low value;
- Elected to set the right-of-use asset equal to the lease liability on the date of adoption; and
- Excluded initial direct costs for the measurement of the right-of-use asset at the date of initial application.

Upon adoption of the standard, the Company recognized a right-of-use asset and a lease liability for the present value of the remaining future lease payments, discounted using the incremental borrowing rate at the date of initial application. The adoption of this standard resulted in the recognition of right-of-use assets and lease liabilities of $6,333 as at July 1, 2019.

The weighted average lessee's incremental borrowing rate applied to the lease liabilities on the date of initial application was 3%. The Company will recognize the lease payments associated with these leases on a straight-line basis, over the lease term.

Under IFRS 16, depreciation expense on the right-of-use asset and interest expense on the lease liability replaced operating lease expenses.

The Company did not have any finance leases historically. All leases were recognized as operating leases.

The reconciliation between lease liabilities recognized on July 1, 2019 and operating lease commitments disclosed using the weighted average incremental borrowing rate as at the date of initial application is as follows:

		As at July 1, 2019
Operating lease commitment as at June 30, 2019 as disclosed in the Company's notes to the consolidated financial statements	$	6,671
Discounted using the incremental borrowing rate at July 1, 2019		6,349
Short-term and low value leases excluded		(16)
LEASE LIABILITIES RECOGNIZED AS AT JULY 1, 2019	$	6,333
Lease liabilities due within one year	$	1,536
Lease liabilities		4,797
TOTAL LEASE LIABILITIES	$	6,333

Right-of-use assets are measured at the initial amount of the lease liabilities plus any initial direct costs, lease payments made at or before the commencement date net of lease incentives received, and decommissioning costs. Subsequent to initial measurement, the right-of-use assets will be measured at cost and depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The following table is a continuity of the cost and accumulated depreciation of right-of-use assets as at and for the year ended June 30, 2020:

	As at June 30, 2020		
	Building	Other	Total
COST			
Net earnings, adjusted for non-cash items	$ 4,473	$ 1,860	$ 6,333
Net payments for interest and income taxes	–	160	160
BALANCE, END OF PERIOD	$ 4,473	$ 2,020	$ 6,493
ACCUMULATED DEPRECIATION			
Balance, beginning of period	–	–	–
Depreciation	892	688	1,580
BALANCE, END OF PERIOD	$ 892	$ 688	$ 1,580
CARRYING AMOUNT AS AT JUNE 30, 2020	$ 3,581	$ 1,332	$ 4,913

The following table is a continuity of the cost and accumulated depreciation of right-of-use assets as at and for the year ended June 30, 2020:

	As at June 30, 2020
Balance, beginning of period	$ 6,333
Lease additions	160
Lease payments	(1,714)
Interest expense on lease liabilities	154
Less: Accrued interest on lease liabilities	(8)
BALANCE, END OF PERIOD	$ 4,925
Lease liabilities due within one year	$ 1,362
Lease liabilities	3,563
TOTAL LEASE LIABILITIES	$ 4,925

The expense related to leases with variable consideration, short-term leases and low value leases amounted to $243 for the year ended June 30, 2020 and was recorded within selling and administrative expenses.

(ii) UNCERTAINTY OVER INCOME TAX TREATMENTS

In June 2017, the IASB issued a new interpretation, IFRIC 23, "Uncertainty over Income Tax Treatments" ("IFRIC 23"). IFRIC 23 specifies the accounting treatment for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over the tax treatments. The standard is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted. For Corby, this standard became effective July 1, 2019. The new interpretation did not have a significant impact on the Company's consolidated financial statements.

(iii) FINANCIAL INSTRUMENTS

The IASB issued amendments to IFRS 9, "Financial Instruments" ("IFRS 9"). The amendment addresses concerns about how IFRS 9 classified prepayable financial assets and clarifies an aspect of accounting for financial liabilities following a modification. The amendments are to be applied retrospectively for fiscal years beginning on or after January 1, 2019. For Corby, this standard became effective July 1, 2019. The new amendment did not have a significant impact on the Company's consolidated financial statements.

(iv) EMPLOYEE BENEFITS

The IASB published amendments to IAS 19, "Employee Benefits" ("IAS 19"). The amendment harmonizes accounting practices to provide more relevant information for decision-making. The amendments are to be applied retrospectively to plan amendments, curtailments or settlements occurring on or after January 1, 2019. For Corby, this standard became effective July 1, 2019. The new amendment did not have a significant impact on the Company's consolidated financial statements.

(v) INCOME TAXES

The IASB published amendments to IAS 12, "Income Taxes" ("IAS 12"). The amendment clarifies that the income tax consequences of dividends, where transactions or events that generate distributable profits are recognized, apply to all income tax consequences of dividends. The amendments are to be applied retrospectively for fiscal years beginning on or after January 1, 2019. For Corby, this standard became effective July 1, 2019. The new amendment did not have a significant impact on the Company's financial statements.

Recent Accounting Pronouncements Not in Effect

(i) DEFINITION OF A BUSINESS

In October 2018, the IASB issued amendments to IFRS 3, "Business Combinations" ("IFRS 3"). The amendments clarify and narrow the definition of a business. To be considered a business, an acquisition must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments are effective for annual periods beginning on or after January 1, 2020. For Corby, these amendments will become effective July 1, 2020. The new amendments are not expected to have a significant impact on the Company's consolidated financial statements.

(ii) AMENDMENTS TO IAS 1, "PRESENTATION OF FINANCIAL STATEMENTS" AND IAS 8, "ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS"

In October 2018, the IASB issued amendments to IAS 1, "Presentation of Financial Statements" and IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors" ("IAS 1 and IAS 8"). The amendments to IAS 1 and IAS 8 clarify the definition of "material" and align the definition used in the Conceptual Framework and throughout all accounting standards. The amendments are effective for annual periods beginning on or after January 1, 2020. For Corby, these amendments will become effective July 1, 2020. The new amendments are not expected to have a significant impact on the Company's consolidated financial statements.

Further, IAS 1 and IAS 8 have been amended to clarify the classification of liabilities as current or non-current. The amendments are effective for annual periods beginning on or after January 1, 2022. For Corby, these amendments will become effective July 1, 2022. The new amendments are not expected to have a significant impact on the Company's consolidated financial statements.

4. Significant Accounting Policies

The accounting policies set out below, except as described in Note 3, have been applied consistently to all years presented in these consolidated financial statements.

Basis of Consolidation

The consolidated financial statements include the accounts of Corby Spirit and Wine Limited and its subsidiaries, collectively referred to as "Corby" or the "Company".

Subsidiaries are entities controlled by the Company. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the Company's consolidated financial statements from the date that the control commences until the date that control ceases.

Intra-company balances and transactions and any unrealized income and expenses arising from intra-company transactions are eliminated in preparing the consolidated financial statements.

Deposits in Cash Management Pools

Corby participates in a cash pooling arrangement under a Mirror Netting Services Agreement together with PR's other Canadian affiliates, the terms of which are administered by Citibank N.A. The Mirror Netting Services Agreement acts to aggregate each participant's net cash balance for the purposes of having a centralized cash management function for all of PR's Canadian affiliates, including Corby.

Corby accesses these funds on a daily basis and has the contractual right to withdraw these funds or terminate these cash management arrangements upon providing five days' written notice.

Inventories

Inventories are measured at the lower of cost (acquisition cost and cost of production, including indirect production overheads) and net realizable value. Net realizable value is the selling price less the estimated cost of completion and sale of the inventories. Most inventories are valued using the average cost method. The cost of long-cycle inventories is calculated using a single method, which includes distilling and ageing maturing costs but excludes finance costs. These inventories are classified in current assets, although a substantial part remains in inventory for more than one year before being sold in order to undergo the ageing maturing process used for certain spirits.

Grapes produced from vineyards controlled by the Company that are part of inventory are measured at their fair value less costs to sell at the point of harvest.

Inventory of wine that is produced by the Company is valued at the lower of cost and net realizable value, with cost being determined on an average cost basis. Inventory of bulk wine and grapes is included in work-in-progress inventory in Note 8.

Property, Plant and Equipment

Property, plant and equipment are recognized at acquisition cost and broken down by component. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets. Useful life and depreciation methods are reviewed at each reporting date. Items of property, plant and equipment are written down when impaired.

The ranges of depreciable lives for the major categories of property, plant and equipment are as follows:

Buildings	25 years
Leasehold improvements	5 to 10 years
Machinery and equipment	3 to 12 years
Casks	12 years
Vines	30 years
Other capital assets	3 to 20 years

Depreciation of property, plant and equipment is recognized within earnings from operations. The Company commences recognition of depreciation in earnings when the item of property, plant and equipment is ready for its intended use.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net, within earnings from operations.

Fully depreciated items of property, plant and equipment that are still in use continue to be recognized in cost and accumulated depreciation.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of repairs and maintenance of property, plant and equipment are recognized in earnings from operations as incurred.

Leases

The Company leases certain premises and equipment. Terms vary in length and typically permit renewal for additional periods. At the inception of a contract, the Company assesses whether a contract contains a lease. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements unless the lease term is 12 months or less or the underlying asset has a low value. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

A lease liability is recognized at the present value of the remaining future lease payments, discounted using the interest rate implicit in the lease at the date of initial application. If this rate cannot be determined, the Company uses its incremental borrowing rate. The incremental borrowing rate is defined as the rate of interest that the Company would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payment, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Lease liabilities are remeasured if there is a change in management's assessment of whether it will exercise a renewal or termination option or if there is a change in the future lease payments.

Right-of-use assets are measured at the initial amount of the lease liabilities plus any initial direct costs, lease payments made at or before the commencement date net of lease incentives received, and decommissioning costs. Subsequent to initial measurement, the right-of-use assets will be measured at cost and depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Right-of-use assets are reviewed at each balance sheet date to determine whether there is any indication of impairment.

For periods prior to July 1, 2019 the following policy was applied:
These leases are classified as operating leases under which minimum rent, including scheduled escalations, is expensed on a straight-line basis over the term of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Business Combinations

The Company applies the acquisition method in accounting for business combinations. The cost of an acquisition is the aggregate of the consideration transferred, measured at the acquisition date fair value. Acquisition-related costs are expensed as incurred.

Goodwill represents the excess of the consideration transferred over the fair value of identifiable assets acquired and liabilities assumed in business combinations, all measured at fair value.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (not greater than one year from acquisition date) to reflect new information about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that time.

Goodwill

Goodwill arising in a business combination is recognized as an asset at the date that control is acquired. Goodwill is measured as the excess of the sum of the fair value of the consideration transferred over the fair value of the identifiable assets acquired less the fair value of the liabilities assumed. Goodwill is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Goodwill is measured at cost less any accumulated impairment losses.

Intangible Assets

Intangible assets include the following:

(i) LONG-TERM REPRESENTATION RIGHTS

Long-term representation rights represent the cost of the Company's exclusive right to represent PR's brands in Canada. These representation rights are carried at cost, less accumulated amortization. Amortization is provided for on a straight-line basis, over the term of their respective agreements. Representation rights are scheduled to expire on September 30, 2021. Amortization is recognized as a reduction to commission revenue earned from the representation of PR brands.

(ii) TRADEMARKS AND LICENCES

Trademarks and licences represent the value of trademarks and licences of businesses acquired and are measured at cost on initial recognition. These intangible assets are deemed to have an indefinite life and are, therefore, not amortized. Trademarks and licences are tested for impairment on an annual basis or more frequently if events or changes in circumstances indicate that the assets might be impaired.

(iii) SOFTWARE

Software is carried at cost, less accumulated amortization. Amortization is provided for on a straight-line basis over the expected useful life, which is typically three to five years, and recorded within “Marketing, sales and administration” in the statement of earnings. Useful life for items included in software is reviewed on an annual basis and software is written down when no longer in use.

Impairment

(i) FINANCIAL ASSETS

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have occurred that have had a negative effect on the estimated future cash flows of that asset.

Objective evidence that a financial asset is impaired includes, but is not limited to, default or delinquency by a debtor, restructuring of an amount due to the Company on terms the Company would not consider otherwise, indicators the debtor will enter bankruptcy, or adverse changes in the status of the debtor’s economic conditions.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognized in net earnings.

An impairment loss is reversed if the reversal can be objectively related to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, the reversal is recognized in earnings.

(ii) NON-FINANCIAL ASSETS

The carrying amounts of the Company’s non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indications exist, the asset’s recoverable amount is estimated.

Intangible assets and property, plant and equipment are subject to impairment tests whenever there is an indication that the value of the asset has been impaired and at least once a year for non-current assets with indefinite useful lives (goodwill and trademarks and licences).

Assets subject to impairment tests are included in CGUs, corresponding to linked groups of assets, which generate identifiable cash flows. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. When the recoverable amount of a CGU is less than its carrying amount, an impairment loss is recognized within earnings from operations. The recoverable amount of the CGU is the higher of its fair value less costs to sell and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Projected cash flows are discounted to present based on annual budgets and multi-year strategies, and extrapolated into subsequent years based on the medium- and long-term trends for each market and brand. The calculation includes a terminal value derived by capitalizing the cash flows generated in the last forecasted year. Assumptions applied to sales and advertising spending are determined by management based on previous results and long-term development trends in the markets concerned. The present values of discounted cash flows are sensitive to these assumptions as well as to consumer trends and economic factors.

Fair value is based either on the sale price, net of selling costs, obtained under normal market conditions or earnings multiples observed in recent transactions concerning similar assets.

Impairment losses are recognized in the statement of earnings. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. With respect to other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indicators that the impairment loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the assets does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

Provisions

Provisions are recognized when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the obligation can be measured reliably. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risk specific to the liability. Provisions are reviewed on a regular basis and adjusted to reflect management's best current estimates. Due to the judgmental nature of these items, future settlements may differ from amounts recognized. Provisions notably include: provisions for employee benefits (Note 9) and provisions for uncertain tax positions (Note 15).

Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. The Company recognizes a liability and an expense for short-term benefits such as bonuses if the Company has a present legal obligation or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reasonably estimated.

The Company maintains registered defined benefit pension plans under which benefits are available to certain employee groups. The Company makes supplementary retirement benefits available to certain employees under a non-registered defined benefit pension plan. The Company also provides a defined contribution plan.

(i) DEFINED BENEFIT PLANS

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method. The measurement is made at each balance sheet date and the personnel data concerning employees is revised at least every three years. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated balance sheet with a charge or credit recognized in other comprehensive income or loss in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to net earnings. Past service cost is recognized in net earnings in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorized as follows:

- Service costs (including current service costs, past service costs and gains and losses on curtailments and settlements)
- Net interest expense or income
- Remeasurement

Service costs are presented in marketing, sales and administration in the consolidated statement of earnings. Curtailment gains and losses, when they occur, are accounted for as past service costs. Net interest cost is included in net financial income and expenses.

The provision for employee benefits recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

(ii) DEFINED CONTRIBUTION PLANS

Contributions are recognized as expenses when the employees have rendered services. As the Company is not committed beyond the amount of such contributions, no provision is recognized in respect of defined contribution plans.

(iii) TERMINATION BENEFITS

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Income Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net earnings except to the extent that it relates to items recognized either in other comprehensive income or loss or directly in equity, in which case it is recognized in other comprehensive income or in equity, respectively.

Current income tax expense comprises the tax payable on the taxable income for the current financial year using tax rates enacted or substantively enacted at the reporting date, and any adjustment to income taxes payable in respect of previous years.

Deferred tax is recognized on temporary differences between the tax and book value of assets and liabilities in the consolidated balance sheet and is measured using the balance sheet approach. Deferred tax is measured at the tax rates that are expected to apply to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset the recognized amounts and the Company intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable earnings will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that all or part of the related tax benefit will be realized.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Revenue Recognition

The Company derives its revenue from Case Goods sales, commissions and other services. The Company recognizes revenue when control of the goods or services sold has been transferred to the customer. Revenue is measured at the amount of consideration to which the Company expects to be entitled after deducting trade discounts, volume rebates, sales-related taxes and duties, and costs of services directly provided by customers.

(i) CASE GOODS SALES

Corby's Case Goods are primarily sold to provincial liquor boards and international customers. Transfer of control over Case Goods is achieved when products are shipped from the Company's various distribution sites and accepted by the customer. For sales to consumers through the Company's winery retail store, the transfer of control is deemed to occur when the product is purchased by the consumer.

Case Goods sales are recorded net of trade discounts, volume rebates, sales-related taxes and duties, and costs of services provided directly by customers which include: distribution, listing costs for new products, promotional activities at point of sale and other advertising and promotional services.

(ii) COMMISSIONS

When the Company acts in the capacity of an agent rather than as the principal in a transaction, revenue is recognized in the amount of the commission to which the Company is contractually entitled in exchange for representation services performed. Commissions are reported net of amortization of long-term representation rights. The long-term representation rights represent the cost of the Company's exclusive right to represent PR's brands in Canada and are amortized on a straight-line basis over the term of their respective agreements.

(iii) OTHER SERVICES

Other services include revenue from ancillary activities, including logistical fees and bulk whisky sales. Logistical fees are recognized as services are rendered. Bulk whisky sales are recognized when control of the goods has been transferred to the customer.

Stock-Based Compensation Plans

The Company utilizes a Restricted Share Units Plan as its long-term incentive plan. Through this plan, restricted share units ("RSUs") will be granted to certain officers and employees at a grant price equal to the market closing price of the Company's Voting Class A Common Shares on the last day prior to grant. RSUs vest at the end of a three-year term, subject to the achievement of pre-determined corporate performance targets, and are settled in cash. The related compensation expense is recognized over the three-year vesting period. Accrued RSUs are valued at the closing market price of the Company's Voting Class A Common Shares at each balance sheet date.

Unvested RSUs will attract dividend-equivalent units whenever dividends are paid on the Voting Class A Common Shares of the Company and will be immediately reinvested into additional RSUs, which will vest and become payable at the end of the three-year vesting period, subject to the same performance conditions as the original RSU award. On the date of vesting, the holder will be entitled to the cash value of the number of RSUs granted, plus any RSUs received from reinvested dividend-equivalents, at the market closing price of the Company's Voting Class A Common Shares as at the vesting date. RSUs do not entitle participants to acquire any rights or entitlements as a shareholder of the Company.

Earnings per Common Share

The Company presents basic and diluted earnings per share ("EPS") amounts for its common shares. Basic EPS is calculated by dividing the net earnings attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted EPS is calculated by adjusting the net earnings attributable to shareholders and the weighted average number of shares outstanding for the effect of potentially dilutive shares. There are no potentially dilutive shares as at June 30, 2020.

Classification of Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial instruments are classified into one of the following categories: fair value through profit or loss, fair value through other comprehensive income, or amortized cost. The classification determines the accounting treatment of the instrument. The classification is determined by the Company when the financial instrument is initially recorded, based on the underlying purpose of the instrument.

Corby's financial assets and liabilities are classified and measured as follows:

Financial Asset/Liability	Category	Measurement
Deposits in cash management pools	Amortized cost	Amortized cost
Accounts receivable	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

Financial instruments measured at amortized cost are initially recognized at fair value plus any directly attributable transaction costs and then, subsequently, at amortized cost using the effective interest method, less any impairment losses, with gains and losses recognized in earnings in the period in which the gain or loss occurs.

All financial assets are recognized and derecognized on the trade date. A financial asset is derecognized when the contractual rights to the cash flows from the asset expired or when the Company transferred the financial asset to another party without retaining control or substantially all the risks and rewards of ownership of the asset. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

A financial liability is derecognized when its contractual obligations are discharged, cancelled or expire.

Transaction costs are added to the initial fair value of financial assets and liabilities when those financial assets and liabilities are not measured at fair value subsequent to initial measurement. Transaction costs are amortized to net earnings, in finance expense, using the effective interest method.

Segmented Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other operations. Segment operating results are reviewed regularly by the Company's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

5. Financial Instruments

Corby's financial instruments consist of its deposits in cash management pools, accounts receivable, and accounts payable and accrued liabilities balances.

Financial Risk Management Objectives and Policies

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 does not use derivative financial instruments to manage these risks, as management believes that the risks arising from the Company's financial instruments are already at an acceptably low level. These risks are discussed in more detail below.

CREDIT RISK

Credit risk arises from cash held with PR via Corby's participation in the Mirror Netting Service Agreement (further described in Note 26), as well as credit exposure to customers, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

The objective of managing counter-party credit risk is to prevent losses in financial assets. The Company assesses the credit quality of its counter-parties, taking into account their financial position, past experience and other factors.

Management believes that the Company's credit risk relating to accounts receivable is at an acceptably low level. Over 95% of Corby's trade receivable balances are collectible from government-controlled liquor boards. The remaining trade receivable balances relate to agency sales and sales generated from export sales. Receivables that are neither past due nor impaired are considered credit of high quality.

With respect to Corby's deposits in PR's cash management pools, the Company monitors PR's credit rating in the normal course of business and has the right to terminate its participation in the Mirror Netting Service Agreement at any time, subject to five days' written notice.

LIQUIDITY RISK

Corby's sources of liquidity are its deposits in cash management pools of $81,681 (2019 – $61,136) and its cash generated by operating activities. The Company believes that its deposits in cash management pools, combined with its historically strong and consistent operational cash flows, are more than sufficient to fund its operations, investing activities and commitments for the foreseeable future.

The following table reflects Corby's remaining contractual obligations for its financial liabilities with contractual repayment periods using the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay, both interest and principal, when applicable.

The Company's contractual maturities are as follows:

	Less than 1 year	1 to 5 years	5 years and thereafter	Total
Trade payables and accrued liabilities	$ 35,034	$ –	$ –	$ 35,034
Lease liabilities	1,515	3,841	–	5,356
	$ 36,549	$ 3,841	$ –	$ 40,390

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 does not have any short- or long-term debt facilities. Interest rate risk exists as Corby earns market rates of interest on its deposits in cash management pools.

An active risk management program does not exist, as management believes that changes in interest rates would not have a material impact on Corby's financial position over the long term.

FOREIGN CURRENCY RISK

The Company has exposure to foreign currency risk as it conducts business in multiple foreign currencies; however, its exposure is primarily limited to the US dollar ("USD") and UK pound sterling ("GBP"). Corby does not utilize derivative instruments to manage this risk. Subject to competitive conditions, changes in foreign currency rates may be passed on to consumers through pricing over the long term.

USD EXPOSURE

The Company's demand for USD has traditionally outpaced its supply, due to USD sourcing of production inputs exceeding that of the Company's USD sales. Therefore, decreases in the value of the Canadian dollar ("CAD") relative to the USD will have an unfavourable impact on the Company's earnings.

GBP EXPOSURE

The Company's supply of GBP outpaces demand, as Corby's sales into the UK market are denominated in GBP, while having only certain production inputs denominated in GBP. Therefore, increases in the value of the CAD relative to the GBP will have an unfavourable impact on the Company's earnings.

COMMODITY RISK

Commodity risk exists, as the manufacture of Corby's products requires the procurement of several known commodities such as grains, sugar and natural gas. The Company strives to partially mitigate this risk through the use of longer-term procurement contracts where possible. In addition, subject to competitive conditions, the Company may pass on commodity price changes to consumers via pricing.

Fair Value of Financial Instruments

The Company uses a fair value hierarchy in order to classify the fair value measurements and disclosures related to the Company's financial assets and financial liabilities.

The fair value hierarchy has the following levels:

- Level 1 – Quoted market prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 – Unobservable inputs such as inputs for the asset or liability that are not based on observable market data.

For financial assets and liabilities that are valued at other than fair value on the Company's balance sheets (i.e., deposits in cash management pools, accounts receivable, accounts payable and accrued liabilities), fair value approximates their carrying value at each balance sheet date due to their short-term maturities. Fair value is determined using Level 2 inputs. Level 3 inputs are used to determine the fair value of pension plan assets contained within the infrastructure and real estate funds.

6. Capital Management

The Company's objectives when managing capital are:

- To ensure sufficient capital exists to allow management the flexibility to execute its strategic plans; and
- To ensure shareholders receive a reasonable return on their investment in the form of quarterly dividends.

Management includes the following items in its definition of capital:

	June 30, 2020	June 30, 2019
Share capital	**$ 14,304**	$ 14,304
Accumulated other comprehensive (loss) income	**(1,868)**	(3,226)
Retained earnings	**160,188**	158,019
NET CAPITAL UNDER MANAGEMENT	**$ 172,624**	$ 169,097

The Company is not subject to any externally imposed capital requirements.

The Company's dividend policy stipulates that, barring any unanticipated developments, regular dividends will be paid quarterly, on the basis of an annual amount equal to the greater of 90% of net earnings per share in the preceding fiscal year ended June 30 and $0.60 per share.

The Company is meeting all of its objectives and stated policies with respect to its management of capital.

7. Accounts Receivable

		June 30, 2020		June 30, 2019
Trade receivables	$	**16,476**	$	18,386
Due from related parties		**8,117**		10,993
Other		**1,784**		2,908
		26,377		32,287
Allowance for uncollectible amounts		**(45)**		(27)
	$	**26,332**	$	32,260

8. Inventories

		June 30, 2020		June 30, 2019
Raw materials	$	**4,269**	$	3,223
Work-in-progress		**47,284**		49,180
Finished goods		**9,791**		9,509
	$	**61,344**	$	61,912

The cost of inventory recognized as an expense and included in cost of sales during the year ended June 30, 2020 was $54,505 (2019 – $49,514). During the year, there were write-downs of $1,499 (2019 – $313) on inventory as a result of net realizable value being lower than cost. No inventory write-downs recognized in previous years were reversed. Inventory write-downs are included in cost of sales.

9. Provision for Employee Benefits

The Company provides pension benefits to its employees through a defined contribution pension plan and defined benefit pension plans. Employees hired after July 1, 2010 are no longer offered enrolment into the Company's defined benefit pension plans. Instead, the Company provides these employees a defined contribution pension plan. To become eligible to join the defined contribution pension plan, most employees must first accrue one year of service. For the year ended June 30, 2020, the Company recognized contributions of $409 as expense (2019 – $406) with respect to the defined contribution pension plan.

The Company has two defined benefit pension plans for executives and salaried employees (the "registered pension plans"), two supplementary executive retirement plans for retired and current senior executives of the Company (the "non-registered pension plans"), and a post-retirement benefit plan ("other benefit plan") covering retiree life insurance, health care and dental care. Benefits under these plans are based on years of service and compensation levels.

The registered pension plans are registered under the *Pension Benefits Act (Ontario)* (the "Act") with regulatory oversight by the Financial Services Commission of Ontario. The latest valuations completed for these plans are dated December 31, 2019 for the executive plan and December 31, 2017 for the salaried plan. The next required valuations must be completed with an effective date no later than December 31, 2022 and December 31, 2020, respectively. The Act requires funding valuations for the registered pension plans to be performed at least once every three years and plan deficits must be funded over a period of up to five years. The registered pension plans are funded through a combination of employee and employer contributions.

The Company is under no obligation to make any funding in respect to the benefits accruing under the non-registered pension plans. However, the Company has adopted a funding policy to make periodic contributions to the non-registered pension plans to provide security for the benefits accrued by the members. Such funding policy may be reviewed and amended at any time by the Company.

The post-retirement benefit plan is unfunded.

As at June 30, 2020, the average duration of the defined benefit obligation for the registered and non-registered pension plans and the post-retirement benefit plan is 14.0 years (2019 – 14.2 years).

Company contributions to the registered and non-registered pension plans are expected to be $3,407 for the fiscal year ended June 30, 2021.

The Company maintains a Canadian Pension Committee, which provides oversight of the Company's pension benefit policies, investment policies and plan administration. The Company uses the service of third parties to provide investment management services such as managing the pension plan assets in accordance with the established investment policies.

The Company is subject to certain risks as a result of the existence of its registered and non-registered pension plans and its post-retirement benefit plan. These risks include actuarial risks such as investment risk, interest rate risk as this impacts the discount rate, longevity risk and compensation risk.

The present value of the defined benefit obligation is calculated using a discount rate. If the return on plan assets is below this rate, a plan's surplus is reduced or a plan deficit occurs. The Company mitigates this investment risk by establishing an investment policy to be followed by the registered pension plans' investment managers and providing oversight to the Canadian Pension Committee. The Company's investment policy requires the registered pension plans' assets be invested in a diversified portfolio that does not concentrate investment in any one security or bond.

In 2020, the Company initiated a pension de-risking strategy for Corby's defined benefit salaried pension plan, using securities investments held in the salaried plan to purchase $26,006 of buy-in for retirees and deferred vested plan members. Future cash flows from the annuities will match the amount and timing of benefits payable under the plans for retirees and deferred vested plan members, substantially mitigating the exposure to future volatility in the related pension obligations. Transaction costs of $2,322 related to the purchase were recognized in other comprehensive income (loss), principally reflecting the difference in the annuity rate compared to the discount rate used to value the obligations on a going concern basis.

An increase in interest rates will increase the discount rate, which will subsequently decrease the present value of the defined benefit obligation. An increase in longevity and compensation will increase the present value of the defined benefit obligation. Longevity risk is impacted by mortality assumptions, which are based on the 2014 Private Canadian Pensioners Mortality tables as prepared by the Canadian Institute of Actuaries.

The significant actuarial assumptions are as follows:

	2020			2019		
	Registered Pension Plans	**Non-Registered Pension Plans**	**Other Benefit Plan**	Registered Pension Plans	Non-Registered Pension Plans	Other Benefit Plan
ACCRUED BENEFIT OBLIGATION, END OF YEAR						
Discount rate	**2.7%**	**2.7%**	**2.7%**	3.1%	3.1%	3.1%
Compensation increase	**3.0%**	**3.0%**	**N/A**	3.0%	3.0%	N/A
Inflation	**2.0%**	**2.0%**	**2.0%**	2.0%	2.0%	2.0%
BENEFIT EXPENSE, FOR THE YEAR						
Discount rate	**3.1%**	**3.1%**	**3.1%**	3.6%	3.6%	3.6%
Compensation increase	**3.0%**	**3.0%**	**N/A**	3.0%	3.0%	N/A
Inflation	**2.0%**	**2.0%**	**2.0%**	2.0%	2.0%	2.0%

The discount rate has been set based on current market rates at the end of the Company's financial year, assuming a rate of return comparable to high-quality fixed income securities of equivalent currency and term that approximate the terms of the pension plan liabilities. A 50 basis point ("bp") increase in the assumed discount rate would decrease the amount of the Company's provision for pensions and pension expense in respect of its registered and non-registered defined benefit plans by $5,087 and $170, respectively. Conversely, a 50bp decrease in the assumed discount rate would increase the amount of the Company's provision for pensions and pension expense in respect of its registered and non-registered defined benefit plans by $5,554 and $195, respectively. The method used to determine the impact of the discount rate changes is consistent with the method used in prior years and the method used to determine the amounts recognized in the financial statements.

The medical cost trend rate used was 5.4% for 2020 (2019 – 5.4%), with 4.5% being the ultimate trend rate for 2026 and years thereafter. The dental cost trend rate used was 4.5% for 2020 (2019 – 4.5%). Assumed health care cost trend rates have a significant effect on the amounts reported for the other benefit plan. A 1% increase in the assumed medical cost trend rate would increase the amount of the Company's provision for pensions and pension expense by $1,517 and $94, respectively. Conversely, a 1% decrease in the medical cost trend rate would decrease the amount of the Company's provision for pensions and pension expense by $1,181 and $71, respectively. The method used to determine the impact of medical cost rate changes is consistent with the method used in prior years and the method used to determine the amounts recognized in the financial statements.

A summary of the Company's defined benefit obligation and plan assets is as follows:

	June 30, 2020	June 30, 2019
Present value of defined benefit obligation of unfunded plans	**$ (10,332)**	$ (9,902)
Present value of defined benefit obligation of partially funded plans	**(10,795)**	(11,481)
Present value of defined benefit obligation of fully funded plans	**(49,211)**	(46,211)
Total present value of defined benefit obligation	**(70,338)**	(67,594)
Fair value of plan assets	**59,778**	55,665
NET DEFINED BENEFIT LIABILITY	**$ (10,560)**	$ (11,929)

Information about the Company's pension and other benefit plans for the year ended June 30, 2020 is as follows:

	2020			
	Registered Pension Plans	Non-Registered Pension Plans	Other Benefit Plan	Total
FAIR VALUE OF PLAN ASSETS				
Fair value of plan assets, beginning of year	**$ 42,927**	**$ 12,738**	**$ –**	**$ 55,665**
Interest income	**1,254**	**403**	**–**	**1,657**
Actuarial losses	**2,342**	**2,186**	**–**	**4,528**
Company contributions	**520**	**474**	**–**	**994**
Plan participants' contributions	**126**	**–**	**–**	**126**
Benefits paid	**(2,469)**	**(498)**	**–**	**(2,967)**
Administrative costs	**(175)**	**(50)**	**–**	**(225)**
FAIR VALUE OF PLAN ASSETS, END OF YEAR	**$ 44,525**	**$ 15,253**	**$ –**	**$ 59,778**
PRESENT VALUE OF DEFINED BENEFIT OBLIGATION				
Defined benefit obligation, beginning of year	**$ 46,211**	**$ 11,481**	**$ 9,902**	**$ 67,594**
Current service cost	**859**	**282**	**180**	**1,321**
Interest cost	**1,373**	**342**	**294**	**2,009**
Plan participants' contributions	**126**	**–**	**–**	**126**
Actuarial (gains) losses:				
Experience (gains) losses	**507**	**(1,241)**	**(199)**	**(933)**
Losses due to financial assumption changes	**2,604**	**470**	**534**	**3,608**
Benefits paid	**(2,469)**	**(539)**	**(379)**	**(3,387)**
PRESENT VALUE OF THE DEFINED BENEFIT OBLIGATION, END OF YEAR	**$ 49,211**	**$ 10,795**	**$ 10,332**	**$ 70,338**
NET DEFINED BENEFIT LIABILITY (ASSET)	**$ 4,686**	**$ (4,458)**	**$ 10,332**	**$ 10,560**

The defined benefit liability (asset) is recorded in the consolidated balance sheet as follows:

Other assets	$ –	$ 4,693	$ –	$ 4,693
Pension obligation	$ (4,686)	$ (235)	$ (10,332)	$ (15,253)

The actual return on plan assets for the financial year ended June 30, 2020 was $6,185, which was composed of interest income and actuarial gains and losses included in the reconciliation of the fair value of plan assets above.

Information about the Company's pension and other benefit plans for the year ended June 30, 2019 is as follows:

	2019			
	Registered Pension Plans	Non-Registered Pension Plans	Other Benefit Plan	Total
FAIR VALUE OF PLAN ASSETS				
Fair value of plan assets, beginning of year	$ 43,706	$ 12,197	$ –	$ 55,903
Interest income	1,543	465	–	2,008
Actuarial losses	(191)	(1,298)	–	(1,489)
Company contributions	688	1,939	–	2,627
Plan participants' contributions	130	–	–	130
Benefits paid	(2,770)	(500)	–	(3,270)
Administrative costs	(179)	(65)	–	(244)
FAIR VALUE OF PLAN ASSETS, END OF YEAR	$ 42,927	$ 12,738	$ –	$ 55,665
PRESENT VALUE OF DEFINED BENEFIT OBLIGATION				
Defined benefit obligation, beginning of year	$ 44,251	$ 10,644	$ 9,169	$ 64,064
Current service cost	913	247	167	1,327
Interest cost	1,548	373	321	2,242
Plan participants' contributions	130	–	–	130
Actuarial (gains) losses:				
Experience (gains) losses	(1,305)	7	(80)	(1,378)
Losses due to financial assumption changes	3,444	766	752	4,962
Benefits paid	(2,770)	(556)	(427)	(3,753)
PRESENT VALUE OF THE DEFINED BENEFIT OBLIGATION, END OF YEAR	$ 46,211	$ 11,481	$ 9,902	$ 67,594
NET DEFINED BENEFIT LIABILITY (ASSET)	$ 3,284	$ (1,257)	$ 9,902	$ 11,929

The defined benefit liability (asset) is recorded in the consolidated balance sheet as follows:

Other assets	$ –	$ 1,498	$ –	$ 1,498
Pension obligation	$ (3,284)	$ (241)	$ (9,902)	$ (13,427)

The actual return on plan assets for the financial year ended June 30, 2019 was $519, which was composed of interest income and actuarial gains and losses included in the reconciliation of the fair value of plan assets above.

Amounts recognized in comprehensive income in respect to the defined benefit plans are as follows:

	2020	2019
Current service costs	**$ 1,321**	$ 1,327
Net interest costs	**577**	478
Net expense recognized in net earnings	**1,898**	1,805
Net actuarial (gains) losses recognized in other comprehensive income	**(1,853)**	5,073
TOTAL NET LOSS (INCOME) RECOGNIZED IN TOTAL COMPREHENSIVE INCOME	**$ 45**	$ 6,878

The assets of the registered pension plans consist of cash, contributions receivable and investments held in the Hiram Walker & Corby Canadian Pooled Fund Trust. As at June 30, 2020, the fair value of the Trust's assets totalled $375,841, of which the Company's registered pension plans hold approximately 12% of the total Trust assets.

The fair values of assets held on behalf of the Company's registered pension plans are categorized in the fair value hierarchy as at June 30 as follows:

		June 30, 2020		June 30, 2019
Cash and Canadian equities – Level 1	$	**3,245**	$	11,209
Buy-in annuities – Level 1		**26,006**		–
Bond funds – Level 2		**1,106**		13,331
Foreign equities and foreign equity funds – Level 2		**7,415**		9,055
Infrastructure and real estate funds – Level 3		**6,753**		9,332
	$	**44,525**	$	42,927

The assets of the non-registered pension plan consist of cash, investments and refundable taxes on account with Canada Revenue Agency. The investments held by the non-registered pension plan are invested in a limited number of pooled funds. The assets, based on market values at June 30, are as follows:

		June 30, 2020		June 30, 2019
Canadian equity pooled funds	$	**3,580**	$	3,333
Foreign equity pooled funds		**6,263**		3,953
Refundable tax on account with Canada Revenue Agency		**5,410**		5,452
	$	**15,253**	$	12,738

The fair values of the investments held by the non-registered plan as at June 30, 2020 and 2019 are categorized as Level 2 in the fair value hierarchy.

The fair value of the refundable tax held on account with Canada Revenue Agency is determined by estimating the future benefit payments, which will deplete the refundable tax account over the remaining life of the plan, and applying a discount rate based on long-term Government of Canada bond yields.

10. Property, Plant and Equipment

		June 30, 2019[1]		Additions		Depreciation		Disposals		June 30, 2020
Land	$	1,367	$	–	$	–	$	–	$	1,367
Vines		799		68		–		–		867
Building		1,866		–		–		–		1,866
Leasehold improvements		1,334		1		–		–		1,335
Machinery and equipment		11,802		1,237		–		(323)		12,716
Casks		16,448		1,038		–		(55)		17,431
Gross value		33,616		2,344		–		(378)		35,582
Vines		(59)		–		(25)		–		(84)
Building		(204)		–		(74)		–		(278)
Leasehold improvements		(1,057)		–		(42)		–		(1,099)
Machinery and equipment		(6,122)		–		(1,028)		213		(6,937)
Casks		(7,142)		–		(1,257)		–		(8,399)
Accumulated depreciation		(14,584)		–		(2,426)		213		(16,797)
PROPERTY, PLANT AND EQUIPMENT	$	19,032	$	2,344	$	(2,426)	$	(165)	$	18,785

(1) *Certain comparative information has been reclassified to conform to the current year's presentation.*

	June 30, 2018[1]	Additions	Depreciation	Disposals	June 30, 2019[1]
Land	$ 1,367	$ –	$ –	$ –	$ 1,367
Vines	700	99	–	–	799
Building	1,819	47	–	–	1,866
Leasehold improvements	1,312	22	–	–	1,334
Machinery and equipment	10,064	1,738	–	–	11,802
Casks	14,017	2,445	–	(14)	16,448
Gross value	29,279	4,351	–	(14)	33,616
Vines	(17)	–	(42)	–	(59)
Building	(130)	–	(74)	–	(204)
Leasehold improvements	(978)	–	(79)	–	(1,057)
Machinery and equipment	(5,147)	–	(975)	–	(6,122)
Casks	(6,016)	–	(1,126)	–	(7,142)
Accumulated depreciation	(12,288)	–	(2,296)	–	(14,584)
PROPERTY, PLANT AND EQUIPMENT	$ 16,991	$ 4,351	$ (2,296)	$ (14)	$ 19,032

[1] *Certain comparative information has been reclassified to conform to the current year's presentation.*

11. Goodwill

Changes in the carrying amount of goodwill are as follows:

	June 30, 2020	June 30, 2019
Balance, beginning of year	**$ 8,757**	$ 8,757
Acquisitions during the year	**–**	–
BALANCE, END OF YEAR	**$ 8,757**	$ 8,757

There has been no impairment recognized with respect to goodwill during 2020 (2019 – $nil).

12. Intangible Assets

					2020
		Movements in the Year			
	Opening Book Value	**Additions**	**Amortization**	**Disposals**	**Ending Book Value**
Long-term representation rights	**$ 13,070**	**$ –**	**$ (5,710)**	**$ (159)**	**$ 7,201**
Trademarks and licences	**17,461**	**–**	**–**	**–**	**17,461**
Software	**2,651**	**926**	**(801)**	**–**	**2,776**
	$ 33,182	**$ 926**	**$ (6,511)**	**$ (159)**	**$ 27,438**

					2019
		Movements in the Year			
	Opening Book Value	Additions	Amortization	Disposals	Ending Book Value
Long-term representation rights	$ 18,850	$ –	$ (5,780)	$ –	$ 13,070
Trademarks and licences	17,461	–	–	–	17,461
Software	2,340	903	(592)	–	2,651
	$ 38,651	$ 903	$ (6,372)	$ –	$ 33,182

13. Impairment

The Company tests goodwill and indefinite-lived intangibles (trademarks and licences) for impairment on an annual basis. The carrying value of goodwill and indefinite-lived intangibles at June 30, 2020, along with the data and assumptions applied to the CGUs of the Case Goods segment, are as follows:

	Carrying Value of Goodwill	Carrying Value of Trademarks and Licences	Discount Rate	Terminal Growth Rate
Case Goods segment	$ 8,757	$ 17,461	7.4% to 12.3%	1.8% to 2.0%

The Company's Commissions segment has no goodwill or indefinite-lived intangibles.

For purposes of impairment testing, goodwill and intangibles with an indefinite life (trademarks and licences) were allocated to the group of CGUs that represent the lowest level within the group at which the goodwill is monitored for internal management purposes.

During the financial year ended June 30, 2020, the Company performed impairment testing on goodwill and indefinite-lived intangible assets in accordance with its accounting policy and identified no impairment.

The discount rate used for these calculations is a pre-tax rate that corresponds to the weighted average cost of capital. Different discount rates were used to allow for risks specific to certain markets or geographical areas in calculating cash flows. Assumptions made in terms of future changes in sales and of terminal values are reasonable and in accordance with market data available for each of the CGUs. Additional impairment tests are applied where events or specific circumstances suggest that a potential impairment exists.

14. Accounts Payable and Accrued Liabilities

	June 30, 2020	June 30, 2019
Trade payables and accruals	**$ 24,938**	$ 23,199
Due to related parties	**8,697**	7,214
Other	**1,399**	2,585
	$ 35,034	$ 32,998

15. Income Taxes

	2020	2019
CURRENT INCOME TAX EXPENSE		
Current period	**$ 9,493**	$ 9,110
Adjustments with respect to prior period tax estimates	**6**	105
	$ 9,499	$ 9,215
DEFERRED INCOME TAX EXPENSE		
Origination and reversal of temporary differences	**$ 311**	$ 465
Adjustments with respect to prior period tax estimates	**(38)**	(152)
	$ 273	$ 313
TOTAL INCOME TAX EXPENSE	**$ 9,772**	$ 9,528

There are no capital loss carry-forwards for tax purposes.

The Company's effective tax rates comprise the following items:

				2020			2019
Net earnings for the financial year			**$**	**26,652**		$	25,694
Total income tax expense				**9,772**			9,528
Earnings before income tax expense			**$**	**36,424**		$	35,222
Income tax using the combined federal and provincial statutory tax rates	**$**	**9,708**		**26.7%**	$ 9,454		26.8%
Non-deductible expenses		**102**		**0.3%**	147		0.4%
Adjustments with respect to prior period tax estimates		**(33)**		**(0.2%)**	(47)		(0.1%)
Other		**(5)**		**0.0%**	(26)		0.0%
EFFECTIVE INCOME TAX RATE	**$**	**9,772**		**26.8%**	$ 9,528		27.1%

Deferred tax (liabilities) assets are broken down by nature as follows:

	June 30, 2019	Earnings	OCI	Equity	Acquisitions	June 30, 2020
		Recognized in				
Provision for pensions	**$ 3,245**	**$ 115**	**$ (495)**	**$ –**	**$ –**	**$ 2,866**
Property, plant and equipment	**(2,871)**	**(447)**	**–**	**–**	**–**	**(3,318)**
Losses	**243**	**302**	**–**	**–**	**–**	**545**
Intangibles	**(2,811)**	**11**	**–**	**–**	**–**	**(2,800)**
Other	**373**	**(254)**	**–**	**–**	**–**	**119**
	$ (1,820)	**$ (273)**	**$ (495)**	**$ –**	**$ –**	**$ (2,588)**

	June 30, 2018	Earnings	OCI	Equity	Acquisitions	June 30, 2019
		Recognized in				
Provision for pensions	$ 2,293	$ (409)	$ 1,361	$ –	$ –	$ 3,245
Property, plant and equipment	(2,736)	(135)	–	–	–	(2,871)
Inventory	–	243	–	–	–	243
Intangibles	(2,854)	43	–	–	–	(2,811)
Other	429	(55)	–	–	–	374
	$ (2,868)	$ (313)	$ 1,361	$ –	$ –	$ (1,820)

Income taxes payable includes a provision for uncertain tax risks in the amount of $636 at June 30, 2020 (June 30, 2019 – $636).

Deferred tax assets include the expected benefit of operating losses from certain wholly-owned subsidiaries and are expected to be utilized against future taxable income.

16. Share Capital

	June 30, 2020	June 30, 2019
NUMBER OF SHARES AUTHORIZED		
Voting Class A Common Shares – no par value	**Unlimited**	Unlimited
Non-Voting Class B Common Shares – no par value	**Unlimited**	Unlimited
NUMBER OF SHARES ISSUED AND FULLY PAID		
Voting Class A Common Shares	**24,274,320**	24,274,320
Non-Voting Class B Common Shares	**4,194,536**	4,194,536
	28,468,856	28,468,856
Stated value	**$ 14,304**	$ 14,304

17. Accumulated Other Comprehensive Loss (Income)

		June 30, 2020		June 30, 2019
Actuarial losses (gains) on pension obligations	$	**2,606**	$	4,459
Less: Income taxes		**(738)**		(1,233)
ACCUMULATED OTHER COMPREHENSIVE LOSS (INCOME)	**$**	**1,868**	$	3,226

18. Revenue

The Company's revenue consists of the following streams:

		2020		2019
Case Goods sales	$	**121,363**	$	119,407
Commissions (net of amortization)		**27,734**		26,852
Other services		**4,259**		3,679
	$	**153,356**	$	149,938

Commissions for the year are shown net of amortization of long-term representation rights of $5,710 (2019 – $5,780). Other services include revenues incidental to the manufacture of Case Goods, such as logistical fees and miscellaneous bulk spirit sales.

19. Other Income

The Company's other income consists of the following amounts:

		2020		2019
Foreign exchange (loss) gain	$	**(1)**	$	(32)
Loss on disposal of property and equipment		**(109)**		–
Grants		**161**		88
Other		**(3)**		40
	$	**48**	$	96

20. Net Financial Income and Expense

The Company's financial income consists of the following amounts:

		2020		2019
Interest income	$	**1,280**	$	1,492
Interest expense on lease liabilities		**(154)**		–
Net financial impact of pensions		**(577)**		(478)
	$	**549**	$	1,014

21. Earnings per Share

The following table sets forth the numerator and denominator utilized in the computation of basic and diluted earnings per share:

		2020		2019
Numerator:				
Net earnings	$	**26,652**	$	25,694
Denominator:				
Weighted average shares outstanding		**28,468,856**		28,468,856

22. Expenses by Nature

Earnings from operations include depreciation and amortization, as well as personnel expenses, as follows:

	2020	2019[1]
Depreciation of property and equipment	**$ 2,426**	$ 2,296
Depreciation of right-of-use assets	**1,580**	–
Amortization of intangible assets	**6,511**	6,372
Salary and payroll costs	**26,037**	25,703
Expenses related to pensions and benefits	**1,321**	1,327

(1) *Certain comparative information has been reclassified to conform to the current year's presentation.*

23. Restricted Share Units Plan

	2020		2019	
	Restricted Share Units	**Weighted Average Grant Date Fair Value**	Restricted Share Units	Weighted Average Grant Date Fair Value
Non-vested, beginning of year	**60,136**	**$ 20.95**	66,814	$ 20.83
Granted	**23,532**	**17.58**	15,738	20.16
Reinvested dividend-equivalent units	**3,577**	**16.28**	4,513	19.30
Performance adjustments	**1,855**	**18.15**	2,029	23.58
Vested	**(25,985)**	**17.31**	(28,958)	20.16
NON-VESTED, END OF YEAR	**63,115**	**$ 20.84**	60,136	$ 20.95

Compensation expense related to this plan for the year ended June 30, 2020 was $358 (2019 – $376).

24. Net Change in Non-Cash Working Capital Balances

	2020	2019
Accounts receivable	**$ 5,928**	$ 1,209
Inventories	**568**	(2,123)
Prepaid expenses	**115**	39
Accounts payable and accrued liabilities	**2,028**	1,756
	$ 8,639	$ 881

25. Dividends

On August 26, 2020, subsequent to the year ended June 30, 2020, the Board of Directors declared its regular quarterly dividend of $0.20 per common share, to be paid on September 30, 2020, to shareholders of record as at the close of business on September 16, 2020. This dividend is in accordance with the Company's dividend policy.

26. Related Party Transactions

Transactions with Parent, Ultimate Parent and Affiliates

The majority of Corby's issued and outstanding Voting Class A Common Shares are owned by HWSL. HWSL is a wholly-owned subsidiary of PR. Therefore, HWSL is Corby's parent and PR is Corby's ultimate parent. Affiliated companies are subsidiaries, which are controlled by Corby's parent and/or ultimate parent.

The companies operate under the terms of agreements that became effective on September 29, 2006. These agreements provide the Company with the exclusive right to represent PR's brands in the Canadian market for 15 years, as well as providing for the continuing production of certain Corby brands by PR at its production facility in Windsor, Ontario, for 10 years. Corby also manages PR's business interests in Canada, including the Windsor production facility. Certain officers of Corby have been appointed as directors and officers of PR's North American entities, as approved by Corby's Board of Directors. In 2015, the production and administrative agreements were each renewed for a further 10-year term, commencing October 2016.

In addition to the aforementioned agreements, Corby signed an agreement on September 26, 2008 with its ultimate parent to be the exclusive Canadian representative for the ABSOLUT vodka and Plymouth gin brands, for a five-year term, which expired October 1, 2013 and was extended as noted below. These brands were acquired by PR subsequent to the original representation rights agreement dated September 29, 2006.

On November 9, 2011, Corby entered into an agreement with a PR affiliate for a new term for Corby's exclusive right to represent ABSOLUT vodka in Canada from September 30, 2013 to September 29, 2021, which is consistent with the term of Corby's Canadian representation of the other PR brands in Corby's portfolio. On September 30, 2013, Corby paid $10.3 million for the additional eight years of the new term pursuant to an agreement entered into between Corby and The Absolut Company Aktiebolag, an affiliate of PR and owner of the ABSOLUT brand, to satisfy the parties' obligations under the 2011 agreement.

On March 21, 2016, the Company entered into an agreement with Pernod Ricard UK Ltd. ("PRUK"), an affiliated company, which provides PRUK the exclusive right to represent Lamb's rum in Great Britain effective July 1, 2016. Previously, Lamb's rum was represented by an unrelated third party in this market. The agreement is effective for a five-year period ending June 30, 2021.

Transactions between Corby and its parent, ultimate parent and affiliates during the period are as follows:

		2020		2019
SALES TO RELATED PARTIES				
Commissions – parent, ultimate parent and affiliated companies	**$**	**31,509**	$	30,726
Products for resale at an export level – affiliated companies		**5,390**		4,483
	$	**36,899**	$	35,209
COST OF GOODS SOLD, PURCHASED FROM RELATED PARTIES				
Distilling, blending and production services – parent	**$**	**21,029**	$	22,179
ADMINISTRATIVE SERVICES PURCHASED FROM RELATED PARTIES				
Marketing, sales and administration services – parent	**$**	**2,089**	$	2,092

Balances outstanding with related parties are due within 60 days, are to be settled in cash and are unsecured.

During the year ended June 30, 2020, Corby sold casks to its parent company for net proceeds of $55 (2019 – $14).

During the year ended June 30, 2020, Corby entered into a transaction with its parent whereby Corby exchanged bulk whisky inventory with a fair value of $431 (2019 – $645) for an equivalent fair value. The exchange was not a culmination of the earnings process and as such did not impact Corby's net earnings nor its financial position.

Deposits in Cash Management Pools

Corby participates in a cash pooling arrangement under the Mirror Netting Service Agreement together with PR's other Canadian affiliates, the terms of which are administered by Citibank N.A. The Mirror Netting Service Agreement acts to aggregate each participant's net cash balance for the purposes of having a centralized cash management function for all of PR's Canadian affiliates, including Corby.

As a result of Corby's participation in this agreement, Corby's credit risk associated with its deposits in cash management pools is contingent upon PR's credit rating. PR's credit rating as at August 26, 2020, as published by Standard & Poor's and Moody's, was BBB+ and Baa1, respectively. PR compensates Corby for the benefit it receives from having the Company participate in the Mirror Netting Service Agreement by paying interest to Corby based upon the 30-day Canadian Dollar Offered Rate ("CDOR") plus 0.40%. During the year ended June 30, 2020, Corby earned interest income of $1,377 from PR (2019 – $1,627). Corby has the right to terminate its participation in the Mirror Netting Services Agreement at any time, subject to five days' written notice.

Key Management Personnel

Key management personnel are those individuals having authority and responsibility for planning, directing and controlling the activities of the Company, including members of the Company's Board of Directors. The Company considers key management to be the members of the Board of Directors and the senior management team (which includes the CEO, CFO and Vice-Presidents).

Certain key management personnel also participate in the Company's RSU plan.

Key management personnel compensation comprises:

		2020		2019
Wages, salaries and short-term employee benefits	**$**	**4,193**	$	3,437
Other long-term benefits		**904**		690
Share-based payment transactions		**346**		450
	$	**5,443**	$	4,577

Certain members of the Board and key management personnel are provided benefits and/or salary and wages through the parent company or the ultimate parent company in addition to the amounts reported above.

27. Segment Information

Corby has two reportable segments: Case Goods and Commissions. Corby's Case Goods segment derives its revenue from the production and distribution of its owned beverage alcohol brands. Corby's portfolio of owned-brands includes some of the most renowned and respected brands in Canada, such as J.P. Wiser's Canadian whisky, Lamb's rum, Polar Ice vodka, McGuinness liqueurs, Ungava Spirits Brands and Foreign Affair Brands.

Corby's Commissions segment earns commission income from the representation of non-owned beverage alcohol brands in Canada. Corby represents leading international brands such as ABSOLUT vodka, Chivas Regal, The Glenlivet and Ballantine's scotches, Jameson Irish whiskey, Beefeater gin, Malibu rum, Kahlúa liqueur, Mumm champagne, and Jacob's Creek and Wyndham Estate wines.

The Commissions segment's financial results are fully reported as "Commissions" in Note 18 of the consolidated financial statements. Therefore, a table detailing operational results by segment has not been provided as no additional meaningful information would result.

Geographic information regarding the Company is as follows:

										2020
		Canada		**United States of America**		**United Kingdom**		**Rest of World**		**Total**
Revenue	**$**	**142,773**	**$**	**3,620**	**$**	**5,084**	**$**	**1,879**	**$**	**153,356**
Capital assets and goodwill		**26,017**		**–**		**1,525**		**–**		**27,542**

										2019[1]
		Canada		United States of America		United Kingdom		Rest of World		Total
Revenue	$	138,848	$	6,149	$	3,334	$	1,607	$	149,938
Capital assets and goodwill		26,239		–		1,550		–		27,789

(1) *Certain comparative information has been reclassified to conform to the current year's presentation.*

In 2020, revenue from three major customers accounted for 44%, 16% and 12% of total revenue, respectively (2019 – 31%, 16% and 13%). These major customers are located in Canada and revenues are derived from the Case Goods segment.

TEN-YEAR REVIEW

(in millions of Canadian dollars, except per share amounts)	2020	2019	2018[1]	2017	2016	2015	2014	2013[2]	2012	2011[3]
	Year Ended June 30									
Revenue	**$ 153.4**	$ 149.9	$ 145.7	$ 143.9	$ 140.0	$ 132.1	$ 137.3	$ 132.7	$ 146.7	$ 159.6
Earnings from operations	**35.9**	34.2	34.9	35.0	34.6	27.2	33.5	37.0	58.9	40.5
Net earnings excluding after-tax restructuring costs, impairment charges, and gain/loss on disposed brands	**26.7**	25.7	25.7	25.6	25.4	20.4	25.0	27.0	28.4	30.6
Net earnings	**26.7**	25.7	25.7	25.6	25.4	20.4	25.0	27.0	46.0	28.9
Cash provided from operations	**49.5**	34.0	31.3	27.8	33.3	27.1	31.4	32.8	46.3	35.4
Working capital	**$ 129.4**	$ 121.9	$ 131.3	$ 132.7	$ 136.6	$ 145.7	$ 158.9	$ 158.8	$ 161.6	$ 170.0
Total assets[4]	**234.4**	218.3	230.0	227.8	228.5	233.7	254.9	247.8	253.4	271.5
Long-term debt[5]	**3.6**	–	–	–	–	–	–	–	–	–
Shareholders' equity	**172.6**	169.1	184.7	177.3	170.8	188.1	209.1	201.3	215.8	239.2
Per common share:										
Earnings from operations	**$ 1.26**	$ 1.20	$ 1.23	$ 1.23	$ 1.22	$ 0.96	$ 1.18	$ 1.30	$ 2.07	$ 1.42
Net earnings excluding after-tax restructuring costs, impairment charges, and gain/loss on disposed brands	**0.94**	0.90	0.90	0.90	0.89	0.72	0.88	0.95	1.00	1.07
Net earnings	**0.94**	0.90	0.90	0.90	0.89	0.72	0.88	0.95	1.62	1.01
Cash provided from operations	**1.74**	1.19	1.10	0.98	1.17	0.95	1.10	1.15	1.63	1.24
Shareholders' equity	**6.06**	5.94	6.49	6.23	6.00	6.61	7.35	7.07	7.58	8.40
Special dividend paid	**–**	0.44	–	–	0.62	0.62	–	0.54	1.85	–
Dividends paid	**0.86**	0.88	0.87	0.82	0.76	0.75	0.71	0.66	0.59	0.56
Market value per voting common share										
High	**$ 18.33**	$ 21.10	$ 23.24	$ 24.59	$ 21.49	$ 24.69	$ 22.21	$ 21.25	$ 18.44	$ 18.50
Low	**13.46**	17.25	19.01	19.84	17.50	19.50	19.07	16.25	14.90	15.00
Close at end of year	**16.25**	18.15	20.68	21.21	20.30	21.33	21.24	19.81	16.65	16.20
Working capital ratio	**4.2**	4.6	5.0	5.1	5.1	6.7	6.7	7.3	7.2	9.7
Pre-tax return on average capital employed (%)	**20.8**	19.7	19.4	20.2	19.5	14.1	16.7	18.0	26.4	16.8
Return on average shareholders' equity (%)	**15.6**	14.5	14.2	14.7	14.2	10.2	12.0	13.0	20.2	12.1
Number of shareholders	**453**	461	472	482	497	508	532	551	557	555
Number of shares outstanding (000s)	**28,469**	28,469	28,469	28,469	28,469	28,469	28,469	28,469	28,469	28,469

(1) *Results adjusted for retrospective application of IFRS 15, "Revenue from Contracts with Customers".*
(2) *Results adjusted for retrospective application of amendments to IAS 19, "Employee Benefits".*
(3) *2011 figures have been restated for IFRS.*
(4) *2013 and 2014 total assets adjusted for retrospective application of amendments to IAS 32, "Financial Instruments – Presentation".*
(5) *On July 1, 2019, the Company adopted IFRS 16, "Leases", without restatement of prior period figures.*

BOARD OF DIRECTORS

GEORGE F. McCARTHY
Chair and Director of the Corporation

CLAUDE BOULAY
Director of the Corporation

DONALD V. LUSSIER
Director of the Corporation; Chair, Management Resources Committee

EDWARD MAYLE
Director of the Corporation; Vice-President & Chief Financial Officer of the Corporation

KATE THOMPSON
Director of the Corporation; General Counsel for Chivas Brothers Ltd.

NICOLAS KRANTZ
Director of the Corporation; President & Chief Executive Officer of the Corporation; Chair, Retirement Committee

PATRICIA L. NIELSEN
Director of the Corporation; Chair, Corporate Governance & Nominating Committee

PAUL HOLUB
Director of the Corporation; Senior Vice President, Human Resources, PRNA

ROBERT L. LLEWELLYN
Director of the Corporation; Chair, Audit Committee; Chair, Independent Committee

MANAGEMENT TEAM

NICOLAS KRANTZ
President & Chief Executive Officer

CAROLINE BEGLEY
Vice-President, Marketing

VALERIE BRIVE-TURTLE
Director, Communications, PR & SR

STÉPHANE CÔTÉ
Vice-President, New Business Ventures

MELISSA HANESWORTH
Vice-President, Production

VANITA KAKKAR
Director, Human Resources

EDWARD MAYLE
Vice-President & Chief Financial Officer

MARK THORNE
Vice-President, Sales

MARC A. VALENCIA
General Counsel, Corporate Secretary & Vice-President, Public Affairs

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(778) 296-4500

DISTILLERIES

Hiram Walker & Sons Limited
2072 Riverside Drive East
Windsor, ON N8Y 4S5
(519) 254-5171

Ungava Spirits Co. Ltd.
Les Spiritueux Ungava Cie Ltée
291, rue Miner
Cowansville, QC J2K 3Y6
(450) 263-5835

WINERY

The Foreign Affair Winery Limited
4890 Victoria Avenue North
Vineland Station, ON L0R 2E0
(905) 562-9898

INTERNATIONAL INQUIRIES

Corby exports its products to numerous international markets. Should you have inquiries about our brands in the US, please contact our Toronto sales office.

For inquiries about our brands in the UK, please contact:

Pernod Ricard UK, Ltd.
Building 12, Chiswick Park
566 Chiswick High Road
London W4 5AN
+44 (0)20 8538 4484
www.pernod-ricard-uk.com

AUDITORS

Deloitte LLP
www.deloitte.ca

REGISTRAR & TRANSFER AGENT

Computershare Investor Services Inc.
www.investorcentre.com

ELECTRONIC DELIVERY OF SHAREHOLDER DOCUMENTS

If you would like to receive your shareholder and financial documents electronically, please enrol in Computershare's electronic delivery program at www.investorcentre.com.

SHARES

Corby's Voting Class A Common Shares and Non-Voting Class B Common Shares are traded on the Toronto Stock Exchange under the symbols CSW.A and CSW.B, respectively.

INVESTOR RELATIONS INQUIRIES

Email:
investors.corby@pernod-ricard.com
www.corby.ca

ANNUAL MEETING

November 12, 2020
at 11:00 a.m. (Toronto time)

Due to the uncertain public health impact of the coronavirus outbreak (COVID-19) and in consideration of the health and safety of our shareholders and colleagues, this year's meeting will be held in a virtual meeting format only, by way of a live webcast at https://web.lumiagm.com/404330476

BRAND PORTFOLIO

BROWN SPIRITS

Canadian

J.P. Wiser's *(Deluxe, Triple Barrel, Old Fashioned, Manhattan, Apple, Vanilla, 15 Years Old, 18 Years Old)*
Alumni Whisky Series by J.P. Wiser's
Lot No. 40 *(Cask Strength: Third Edition)*
Pike Creek *(21 Year Old Oloroso Cask Finish, 15 Year Old Ontario Cabernet Sauvignon Finish)*
Gooderham & Worts *(49 Wellington)*
Royal Reserve
Special Blend by Wiser's
Hiram Walker Special Old
Cabot Trail *(in Québec, Coureur des Bois)*
Canadian Shield

Blended Scotch

Ballantine's *(Finest, 12, 15, 17, 21)*
Chivas Regal *(12, 18, 25, Mizunara, Ultis)*
Royal Salute *(21)*

Single Malt

Aberlour *(12, 16, 18, A'bunadh)*
The Glenlivet *(Founder's Reserve, Captain's Reserve, 12, 15, 18, 21, XXV, 50 Spectra, Nàdurra First Fill)*

Irish

Jameson *(Original, Cold Brew, Caskmates Stout, Caskmates IPA, Black Barrel, 18 Years Old)*
Redbreast *(12, 15, 21)*
Midleton *(Very Rare)*
Green Spot
Yellow Spot
Red Spot

Cognac and Brandy

Martell *(VSSD, VSOP, XO, Blue Swift, Cordon Bleu)*
Barclays
Maciera

WHITE SPIRITS

Vodka

Absolut *(Absolut Flavours, Juice, Elyx, Pride Limited Edition, Holiday Limited Edition)*
Polar Ice *(Arctic Extreme)*
Quartz

Rum

Lamb's *(Classic, Navy, Palm Breeze, Spiced, Pineapple)*
Havana Club *(3 Years Old, Añejo Reserva, 7 Years Old)*
Chic Choc Spiced

Gin

Beefeater *(London Dry, 24, Pink Strawberry, Blood Orange, Burroughs Reserve)*
Malfy *(Con Limone, Rosa, Con Arancia, Originale)*
Monkey 47
Plymouth
Ungava

Tequila

Olmeca *(Altos Plata, Altos Reposado, Blanco, Gold)*

LIQUEURS

McGuinness *(Amaretto Dell'Amorosa, Peach Schnapps, Peppermint Schnapps, Blue Curacao, Crème de Banane, Orange & Brandy, Cherry Brandy, Crème de Menthe Green, Crème de Menthe White, Apricot Brandy, Cherry Whisky, Melon, Triple Sec, Apple Whisky, Butterscotch, McGuinness Ruby Red Grapefruit)*
Meaghers *(Crème de Menthe White, Crème de Menthe Green, Apricot Brandy, Crème de Cacao White, Crème de Cacao Brown, Cherry Brandy, TripleSec)*
Kahlúa *(Original, Mint Mocha and Salted Caramel Limited Edition Holiday Flavours)*
Malibu *(Coconut, Mango)*
Ramazzotti *(Amaro, Black Sambuca, Sambuca)*
Ricard Pastis
Pernod
Pernod Absinthe
SOHO
Cabot Trail Maple Cream *(in Québec, Coureur des Bois Maple Cream)*

Ready to Drink

Absolut Vodka Soda
Jameson Ginger and Lime
Lamb's Sociable *(Pineapple & Soda, Green Apple & Soda)*

WINES

Foreign Affair *(including The Conspiracy, Conspiracy Bianco, Amarosé, Temptress)*
Jacob's Creek
George Wyndham
Stoneleigh
Brancott Estate
Campo Viejo
Kenwood
The Wine Group *(including Benziger, Cupcake, Big House, Stave & Steel, Ava Grace, Slow Press, 7 Deadly Zins)*

Champagne and Sparkling Wine

G.H. Mumm
Perrier-Jouët
Mumm Napa

Aperitif

Dubonnet
Lillet *(Blanc, Rosé)*

Please enjoy our products responsibly.

IN SPIRIT AND WINE
CORBY

Affiliated with Pernod Ricard

corby.ca

For our full 2020 Annual Report,
please visit reports.corby.ca