CORBY

STIRRING IT UP

2023 ANNUAL REPORT

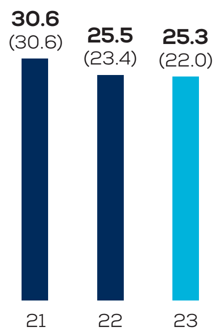
FINANCIAL HIGHLIGHTS

As at and for the years ended June 30, 2023 and 2022 *(in thousands of Canadian dollars, except per share amounts)*		2023		2022[1]
RESULTS				
Revenue	$	**162,955**	$	159,393
Earnings from operations		**28,340**		32,670
Adjusted earnings from operations[2]		**32,418**		34,800
Net earnings		**21,959**		23,402
Adjusted net earnings[2]		**25,275**		25,532
Cash provided from operations[1]		**35,430**		45,518
FINANCIAL POSITION				
Working capital[1]	$	**200,817**	$	97,865
Total assets[1]		**362,601**		253,513
Shareholders' equity[1]		**179,995**		183,205
PER COMMON SHARE				
Earnings from operations	$	**1.00**	$	1.15
Adjusted earnings from operations[2]		**1.14**		1.22
Net earnings		**0.77**		0.82
Adjusted net earnings[2]		**0.89**		0.89
Dividends declared and paid		**0.88**		0.93
Shareholders' equity[1]		**6.32**		6.44
FINANCIAL RATIOS				
Working capital[1]		**3.9**		2.8
Return on average shareholders' equity[1]		**12.1**		12.6
Pre-tax return on average capital employed[1]		**12.6**		16.9

REVENUE
(in millions of Canadian dollars)

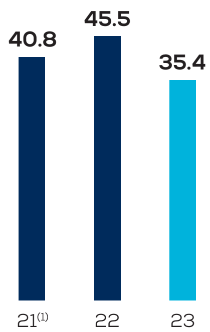
Revenue increased $3.6 million or 2% for the year. Domestic Case Goods revenue growth was driven by strong underlying demand and price increases across the portfolio, while Export sales benefitted from premiumization and new market expansion. Commissions increased with positive momentum on spirits and ready-to-drinks.

ADJUSTED NET EARNINGS[2]
(Reported Net Earnings)
(in millions of Canadian dollars)



Adjusted net earnings declined $0.3 million or 1%, impacted by rapidly rising input costs in the global inflationary environment, while reported net earnings declined $1.4 million or 6%, affected by transaction costs related to the acquisition of Ace, restructuring provisions and termination fees linked to distributor transitions.

CASH FLOW FROM OPERATING ACTIVITIES
(in millions of Canadian dollars)



Cash from operating activities declined $10.1 million compared to A22 as a result of working capital requirements and lower earnings, offset by favourable tax and interest. Investment in our long-term inventory holdings drove working capital requirements in FY23.

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

[2] Corby uses certain non-GAAP financial measures which management believes are important supplemental measures of operating performance, highlighting core business trends that may not otherwise be apparent when relying solely on GAAP financial measures. Please refer to the "Non-GAAP Financial Measures" section in the MD&A for the year ended June 30, 2023 for further information.

2023 HIGHLIGHTS

INNOVATION
TRAILBLAZING BRANDS

Our ambitions in innovation were realized in 2023, with J.P. Wiser's 10YO achieving the **#1 Canadian whisky Innovation R6** and Polar Ice Berry Blizzard vodka **#1 Spirit Innovation in LCBO***.

The acquisition of Ace Beverage Group adds exciting new brands to our portfolio, including **Cottage Springs, the #1 RTD brand in LCBO**, enhancing our connection to new Millennial & Gen Z consumers.

Marketing innovation included Absolut's world-first AI campaign **'Mix Your Neighbourhood'** and a multi-brand partnership with Netflix's series **'DrinkMasters'**.

CONVIVIALITY
CAPTIVATING CONSUMERS

Corby brands continued to **delight our consumers with innovative events and experiences**. From Jameson solving the holiday tree 'problem' for urban Millennials, Absolut hosting a Spring Fling mixer to welcome people of diverse sexual identities and gender expressions, to Polar Ice vodka helping Blue Jays fans get home safely from the game – Corby was there.

PEOPLE
STRENGTHENING THE COLLECTIVE

Launched a **new Employee Value Proposition** and a digital newsletter to connect with employees across Canada.

Held an employee conference with the theme of **WonderUS** in partnership with Pernod Ricard USA.

Engaged our **Employee Resource Groups** to build a diverse, local Holiday Guide with 100+ feel-good ways to spread joy in communities over the festive season.

AWARDS
TOASTING VICTORY

Our brands **triumphed at several prestigious awards** ceremonies, including the Canadian Whisky Awards, World Whiskies Awards and Sélections Mondiales des Vins Canada bringing home 12 wins.

**Rolling 6 months to June 2023. ACD OTC Sales incl. Duty Free. Based on innovations launched within the Calendar Year 2023.*

SUSTAINABILITY & RESPONSIBILITY
EMPOWERING POSITIVE CHANGE

In 2023, we proudly continued to deliver against the targets across the four pillars of Pernod Ricard's 2030 Sustainability & Responsibility 'Good Times from a Good Place' roadmap: Nurturing Terroir, Valuing People, Circular Making and Responsible Hosting, in support of the United Nations Sustainable Development Goals.

Positive outcomes for the people we employ and serve, our communities and our environmental impacts demonstrate the organization's continued evolution into a strong, dynamic *Corby 2.0*.

Nurturing Terroir

Collaborated with producers and local farmers to support the adoption of regenerative agriculture techniques and protect biodiversity.

- Continued our pilot **biodiversity collaboration with Foreign Affair Winery**. Launched in 2021, the project aims to increase species diversity, improve pest management and reduce our environmental footprint, helping to strengthen vineyard biodiversity and resiliency.
- Collaborated with our direct suppliers to reach our target of **100% sustainable certification for our key raw materials** by 2030.

Valuing People

Celebrated and supported the people at the heart of our business and communities.

- At a wellness-focused **Responsib'All Day**, 631 employees donated 1,698 hours to help seven organizations, supporting in-need and at-risk communities.
- Celebrated **International Women's Day** by partnering with the LCBO to spotlight four Corby/Pernod Ricard trailblazers. Of this group, Amy Levesque and Alyssa Tharby discussed their experiences as part of LCBO's **'Women in Wine, Beer and Spirits'** initiative.
- Hosted a health and safety week as part of the global **'Be the One'** campaign targeting zero accidents.

Circular Making

Evolved select packaging to reduce waste in our journey towards greater circularity.

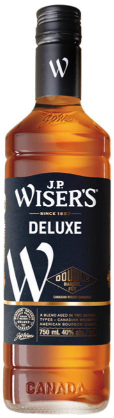
- Successfully **eliminated 100% of our single-use plastic point-of-sale material** across our portfolio.
- Progressed further towards our **goal of 100% recyclable, compostable or reusable packaging by 2025**.
- Continued the Hiram Walker initiative to reduce CO2 emissions and water usage, **recycling 99% of around 70,000 tonnes of leftover distillation material** to feed animals on local farms.

Responsible Hosting

Provided services and resources to encourage our consumers to enjoy Corby products responsibly.

- Collaborated with the Toronto Transit Commission for the eighth year of the #corbysaferides initiative to provide free, **safe rides for 665,000+ Torontonians** ringing in the New Year. Since its launch, the program has helped 1.8 million riders travel safely when celebrating.
- Partnered with the Toronto Institute of Bartending to develop a **Sustainable Bartending program**, as part of our global **Bar World of Tomorrow commitment**, providing participants with the knowledge to help serve up a more sustainable future.

2023 WINNING BRAND MOMENTS



J.P. WISER'S

Outperformed the Canadian Whisky category this year, with strong share gains in FY2023.

World Whiskies Awards 2023 Silver Winner

MALIBU

Innovation and investment drove significant increases on a number of brand equity scores, including recommendation and brand affinity.

THE GLENLIVET

In both value and volume, the #1 Single Malt Scotch brand in Canada.*

#1 Single Malt Scotch whisky innovation in category

JAMESON

Jameson saw the highest awareness levels to date in 2023.

#1 value gainer in Irish whiskey & #2 value gainer in whisky

LAMB'S RUM

The Lamb's brand saw +50% volume growth on RTDs.

ALTOS

A growing tequila trend helped lift the brand to a +38% value growth* (includes RTD).

UNGAVA

Gained four points in awareness in Quebec province in FY23.

**Rolling 12 months to June 2023. ACD OTC Sales incl. Duty Free.*

STONELEIGH

New, contemporary packaging helped recruit new customers and outpace New Zealand wines by >2x, growing +18% in value.*

#2 innovation in New Zealand origin wines

POLAR ICE VODKA

The #2 strongest volume share gainer in vodka in Canada, Polar Ice vodka saw +3% increase in volume growth compared to a category in decline (-1%).**

#1 Spirits innovation at LCBO YTD 2023‡

KAHLÚA

A successful national media campaign helped the brand outperform the declining coffee and cream category.

CABOT TRAIL

The new Maple Blueberry Innovation launched in Quebec is already the #1 cream liqueur innovation in the province.†

ABSOLUT INNOVATION

Absolut became the world's first vodka brand to create cocktail artwork using artificial intelligence.

This campaign was seen by nearly half of all Canadians of legal drinking age, earning 465 million impressions globally, and 15 million impressions in Canada.

*Rolling 12 months to June 2023. ACD OTC Sales incl. Duty Free.

** Rolling 12 months to June 2023. ACD OTC Sales incl. Duty Free. Acknowledges the absence of visibility of FOIP in Alberta.

† Rolling 12 months to June 2023. ACD OTC Sales incl. Duty Free. Based on innovations launched within the Fiscal Year 2023.

‡ Rolling 6 months to June 2023. ACD OTC Sales incl. Duty Free. Based on innovations launched within the Calendar Year 2023.

MESSAGE FROM THE CEO

STIRRING IT UP

I am proud of the strong foundations we laid for accelerating our growth and innovation in Canada during fiscal year 2023. We created dynamic new momentum across our brand portfolio, navigating a challenging global environment with agility to capture more market share and write an exciting new chapter at Corby.

As we evolved this year, we focused on strategies to increase our pricing power, expand the portfolio and captivate consumers with impactful innovations, packaging, and marketing, all delivering the memorable Corby experience they expect.

In addition, Corby's landmark acquisition of Ace Beverage Group this summer adds diversity and scale to the portfolio, while enhancing our entrepreneurial capabilities. The deal creates exceptional value for consumers and shareholders, and moves us closer to our goal of becoming a diversified beverage alcohol leader in Canada.

With the trust and goodwill we've built with our consumers, customers, employees and communities this fiscal year, every stride we've made has paved the way for a stronger, more dynamic *Corby 2.0* that's not only prepared for the future – but ready to lead it.

SPIRITED SUCCESSES

> *The competitive landscape presented a volatile market environment with high inflation, rising costs and supply chain uncertainties. Corby met those uncertainties head-on, with the performance of our bestselling brands helping solidify the base to embark on the next phase of our growth journey.*

From J.P. Wiser's Canadian whisky outperforming its category, to Polar Ice vodka capturing market share and volume growth in a declining category, Corby brands sparked enthusiasm among consumers and paved the way for our continued transformation on the next step of our growth journey.

Global consumers also continued to embrace Corby brands, resulting in high single-digit export growth in fiscal year 2023. In the U.S, where we enjoyed successful media activations in key targeted States, J.P. Wiser's also performed strongly, helping us accelerate growth and distribution in key states.

LEADING IN INNOVATION

In fiscal year 2023, we delivered advanced marketing and product innovation across the portfolio, with fresh packaging designs, flavours, and activations on our strategic brands and in key categories.

Our groundbreaking "Mix Your Neighbourhood" campaign for Absolut gave consumers a taste of the ambitious, cutting-edge Corby that we are building, using AI to showcase 22 "visual cocktails," each representing a unique Canadian neighbourhood. The campaign, which unlocked inspirational new visual territory for mixology, generated global attention and was seen by half of all Canadians of legal drinking age.

Our product innovation also helped us advance in high-growth categories, with the success of J.P. Wiser's 10YO, the fresh flavour of Polar Ice Berry Blizzard and new ready-to-drink offerings from Absolut, Malibu or ready-to-serve margarita from Altos tequila, and The Glenlivet 14YO, to name a few. As a result, a remarkable one-third of our value growth has come from innovation launches this year.

We also pushed forward with a number of key digital transformation initiatives. These will help us convert the consumer and market data our teams gather into valuable insights, allowing us to build a competitive advantage, deliver efficiencies and be more effective and impactful while improving collaboration across the organization.

As we write this new chapter, we are committed to pursuing more exciting innovations in all categories to further stir up the passions of our consumers and answer their increasing desire for convenience.

AN ACE MOVE

In mid-June we announced the acquisition of Ace Beverage Group. Ace is a real gem, and their unique ability to innovate, create new consumer-centric brands and play across the portfolio is unmatched. This deal enhances the growth profile of our company, diversifies the revenue base, and of course, allows us to bring more choice for consumers. The combination of our companies also advances our diversification strategy with the integration of an unmatched portfolio in the fast-growing Canadian ready-to-drink sector, positioning us to become one of the key players in the category.

The acquisition will benefit both companies, as well as our consumers and shareholders. Our combined strength, and proven track records of developing, launching and building on-trend products for consumers is a fantastic platform for us to grow the combined business, not only in Ontario, but also in the rest of Canada. As we unlock new opportunities, we'll also further tap into new consumer markets, particularly Millennials and Gen Z. It's no secret that we're big admirers of our new teammates, and we couldn't be more excited to start working together.

INSPIRING EXCELLENCE

As we forge ahead, our people remain at the heart of Corby's brands and business. Delighting our consumers stayed central to our operations this fiscal year, and we sharpened our commitment to excellence in our route-to-market strategies with unique and engaging experiences at every touchpoint.

From there, we built stronger relationships with on-premise key national accounts, solidifying our position as the market leader. We also continued to adapt and advocate for the equal treatment of spirits in the route to market.

> *Our dedicated team remained the driving force behind Corby's continuing evolution, fueling renewed growth, and bringing to life our vision for a dynamic future.*

Carrying this momentum with us throughout the year, we stayed focused on our vision for the future by sharpening our portfolio strategy, fostering a data-driven culture, and cultivating passionate, highly engaged teams to empower seamless collaboration and heightened performance on our growth journey.

Sustainability & responsibility also remained core to our organizational values and business model. We extended our commitments this year, and are proud of our complete elimination of all single-use plastic point-of-sale material on our products across all markets and categories, as well as grassroots initiatives here at home. Responsib'All Day, the annual event where employees come together for a day of action in building a more sustainable and responsible world, returned for its eleventh edition, with a focus on supporting unhoused and elderly communities across North America.

A BRIGHT FUTURE AHEAD

We are opening the new fiscal year with great momentum fueled by a portfolio strategy that is sharper than ever, enhanced capabilities across the company, and the engagement of our teams that continues to inspire me daily. The Ace Beverage Group integration into Corby presents a unique opportunity to improve our growth profile. In addition, we are very proud and excited to have the opportunity to represent and accelerate the growth of new super-premium brands into our domestic portfolio with Bumbu rum, Luc Belaire French sparkling wine, Codigo tequila, Skrewball peanut butter whiskey, and Jefferson's bourbon. Without a doubt, today, Corby has the most diverse and impactful portfolio of brands in the Canadian market, covering all categories, all price points and all consumer occasions.

I'd like to thank our shareholders and our Board of Directors for their unwavering support and confidence in our vision for Corby, which have been instrumental in our achievements to date. As we evolve into *Corby 2.0*, we move closer to our ultimate ambition of becoming Canada's leading alcoholic beverage company; a strong, dynamic and innovative leader dedicated to creating more fantastic experiences with our consumers both in Canada, and beyond. Our next chapter will focus on building upon the solid foundation we've established, stirring up our execution excellence as we continue to unlock growth and create a bright future.

Here's to another year of stirring up passion, creativity and success!

Nicolas Krantz
President and CEO

MANAGEMENT'S DISCUSSION AND ANALYSIS

All figures are in millions of Canadian dollars except where otherwise noted.
June 30, 2023

The following Management's Discussion and Analysis ("MD&A") dated August 23, 2023 should be read in conjunction with the audited consolidated financial statements and accompanying notes as at and for the year-ended June 30, 2023 ("full year"), prepared in accordance with International Financial Reporting Standards ("IFRS"). While the annual financial statements were audited, information for the three months ended June 30, 2023 and 2022 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", "Outlook and the COVID-19 Pandemic", "Liquidity, Contractual Obligations and Capital Resources", "Recent Accounting Pronouncements" and "Risks & 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 competition; the impact, and successful integration of, acquisitions; business interruption; the impact of the COVID-19 pandemic; trademark infringement; consumer confidence and spending preferences; regulatory changes; general economic conditions; geopolitical events, including disputes between nations, war and international sanctions; 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 23, 2023. 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, can be found under the Company's profile on the System of Electronic Document Analysis and Retrieval (SEDAR+) at www.sedarplus.ca.

Unless otherwise indicated, all comparisons of results for the fourth quarter of fiscal 2023 (three months ended June 30, 2023) are against results for the fourth quarter of fiscal 2022 (three months ended June 30, 2022). All dollar amounts are in Canadian dollars unless otherwise stated.

This MD&A includes references to "Adjusted Earnings from Operations", "Adjusted Net Earnings", "Adjusted Basic Earnings per Share" and "Adjusted Diluted Earnings per Share", which are financial measures that are not calculated in accordance with GAAP. For a reconciliation of these non-GAAP measures to the most directly comparable GAAP financial measures, see the "Non-GAAP Financial Measures" section of this MD&A.

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 logistics 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, and Ungava® gin, Chic Choc® Spiced rum, and Cabot Trail® maple cream liqueur (Coureur des Bois®, in Quebec) (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. As of May 20, 2023, Corby no longer represents The Wine Group brands in Canada. Corby continues to represent Stave & Steel and Slow Press Californian wine brands through a new partnership with Resurrection Brands. On July 4, 2023, Corby acquired 90% of the outstanding shares of Ace Beverage Group Inc. ("Ace"), with its flagship brand "Cottage Springs" being the leading ready-to-drink brand in Ontario. Please refer to the "Subsequent Event" section of this MD&A for more information on the acquisition of Ace.

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.

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, Quebec production facility. Corby's wholly-owned subsidiary, the Foreign Affair Winery Ltd., produces the Foreign Affair Brands and operates the winery and vineyard, based in Ontario's Niagara region (the "Foreign Affair Winery"). 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 who 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, Ontario, Manitoba and Quebec.

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).

Even prior to the COVID-19 pandemic, ("COVID-19", "COVID", or the "pandemic") Corby's operations were subject to seasonal fluctuations: sales typically were strong in the first and second quarters, while third-quarter sales usually declined after the end of the retail holiday season. Fourth-quarter sales typically increased again with the onset of warmer weather as consumers tend to increase their purchasing levels during the summer season. In addition, retail sales comparisons could be affected by timing of key holidays and LBs' reporting calendars. In the wake of the COVID-19 pandemic, in addition to seasonal fluctuations, LBs' order phasing, inventory management and global supply chain challenges have contributed to an alteration of our typical sales trends (impacting year-over-year comparability). Please refer to the "Outlook and Impacts of the COVID-19 Pandemic" section of this MD&A for further discussion and information on these impacts.

Strategies

Corby's ambition is to be the leading spirits and wines company in Canada. Our strategy is designed to achieve this ambition with responsible, sustainable and profitable growth through targeted brand investment that the Company believes will also produce strong and consistent cash flows to sustain a generous dividend policy.

The Company believes that Corby's iconic Canadian brand portfolio provides a route to sustainable value creation, complemented by its exclusive representation of a broad portfolio of international brands. Operating in the mature yet growing Canadian spirits and wines market, brand performance is driven by evolving consumer trends, the deep understanding of which is the foundation for market success.

Active brand management is the foundation of Corby's strategy, driving growth through volume, price and mix, with passionate teams dedicated to developing and executing plans with rigor and agility. The Company believes that providing offerings across different price points will provide Corby the opportunity to capture the long-term trend toward premiumization and help it maintain relevance across all occasions.

Improving profitability through the pursuit of efficiencies is another important lever as we work to maximize revenue growth management, cost optimization and advertising and promotion effectiveness. The Company has been pursuing a cross-functional digital transformation to build competitive advantage in the mid-term.

Consumer insight-led innovations are essential to Corby's strategy to capture growth in the ever-changing environment. These innovations will target different activities encompassing the entirety of the consumer proposition including new product development to bring to life new-to-world products and range extensions or limited editions that expand a brand's footprint to new consumers and occasions. Related to innovation, to ensure the portfolio continues to provide relevant consumer propositions, M&A remains a strategic option. This can encompass the acquisition of brands to develop the portfolio or adjacent businesses to complement our current business.

Export provides a clear growth opportunity, and the Company intends to continue actively developing its export business.

The Company believes its unique position in Canada, as well as its partnership with its ultimate parent, the world's number two spirits company, PR, enables Corby to leverage both local and global expertise. The relationship with PR provides an important revenue stream through Commissions with a complementary premium international portfolio that expands Corby's market presence and sustains an organization able to bring world-class expertise.

The Company is of the view that expertise is provided through world-class talents, beginning with consumer insights, encompassing commercial teams with national route to market coverage, and leveraging PR for its production expertise at the Hiram Walker distillery, home of our flagship brand J.P. Wiser's Canadian whisky. Having access to national sales data through our membership in the ACD, combined with our investments in promotion management tools, provides Corby with a data-rich foundation from which to drive its strategy.

Our strategy is founded on our values. Being a consumer-centric company means reflecting in our own organization the society that we operate in. The Company's diversity and inclusion pillar is a strategic focus and part of the Company's ongoing journey to have highly engaged and performing teams.

Sustainability and Responsibility ("S&R") initiatives are an important part of how we connect with our communities, partner with our customers, and support our employees. Through our partnership with our ultimate parent, PR, the Company believes that it is able to leverage the global best practices, expertise and resources of PR's S&R programs in order to enhance the positive impact of Corby's own activities.

Outlook and Impacts of the COVID-19 Pandemic

The global disruption caused by the COVID-19 pandemic continued for longer than was expected when the World Health Organization declared the disease to be a pandemic in March 2020. 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. Restrictions on non-essential businesses have since been lifted. See "Risks & Risk Management – COVID-19 Pandemic" for more information on ongoing risks from the COVID-19 pandemic.

Demand

The Canadian on-premise sector (bars, clubs and restaurants) which accounted for around 9% of Canada's market volumes and the travel retail sector, which accounted for around 2% of market volumes pre-pandemic, were hard hit in the early phases of the pandemic. Those channel losses were compensated with growth in the Canadian retail channel led by consumer demand. In the current fiscal year, demand in the on-premise channel remains strong, albeit decelerating from the strong gains in the previous fiscal year. The travel retail sector is also seeing a robust recovery. Consumer demand in the off-premise channel stabilized over the past months at a high level after a strong performance last year.

Supply Chain

The Company closely monitors the changing global environment to ensure LBs' order fulfillment is achieved across the various markets in which the Company operates. Consumer goods and materials traffic from worldwide ports continues to be affected by shipping container availability and port disruptions. Throughout the pandemic, suppliers and LBs faced increasing volatility in both purchasing patterns and global supply chains.

Global supply chain volatility has resulted in production and logistics delays affecting the Company. Production delays have impacted the availability of certain products to our customers, while logistics delays have increased lead times on imported products and may have impacted stock availability and consumer purchasing behaviour. Quarterly shipments do not reflect underlying depletions. It is anticipated that supply chains may remain unpredictable and continue to be a potential risk, both for the supply of finished goods and raw materials.

Financial Implications

To date, our overall financial results have not been negatively impacted by the COVID-19 pandemic. Fiscal year performance was impacted both positively by improvements in logistics and adversely by ongoing supply chain challenges for certain imported PR brands and production of Corby brands for export markets.

Subsequent Event

Acquisition of Ace Beverage Group Inc.

On July 4, 2023, Corby acquired 90% of the outstanding shares of Ace Beverage Group Inc. ("Ace"). The purchase price of $148.5 million was paid using available cash and financing from PR. The financing was provided on arm's-length terms at market rates and, as a related party transaction, was approved by Corby's independent directors, with external financial and legal advice (please refer to the "Related Party Transactions" section of this MD&A). Further, Corby entered into a shareholder's agreement with the minority shareholders of Ace which provides Corby with the option to purchase 5% of the remaining outstanding share of Ace in 2025 and then to purchase the final 5% of the remaining shares in 2028. The transaction was approved by Corby's board of directors after receiving a fairness opinion from National Bank Financial Inc. In connection with the closing of the transaction, Corby also signed a guarantee in favour of Canadian Imperial Bank of Commerce for payments of amounts owing under Ace's continuing operating loan, the guarantee is limited to $31.9 million.

With roots dating back to 2013, Ace is one of the leaders in the Canadian ready-to-drink ("RTD") segment. Its flagship brand "Cottage Springs" is the leading ready-to-drink brand in Ontario. Ace also boasts a rich and diversified portfolio of other innovative RTD offerings adding significant scale to Corby's portfolio as well as expertise in the fast-growing and highly attractive RTD category.

Three-Year Review of Selected Financial Information

This fiscal year saw several expenses incurred in relation to the acquisition of Ace, distributor transition and restructuring. In addition, during the fourth quarter of 2022 Corby recognized a non-cash impairment charge on trademarks related to the Foreign Affair wine brands (refer to the Critical Estimates section of this MD&A). These events have impacted our financial results for the three-month and year-end June 30, 2023 and 2022 respectively. To better understand our underlying business performance and trends, Corby uses certain Non-GAAP financial measures, which Management believes, are important supplemental measures of operating performance and highlight trends in the core business that may not otherwise be apparent when relying solely on GAAP financial measures. Management believes that these measures allow for assessment of the Company's operating performance and financial condition on a basis that is more consistent and comparable between reporting periods. These Non-GAAP financial measures exclude the transaction costs related to the acquisition of Ace, costs and termination fees related to distributor transitions, restructuring provisions, as well as the non-cash impairment charge in FY22 related to the recoverable value of the Foreign Affair Winery trademarks in comparative periods and are described as "Adjusted." Non-GAAP financial measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers. See the "Non-GAAP Financial Measures" section of this MD&A.

Adjusted Earnings from Operations is equal to earnings from operations before interest and taxes for the period adjusted to remove the transaction costs related to the acquisition of Ace, costs and termination fees related to distributor transitions, restructuring provisions and in FY22 a non-cash impairment charge related to the Foreign Affair Winery.

Adjusted Net Earnings is equal to net earnings for the period adjusted to remove the transaction costs related to the acquisition of Ace, costs and termination fees related to distributor transitions, restructuring provisions, net of the associated tax impact and in the prior year the non-cash impairment charge related to the Foreign Affair Winery. Adjusted earnings per share and adjusted diluted earnings per share are computed in the same way as basic earnings per share.

The following table provides a summary of certain selected consolidated financial information for the Company for the years ending June 30, 2023, 2022 and 2021. This information has been prepared in accordance with IFRS.

(in millions of Canadian dollars, except per share amounts)	**2023**	2022	2021
Revenue	**$ 163.0**	$ 159.4	$ 159.8
Earnings from operations	**28.3**	32.7	41.5
- Earnings from operations per common share	**1.00**	1.15	1.46
Adjusted earnings from operations (1)	**32.4**	34.8	41.5
- Adjusted earnings from operations per common share (1)	**1.14**	1.22	1.46
Net earnings	**22.0**	23.4	30.6
Adjusted net earnings (1)	**25.3**	25.5	30.6
- Basic earnings per share	**0.77**	0.82	1.07
- Diluted earnings per share	**0.77**	0.82	1.07
- Adjusted basic earnings per share (1)	**0.89**	0.89	1.07
- Adjusted diluted earnings per share (1)	**0.89**	0.89	1.07
Total assets	**362.6**	253.5	254.2
Total long-term financial liabilities	**100.3**	2.4	3.0
Regular dividends paid per share	**0.88**	0.93	0.84

(1) See "Non-GAAP Financial Measures"

In 2023, revenue grew $3.6 million or 2% compared to 2022. The year-on-year increase in revenue was primarily the result of strong underlying commercial performance driving Case Goods and commissioned sales growth along with overall pricing initiatives building on growth in volumes, with market share gains in value for most of our key brands. International markets results benefitted from good consumer demand and growth into new international markets while our domestic Case Good revenue showed solid growth as a result of the company's pricing strategy. Case Good revenue have shown steady growth compared to 2021, despite dynamic consumer trends and supply chain challenges since the onset of the COVID-19 pandemic.

In line with industry practice, the Company sells excess inventory from time to time to rebalance its maturation inventories and align with long-term strategies and forecasts. Bulk sales of excess inventory decreased significantly in 2023 compared to fiscal year 2022 and 2021.

Net earnings declined $1.4 million or 6% versus prior year primarily due to costs incurred in relation to the acquisition of Ace. Adjusted Net Earnings declined $0.3 million or 1% versus the prior year. The overall net earnings trend since fiscal year 2021 was primarily driven by rising costs of inputs from the inflationary environment and global supply chain disruptions, coupled with further marketing, sales and administrative investments behind key brands and people.

Net assets (i.e. total assets less total liabilities) is a result of cash generated from operating activities less investments in capital assets and dividends paid, and are impacted by 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 2023, Corby received $98 million in proceeds from a term loan from PR on June 20, 2023. The proceeds were used subsequent to year-end to complete the Ace acquisition on July 4th, 2023 (see the "Subsequent Events" section of this MD&A). The term loan is due in full after a 10-year term, or June 20, 2033. For more details on the loan agreement and its terms please see the "Related Party" section of this MD&A.

Brand Performance Review

Corby's portfolio of owned brands accounts for over 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, McGuinness and Meaghers, and the Ungava Spirits Brands. The sales performance of these key brands significantly impacts Corby's net earnings.

Shipment Volume and Shipment Value Performance

See below a table summary of the performance of Corby's owned-brands 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, Lot No. 40, Pike Creek and the Ungava Spirits Brands are also sold to international markets, particularly in the US and UK. As described in the "Outlook and Impacts of the COVID-19 Pandemic" section of this MD&A, Corby's shipment volumes are impacted by volatility in LBs order phasing as well as global supply chain and logistics delays.

BRAND PERFORMANCE CHART - INCLUDES BOTH CANADIAN AND INTERNATIONAL SHIPMENTS

	Three Months Ended				*Year-Ended*			
			Shipment Change				*Shipment Change*	
(Volumes in 000's of 9L cases)	**Jun. 30, 2023**	*Jun. 30, 2022*	*Volume %*	*Value %*	**Jun. 30, 2023**	*Jun. 30, 2022*	*Volume %*	*Value %*
Brand								
J.P. Wiser's Canadian whisky	**168**	148	14%	15%	**604**	596	1%	6%
Polar Ice vodka	**91**	89	3%	(1%)	**342**	332	3%	11%
Lamb's rum	**99**	100	(1%)	9%	**401**	439	(9%)	(5%)
Wiser's Special Blend (1)	**70**	70	0%	(4%)	**257**	264	(3%)	(1%)
Mixable liqueurs	**44**	47	(5%)	0%	**167**	157	6%	13%
Ungava Spirits Brands	**35**	38	(9%)	(12%)	**161**	172	(6%)	2%
Other Corby-owned brands	**47**	45	4%	18%	**185**	188	(2%)	1%
Total Corby brands	**554**	536	3%	6%	**2,117**	2,148	(1%)	4%

(1) For presentation purposes, Wiser's Special Blend has been presented to reflect the separation from premium variants of J.P. Wiser's.

Corby's owned brands grew 3% in volume and 6% in value compared to the three months ended June 30, 2022 and declined 1% in shipment volume but grew 4% in shipment value when compared to the year-ended June 30, 2022. J.P. Wiser's led volume and value growth in the quarter recovering from earlier shipment phasing unfavourability and benefitting from the launch of Wiser's 10-Year-Old in the Canadian market and further premiumization in the US market. Lamb's rum performance grew strongly in value during the quarter from favourable mix and pricing, while Mixable Liqueurs performance began to normalize in the three-months ended June 30, 2023 after being impacted by production challenges earlier in the fiscal year. Wiser's Special Blend's performance was affected by consumer trends, while Polar Ice Vodka was impacted by unfavourable mix. Ungava Spirits Brands were impacted by strong competition within the Canadian gin category, combined with Cabot Trail maple cream liqueur lapping a high comparison basis.

Full-year sales of Corby's owned brands benefitted from broad-based price increases, while volumes were impacted by consumer trends and the timing of LB orders and inventory management. Value growth was driven by J.P. Wiser's through pricing and premiumization, Mixable Liqueurs cycling production challenges last year and Polar Ice Vodka with successful innovation launches and strong performance in the on-premise channel. Ungava Spirits Brands grew in value despite declining volumes as result of pricing and favourable mix. Lamb's rum and Wiser's Special Blend were affected by consumer trends.

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

	Three Months Ended				Year-Ended			
			Shipment Change				*Shipment Change*	
	Jun. 30,	*Jun. 30,*	*Volume*	*Value*	**Jun. 30,**	*Jun. 30,*	*Volume*	*Value*
(Volumes in 000's of 9L cases)	**2023**	*2022*	*%*	*%*	**2023**	*2022*	*%*	*%*
Domestic	**472**	469	1%	(1%)	**1,856**	1,875	(1%)	3%
International	**82**	67	23%	57%	**261**	273	(5%)	9%
Total Corby brands	**554**	536	3%	6%	**2,117**	2,148	(1%)	4%

In the fourth quarter, domestic shipments increased 1% in volume but declined 1% in value compared to the same period last year, while full year domestic shipments declined 1% in volume though increased by 3% in value compared to the same period last year. Domestic shipments in the fourth quarter grew modestly while value was impacted by larger depth of promotional spending as a result of solid underlying commercial performance. Full year performance benefitted from pricing initiatives, optimization of trade promotional spend and favourable product mix.

Regarding our international markets' performance, shipment volumes grew 23% while shipment value grew 57% on a quarter-over-quarter comparable basis while full year international shipments declined 5% in volume but grew 9% in value compared to the same period last year. Performance in the fourth quarter was driven by value growth in the US and shipments of Canadian whisky to new markets. Performance in the full year was fueled with pricing initiatives, sales to new markets and premiumization in the US market, despite overall shipments decline due to the supply chain constraints on dry and wet goods used in the production of Lamb's rum in the UK market, as well as overall logistics disruptions. The Company has taken numerous actions to mitigate these risks, and continues to actively seek out options on mitigating the impact of these disruptions. J.P. Wiser's in the US market continued to benefit from healthy distributor sell-out and the introduction of innovations in the market, and drove value growth in overall international markets.

Retail Sales Performance / Spirit Market Trends

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

In the year ended June 30, 2023, the Canadian spirits industry retail sales volume declined 1%, with growth of 3% in retail value when compared to the prior year. Retail sales for the period were impacted by changes in purchase patterns as consumers increased their purchases at restaurants and bars while off-premise purchases have slowed but remained resilient. Industry trends were led by retail sales value growth in Tequila, Irish Whisky, and Vodka categories.

Corby's portfolio is heavily weighted in the Canadian whisky, rum and vodka categories; together they make up about 85%

of the Company's total retail volumes. Corby's overall retail volume in the year ended June 30, 2023 decreased -1% while retail value increased 2% compared to the prior year, sustained by broad-based price increases and catching up with the overall Spirits market value growth. Retail value performance was largely driven by the strong performance of Polar Ice Vodka in the on-premise channel as well as Mixable Liqueurs lapping a low comparison basis after last year's production challenges which led to stock unavailability. Corby's flagship brand, J.P. Wiser's, grew value and remained flat in volume, while Ungava Spirits grew in value despite volume decline, led by strong momentum on Cabot Trail.

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 and LBs, 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 on-site 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 000's of 9L cases)	***June 30, 2023***	*June 30, 2022*	*% Retail Volume Growth*	*% Retail Value Growth*	***June 30, 2023***	*June 30, 2022*	*% Retail Volume Growth*	*% Retail Value Growth*
Brand								
J.P. Wiser's Canadian Whisky	**116**	117	(1%)	(1%)	**514**	514	0%	3%
Polar Ice vodka	**82**	79	4%	8%	**340**	329	3%	8%
Lamb's rum	**55**	61	(10%)	(7%)	**246**	261	(6%)	(5%)
Wiser's Special Blend [2]	**61**	66	(8%)	(5%)	**254**	264	(4%)	(1%)
Mixable liqueurs	**38**	31	21%	30%	**171**	152	13%	18%
Ungava Spirits Brands	**31**	32	(6%)	(6%)	**154**	156	(1%)	1%
Other Corby-owned brands	**32**	41	(6%)	(5%)	**164**	176	(7%)	(5%)
Total	**415**	427	(3%)	1%	**1,843**	1,852	0%	2%

[1] *Refers to sales at the retail store level in Canada, as provided by the Association of Canadian Distillers.*

[2] *For presentation purposes, Wiser's Special Blend has been presented to reflect the separation from premium variants of J.P. Wiser's.*

J.P. WISER'S CANADIAN WHISKY

J.P. Wiser's Canadian whisky is Corby's flagship brand and one of Canada's best-selling Canadian whiskies. The brand's retail value grew 3% ahead of retail volume which remained flat thanks to pricing favourability and portfolio premiumization, performing better than the category in the year ended June 30, 2023. Retail sales volumes for the Canadian whisky category declined 3%, while retail value for the category declined 1% over the same comparable period.

POLAR ICE VODKA

Polar Ice vodka is among the top-selling vodka brands in Canada and is a favourite in the on-premise channel. Polar Ice grew retail volume by 3% and retail value by 8% in the year ended June 30, 2023 compared to the prior year, supported by our successful promotional activities along with a strong Toronto Blue Jays™ partnership and innovation launch of Berry Blizzard. The overall vodka category in Canada declined 1% in retail volume but grew 2% in retail value on a comparable basis. The standard vodka category, where Polar Ice vodka competes, grew 2% in retail volume and 4% in value compared to the prior year.

LAMB'S RUM

Lamb's rum, a top-selling rum family in Canada, continued to be impacted by changing consumer trends for standard rum, particularly in regional strongholds. Retail volume for the overall rum category declined 3% for the year ended Jun 30, 2023, while retail value remains flat. The economy rum category, however, saw retail volumes decline 4% while retail value declined 1% compared to the same period last year. Lamb's rum declined 6% in retail volume and 5% in retail value for the year ended June 30, 2023 compared to the same period in the prior year.

WISER'S SPECIAL BLEND

Wiser's Special Blend retail volume declined 4%, while retail value declined 1% in the year ended June 30, 2023 compared to last year, largely in line with the category trend. Retail sales volume for the Canadian whisky category declined 3%, while retail value for the category declined 1% over the same comparable period.

MIXABLE LIQUEURS

Corby's mixable liqueur brands consist of McGuinness liqueurs (Canada's largest mixable liqueur brand family) and Meaghers liqueurs (available in Quebec). Retail volumes grew 13% while retail value grew 18% for the year ended June 30, 2023 compared to last year, lapping last year's lower comparison basis which was impacted by raw material constraints. Retail volume for the liqueurs category overall declined 1% while value grew by 3% for the year ended June 30, 2023 compared to last year.

UNGAVA SPIRITS BRANDS

Retail volume and value for the Ungava Spirits Brands declined 1% volume and grew 1% in value, for the year ended June 30, 2023 compared to last year. The flagship brand, Ungava gin, impacted by strong competition in the Quebec and Ontario market, declined 11% in retail volume and 9% in retail value, lagging the gin category (which declined 3% in retail volume and 1% in retail value). Ready-to-drink innovations launched under the Quebec market are growing rapidly but caused a dilutive effect on the overall volume to value conversion of the Ungava Spirits Brands portfolio.

Cabot Trail maple-based liqueurs (in Quebec, Coureur des Bois) performed very well, benefiting from increased distribution and consumer interest in liqueurs. Retail volume declined 1% but value grew 5%, respectively, in the year ended June 30, 2023 compared to last year.

OTHER CORBY-OWNED BRANDS

Other Corby-Owned Brands include premium offerings in Canadian whisky such as Lot No. 40, Pike Creek, and Gooderham & Worts (collectively known as the Northern Border Collection), Royal Reserve and the Foreign Affair Brands. Collectively this group of brands declined 7% in retail volume and 5% in retail value for the year ended June 30, 2023 when compared to the prior year.

The Northern Border collection declined 12% in volume and 9% in value as performance cycled sales from innovation launches last year.

Royal Reserve® declined 6% in retail volume and 4% in retail value during the year ended June 30, 2023 compared to last year.

Foreign Affair Brands are available through several channels including e-commerce, direct delivery (on-premise and wine club) and the on-site winery visitor centre. Retail performance is typically impacted by customer ordering patterns and does not capture e-commerce, direct delivery and on-site sales to consumers. Retail volume and value for Foreign Affair Brands declined 11% and 14% respectively when compared to the prior year.

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, 2023 and 2022:

(in millions of Canadian dollars, except per share amounts)		**June 30 2023**		June 30 2022 (1)		*$ Change*	*% Change*
Revenue	**$**	**163.0**	$	159.4	$	3.6	2%
Cost of sales		**(68.8)**		(63.3)		(5.6)	9%
Marketing, sales and administration		**(62.4)**		(61.0)		(1.4)	2%
Transaction costs related to the ACE acquisition		**(3.0)**		-		(3.0)	n.a.
Impairment charge		**-**		(2.1)		2.1	(100%)
Other (expense) income		**(0.4)**		(0.3)		(0.1)	41%
Earnings from operations		**28.3**		32.7		(4.3)	(13%)
Adjusted Earnings from operations(2)		**32.4**		**34.8**		(2.4)	(7%)
Financial income		**2.0**		0.4		1.6	421%
Financial expenses		**(0.3)**		(0.3)		0.0	9%
		1.7		0.1		1.6	1,598%
Earnings before income taxes		**30.0**		32.8		(2.7)	(8%)
Income taxes		**(8.1)**		(9.4)		1.3	(14%)
Net earnings	**$**	**22.0**	$	23.4	$	(1.4)	(6%)
Adjusted Net Earnings(2)	**$**	**25.3**	**$**	**25.5**	$	(0.3)	(1%)
Per common share							
- Basic net earnings	**$**	**0.77**	$	0.82	$	(0.05)	(6%)
- Diluted net earnings	**$**	**0.77**	$	0.82	$	(0.05)	(6%)
- Adjusted Basic, net earnings per share(2)	**$**	**0.89**	$	0.89	$	-	(1%)
- Adjusted Diluted, net earnings per share(2)	**$**	**0.89**	$	0.89	$	-	(1%)

(1) Certain comparative information has been reclassified to conform to the current year's presentation.
(2) See "Non-GAAP Financial Measures".

Overall Financial Results

Net earnings decreased $1.4 million or 6% for the year ended June 30, 2023 compared to the same periods last year. Full year results were primarily impacted by transaction costs incurred related to the acquisition of Ace, as well as the restructuring provision and distributor transition costs incurred in the fourth quarter of the fiscal year.

Adjusted Net Earnings for the year ended June 30, 2023 reflected a resilient growth of our revenue driven by a solid commercial performance with market share gains in value for most of our key brands, coupled with tight resource management focused on key strategic brands and priorities, offset by rising input costs in the current inflationary environment.

Revenue

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

(in millions of Canadian dollars)		Year Ended **June 30** **2023**		June 30 2022		*$ Change*	*% Change*
Revenue streams:							
Case goods	**$**	**132.9**	$	128.1	$	4.8	4%
Gross Commissions		**37.3**		36.9		0.3	1%
Amortization of Representation Rights		**(10.4)**		(10.4)		0.0	0%
Commissions		**26.9**		26.5		0.4	1%
Other services		**3.2**		4.8		(1.6)	-34%
Revenue	**$**	**163.0**	$	159.4	$	3.6	2%

Case Goods revenue increased $4.8 million, or 4% for the year ended June 30, 2023, respectively, when compared to the same period last year. Solid performance was attributable to the Company's pricing initiatives, as well as dynamic underlying consumer demand for key brands. Revenue from international markets was driven by premiumization in the US and new market launches, while partially offset by logistics and production challenges in the UK.

Net commissions increased $0.4 million, or 1% in the year-ended June 30, 2023, when compared to the same period last year. Full year results were uplifted by price increases across the entire portfolio, although remained impacted by ongoing constraints in production, logistics and challenging performance on certain PR wines when compared to the same period last year. Retail performance on PR brands remained in growth and outperformed the overall Spirits market as the portfolio benefitted from its positioning within growing categories along with PR's investment to build these brands in Canada. Other represented wines for which Corby acts as an agent were also similarly impacted.

Other services represent ancillary revenue incidental to Corby's core business activities, such as logistical fees, merchandise sales, and occasional bulk whisky sales. Revenue from other services decreased $1.6 million in the year-ended June 30, 2023, when compared to the same period last year and are attributable to decreased non-core business bulk whisky sales.

As a result, total Revenue increased $3.6 million, or 2% during the year ended June 30, 2023 when compared to last year.

Cost of sales

Cost of sales increased $5.6 million or 9% for the year ended June 30, 2023, when compared to the same period last year. The overall increase in cost of sales is driven by the rising cost of inputs due to high inflation on production lines salaries and on raw materials. Cost increases have been partially offset in Case Good revenue by bold broad-based price increases and trade promotion optimization.

Marketing, sales and administration

For the year-ended June 30, 2023, marketing, sales and administration expenses increased $1.4 million or 2% when compared to the same period last year. Marketing and promotional investment for this fiscal year included targeted tactical investments in key brands while cycling large media programs last year. Overhead expenses were impacted by a restructuring provision in the fourth quarter related to organizational changes. When adjusting to remove these restructuring costs, the increase in overhead expenses was well controlled and reflected the current inflationary and competitive labour environment.

Net financial income

Net financial income is comprised of interest earned on deposits in cash management pools, offset by interest costs associated with the Company's pension and post-retirement benefit plans and interest charges on leased assets. Interest income for the year ended June 30, 2023 was $2.0 million, an increase of $1.6 million over last year and driven by increased interest rates. Financial expense remained flat year over year.

Income taxes

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

	2023	2022
Combined basic Federal and Provincial tax rates	**26.4%**	26.4%
Impact of impairment charge	**0.0%**	1.8%
Other	**0.5%**	0.4%
Effective tax rate	**26.9%**	28.6%

Liquidity, Contractual Obligations and Capital Resources

Corby's sources of liquidity are its deposits in cash management pools of $155 million as at June 30, 2023, and its cash generated from operating activities. On June 12, 2023, Corby entered into a loan agreement with PR with a total available credit amount of $120 million, of which $98 million was drawn as at June 30, 2023 and included in Corby's deposits in cash management pools to be used for the acquisition of Ace. Remaining available credit under the term loan payable is $22 million as at June 30, 2023 and remains available to Corby until December 20, 2023, after this time the total borrowing amount becomes fixed. The loan provided Corby with the required funding to complete the Ace acquisition which closed on July 4th, 2023 (see the "Subsequent Event" section of this MD&A for further information) with the remaining available credit to be used for other expenditures related to the transaction as necessary over a six-month period. The term loan is due in full at maturity on June 30, 2033, with early repayment options available.

In connection with the closing of the Ace acquisition on July 4, 2023, Corby signed a guarantee in favour of a Canadian Imperial Bank of Commerce for payment amounts owing under Ace's continuing operating loan; this guarantee is limited to $31.9 million.

A summary of the maturity of the Company's contractual obligations as at June 30, 2023 are represented in the table below:

	Less than 1 year	1 to 5 years	5 years and thereafter	Total
Trade payables and accrued liabilities	$ 67.1	$ -	$ -	$ 67.1
Lease liabilities	1.3	2.3	-	3.6
Term loan payable	-	-	98.0	98.0
Pension liability	-	-	8.0	8.0
	$ 68.4	$ 2.3	$ 106.0	$ 176.7

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 & Risk Management" section of this MD&A for further information.

Cash Flows

(in millions of Canadian dollars)		2023		2022		$ Change
Operating activities						
Net earnings, adjusted for non-cash items	**$**	**43.0**	$	49.1	$	(6.0)
Net change in non-cash working capital		**(4.2)**		9.7		(13.9)
Net payments for interest and income taxes		**(3.4)**		(13.2)		9.8
		35.4		**45.5**		(10.1)
Investing activities						
Additions to property, plant & equipment		**(3.9)**		(4.4)		0.5
Additions to intangible assets		**(0.8)**		(55.3)		54.4
Proceeds from disposition of capital assets		**0.3**		0.0		0.2
(Deposits in) / withdrawals from cash management pools		**(102.6)**		41.9		(144.5)
		(107.0)		(17.7)		(89.3)
Financing activity						
Proceeds from term loan		**98.0**		-		98.0
Payment of lease liabilities		**(1.4)**		(1.3)		(0.1)
Dividends paid		**(25.1)**		(26.5)		1.4
		71.6		(27.8)		99.4
Net change in cash	$	-	$	-	$	-

Operating activities

Net cash generated from operating activities was $35.4 million for the year ended June 30, 2023, compared to $45.5 million generated from operating activities in the prior year, representing a decrease in cash generated from operating activities of $10.1 million on a year-over-year comparison basis. Operating cash flows were impacted by lower earnings and unfavourable working capital changes. Working capital was largely impacted by increased investment in maturing stocks and increased finished goods levels compared to the prior year. Working capital for the current period also reflects significant accruals, specifically transaction costs related to the acquisition of Ace, provisions for restructuring , and fees related to distributor transitions. Net payments for interest and taxes reflect the impact of higher interest earned on cash held in cash management pools, lower tax instalments as well as a refund of taxes paid with respect to fiscal 2022 tax filings.

Investing activities

Net cash used in investing activities was $107.0 million for the year-ended June 30, 2023 compared to $17.7 million last year. Investing activities include investments in property plant and equipment and intangible assets in all periods. In the prior year, investments in intangible assets included $54.5 million for the payment of the upfront fee required under the 2021 Representation Agreement with PR (see the *"Related Party Transactions"* section of this MD&A for further information).

Cash management pools represent cash on deposit with Citibank NA via Corby's Mirror Netting Service Agreement (defined below) 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 and the definition of "Mirror Netting Service Agreement", please refer to the *"Related Party Transactions*" section of this MD&A. During the year ended June 30, 2023, the significant deposits in cash management pools reflects the proceeds on the term loan payable to PR in the amount of $98 million. As previously mentioned, the term loan agreement was entered into on June 20, 2023 and will be used to fund the acquisition of Ace on July 4th 2023 (See the "Subsequent Events" section of the MD&A for further information).

Financing activities

Financing activities includes such items as dividend payments, payments on lease obligations and proceeds from the term loan payable. On June 20, 2023 Corby entered into a loan agreement with PR with a total available credit amount of $120 million, of which $98 million was drawn as at June 30, 2023 and included in Corby's deposits in cash management pools. As previously noted, the loan provides Corby with the required funding to complete the acquisition of Ace which closed on July 4th, 2023. For the year ended June 30, 2023, cash from financing activities totalled $71.6 million which included $98 million in proceeds from the term loan payable, dividend payments of $25.1 million and payments on Corby's lease obligations of $1.4 million. Comparatively, cash used in financing activities for the year ended June 30, 2022, was $27.8 million and reflected dividend payments of $26.5 million and payments on lease obligations of $1.3 million.

On August 23, 2023, subsequent to the year-ended June 30, 2023, Corby's Board of Directors declared its regular quarterly dividend of $0.21 per common share normalizing to pre-pandemic levels, to be paid September 29, 2023, to shareholders of record as at the close of business on September 15, 2023. 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, or $0.60 per share.

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

For	Declaration date	Record Date	Payment date	$ / Share
2023 - Q4	August 23, 2023	September 15, 2023	September 29, 2023	$ 0.21
2023 - Q3	May 8, 2023	May 23, 2023	June 6, 2023	0.21
2023 - Q2	February 8, 2023	February 23, 2023	March 3, 2023	0.21
2023 - Q1	November 9, 2022	November 25, 2022	December 9, 2022	0.22
2022 - Q4	August 24, 2022	September 16, 2022	September 30, 2022	0.24
2022 - Q3	May 12, 2022	May 27, 2022	June 10, 2022	0.24
2022 - Q2	February 10, 2022	February 24, 2022	March 4, 2022	0.24
2022 - Q1	November 10, 2021	November 26, 2021	December 10, 2021	0.24
2021 - Q4	August 25, 2021	September 15, 2021	September 29, 2021	0.21
2021 - Q3	May 13, 2021	May 27, 2021	June 11, 2021	0.21
2021 - Q2	February 11, 2021	February 25, 2021	March 5, 2021	0.21
2021 - Q1	November 12, 2020	November 27, 2020	December 11, 2020	0.22

Outstanding Share Data

As at August 23, 2023, 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.

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 initially 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, as well as providing for the continuing production of certain Corby brands by PR at its production facility in Windsor, Ontario. 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.

These agreements were amended and renewed, as follows:

- 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 entered into an administrative services agreement, under which Corby agreed to continue to manage certain of PR's business interests in Canada, with a similar term and commencement date. Corby's role managing the HWSL production facility ended on June 30, 2020 but the rest of the services contemplated by the administrative services agreement continue to be provided and are governed by that agreement.

On September 24, 2020, Corby renewed its exclusive right to represent PR's brands in Canada for a further five years and three months, effective July 1, 2021 until September 29, 2026, with a potential for automatic renewal for a further three years thereafter, subject to the achievement of performance criteria (the "2021 Representation Agreement"). This new representation agreement also renewed Corby's exclusive right to represent ABSOLUT vodka in Canada. Those rights were originally granted in an agreement entered into on September 26, 2008 for a five-year term, which was extended to September 29, 2021 (consistent with the brands subject to the 2006 Agreements) by way of an agreement dated November 9, 2011 and amended on September 30, 2013. The end of the term of the new Canadian representation agreement aligns with those of existing production and administrative services agreements with PR, renewed in 2016. The 2021 Representation Agreement required a payment of an up-front fee of $54.5 million which was paid September 28, 2021, which Corby funded through its deposits in cash management pools. Since the 2021 Representation 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 extensive review and with external financial and legal advice.

On June 12, 2023, Corby entered into a loan agreement with PR with a total available credit amount of $120,000, of which $98,000 was drawn down as at June 30, 2023. The loan provided Corby with the required funding to complete the acquisition of Ace which closed subsequent to the year-end, on July 4th, 2023. The loan bears interest at a market competitive, fixed rate of 5.43% per annum and matures June 30, 2033. Remaining available credit under the loan agreement can be drawn down by Corby until December 20, 2023 after this time the borrowing is fixed. Interest is payable on a quarterly basis. The term loan along with any accrued interest is due in full at the maturity date, June 20, 2033, while Corby has the option to make partial or total repayment at any time before the maturity date. The loan agreement is on arm's-length terms and, as a related party transaction, was approved by Corby's independent directors, with external financial and legal advice.

PR also represents certain Corby-owned brands in the United Kingdom. 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. The agreement provides Lamb's with access to PRUK's extensive distribution network throughout Great Britain. On March 28, 2019 the agreement was amended to include Ungava Gin, and was amended again on March 21, 2021 to modify the list of products represented by PRUK and to extend the term of the agreement for a five-year period ending June 30, 2026.

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"). 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 23, 2023, 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 2023

The following table presents a summary of certain selected consolidated financial information for the Company for the three-month periods ended June 30, 2023 and 2022:

	Three Months Ended			
(in millions of Canadian dollars, except per share amounts)	**June 30 2023**	*June 30 2022* [(1)]	*$ Change*	*% Change*
Revenue	**$ 44.2**	$ 41.2	$ 3.1	7%
Cost of sales	**(19.3)**	(15.7)	(3.6)	23%
Marketing, sales and administration	**(19.8)**	(18.2)	(1.6)	9%
Transaction costs related to the acquisition of ACE	**(3.0)**	-		
Impairment charge	**-**	(2.1)	2.1	100%
Other expense	**(0.4)**	(0.1)	(0.3)	316%
Earnings from operations	**1.8**	5.0	(3.2)	(64%)
Adjusted Earnings from operations[(2)]	**5.9**	7.1	(1.2)	(17%)
Financial income	**0.6**	0.2	0.5	274%
Financial expenses	**(0.1)**	(0.1)	(0.0)	34%
	0.5	0.1	0.4	424%
Earnings before income taxes	**2.3**	5.1	(2.7)	(54%)
Income taxes	**(0.7)**	(1.9)	1.2	(63%)
Net earnings	**$ 1.6**	$ 3.1	$ (1.5)	(48%)
Adjusted Net Earnings[(2)]	**$ 4.9**	$ 5.3	$ (0.3)	(6%)
Per common share				
- Basic net earnings	**$ 0.06**	$ 0.11	$ (0.05)	(48%)
- Diluted net earnings	**$ 0.06**	$ 0.11	$ (0.05)	(48%)
- Adjusted Basic, net earnings per share[(2)]	**$ 0.18**	$ 0.18	$ -	(6%)
- Adjusted Diluted, net earnings per share[(2)]	**$ 0.18**	$ 0.18	$ -	(6%)

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

[(2)] See "Non-GAAP Financial Measures".

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 2023**	June 30 2022	*$ Change*	*% Change*
Revenue streams:				
Case goods	**$ 35.8**	$ 33.8	$ 2.0	6%
Gross Commissions	**10.0**	8.9	1.1	12%
Amortization of Representation Rights	**(2.6)**	(2.6)	-	0%
Commissions	**7.4**	6.3	1.1	17%
Other services	**1.1**	1.1	0.0	3%
Revenue	**$ 44.2**	$ 41.2	$ 3.1	7%

Case Goods revenue increased $2.0 million, or 6% for the three-months period ended June 30, 2023 when compared to the same period last year. Performance in the fourth quarter reflected positive shipments phasing in international markets coupled with premiumization in the US. Revenue from the domestic market was muted due to LB order patterns and larger depth of promotional spending as a result of solid underlying commercial performance.

Net commission income increased $1.1 million or 17% during the three-month period ended June 30, 2023 when compared to the same period last year, driven by PR brands shipments growth and pricing optimization, reflecting recovery of global supply chain and logistic interruptions and LB order phasing. Retail performance of the PR brands portfolio benefitted from the on-premise channel growth and its premium positioning across categories. Commissions from other represented wines for which Corby acts as an agent were impacted by the termination of the agreement to represent The Wine Group brands in Canada as of May 20, 2023.

Other services represent ancillary revenue incidental to Corby's core business activities, such as logistical fees, merchandise sales, and occasional bulk whisky sales. Revenue from other services remained mostly flat during the three-month period ended June 30, 2023 when compared to the same period last year.

As a result, total revenue increased $3.1 million or 7% during the three-month period ended June 30, 2023.

Cost of sales

Cost of goods sold was $19.3 million, increasing $3.6 million or 23% when compared with the same three-month period last year. On a case rate basis, our Case Goods costs have strongly increased 17% vs prior year due to rising inputs costs, negative product mix and manufacturing unfavourability in the fourth quarter.

Marketing, sales and administration

Marketing, sales and administration expenses increased $1.6 million, or 9%, over the same quarter last year. Marketing and promotional investment for the fourth quarter included tactical investments in key brands while cycling large media programs last year. Overhead expenses were impacted by restructuring costs incurred in the fourth quarter related to organizational streamlining. When adjusting to remove these restricting costs, overhead expenses remained moderate and in line with the current inflationary context and competitive labour environment.

Net earnings and earnings per share

Net earnings for the fourth quarter were $1.6 million, or $0.06 per share, which is a decrease of $1.5 million over the same quarter last year due to the aforementioned reasons and the costs incurred in relation to the acquisition of Ace.

Selected Quarterly Information

Summary of Quarterly Financial Results

Seasonality factors cause Corby's operating results to fluctuate from quarter to quarter. 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. Notably, the COVID-19 pandemic had a dramatic impact on consumption and shipment patterns as well as sales, marketing and administrative expenses, impacting quarter-over-quarter comparability.

The following table provides selected historical information and other data, which should be read in conjunction with the financial statements of the Company. This table includes supplement Non-GAAP measures (see the Non-GAAP Measures section of this MD&A) which exclude the impact of several expenses incurred in relation to the acquisition of Ace, distributor transition and restructuring in Q4 2023. In addition, during the fourth quarter of 2022 Corby recognized a non-cash impairment charge on trademarks related to the Foreign Affair wine brands (refer to the Critical Estimates section of this MD&A). These events have impacted our financial results for the three-month and year-end June 30, 2023 and 2022 respectively.

(in millions of Canadian dollars, except per share amounts)	**Q4 2023**	Q3 2023	Q2 2023	Q1 2023	**Q4 2022**	Q3 2022	Q2 2022	Q1 2022
Revenue	**$ 44.2**	**$ 32.2**	$ 45.4	$ 41.1	**$ 41.2**	$ 34.5	$ 45.2	$ 38.5
Earnings from operations	**1.8**	4.8	11.2	10.5	**5.0**	6.0	12.0	9.7
Adjusted Earnings from Operations(1)	**5.9**	4.8	11.2	10.5	**7.1**	6.0	12.0	9.7
Net earnings	**1.6**	3.9	8.6	7.8	**3.1**	4.4	8.9	7.0
Basic EPS	**0.06**	0.14	0.30	0.28	**0.11**	0.15	0.31	0.25
Diluted EPS	**0.06**	0.14	0.30	0.28	**0.11**	0.15	0.31	0.25
Adjusted Net earnings(1)	**4.9**	3.9	8.6	7.8	**5.2**	4.4	8.9	7.0
Adjusted Basic EPS(1)	**0.18**	0.14	0.30	0.28	**0.18**	0.15	0.31	0.25
Adjusted Diluted EPS(1)	**0.18**	0.14	0.30	0.28	**0.18**	0.15	0.31	0.25

(1) See "Non-GAAP Financial Measures".

Critical Accounting Estimates

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 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.

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) Business combinations

Business combinations are accounted for using the acquisition method of accounting. The Company determines the fair value of the identifiable assets acquired and the liabilities assumed using discounted cash flow models corroborated by other valuation techniques. The process of determining these fair values requires the Company to make estimates and assumptions of a long-term nature regarding discount rates, projected revenues, royalty rates and margins 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.

(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 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.

Recent Accounting Pronouncements

ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

Recent accounting pronouncements

A number of new standards, amendments to standards and interpretations are effective for the annual reporting period ended June 30, 2023, and accordingly, have been applied in preparing these consolidated financial statements:

a) IAS 16, Property, Plant and Equipment – Proceeds Before Intended Use

In May 2020, the IASB issued an amendment to IAS 16, "Property, Plant and Equipment – Proceeds Before Intended Use"

("IAS 16"). The amendment prohibits deducting from the cost of an item of property, plant, and equipment any proceeds from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity is required to recognize the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendment is effective for annual reporting periods beginning on or after January 1, 2022. For Corby, the amendment became effective July 1, 2022. This amendment did not have an impact on the Company's consolidated financial statements.

b) IAS 37, Onerous Contracts – Cost of Fulfilling a Contract

In May 2020, the IASB issued an amendment to IAS 37, "Provisions, Contingent Liabilities and Contingent Assets" ("IAS 37"), specifically with regard to onerous contracts. The amendment clarifies the meaning of costs to fulfil a contract and specifies the costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts. The amendment is effective for annual reporting periods beginning on or after January 1, 2022. For Corby, the amendment became effective July 1, 2022. This amendment did not have an impact on the Company's consolidated financial statements.

c) Annual Improvements to IFRS Standards 2018–2020

Changes have been made to the following standards:

IFRS 1 - Amendment	First Time Adoption of IFRS
IFRS 9 - Amendment	Financial Instruments
IFRS 16 - Amendment	Leases
IAS 41 - Amendment	Agriculture

These changes are applicable to annual reporting periods beginning on or after January 1, 2022. The Company has assessed these changes and has determined that the impact is immaterial.

d) Reference to the Conceptual Framework (Amendments to IFRS 3)

Certain outdated references to the Conceptual Framework in IFRS 3 have been updated without significantly changing the requirements in the standard. These updates are applicable beginning on or after January 1, 2022. The Company has assessed these changes and has determined that the impact is immaterial.

Recent accounting pronouncements not in effect

The below standards and amendments to standards have been issued but are not yet effective for the financial period ended June 30, 2023, and accordingly, have not been applied in preparing these consolidated financial statements:

a) Environmental, Social and Governance ("ESG") and climate reporting

Emissions, carbon and other regulations impacting climate and climate related matters are constantly evolving. With respect to Environmental, Social and Governance ("ESG") and climate reporting, the International Sustainability Standards Board has issued an IFRS Sustainability Disclosure Standard with the goal to develop sustainability disclosure standards that are globally consistent, comparable and reliable. The Canadian Securities Administrators have also issued a proposed National Instrument 51-107 Disclosure of Climate-related Matters which details the additional reporting requirements for Canadian Public Companies. The Company continues to monitor progress on these reporting requirements and assess their impact on the Company's financial statements.

b) IAS 1, Presentation of Financial Statements

In January 2020, the IASB issued an amendment to IAS 1, "Presentation of Financial Statements" ("IAS 1"). The amendment clarifies the classification of liabilities as current or non-current depending on the rights that exist at the end of the reporting period. The amendment also clarifies the meaning of settlement of a liability. This amendment is effective for annual periods beginning on or after January 1, 2024. For Corby, the amendment will become effective July 1, 2024 and is not expected to have a material impact on Corby's financial statements or disclosures.

In October 2022, the IASB further amended the standard to specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. In addition, the amendment requires a company to disclose information about these covenants in the notes to the financial statements. The amendment is effective for annual reporting periods beginning on or after January 1, 2024. For Corby, the amendment will become effective July 1, 2024 and will not have an impact on its financial statements and related disclosures.

In February 2021, the IASB issued an amendment to IAS 1 regarding the disclosure of accounting policies. The amendment clarifies that an entity will be required to disclose its material accounting policy information instead of its significant accounting policies. This amendment is effective for annual periods beginning on or after January 1, 2023. For Corby, the amendment will become effective July 1, 2023. The Company is currently assessing the impact this amendment will have on its financial statement disclosures.

c) IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors

In February 2021, the IASB issued an amendment to IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors" ("IAS 8"). The amendment replaces the definition of a change in accounting estimates with a definition of accounting estimates. The amendment also clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error. The amendment is effective for annual reporting periods beginning on or after January 1, 2023. For Corby, the amendment will become effective July 1, 2023. The Company is currently assessing the impact the amendment to the standard will have on its financial statements and related disclosures.

d) IAS 12, Income Taxes

In May 2021, the IASB issued an amendment to IAS 12, "Income Taxes" ("IAS 12"). The amendment requires companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendment is effective for annual reporting periods beginning on or after January 1, 2023. For Corby, the amendment will become effective July 1, 2023. The Company is currently assessing the impact the amendment to the standard will have on its financial statements and related disclosures.

Other upcoming standards and amendment to standards that are not expected to have an impact on the Company's disclosures and financial results are as follows:

New or Revised Pronouncement		Effective Date	Company Effective Date
IFRS 17	*Insurance Contracts*	January 1, 2023	July 1, 2023
Amendments to IFRS 17	*Insurance Contracts*	January 1, 2023	July 1, 2023
Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*	January 1, 2024	July 1, 2024

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, 2023, 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.

Non-GAAP Financial Measures

In addition to using financial measures prescribed under GAAP, references are made in this MD&A to "Adjusted Earnings from Operations", "Adjusted Net Earnings", "Adjusted Basic Earnings per Share" and "Adjusted Diluted Earnings per Share" which are non-GAAP financial measures. Non-GAAP financial measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers.

Adjusted Earnings from Operations is equal to earnings from operations before interest and taxes for the period adjusted to remove the transaction costs related to the acquisition of Ace, costs and termination fees related to distributor transitions, restructuring provisions and in FY22 a non-cash impairment charge related to the Foreign Affair Winery.

Adjusted Net Earnings is equal to net earnings for the period adjusted to remove the transaction costs related to the acquisition of Ace, costs and termination fees related to distributor transitions, restructuring provisions, net of the associated tax impact and in the prior year the non-cash impairment charge related to the Foreign Affair Winery. Adjusted earnings per share and adjusted diluted earnings per share are computed in the same way as basic earnings per share.

Management believes the non-GAAP measures defined above are important supplemental measures of operating performance and highlight trends in the core business that may not otherwise be apparent when relying solely on GAAP financial measures. Management believes that these measures allow for assessment of the Company's operating performance and financial condition on a basis that is more consistent and comparable between reporting periods.

Reconciliation Tables

The following table presents a reconciliation of Earnings from Operations to Adjusted Earnings from Operations and Net Earnings to Adjusted Net Earnings to their most directly comparable financial measures for the three and twelve-months ended June 30, 2023 and 2022:

	Three months ended				*Year ended*			
(in millions of Canadian dollars, except per share amounts)	**June 30, 2023**	June 30, 2022	*$ Change*	*% Change*	**June 30, 2023**	**June 30, 2022**	*$ Change*	*% Change*
Earnings from Operations	**$ 1.8**	$ 5.0	(3.2)	(64%)	**28.3**	**32.7**	(4.3)	(13%)
Adjusted for transaction costs related to ACE acquisition	**3.0**	-	3.0	n.a.	**3.0**	-	3.0	n.a.
Adjusted for restructuring provisions	**0.7**	-	0.7	n.a.	**0.7**	-	0.7	n.a.
Adjusted for fees related to distributor transition	**0.4**	-	0.4	n.a.	**0.4**	-		n.a.
Adjusted for impairment charge	-	2.1	(2.1)	(100%)	**-**	**2.1**	(2.1)	(100%)
Adjusted Earnings from Operations	**5.9**	7.1	(1.2)	(17%)	**32.4**	**34.8**	(2.4)	(7%)
Earning from operations, per share	**$ 0.06**	$ 0.17	$ (0.11)	(64%)	**$ 1.00**	**1.15**	$ (0.15)	(13%)
Adjusted for transaction costs related to ACE acquisition	**0.10**	-	0.1	n.a.	**0.10**	-	0.10	n.a.
Adjusted for restructuring provisions	**0.02**	-	0.0	n.a.	**0.02**	-	0.02	n.a.
Adjusted for fees related to distributor transition	**0.01**	-	0.0	n.a.	**0.01**	-	0.01	n.a.
Adjusted for impairment charge	-	0.07	(0.07)	(100%)	-	**0.07**	(0.07)	(100%)
Adjusted earning from operations, per share	**$ 0.21**	$ 0.25	$ (0.04)	(17%)	**$ 1.14**	**1.22**	$ (0.08)	(7%)
Net earnings	**1.6**	3.1	(1.5)	(48%)	**22.0**	**23.4**	(1.4)	(6%)
Adjusted for transaction costs related to ACE acquisition	**2.5**	-	2.5	n.a.	**2.5**	-	2.5	n.a.
Adjusted for restructuring provisions	**0.5**	-	0.5	n.a.	**0.5**	-	0.5	n.a.
Adjusted for fees related to distributor transition	**0.3**	-	0.3	n.a.	**0.3**	-	0.3	n.a.
Adjusted for impairment charge	-	2.1	(2.1)	(100%)	-	**2.1**	(2.1)	(100%)
Adjusted Net Earnings	**4.9**	**5.3**	(0.3)	(6%)	**25.3**	**25.5**	(0.3)	(1%)
Per common share								
- Basic net earnings	**$ 0.06**	$ 0.11	$ (0.05)	(48%)	**$ 0.77**	**0.82**	$ (0.05)	(6%)
- Diluted net earnings	**$ 0.06**	$ 0.11	$ (0.05)	(48%)	**$ 0.77**	**0.82**	$ (0.05)	(6%)
Basic net earnings per share	**$ 0.06**	$ 0.11	$ (0.05)	(48%)	**$ 0.77**	**0.82**	$ (0.05)	(6%)
Adjusted for transaction costs related to ACE acquisition	**0.09**	-	0.09	n.a.	**0.09**	-	0.09	n.a.
Adjusted for restructuring provisions	**0.02**	-	0.02	n.a.	**0.02**	-	0.02	n.a.
Adjusted for fees related to distributor transition	**0.01**	-	0.01	n.a.	**0.01**	-	0.01	n.a.
Adjusted for impairment charge	-	0.07	(0.07)	(100%)	-	**0.07**	(0.07)	(100%)
Adjusted Basic, net earnings per share	**$ 0.18**	$ 0.18	$ -	(6%)	**$ 0.89**	**0.89**	$ -	(1%)
Diluted net earnings per share	**$ 0.06**	$ 0.11	$ (0.05)	(48%)	**$ 0.77**	**0.82**	$ (0.05)	(6%)
Adjusted for transaction costs related to ACE acquisition	**0.09**	-	0.09	n.a.	**0.09**	-	0.09	n.a.
Adjusted for restructuring provisions	**0.02**	-	0.02	n.a.	**0.02**	-	0.02	n.a.
Adjusted for fees related to distributor transition	**0.01**	-	0.01	n.a.	**0.01**	-	0.01	n.a.
Adjusted for impairment charge	**-**	0.07	(0.07)	(100%)	**-**	**0.07**	(0.07)	(100%)
Adjusted Diluted, net earnings per share	**$ 0.18**	$ 0.18	$ -	(6%)	**$ 0.89**	**0.89**	$ -	(1%)

Risks & 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 resulted in economic volatility in global markets. Governments and central banks responded with monetary and fiscal interventions to stabilize economies and ease financial disruption. The ultimate magnitude and duration of the impact of the COVID-19 pandemic on the global economy and supply chains remains uncertain.

To date, there has not been a negative impact on the Company's liquidity and financial position in connection with the COVID-19 pandemic, but the full duration and impact of the COVID-19 pandemic on the Company's liquidity and financial position cannot be reasonably estimated at this time and will depend on future developments and resulting evolution of economic impacts (see below, "Consumer Consumption Patterns" for more information).

Geo-Political Risk

Geo-political and other events, such as the ongoing situation in Ukraine, and the sanctions imposed in connection therewith, have led, and in the future may lead, to disruptions in Canadian and global economies and markets generally. The political and civil situations both domestically and in other countries cannot be accurately predicted. National and international political activities remain fluid and beyond our control. While we continue to monitor economic and political situations in Canada and other countries closely, any new, prolonged or expanded unrest, military activities, or sanctions, could increase financial market volatility and have significant adverse direct or indirect effects on global economies and on our business, results of operations or financial results. Such events may indirectly impact the performance of the Company due to increased cost of inputs and supply chain volatility.

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, health trends and government alcohol consumption guidelines, as well as overall consumer confidence in the stability of the economy as a whole. Uncertainty and adverse changes in general economic conditions including high inflation, fuel and energy costs and interest rates may negatively impact consumer spending and consumer demand for the Company's products and services which could adversely affect the Company's operations or financial performance.

Additionally, the legalization of recreational cannabis in Canada could have the potential to impact consumer consumption patterns with respect to beverage alcohol products. 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 and geopolitical issues, can impact product quality and availability. The Company adheres to a comprehensive suite of quality programmes and proactively manages production and supply chains to mitigate any potential risk to consumer safety or Corby's reputation and profitability.

The Company closely monitors the changing global environment to ensure LBs' order fulfillment is achieved across the various markets. Consumer traffic from worldwide ports continues to be affected by shipping container availability issues and port disruptions. Global supply chains continue to be a potential risk, both for the supply of finished goods, and for raw materials.

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. See Note 29, "Contingency" in the Company's financial statements for related information.

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 we believe 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 our ability to realize any anticipated growth opportunities or costs savings from combining the target's assets and operations with our 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 to maintain market share, which may negatively affect our 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 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, considering their financial position, past experience and other factors. As the 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 programme 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 and Inflation 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. Inflation as well as other economic factors including demand, global events and supply chain challenges could impact the cost of production inputs and negatively impact the Company's results from operations. 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 & 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 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 unfavorable impact on the Company's earnings.

Third-Party Service Providers

HWSL provides more than 90% of the Company's production requirements, among other services including administration and information technology. The Company is also reliant upon certain third-party service providers in respect of certain of its operations. It is possible that negative events affecting HWSL and these third-party service providers could, in turn, negatively impact the Company. While the Company has no direct control over how HWSL and 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 service providers.

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 Indefinite-life 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).

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 of the Company's reportable segments as at June 30, 2023:

		Carrying Values as at June 30, 2023		
Segment	Associated Market	Goodwill	Intangibles	Total
Case Goods - Domestic	Canada	7.4	3.6	11.0
Case Goods - International	United Kingdom[1]	1.3	11.8	13.1
		$ 8.7	$ 15.4	$ 24.1

[1] The Case Goods - International segment relates to Lamb's rum which 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.

Therefore, economic factors (such as consumer consumption patterns) specific to these segments 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. 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. In fiscal year 2020 the Company underwent a pension de-risking strategy for its defined benefit salaried pension plan by purchasing a buy-in annuity for retirees and deferred vested plan members. Future cash flows from the annuity will match the amount and timing of benefits payable under the portion of the plan for these groups, substantially mitigating the exposure to future volatility in the related pension obligations. 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, 2023.

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 Commitee that comprises a majority of independent directors. The Audit Commitee 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 Commitee 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.

Nicolas Krantz
President & Chief Executive Officer

Juan Alonso
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, 2023 and June 30, 2022, 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, 2023 and June 30, 2022, 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.

Key Audit Matters

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended June 30, 2023. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

INDEFINITE-LIFE INTANGIBLE ASSETS — REFER TO NOTES 13 AND 14 TO THE FINANCIAL STATEMENTS

Key Audit Matter Description

The Company's evaluation of indefinite-life intangibles related to trademarks involves the comparison of the carrying values of the cash-generating unit ("CGU") with their respective recoverable amounts. The recoverable amounts are estimated based on value in use using a discounted cash flow model, which requires management to make significant estimates and judgments related to discount rates, multi-year forecasts of future revenue, cost of sales, marketing, sales and administration expenses, and terminal growth rates. Changes in these assumptions could have a significant impact on the recoverable amounts and as a result, the amount of any impairment charge required.

Given the significant judgements made by management to estimate the recoverable amounts of the indefinite intangible assets, performing audit procedures to evaluate the reasonableness of the estimates and assumptions related to discount rates, multi-year forecasts of future revenue, cost of sales, marketing, sales and administration expenses, and terminal growth rates required a high degree of auditor judgement and an increased extent of audit effort, including the need to involve fair value specialists.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the discount rates and multi-year forecasts of future revenue, cost of sales, marketing, sales and administration expenses and terminal growth rates used to estimate the recoverable amounts of the indefinite-life intangible assets included the following, among others:

- Evaluated management's ability to accurately forecast future revenue, cost of sales, marketing, sales and administration expenses by comparing actual results to management's historical forecasts.

- Evaluated the reasonableness of management's forecast of future revenue, cost of sales, marketing, sales and administration expenses by comparing the forecasts to:
  - Historical revenue, cost of sales, marketing, sales and administration expenses.
  - Internal communications to management and the Board of Directors detailing business strategies and growth plans.
  - Forecasted information included in Company press releases as well as in analyst and industry reports for the Company and certain of its peer companies.

- With the assistance of fair value specialists, evaluated the reasonableness of the:
  - terminal growth rates by developing a range of independent estimates using available industry data and expected long term inflation rates and comparing those to the terminal growth rates selected by management.
  - discount rates by testing the source information underlying the determination of the discount rates and developing a range of independent estimates and comparing those to the discount rates selected by management.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
August 23 , 2023
Toronto, Ontario, Canada

CONSOLIDATED BALANCE SHEETS

for the years ended June 30, 2023 and 2022
(in thousands of Canadian dollars)

As at	Notes	**June 30, 2023**	June 30, 2022
ASSETS			
Deposits in cash management pools		**$ 155,014**	$ 52,459
Accounts receivable	7	**39,565**	35,845
Income taxes recoverable		**-**	2,442
Inventories	8	**75,241**	61,090
Prepaid expenses		**694**	647
Total current assets		**270,514**	152,483
Other assets	9	**6,954**	6,764
Right-of-use assets	10	**3,559**	3,644
Property, plant and equipment	11	**21,635**	20,601
Goodwill	12	**8,757**	8,757
Intangible assets	13	**51,182**	61,264
Total assets		**$ 362,601**	$ 253,513
LIABILITIES			
Accounts payable and accrued liabilities	15	**$ 67,112**	$ 53,403
Income and other taxes payable	16	**1,299**	-
Current lease liabilities	10	**1,286**	1,215
Total current liabilities		**69,697**	54,618
Provision for employee benefits	9	**8,047**	7,722
Term loan payable	17	**98,014**	-
Deferred income taxes	16	**4,514**	5,480
Long-term lease liabilities	10	**2,334**	2,488
Total liabilities		**182,606**	70,308
Shareholders' equity			
Share capital	18	**14,304**	14,304
Accumulated other comprehensive gain	19	**5,127**	5,243
Retained earnings		**160,564**	163,658
Total shareholders' equity		**179,995**	183,205
Total liabilities and shareholders' equity		**$ 362,601**	$ 253,513

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

CONSOLIDATED STATEMENTS OF EARNINGS

for the years ended June 30, 2023 and 2022

(in thousands of Canadian dollars, except per share amounts)

	Notes	**June 30, 2023**	June 30, 2022 (1)
Revenue	20	**$ 162,955**	$ 159,393
Cost of sales		**(68,840)**	(63,255)
Marketing, sales and administration		**(62,395)**	(61,035)
Acquisition related transaction costs	21	**(2,953)**	-
Impairment charge		**-**	(2,130)
Other expense	22	**(427)**	(303)
Earnings from operations		**28,340**	32,670
Financial income	23	**1,974**	379
Financial expense	23	**(276)**	(254)
		1,698	125
Earnings before income taxes		**30,038**	32,795
Current income taxes	16	**(9,003)**	(8,484)
Deferred income taxes	16	**924**	(909)
Income taxes		**(8,079)**	(9,393)
Net earnings		**$ 21,959**	$ 23,402
Basic earnings per share	24	**$ 0.77**	$ 0.82
Diluted earnings per share	24	**$ 0.77**	$ 0.82
Weighted average common shares outstanding			
Basic		**28,468,856**	28,468,856
Diluted		**28,468,856**	28,468,856

(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.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

for the years ended June 30, 2023 and 2022

(in thousands of Canadian dollars)

		For the Year Ended	
	Notes	**June 30, 2023**	June 30, 2022
Net earnings		**$ 21,959**	$ 23,402
Other Comprehensive Income:			
Amounts that will not be subsequently reclassified to earnings:			
Net actuarial losses	9	**(158)**	(2,079)
Income taxes	16	**42**	548
		(116)	(1,531)
Total comprehensive income		**$ 21,843**	$ 21,871

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

for the years ended June 30, 2023 and 2022

(in thousands of Canadian dollars)

	Share Capital	Accumulated Other Comprehensive Income	Retained Earnings	Total
Balance as at June 30, 2022	$ 14,304	$ 5,243	$ 163,658	$ 183,205
Total comprehensive income	-	(116)	21,959	21,843
Dividends	-	-	(25,053)	(25,053)
Balance as at June 30, 2023	**$ 14,304**	**$ 5,127**	**$ 160,564**	**$ 179,995**
Balance as at June 30, 2021 [1]	$ 14,304	$ 6,774	$ 166,732	$ 187,810
Total comprehensive income	-	(1,531)	23,402	21,871
Dividends	-	-	(26,476)	(26,476)
Balance as at June 30, 2022	$ 14,304	$ 5,243	$ 163,658	$ 183,205

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

CONSOLIDATED STATEMENTS OF CASH FLOW

for the years ended June 30, 2023 and 2022
(in thousands of Canadian dollars)

	Notes	June 30, 2023	June 30, 2022
Operating activities			
Net earnings		**$ 21,959**	$ 23,402
Adjustments for:			
Amortization and depreciation	25	**14,817**	14,252
Net financial income	23	**(1,698)**	(125)
Impairment charge	13	**-**	2,130
Loss on disposal of property and equipment		**64**	12
Income tax expense		**8,079**	9,393
Provision for employee benefits		**(203)**	1
		43,018	49,065
Net change in non-cash working capital balances	27	**(4,219)**	9,670
Interest received		**1,893**	306
Income taxes paid		**(5,262)**	(13,523)
Net cash from operating activities		**35,430**	45,518
Investing activities			
Additions to property and equipment	11	**(3,876)**	(4,414)
Additions to intangible assets	13	**(841)**	(55,280)
Proceeds from disposition of property and equipment		**271**	32
(Deposits in) Withdrawals from cash management pools		**(102,555)**	41,940
Net cash from (used in) investing activities		**(107,001)**	(17,722)
Financing activity			
Proceeds from term loan	17	**98,000**	-
Payment of lease liabilities	10	**(1,376)**	(1,320)
Dividends paid		**(25,053)**	(26,476)
Net cash from financing activity		**71,571**	(27,796)
Net increase in cash		**$ -**	$ -
Cash, beginning of year		**-**	-
Cash, end of year		**$ -**	$ -

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2023 and 2022
(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 market.

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 logistics 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, 2023.

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 23, 2023.

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 Judgements

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 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.

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) Business combinations

Business combinations are accounted for using the acquisition method of accounting. The Company determines the fair value of the identifiable assets acquired and the liabilities assumed using discounted cash flow models corroborated by other valuation techniques. The process of determining these fair values requires the Company to make estimates and assumptions of a long-term nature regarding discount rates, projected revenues, royalty rates and margins 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.

(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 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

A number of new standards, amendments to standards and interpretations are effective for the annual reporting period ended June 30, 2023, and accordingly, have been applied in preparing these consolidated financial statements:

(i) IAS 16, Property, Plant and Equipment – Proceeds Before Intended Use

In May 2020, the IASB issued an amendment to IAS 16, “Property, Plant and Equipment – Proceeds Before Intended Use” (“IAS 16”). The amendment prohibits deducting from the cost of an item of property, plant, and equipment any proceeds from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity is required to recognize the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendment is effective for annual reporting periods beginning on or after January 1, 2022. For Corby, the amendment became effective July 1, 2022. This amendment did not have an impact on the Company’s consolidated financial statements.

(ii) IAS 37, Onerous Contracts – Cost of Fulfilling a Contract

In May 2020, the IASB issued an amendment to IAS 37, “Provisions, Contingent Liabilities and Contingent Assets” (“IAS 37”), specifically with regard to onerous contracts. The amendment clarifies the meaning of costs to fulfil a contract and specifies the costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts. The amendment is effective for annual reporting periods beginning on or after January 1, 2022. For Corby, the amendment became effective July 1, 2022. This amendment did not have an impact on the Company’s consolidated financial statements.

(iii) Annual Improvements to IFRS Standards 2018–2020

Changes have been made to the following standards:

IFRS 1 - Amendment	First Time Adoption of IFRS
IFRS 9 - Amendment	Financial Instruments
IFRS 16 - Amendment	Leases
IAS 41 - Amendment	Agriculture

These changes are applicable to annual reporting periods beginning on or after January 1, 2022. The Company has assessed these changes and has determined that the impact is immaterial.

(iv) Reference to the Conceptual Framework (Amendments to IFRS 3)

Certain outdated references to the Conceptual Framework in IFRS 3 have been updated without significantly changing the requirements in the standard. These updates are applicable beginning on or after January 1, 2022. The Company has assessed these changes and has determined that the impact is immaterial.

Recent accounting pronouncements not in effect

The below standards and amendments to standards have been issued but are not yet effective for the financial period ended June 30, 2023, and accordingly, have not been applied in preparing these consolidated financial statements:

a) Environmental, Social and Governance (“ESG”) and climate reporting

Emissions, carbon and other regulations impacting climate and climate related matters are constantly evolving. With respect to Environmental, Social and Governance (“ESG”) and climate reporting, the International Sustainability Standards Board has issued an IFRS Sustainability Disclosure Standard with the goal to develop sustainability disclosure standards that are globally consistent, comparable and reliable. The Canadian Securities Administrators have also issued a proposed National Instrument 51-107 Disclosure of Climate-related Matters which details the additional reporting requirements for Canadian Public Companies. The Company continues to monitor progress on these reporting requirements and assess their impact on the Company’s financial statements.

b) IAS 1, Presentation of Financial Statements

In January 2020, the IASB issued an amendment to IAS 1, "Presentation of Financial Statements" ("IAS 1"). The amendment clarifies the classification of liabilities as current or non-current depending on the rights that exist at the end of the reporting period. The amendment also clarifies the meaning of settlement of a liability. This amendment is effective for annual periods beginning on or after January 1, 2024. For Corby, the amendment will become effective July 1, 2024 and is not expected to have a material impact on Corby's financial statements or disclosures.

In October 2022, the IASB further amended the standard to specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. In addition, the amendment requires a company to disclose information about these covenants in the notes to the financial statements. The amendment is effective for annual reporting periods beginning on or after January 1, 2024. For Corby, the amendment will become effective July 1, 2024 and will not have an impact on its financial statements and related disclosures.

In February 2021, the IASB issued an amendment to IAS 1 regarding the disclosure of accounting policies. The amendment clarifies that an entity will be required to disclose its material accounting policy information instead of its significant accounting policies. This amendment is effective for annual periods beginning on or after January 1, 2023. For Corby, the amendment will become effective July 1, 2023. The Company is currently assessing the impact this amendment will have on its financial statement disclosures.

c) IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors

In February 2021, the IASB issued an amendment to IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors" ("IAS 8"). The amendment replaces the definition of a change in accounting estimates with a definition of accounting estimates. The amendment also clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error. The amendment is effective for annual reporting periods beginning on or after January 1, 2023. For Corby, the amendment will become effective July 1, 2023. The Company is currently assessing the impact the amendment to the standard will have on its financial statements and related disclosures.

d) IAS 12, Income Taxes

In May 2021, the IASB issued an amendment to IAS 12, "Income Taxes" ("IAS 12"). The amendment requires companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendment is effective for annual reporting periods beginning on or after January 1, 2023. For Corby, the amendment will become effective July 1, 2023. The Company is currently assessing the impact the amendment to the standard will have on its financial statements and related disclosures.

Other upcoming standards and amendments to standards that are not expected to have an impact on the Company's disclosures and financial results are as follows:

New or Revised Pronouncement		Effective Date	Company Effective Date
IFRS 17	*Insurance Contracts*	January 1, 2023	July 1, 2023
Amendments to IFRS 17	*Insurance Contracts*	January 1, 2023	July 1, 2023
Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*	January 1, 2024	July 1, 2024

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below, 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 daily 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	Shorter of term of lease or estimated useful life
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.

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 were scheduled to expire on September 30, 2021. On September 24, 2020, Corby renewed its exclusive right to represent PR's brands in Canada for a further five years and three months, effective July 1, 2021 until September 29, 2026, with a potential for automatic renewal for a further three years thereafter, subject to the achievement of performance criteria. The agreement required a payment of an up-front fee of $54.5 million which was paid September 28, 2021, which Corby funded through its deposits in cash management pools. See Note 27, "Related Party Transactions" for further information. 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 3-5 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, 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 that 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 16).

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 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. A defined benefit plan in a surplus position is included in Other assets.

(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. Expense for termination benefits are recognized in earnings from operations in the period in which they occur.

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 retail stores, 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 costs, 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 logistics fees and bulk whisky sales. Logistics 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, 2023 and 2022.

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
Term loan payable	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 27), 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.
As at June 30, 2023, over 81% (2022 – 88%) 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 $154,686 (2022 - $52,459) 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	$ 67,112	$ -	$ -	$ 67,112
Lease liabilities	1,286	2,334	-	3,620
Term loan	-	-	98,014	98,014
Pension liability	-	-	8,047	8,047
	$ 68,398	**$ 2,334**	**$ 106,061**	**$ 176,793**

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, based upon the 30-day CDOR rate plus 0.40%, on its deposits in cash management pools. A 50 basis point ("bp") increase or decrease in the interest rate would impact the company's earnings by approximately $247 (2022 – $134).

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. A 1% increase or decrease in the exchange rate of the US dollar or the UK pound sterling would impact the Company's net earnings by approximately $15 (2022 - $19) or $30 (2022 - $110), respectively.

USD EXPOSURE

The Company's demand for USD has traditionally outpaced its supply, due to USD sourcing of production inputs and Advertising & 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 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 its 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. The fair value of the term loan payable is equivalent to its carrying value as the fixed interest rate approximates market interest rates at June 30, 2023. 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, 2023		June 30, 2022
Share capital	**$**	**14,304**	$	14,304
Accumulated other comprehensive gain		**5,127**		5,243
Retained earnings		**160,564**		163,658
Net capital under management	**$**	**179,995**	$	183,205

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, 2023		June 30, 2022
Trade receivables	**$**	**22,487**	$	22,465
Due from related parties		**14,320**		11,605
Other		**2,882**		1,871
		39,689		35,941
Allowance for uncollectible amounts		**(124)**		(96)
	$	**39,565**	$	35,845

8. INVENTORIES

		June 30, 2023		June 30, 2022
Raw materials	**$**	**5,997**	$	4,790
Work-in-progress		**56,201**		47,005
Finished goods		**13,043**		9,295
	$	**75,241**	$	61,090

The cost of inventory recognized as an expense and included in cost of sales during the year ended June 30, 2023 was $62,462 (2022 – $57,588). During the year, there were write-downs of $437 (2022 – $351) 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 90 days of service. For the year ended June 30, 2023, the Company recognized contributions of $726 as expense (2022 - $612) 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, 2022 for the executive plan and June 30, 2020 for the salaried plan. The next required valuations must be completed with an effective date no later than December 31, 2025 and June 30, 2023, 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, 2023, the average duration of the defined benefit obligation for the registered and non-registered pension plans and the post-retirement benefit plan is 12 years (2022 – 12 years).

Company contributions to the registered and non-registered pension plans are expected to be $768 for the fiscal year ended June 30, 2024.

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 a buy-in annuity for retirees and deferred vested plan members. Future cash flows from the annuity 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. At June 30, 2023, the buy-in annuity represents $17,548 of the pension obligation for the defined benefit plans.

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:

	2023			2022		
	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	**5.1%**	**5.1%**	**5.1%**	5.1%	5.1%	5.1%
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	**5.1%**	**5.1%**	**5.1%**	3.0%	3.0%	3.0%
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 50bp 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 $3,079 and $73, 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 $3,323 and $82, 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 consolidated financial statements.

The medical cost trend rate used was 4.3% for 2023 (2022 – 4.4%), with 3.3% being the ultimate trend rate for 2040 and years thereafter. The dental cost trend rate used was 4.0% for 2023 (2022 – 4.0%). 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 by $672 with minimal impact on pension expense. Conversely, a 1% decrease in the medical cost trend rate would decrease the amount of the Company's provision for pensions $553 with minimal impact on pension expense. 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 consolidated financial statements.

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

	June 30, 2023	June 30, 2022
Present value of defined benefit obligation of unfunded plans	**$ (6,644)**	$ (6,677)
Present value of defined benefit obligation of partially funded plans	**(7,939)**	(7,984)
Present value of defined benefit obligation of fully funded plans	**(34,846)**	(34,181)
Total present value of defined benefit obligation	**(49,429)**	(48,842)
Fair value of plan assets	**48,336**	47,884
Net defined benefit liability	**$ (1,093)**	$ (958)

Information about the Company's pension and other benefit plans for the year ended June 30, 2023 is as follows:

				2023
	Registered Pension Plans	Non-registered Pension Plans	Other Benefit Plan	Total
Fair value of plan assets				
Fair value of plan assets, beginning of year	$ 33,403	$ 14,481	$ -	$ 47,884
Interest income	1,678	753	-	2,431
Actuarial gains (losses)	306	(363)	-	(57)
Change in the asset ceiling impact	477	-	-	477
Company contributions	505	-	-	505
Plan participants' contributions	96	-	-	96
Benefits paid	(2,270)	(530)	-	(2,800)
Administrative costs	(140)	(60)	-	(200)
Fair value of plan assets, end of year	$ 34,055	$ 14,281	$ -	$ 48,336
Present value of defined benefit obligation				
Defined benefit obligation, beginning of year	$ 34,181	$ 7,984	$ 6,677	$ 48,842
Current service cost	508	100	61	669
Interest cost	1,685	393	331	2,409
Plan participants' contributions	96	-	-	96
Actuarial losses (gains):				
Experience losses and (gains)	411	(24)	(143)	244
Losses due to financial assumption changes	235	46	38	319
Benefits paid	(2,270)	(560)	(320)	(3,150)
Present value of the defined benefit obligations, end of year	$ 34,846	$ 7,939	$ 6,644	$ 49,429
Net defined benefit liability (asset)	$ 791	$ (6,342)	$ 6,644	$ 1,093

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

Other assets	$ 483	$ 6,471	$ -	$ 6,954
Pension obligation	(1,274)	(129)	(6,644)	(8,047)

The actual return on plan assets for the financial year ended June 30, 2023 was $2,374, 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, 2022 is as follows:

	Registered Pension Plans	Non-registered Pension Plans	Other Benefit Plan	Total
				2022
Fair value of plan assets				
Fair value of plan assets, beginning of year	$ 46,541	$ 20,032	$ -	$ 66,573
Actuarial losses	(8,667)	(5,529)	-	(14,196)
Change in the asset ceiling	(3,960)	-	-	(3,960)
Company contributions	529	-	-	529
Plan participants'	103	-	-	103
Benefits paid	(2,350)	(530)	-	(2,880)
Administrative costs	(140)	(60)	-	(200)
Fair value of plan assets, end of year	$ 33,403	$ 14,481	$ -	$ 47,884
Present value of defined benefit obligation				
Defined benefit obligation, beginning of year	$ 46,059	$ 10,364	$ 8,836	$ 65,259
Current service cost	810	150	109	1,069
Interest cost	1,346	303	259	1,908
Plan participants'	103	-	-	103
Actuarial losses (gains):				
Experience losses and (gains)	56	(40)	(21)	(5)
Gains due to financial assumption changes	(11,820)	(2,241)	(2,011)	(16,072)
Benefits paid	(2,373)	(552)	(495)	(3,420)
Present value of the defined benefit obligations,	$ 34,181	$ 7,984	$ 6,677	$ 48,842
Net defined benefit liability	$ 778	$ (6,497)	$ 6,677	$ 958

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

Other assets	$ 94	$ 6,670	$ -	$ 6,764
Pension obligation	(872)	(173)	(6,677)	(7,722)

The actual net loss on plan assets for the financial year ended June 30, 2022 was $(12,281), which was composed of interest income and actuarial 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:

	2023	2022
Current service costs	**$ 669**	$ 1,069
Interest costs	**178**	193
Net expense recognized in Net Earnings	**847**	1,262
Net actuarial losses recognized in Other Comprehensive Income	**158**	2,079
Total net expense recognized in Total Comprehensive Income	**$ 1,005**	$ 3,341

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, 2023, the fair value of the Trust's assets totaled $145,793, of which the Company's registered pension plans hold approximately 14% 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, 2023	June 30, 2022
Cash and Canadian Equities - level 1	**$ 3,205**	$ 5,580
Buy-in annuities - level 1	**17,548**	18,388
Bond funds - level 2	**3,936**	3,874
Foreign equities and Foreign Equity funds - level 2	**8,169**	4,507
Infrastructure and real estate funds - level 3	**4,911**	5,014
	37,769	37,363
Change in the asset ceiling impact	**(3,714)**	(3,960)
	$ 34,055	$ 33,403

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, 2023	June 30, 2022
Bond funds	**$ 8,642**	$ -
Canadian equity pooled funds	**-**	5,722
Foreign equity pooled funds	**-**	3,570
Refundable tax on account with Canada Revenue Agency	**5,639**	5,189
	$ 14,281	$ 14,481

The fair values of the investments held by the non-registered plan as at June 30, 2023 and 2022 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. LEASES

Right-of-use assets are 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 years ended June 30, 2023 and 2022:

						June 30 2023
		Building		**Other**		**Total**
Cost						
Balance, beginning of the period	$	5,382	$	2,763	$	8,145
Lease additions		426		1,001		1,427
Lease terminations		(225)		(691)		(916)
Balance, end of the period	**$**	**5,583**	**$**	**3,073**	**$**	**8,656**
Accumulated Depreciation						
Balance, beginning of the period	$	2,558	$	1,943	$	4,501
Depreciation		867		520		1,387
Lease terminations		(176)		(615)		(791)
Balance, end of the period	**$**	**3,249**	**$**	**1,848**	**$**	**5,097**
Carrying amount as at June 30, 2023	**$**	**2,334**	**$**	**1,225**	**$**	**3,559**

						June 30 2022
		Building		**Other**		**Total**
Cost						
Balance, beginning of the period	$	4,626	$	2,857	$	7,483
Lease additions		798		110		908
Lease terminations		(42)		(204)		(246)
Balance, end of the period	$	5,382	$	2,763	$	8,145
Accumulated Depreciation						
Balance, beginning of the period	$	1,717	$	1,444	$	3,161
Depreciation		841		499		1,340
Balance, end of the period	$	2,558	$	1,943	$	4,501
Carrying amount as at June 30, 2022	$	2,824	$	820	$	3,644

The following is a continuity of lease liabilities as at and for the years ended June 30, 2023 and 2022:

		June 30 2023		June 30 2022
Balance, beginning of the period	**$**	**3,703**	$	4,361
Lease additions		**1,399**		908
Lease terminations		**(106)**		(246)
Lease payments		**(1,455)**		(1,378)
Interest expense on lease liabilities		**79**		61
Less: Accrued Interest on lease liabilities		**-**		(3)
Balance, end of the period	**$**	**3,620**	$	3,703
Lease liabilities due within one year	**$**	**1,286**	$	1,215
Lease liabilities		**2,334**		2,488
Total lease liabilities	**$**	**3,620**	$	3,703

The expense related to leases with variable consideration, short-term lease and low value leases amounted to $32 (2022 - $560) and is recorded within marketing, sales and administration expenses.

11. PROPERTY, PLANT AND EQUIPMENT

		June 30, 2022		Additions		Depreciation		Disposals		June 30, 2023
Land	$	1,367	$	-	$	-	$	-		1,367
Vines		903		142		-		(383)		662
Building		3,682		513		-		-		4,195
Leasehold improvements		1,326		142		-		-		1,468
Machinery and equipment		12,841		1,199		-		(667)		13,373
Casks		17,251		1,880		-		-		19,131
Gross value		37,370		3,876		-		(1,050)		40,196
Vines		(140)		-		(22)		55		(107)
Building		(426)		-		(96)		-		(522)
Leasehold improvements		(375)		-		(238)		-		(613)
Machinery and equipment		(6,810)		-		(966)		660		(7,116)
Casks		(9,018)		-		(1,185)		-		(10,203)
Accum. depreciation		(16,769)		-		(2,507)		715		(18,561)
Property, plant and equipment	$	20,601	$	3,876	$	(2,507)	$	(335)	$	21,635

		June 30, 2021		Additions		Depreciation		Disposals		June 30, 2022
Land	$	1,367	$	-	$	-	$	-		1,367
Vines		887		16		-		-		903
Building		2,257		1,425		-		-		3,682
Leasehold		1,416		806		-		(896)		1,326
Machinery and equipment		13,842		1,073		-		(2,074)		12,841
Casks		16,191		1,094		-		(34)		17,251
Gross value		35,960		4,414		-		(3,004)		37,370
Vines		(110)		-		(30)		-		(140)
Building		(352)		-		(74)		-		(426)
Leasehold improvements		(1,145)		-		(126)		896		(375)
Machinery and equipment		(7,996)		-		(876)		2,062		(6,810)
Casks		(7,938)		-		(1,094)		14		(9,018)
Accum. depreciation		(17,541)		-		(2,200)		2,972		(16,769)
Property, plant and equipment	$	18,419	$	4,414	$	(2,200)	$	(32)	$	20,601

12. GOODWILL

Changes in the carrying amount of goodwill are as follows:

		June 30, 2023		June 30, 2022
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 2023 (2022 - $nil).

13. INTANGIBLE ASSETS

2023

			Movements in the Year							
		Opening Book Value		Additions		Amortization		Impairment		Ending Book Value
Long-term representation rights	**$**	**44,079**	**$**	**-**	**$**	**(10,371)**	**$**	**-**	**$**	**33,708**
Trademarks and licences		**15,331**		**-**		**-**		**-**		**15,331**
IT Software		**1,854**		**841**		**(552)**		**-**		**2,143**
	$	**61,264**	**$**	**841**	**$**	**(10,923)**	**$**	**-**	**$**	**51,182**

2022

			Movements in the Year							
		Opening Book Value		Additions		Amortization		Impairment		Ending Book Value
Long-term representation rights	$	-	$	54,450	$	(10,371)	$	-	$	44,079
Trademarks and licences		17,461		-				(2,130)		15,331
IT Software		1,365		830		(341)		-		1,854
	$	18,826	$	55,280	$	(10,712)	-$	2,130	$	61,264

On September 24, 2020 Corby signed an agreement with its ultimate parent whereby Corby will continue to represent PR Brands for a five year and three-month period beginning July 1, 2021. The agreement required a payment of an up-front fee of $54.5 million which was paid September 28, 2021, which Corby funded through its deposits in cash management pools. See Note 29, "Related Party Transactions" for further information.

During the fourth quarter of fiscal 2022, the Company recorded a non-cash impairment charge against trademarks related to the Foreign Affair wine brands of $2,130.

14. 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, 2023, along with the data and assumptions applied to the CGUs of the Case Goods Segment are as follows:

		Carrying Value Goodwill		Carrying Value Trademarks & Licences	Discount Rate	Terminal Growth Rate
Case Goods Segment	$	8,757	$	15,331	8.6% to 11.8%	2.0% to 2.8%

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, 2023, 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.

During the fourth quarter of fiscal 2022, the Company recorded a non-cash impairment charge against trademarks related to the Foreign Affair wine brands of $2,130. The Foreign Affair Winery along with the Foreign Affair wine brands was acquired by Corby October 2, 2017. The trademark associated with the Foreign Affair wine brands was initially recorded at a fair value of $2,500 upon acquisition and recorded in Intangible assets. During the year ended June 30, 2023 there were no reversals of previously recognized impairment charges.

15. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		June 30, 2023		June 30, 2022
Trade payables and accruals	**$**	**48,098**	$	43,155
Due to related parties		**16,061**		8,473
Other		**2,953**		1,775
	$	**67,112**	$	53,403

16. INCOME TAXES

	2023	2022
Current income tax expense		
Current period	**$ 9,210**	$ 8,448
Release of prior period tax risk	**(155)**	-
Adjustments with respect to prior period tax estimates	**(52)**	36
	$ 9,003	$ 8,484
Deferred income tax expense (recovery)		
Origination and reversal of temporary differences	**$ (946)**	$ 894
Adjustments with respect to prior period tax estimates	**22**	15
	(924)	909
Total income tax expense	**$ 8,079**	$ 9,393

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

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

	2023		2022	
Net earnings for the financial year		**$ 21,959**		$ 23,402
Total income tax expense		**8,079**		9,393
Earnings before income tax expense		**$ 30,038**		$ 32,795
Income tax using the combined Federal and Provincial statutory tax rates	**$ 7,926**	**26.4%**	$ 8,650	26.4%
Non-deductible expenses	**315**	**1.0%**	688	2.1%
Net capital gains				
Adjustments with respect to prior period tax estimates	**(31)**	**0.0%**	21	0.0%
Other	**(131)**	**(0.4%)**	34	0.1%
Effective income tax rate	**$ 8,079**	**26.9%**	$ 9,393	28.6%

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

		June 30, 2022		Recognized in Earnings		Recognized in OCI		June 30, 2023
Provision for pensions	$	**325**	$	**(14)**	$	**42**	$	**353**
Property, plant and equipment		**(4,134)**		**(89)**				**(4,223)**
Losses		**762**		**423**		**-**		**1,185**
Intangibles		**(2,803)**		**(1)**		**-**		**(2,804)**
Other		**370**		**605**		**-**		**975**
	$	**(5,480)**	$	**924**	$	**42**	$	**(4,514)**

		June 30, 2021		Recognized in Earnings		Recognized in OCI		June 30, 2022
Provision for pensions	$	(267)	$	44	$	548	$	325
Property, plant and equipment		(2,801)		(1,381)		-		(4,182)
Losses		481		281		-		762
Intangibles		(2,753)		(3)		-		(2,756)
Other		221		150		-		371
	$	(5,119)	$	(909)	$	548	$	(5,480)

Income taxes payable includes a provision for uncertain tax risks in the amount of $481 at June 30, 2022 ($636 – June 30, 2022).

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.

17. TERM LOAN PAYABLE

On June 12, 2023, Corby entered into a loan agreement with PR with a total available credit amount of $120,000, of which $98,000 was drawn as at June 30, 2023. The loan provides Corby with the required funding to complete the Ace acquisition which closed on July 4th 2023 (Refer to Note 21 "Subsequent Event" for further information).

Details of the loan payable are as follows:

	Maturity Date	Rate		2023
Term loan payable	**June 20, 2033**	**5.430%**	**$**	**98,000**
Accrued interest				**14**
			$	**98,014**

Remaining available credit under the term loan payable is $22,000 as at June 30, 2023. This available credit remains available until December 20, 2023, after this time the borrowing under this loan agreement is fixed. Interest is payable on a quarterly basis. The term loan along with any accrued interest is due in full at the maturity date, June 30, 2033 with Corby provided the option to voluntarily make partial or total repayment at any time before the maturity date.

18. SHARE CAPITAL

		June 30, 2023		June 30, 2022
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

19. ACCUMULATED OTHER COMPREHENSIVE GAIN

		June 30, 2023		June 30, 2022
Actuarial gains on pension obligations	**$**	**6,886**	$	7,044
less: income taxes		**(1,759)**		(1,801)
Accumulated other comprehensive gain	**$**	**5,127**	$	5,243

20. REVENUE

The Company’s revenue consists of the following streams:

		2023		2022
Case goods sales	**$**	**132,901**	$	128,053
Commissions, net		**26,904**		26,562
Other services		**3,150**		4,778
	$	**162,955**	$	159,393

Commissions for the year are shown net of amortization of long-term representation rights of $10,371 (2022 - $10,371). Other services include revenues incidental to the manufacture of case goods, such as logistics fees and miscellaneous bulk spirit sales.

21. SUBSEQUENT EVENT

On July 4, 2023, Corby acquired 90% of the outstanding shares of Ace Beverage Group Inc. (“Ace”). The purchase price of $148,500 was paid using available cash and financing from PR, Corby’s ultimate parent in the form of a 10-year term loan which bears interest at 5.43% per annum. Further, Corby entered into an agreement with the minority shareholders of Ace which provides Corby with the option to purchase 5% of the remaining outstanding shares of Ace in 2025 and then to purchase the final 5% of the remaining outstanding shares in 2028. In connection with the closing of the transaction, Corby also signed a guarantee in favour of a Canadian Chartered Bank for payments of amounts owing under Ace’s continuing operating loan. This guarantee is limited to $31,850.

Ace is a Canadian ready-to-drink producer and marketer. Its flagship brand is “Cottage Springs” and Ace also boasts a diversified portfolio of other innovative RTD offerings adding significant scale to Corby’s portfolio as well as expertise in the high-growth RTD category.

The Company will account for this acquisition using the acquisition method in accordance with IFRS 3, Business Combinations, and the results of Ace will be consolidated with those of the Company from the date of acquisition. The Company has not yet completed the accounting for the business acquisition including the determination of the fair values of the identifiable net assets acquired as complete data is not available.

Acquisition related costs totaled $4,508, of which $1,555 was reimbursed by PR. Corby recognized $2,953 in acquisition related costs in earnings from operations during the year-ended June 30, 2023.

22. OTHER (EXPENSE) INCOME

The Company’s other (expense) income consists of the following amounts:

		2023		2022
Foreign exchange loss	**$**	**90**	$	(158)
Loss on disposal of property and equipment		**(60)**		(12)
Other		**(457)**		(133)
	$	**(427)**	$	(303)

23. NET FINANCIAL INCOME AND EXPENSE

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

		2023		2022
Interest income	**$**	**1,974**	$	379
Interest expense		**(97)**		(61)
Net financial impact of pensions		**(179)**		(193)
	$	**1,698**	$	125

24. EARNINGS PER SHARE

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

		2023		2022
Numerator:				
Net earnings	**$**	**21,959**	$	23,402
Denominator:				
Weighted average shares outstanding		**28,468,856**		28,468,856

25. EXPENSES BY NATURE

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

	2023	2022
Depreciation of property and equipment	**$ 2,507**	$ 2,200
Depreciation of right-of-use assets	**1,387**	1,340
Amortization of intangible assets	**10,923**	10,712
Salary and payroll costs	**28,774**	27,001
Expenses related to pensions and benefits	**669**	1,069

26. RESTRICTED SHARE UNITS PLAN

	2023		2022	
	Restricted Share Units	Weighted Average Grant Date Fair Value	Restricted Share Units	Weighted Average Grant Date Fair Value
Non-vested, beginning of year	**80,783**	**$ 19.92**	72,269	$ 20.47
Granted	**19,643**	**16.61**	18,445	17.88
Reinvested dividend equivalent units	**3,306**	**15.79**	4,510	17.38
Performance adjustments	**-**	**-**	7,628	18.02
Vested	**(35,378)**	**17.73**	(22,069)	18.86
Non-vested, end of year	**68,354**	**$ 14.02**	80,783	$ 19.92

Compensation expense related to this plan for the year ended June 30, 2023 was $295 (2022 - $437).

27. NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES

	2023	2022
Accounts receivable	**$ (3,720)**	$ (128)
Inventories	**(14,151)**	(305)
Prepaid expenses	**(47)**	665
Accounts payable and accrued liabilities	**13,699**	9,438
	$ (4,219)	$ 9,670

28. DIVIDENDS

On August 23, 2023 subsequent to the year ended June 30, 2023, the Board of Directors declared its regular quarterly dividend of $0.21 per common share, to be paid on September 29, 2023, to shareholders of record as at the close of business on September 15, 2023. This dividend is in accordance with the Company's dividend policy.

29. RELATED PARTY TRANSACTIONS

Transactions with parent, ultimate parent, and affiliates

The majority of Corby's issued and outstanding Voting Class A 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.

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 the Canadian market. Furthermore, Corby outsources the large majority of its distilling, maturing, storing, blending, bottling and related production activities to its parent company, HWSL. A significant portion of Corby's bookkeeping, recordkeeping services, data processing and other administrative services are also outsourced to its parent company, HWSL. Significant 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 initially 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, as well as providing for the continuing production of certain Corby brands by PR at its production facility in Windsor, Ontario. 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.

The 2006 Agreements have been amended and renewed, as follows:

- 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 entered into an administrative services agreement, under which Corby agreed to continue to manage certain of PR's business interests in Canada, with a similar term and commencement date. Corby's role managing the HWSL production facility ended on June 30, 2020 but the rest of the services contemplated by the administrative services agreement continue to be provided and are governed by that agreement.

On September 24, 2020, Corby renewed its exclusive right to represent PR's brands in Canada for a further five years and three months, effective July 1, 2021 until September 29, 2026, with a potential for automatic renewal for a further three years thereafter, subject to the achievement of performance criteria ("The 2021 Agreement"). This new representation agreement also renewed Corby's exclusive right to represent ABSOLUT vodka in Canada. Those rights were originally granted in an agreement entered into on September 26, 2008 for a five-year term, which was extended to September 29, 2021 (consistent with the brands subject to the 2006 Agreements) by way of an agreement dated November 9, 2011 and amended on September 30, 2013. The end of the term of the new Canadian representation agreement aligns with those of existing production and administrative services agreements with PR, renewed in 2016. The 2021 Agreement required a payment of an up-front fee of $54.5 million which was paid September 28, 2021, which Corby funded through its deposits in cash management pools. Since the 2021 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.

On June 12, 2023, Corby entered into a loan agreement with PR with a total available credit amount of $120,000, of which $98,000 was drawn as at June 30, 2023. The loan provides Corby with the required funding to complete the Ace acquisition which closed on July 4th, 2023. The loan bears interest at a fixed rate of 5.43% per annum and matures June 30, 2033. Remaining available credit under the loan agreement can be drawn until December 20, 2023, after this time the borrowing is fixed. Interest is payable on a quarterly basis. The term loan along with any accrued interest is due in full at the maturity date, June 30, 2033, with Corby provided the option to voluntarily make partial or total repayment at any time before the maturity date. The loan agreement is on arm's-length terms at market rates and, as a related party transaction, was approved by Corby's independent directors, with external financial and legal advice. (Refer to Note 21 "Subsequent Event" for further information).

PR also represents certain Corby-owned brands in the United Kingdom. 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. On March 28, 2019 the agreement was amended to include Ungava Gin. The agreement was amended again on March 21, 2021 to modify the list of products represented by PRUK and to extend the term of the agreement for a five-year period ending June 30, 2026.

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

		2023		2022
Sales to related parties				
Commissions - parent, ultimate parent and affiliated companies	**$**	**35,531**	$	34,751
Products for resale at an export level - affiliated companies		**8,497**		8,548
Bulk spirits - affiliated companies		**-**		1,066
	$	**44,028**	$	44,365
Cost of goods sold, purchased from related parties				
Distilling, blending, and production services - parent	**$**	**30,826**	$	22,171
Administrative services purchased from related parties				
Marketing, sales and administration services - parent	**$**	**3,591**	$	2,775

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, 2023, Corby sold casks to its parent company for net proceeds of $48 (2022 - $20).

In connection with Corby's acquisition of Ace, PR reimbursed Corby for $1,555 of the associated transaction costs (Refer to Note 21 "Subsequent Event" for further information).

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 23, 2023, 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 CDOR rate plus 0.40%. During the year ended June 30, 2023, Corby earned interest income of $2,020 from PR (2022 – $631). 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:

		2023		2022
Wages, salaries and short term employee benefits	**$**	**3,731**	$	3,622
Other long term benefits		**347**		255
Share-based payment transactions		**310**		419
	$	**4,388**	$	4,296

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.

30. 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 19 of the consolidated financial statements. Commission revenue is reported net of the amortization of the Long-term Representation Rights which are included in Intangible assets. Amortization for the year ended June 30, 2023 was $10,371 (2022 – $10,371). 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:

2023		Canada		United States of America		United Kingdom		Rest of World		Total
Revenue	**$**	**148,500**	**$**	**4,315**	**$**	**6,695**	**$**	**3,445**	**$**	**162,955**
Property, plant and equipment		**21,512**		**-**		**123**		**-**		**21,635**
Goodwill and intangible assets		**46,813**		**-**		**13,126**		**-**		**59,939**

2022		Canada		United States of America		United Kingdom		Rest of World		Total
Revenue	$	143,931	$	5,348	$	7,124	$	2,990	$	159,393
Property, plant and equipment		20,453		-		148		-		20,601
Goodwill and intangible assets		56,895		-		13,126		-		70,021

In 2023, revenue to three major customers accounted for 43%, 15% and 14%, respectively (2022 – 44%, 15% and 15%). These major customers are located in Canada and revenues are derived from the Case Goods segment.

31. CONTINGENCY

On June 16, 2021, a claim was filed regarding a proposed class action against Corby related to black discoloration near aging warehouses owned by our Parent company, for which Corby acted as manager until June 30, 2020, pursuant to an agreement with our Parent company, HWSL. Corby believes the claim is without merit and intends to vigorously defend itself. Due to the inherent uncertainties of litigation, it is not possible to predict the final outcome of this class action, or determine the amount of any potential losses resulting therefrom, if any.

TEN-YEAR REVIEW

										Year Ended June 30
										IFRS
(in millions of Canadian dollars, except per share amounts)	**2023**	**2022**	**2021** [1]	**2020** [1][2]	**2019**	**2018** [3]	**2017**	**2016**	**2015**	**2014**
Revenue	**163.0**	159.4	159.8	153.4	149.9	145.7	143.9	140.0	132.1	137.3
Earnings from operations	**28.3**	32.70	41.50	35.9	34.2	34.9	35.0	34.6	27.2	33.5
Net earnings excluding after-tax restructuring costs, impairment charges, and gain/loss on disposed brands	**25.3**	25.5	30.6	26.7	25.7	25.7	25.6	25.4	20.4	25.0
Net earnings	**22.0**	23.4	30.6	26.7	25.7	25.7	25.6	25.4	20.4	25.0
Cash provided from operations	**35.4**	45.5	40.8	49.0	34.0	31.3	27.8	33.3	27.1	31.4
Working capital	**200.8**	97.9	144.3	130.7	121.9	131.3	132.7	136.6	145.7	158.9
Total assets	**362.6**	253.5	254.2	234.2	218.3	230.0	227.8	228.5	233.7	254.9
Long-term debt	**100.3**	2.5	3.0	3.6	-	-	-	-	-	-
Shareholders' equity	**180.0**	183.2	187.8	172.5	169.1	184.7	177.3	170.8	188.1	209.1
Per common share:										
- Earnings from operations	**1.00**	1.15	1.46	1.26	1.20	1.23	1.23	1.22	0.96	1.18
- Net earnings excluding after tax restructuring costs, impairment charges and gain/loss on disposed brands	**0.89**	0.89	1.07	0.94	0.90	0.90	0.90	0.89	0.72	0.88
- Net earnings	**0.77**	0.82	1.07	0.94	0.90	0.90	0.90	0.89	0.72	0.88
- Cash provided from operations	**1.24**	1.60	1.43	1.72	1.19	1.10	0.98	1.17	0.95	1.10
- Shareholders' equity	**6.32**	6.44	6.60	6.06	5.94	6.49	6.23	6.00	6.61	7.35
- Special dividend paid	-	-	-	-	0.44	-	-	0.62	0.62	-
- Dividends paid	**0.88**	0.93	0.84	0.86	0.88	0.87	0.82	0.76	0.75	0.71
Market value per voting common share										
- High	**18.60**	19.98	18.86	18.33	21.10	23.24	24.59	21.49	24.69	22.21
- Low	**13.46**	16.65	14.48	13.46	17.25	19.01	19.84	17.50	19.50	19.07
- Close at end of year	**14.20**	17.25	18.02	16.25	18.15	20.68	21.21	20.30	21.33	21.24
Working capital ratio	**3.9**	2.8	4.0	4.2	4.6	5.0	5.1	5.1	6.7	6.7
Pre-tax return on average capital employed	**12.6**	16.9	22.2	20.8	19.7	19.4	20.2	19.5	14.1	16.7
Return on average shareholders' equity	**12.1**	12.6	17.0	15.6	14.5	14.2	14.7	14.2	10.2	12.0
Number of shareholders	**434**	439	447	453	461	472	482	497	508	532
Number of shares outstanding ('000's)	**28,469**	28,469	28,469	28,469	28,469	28,469	28,469	28,469	28,469	28,469

[1] *Fiscal year 2021 and 2020 figures are adjusted for the retrospective application of an accounting policy change in line with IAS 38.*

[2] *In fiscal year 2020, the Company adopted IFRS 16, Leases without restating prior year comparatives.*

[3] *Results are adjusted for the retrospective application of IFRS 15, Revenue from Contracts with Customers.*

BOARD OF DIRECTORS

GEORGE F. McCARTHY
Chair and Director of the Corporation

HELGA REIDEL
Director of the Corporation;
Chair, Audit Committee

CLAUDE BOULAY
Director of the Corporation

LUCIO DI CLEMENTE
Director of the Corporation; Chair, Management Resources Committee

JUAN ALONSO
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; Chair, Independent Committee

LANI MONTOYA
Director of the Corporation;
Senior Vice President, Human Resources, PRNA

MANAGEMENT TEAM

NICOLAS KRANTZ
President & Chief Executive Officer

CAROLINE BEGLEY
Vice-President, Marketing

VALERIE BRIVE-TURTLE
Senior Director, Communications, PR & SR

STÉPHANE CÔTÉ
Vice-President, New Business Ventures

VANITA KAKKAR
Senior Director, Human Resources

JUAN ALONSO
Vice-President & Chief Financial Officer

RYAN SMITH
Vice-President, Sales

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

GENERAL CORPORATE INFORMATION

EXECUTIVE OFFICE

225 King Street West, Suite 1100
Toronto, ON M5V 3M2
(416) 479-2400

SALES OFFICES

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(416) 479-2400

84 Chain Lake Drive, Suite 405
Halifax, NS B3S 1A2
(902) 445-0705

111 Robert Bourassa Boulevard
Suite 1600
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(514) 856-4320

320 – 23 Avenue SW, Unit 300
Calgary, AB T2S 0J2
(403) 796-4165

395 Park Street, Unit 14
Regina, SK S4N 5B2
(306) 201-9746

#520-1122 Mainland Street
Vancouver, BC V6B 5L1
(778) 296-4500

SUBSIDIARIES & AFFILIATES

Ace Beverage HoldCo Inc.
110-140 Geary Avenue
Toronto, ON M6H 4H1
647-818-5242

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

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 enroll 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 8, 2023
at 11:00 a.m. (Toronto time)
at McCarthy Tétrault LLP
66 Wellington Street West
Suite 5300, Toronto, ON

BRAND PORTFOLIO

BROWN SPIRITS

Canadian

J.P. Wiser's *(Deluxe, Triple Barrel, Special Blend, Old Fashioned Ready to Serve, Manhattan Ready to Serve, Apple, Vanilla, 10 Years Old, 15 Years Old, 18 Years Old)*

JPW Alumni Whisky Series

JPW Wood Series *(Hickory & Black Walnut)*

Signature Series *(for export)* by J.P. Wiser's

Lot No. 40 *(Dark Oak)*

Pike Creek

Gooderham & Worts

Royal Reserve

Hiram Walker Special Old

Blended Scotch

Ballantine's *(Finest, 12, 15, 17, 21)*

Chivas Regal *(12, XV, 18, 25)*

Royal Salute *(21, Coronation)*

Single Malt

The Glenlivet *(Founder's Reserve, Caribbean Reserve, 14, 15, 18, 21)*

Aberlour *(12, 14, 16, 18, A'bunadh, A'bunadh Alba)*

Irish

Jameson *(Original, Caskmates Stout, Caskmates IPA, Black Barrel, 18 Years Old)*

Redbreast *(12, 15, 21, 27, Lustau)*

Midleton *(Very Rare)*

Spot Range *(Green Spot, Yellow Spot, Blue Spot, Red Spot)*

Method & Madness

Bourbon

Rabbit Hole *(Cavehill, Dareringer)*

Jefferson's *(VSB, Reserve, Ocean)*

Screwball *(Peanut Butter Whiskey)*

Cognac and Brandy

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

Macieira

WHITE SPIRITS

Vodka

Absolut *(Absolut Flavours, Juice, Elyx)*

Polar Ice *(Berry Blizzard, 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 and Black Spiced

Bumbu *(Original, XO, Cream)*

Gin

Beefeater *(London Dry, 24, Pink Strawberry, Blood Orange)*

Malfy *(Con Limone, Rosa, Con Arancia)*

Monkey 47

Ungava & Ungava Ginger

Tequila

Olmeca Altos *(Altos Plata, Altos Reposado, Altos Anejo, Altos RTS Margarita)*

Olmeca *(Silver, Gold)*

Codigo *(Blanco, Rosa, Reposado, Anejo)*

Del Maguey Mezcal *(Vida)*

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 Clear, Apricot Brandy, Cherry Whisky, Melon, Triple Sec, Elderflower, Crème de Cacao)*

Meaghers *(Crème de Menthe White, Crème de Menthe Green, Apricot Brandy, Crème de Cacao White, Crème de Cacao Brown, Triple Sec)*

Kahlúa *(Original, Salted Caramel and Limited Edition Flavours)*

Malibu *(Coconut, Mango, Pineapple)*

Ramazzotti *(Amaro, Black Sambuca, Sambuca)*

Ricard Pastis

Pernod

Pernod Absinthe

SOHO

Cabot Trail *(Maple Cream, Maple Blueberry Cream & Maple Whisky (in Québec, Coureur des Bois)*

La Mentherie

READY TO DRINK

Absolut Cocktails *(Absolut Mango Mule, Absolut Grapefruit Paloma, Absolut Berry Vodkarita)*

Malibu Cocktails *(Malibu Watermelon Mojito, Malibu Strawberry Daiquiri, Malibu Pineapple Bay Breeze)*

Jameson Ginger & Lime

J.P. Wiser's Old Fashioned Sparkling Whisky Cocktail

Ungava Gin & Tonic *(QC only)*

Chic Choc Libré & Chic Choc Storm *(QC only)*

Lamb's Sociables *(Pineapple & Soda, Spiced Rum Punch) (NFLD Only Strait & Narrow Pacific Coast Cocktails)*

Ace Beverage Group

Cottage Springs *(Vodka Soda, Vodka Water, Vodka Iced Tea, Vodka Lemonade, Tequila Soda, Flavoured Vodka)*

Ace Hill Beer *(Ultra, Ultra Lime, Mexican Style Lager, Pilsner, Vienna Lager)*

Ace Hill Vodka Soda *(Lemon, Raspberry, Tropical Mix Pack)*

Cabana Coast *(Original Mule, Dirty Shirley)*

Liberty Village Cider *(Dry Cider, Peach Cider)*

Good Vines *(White Wine Spritz)*

WINES

Foreign Affair

Jacob's Creek

St. Hugo

George Wyndham

Stoneleigh

Brancott Estate

Campo Viejo

Kenwood

Stave & Steel

Slow Press

Champagne and Sparkling Wine

G.H. Mumm

Perrier-Jouët

Mumm Napa

Rosie

Luc Belaire

Aperitif

Dubonnet

Lillet *(Blanc, Rosé)*

Please enjoy our products responsibly.

IN SPIRIT AND WINE

CORBY

corby.ca

please visit reports.corby.ca