CORBY SPIRIT AND WINE LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2025 AND 2024

Q3

CORBY SPIRIT AND WINE LIMITED
Management's Discussion and Analysis
March 31, 2025

The following Management's Discussion and Analysis ("MD&A") dated May 14, 2025 should be read in conjunction with the interim condensed consolidated financial statements and accompanying notes as at and for three-month period ended March 31, 2025 ("third quarter", "the quarter", or "Q3") and the nine-month period ended March 31, 2025 ("fiscal year-to-date", or "FYTD March"), prepared in accordance with International Financial Reporting Standards ("IFRS"). These interim condensed consolidated financial statements 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 interim financial statements by an entity's auditor. These unaudited interim condensed consolidated financial statements do not contain all disclosures required by IFRS Accounting Standards ("IFRS") for annual financial statements and, accordingly, should also be read in conjunction with the most recently prepared annual consolidated financial statements for the year ended June 30, 2024.

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", "Significant Event", "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", "will", "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; 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 "Risks & 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 May 14, 2025. 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 MD&A 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 Data Analysis and Retrieval (SEDAR+) at www.sedarplus.ca.

Unless otherwise indicated, all comparisons of results for the third quarter of fiscal 2025 (three-months ended March 31, 2025) are against results for the third quarter of fiscal 2024 (three-months ended March 31, 2024). 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", "Adjusted Diluted Earnings per Share", "Organic Revenue", "Adjusted EBITDA", "Total debt" and "Net debt" which are financial measures or financial ratios that are not calculated in accordance with IFRS. For a reconciliation of these non-IFRS measures to the most directly comparable IFRS financial measures, see the "Non-IFRS Financial Measures" and "Non-IFRS Financial Ratios" section of this MD&A.

Business Overview

Corby is a leading Canadian manufacturer, marketer and importer of spirits, wines and ready-to-drink cocktails. Corby's national leadership is sustained by a diverse brand portfolio that allows the Company to drive profitable 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, Cottage Springs®, Ace Hill® and Nude® ready-to-drink (“RTD”) beverages (collectively, the “Ace Beverage Group Brands”), 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® and Bumbu® rums, Olmeca Altos® and Código 1530® tequilas, Jefferson’s™ and Rabbit Hole® bourbons, Kahlúa® liqueur, and Mumm® champagne. 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. Following the April 30, 2025 closing of the sale by PR of its international strategic wine brands to Australian Wine Holdco Limited announced on July 17, 2024, such brands include Jacob’s Creek®, Stoneleigh®, and Campo Viejo® wines. Please refer to the “Significant Event” section in this MD&A for further details.

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”). Corby’s 90%-owned subsidiary, Ace Beverage Group Inc. (“ABG”), develops product recipes in-house at its innovation lab in Toronto, Ontario and partners with various third-party manufacturers across Canada for its production requirements. The Company’s remaining production requirements have been outsourced to various third-party manufacturers, including 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.

As of September 2024, beverage alcohol excluding spirits are now sold in Ontario grocery, convenience, and big-box stores, following the regulatory changes announced by the Ontario government on July 15, 2024. The modernization of the route-to-market (“RTM”) in Ontario presents an opportunity for consumers to purchase a wider range of beverages with greater convenience, including Corby’s wine and RTD portfolios. The Company remains agile in its approach to the RTM modernization in Ontario to capitalize on this strategic opportunity for the business as well as continuing to cater to the needs of our consumers with the best of our product offerings.

However, lower foot traffic in liquor board stores that sell spirits has been noted, following such expansion of retail channels. Please refer to the “Risks & Risk Management” section in this MD&A for further details.

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 RTM for each. For the US market, Corby manufactures its products in Canada and ships to third-party US distributors. The market in the US operates a three-tier distribution system which often requires a much longer and larger inventory pipeline than in other markets, resulting in a disconnect between quarterly shipment performance, as reported in the financial statements, and the true underlying performance of the brands at retail level during the same quarter.

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

Corby’s operations are subject to seasonal fluctuations. Spirits sales typically are strong in the first and second quarters, while third-quarter sales usually are lower after the end of the retail holiday season. Fourth-quarter spirits sales typically increase again with the onset of warmer weather as consumers tend to increase their purchasing levels during the summer season. In contrast, the RTD segment benefits from outdoor gatherings and warmer months, leading typically to stronger sales in the third and fourth quarters, during the spring and summer.

In addition, retail sales comparisons could be affected by timing of key holidays and LBs’ reporting calendars. With lingering effects from previous or ongoing disruptions to the global supply chain, 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).

Significant Event

On July 17, 2024, PR announced the sale of its international strategic wine brands to Australian Wine Holdco Limited, which closed effective on April 30, 2025. The transaction includes the sale of a wide portfolio of international wine brands owned and produced by Pernod Ricard Winemakers from three origins including Jacob’s Creek® from Australia; Stoneleigh®, Brancott Estate® from New Zealand; and Campo Viejo® from Spain. Corby will continue to represent these brands during a transition period until August 31, 2025 under the same terms of the PR Representation agreement. Corby is in active discussions with the new owner to continue the representation and distribution of the acquired wine brands in Canada beyond the end of the transition period. Commissions from the affected brands contributed $2.9 million to Corby’s Net Earnings in the year ended June 30, 2024.

Strategies

Corby is a leading diversified beverage alcohol company in Canada. Our strategy is designed to strengthen our position with responsible, sustainable and profitable growth through targeted brand investment that the Company believes will also produce strong and consistent cash flows to sustain an on-going dividend payment to shareholders. Corby has a large portfolio of domestic and international brands, so the Company aims at allocating advertising and promotional investment to the brands and touchpoints with consumers that it believes will create sustained revenue and consistent cash flows. Brand investment is determined annually as part of Corby's overall strategic plan process using the targeted brand investment approach outlined above.

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 as well as the growing RTD category, 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 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. Corby utilizes proprietary digital tools to aid in optimizing return on investment on advertising and promotion, pricing strategy, and sales execution to accelerate top line growth (by closing distribution gaps). Using these tools and platforms, Corby converts consumer and market data into valuable insights to help build competitive advantage, deliver efficiencies and be more effective and impactful, while improving collaboration across the organization.

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, mergers and acquisitions ("M&A") remain a strategic option. This can encompass the acquisition of brands to develop the portfolio or adjacent businesses to complement our current business, such as the acquisitions of ABG on July 4, 2023, and the Nude brand and certain assets on May 13, 2024, to become a leading RTD player across Canada.

Export provides a clear growth opportunity, and the Company intends to continue actively developing its export business, including efforts to open new international markets, in addition to a continued focus on the US and UK markets for certain brands. In the US, Corby has a distribution agreement with a third-party distributor and approaches the market by focusing on certain states. In the UK, the Company endeavors to scale up the Lamb's Spiced rum brand, to introduce relevant new products and simplify the supply chain. Currently, as part of its strategic plan, Corby is expanding its business in European countries and other international markets on a transactional basis, where minimal investment and resources are required.

The Company believes its unique position in Canada, as well as its arrangement 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 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 in which we operate. 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. Corby is committed to promoting sustainable practices, fostering responsible consumption and contributing to the well-being of communities and the environment. The Company's 2030 roadmap is aligned with the United Nations Sustainable Development Goals (SDGs) and aims to drive innovation, brand differentiation, and employee engagement across the organization. The platform is structured around four key pillars: Nurturing Terroir, Valuing People, Circular Making, and Responsible Hosting, which guide sustainability efforts from sourcing raw materials to serving customers.

Brand Performance Review

Corby's portfolio of owned brands accounts for over 85% of the Company's total 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, Cottage Springs from the Ace Beverage Group Brands, 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.

BRAND PERFORMANCE CHART - INCLUDES BOTH CANADIAN AND INTERNATIONAL SHIPMENTS

	Three Months Ended				*Nine Months Ended*			
			Shipment Change				*Shipment Change*	
	Mar. 31,	*Mar. 31,*	*Volume*	*Value*	***Mar. 31,***	*Mar. 31,*	*Volume*	*Value*
(Volumes in 000's of 9L cases)	***2025***	*2024*	*%*	*%*	***2025***	*2024*	*%*	*%*
Brand								
J.P. Wiser's Canadian whisky	**159**	186	(14%)	(20%)	**558**	614	(9%)	(9%)
Polar Ice vodka[1]	**93**	90	3%	(14%)	**302**	260	16%	8%
Lamb's rum[1]	**69**	87	(20%)	(21%)	**282**	293	(4%)	(4%)
Mixable liqueurs	**24**	32	(25%)	(19%)	**115**	123	(7%)	(3%)
Ungava Spirits Brands	**26**	26	(1%)	(10%)	**106**	127	(17%)	(16%)
Ace Beverage Group Brands[2]	**398**	352	13%	10%	**1,419**	1,307	9%	8%
Nude Beverages[3]	**174**	-	N/A	N/A	**553**	-	N/A	N/A
Other Corby-owned brands[1]	**36**	44	(19%)	(21%)	**123**	134	(8%)	(13%)
Total Corby brands	**979**	817	20%	(4%)	**3,458**	2,858	21%	6%

[1] Shipment volume and value for Polar Ice vodka RTDs and Lamb's rum RTDs have been reclassified from the "Other Corby-owned brands" category, as previously reported in last fiscal year's MD&A, into the "Polar and "Lamb's rum" categories, respectively

[2] Certain amounts from previously reported periods have been reclassified in Q3 to align to current period presentation

[3] Nude Beverages were not owned by the Company during the first two quarters of Fiscal 2024, and as such, have no shipment volume or value in the comparative period.

In the nine-month period ended March 31, 2025 compared to the prior year, Corby's owned-brands grew 21% in shipment volume and 6% in shipment value in a challenging market environment, benefitting from the inclusion of the Nude Beverages portfolio, along with overall strong traction from the RTM modernization in Ontario. However, Corby's owned-brands' performance was negatively affected by the labour strike at the LCBO in July 2024, and soft consumer trends in the Canadian spirits market. Value conversion remained impacted by the overall dilutive effect of increasing sales of RTD and ready-to-serve ("RTS") products at a faster pace than spirits.

In the nine-month period ended March 31, 2025 compared to the prior year, J.P. Wiser's Canadian whisky's performance declined 9% in volume and 9% in value, due to negative category trends. Lamb's rum sales declined 4% in volume and value in the same period as result of Canadian unfavourable consumer trends in the economy rum category, amplified by production disruptions in the UK market during the third quarter. Ungava Spirits Brands declined 17% in volume and 16% in value, impacted by strong competition within a declining Canadian premium gin category and consumers downtrading trends. Polar Ice vodka continued to grow with a 16% increase in volume and 8% increase in value fueled by the strong momentum of RTD and RTS offerings, though this momentum resulted in a dilutive effect on value conversion. Excluding Nude, the Ace Beverage Group Brands portfolio grew 9% in volume and 8% in value with strong momentum from Cottage Springs, enhanced by the overall pipeline fill supporting the RTM modernization in Ontario, and successful launch of innovation products, though value conversion was impacted by unfavourable channel mix.

In Q3 compared to the three months ended March 31, 2024, Corby's owned-brands grew 20% in volume but declined 4% in value off a very high base of comparison last year, benefitting from the inclusion of the Nude beverages business, though adversely impacted by liquor board de-stocking patterns during the quarter on most Corby-owned spirits, soft underlying consumer trends, and unfavorable product and provincial mix.

In the third quarter compared to the prior year, J.P. Wiser's Canadian whisky's performance declined 14% in volume and 20% in value, due to negative category trends, amplified by unfavourable customer ordering patterns in Ontario. Lamb's rum sales declined in the third quarter driven by production disruptions in the UK market, amplified by unfavorable orders patterns in Ontario. Ungava Spirits Brands declined 1% in volume and 10% in value, impacted by unfavourable portfolio mix from higher sales of RTD and RTS products, while spirit products were impacted by strong competition within the Canadian gin category in Quebec, higher costs on programing, and consumers downtrading trends. Polar Ice vodka continued to grow in volume fueled by the strong momentum of RTD and RTS offerings, though impacted by increased depth of promotions during the quarter. Excluding Nude, the Ace Beverage Group Brands portfolio continued to grow 13% in volume and 10% in value with strong momentum from Cottage Springs, enhanced by the overall pipeline fill supporting the RTM modernization in Ontario, and successful launch of innovation products.

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

	Three Months Ended				*Nine Months Ended*			
			Shipment Change				*Shipment Change*	
	Mar. 31,	*Mar. 31,*	*Volume*	*Value*	***Mar. 31,***	*Mar. 31,*	*Volume*	*Value*
(Volumes in 000's of 9L cases)	***2025***	*2024*	*%*	*%*	***2025***	*2024*	*%*	*%*
Domestic	**915**	738	24%	(2%)	**3,265**	2,655	23%	7%
International	**63**	79	(20%)	(16%)	**192**	204	(6%)	(12%)
Total Corby brands	**979**	817	20%	(4%)	**3,458**	2,858	21%	6%

In the third quarter, domestic shipments increased 24% in volume but decreased 2% in value compared to the same period last year, with volumes bolstered by the Nude beverages' acquisition. Excluding Nude, domestic revenue declined 13% off a high base last year and in a challenging spirits market declining 8% in value, further impacted by destocking patterns at the LCBO and increased frequency and depth of promotional spend, partially offset by strong sales of RTD products capitalizing on the new channel expansion in Ontario.

Volume and value in the domestic market remained in growth in the nine months ended March 31, 2025, boosted by the inclusion of Nude beverages. Excluding Nude, domestic revenue declined 2% in value, outpacing the spirits market decline of 5% in value in FYTD March 2025, despite volumes growing 2% as result of the dilutive effect of growing RTD sales combined with declining spirits sales in the province of Ontario, and increased frequency and depth of promotional spend versus the prior year.

Regarding our international markets' performance in the third quarter, shipment volumes declined 20% while shipment value declined 16% compared to the same period last year. Performance was negatively impacted by the lapping of outstanding pipeline fill to new markets in the previous year, amplified by production disruptions for Lamb's rum to the UK market. J.P. Wiser's in the US market continued to benefit from healthy distributor sell-out and the introduction of innovations in the market, as well as the resumption of normalized shipment phasing.

International market shipment volumes declined 6% while shipment value declined 12% in the nine months ended March 31, 2025 compared to the same period last year, impacted by the lapping of distribution pipeline fill in the previous year for new markets.

Volume in both the third quarter and year-to-date periods grew ahead of the overall value trend as result of unfavourable portfolio, provincial and market mix (growing sales of RTD products, strong sales decline in Ontario and the lapping of pipeline fill of whiskies to new markets).

Retail Sales Performance / Spirits and RTD 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 nine-month period ended March 31, 2025, the Canadian spirits industry retail sales declined 6% in volume and 5% in value when compared to last year, almost entirely coming from the province of Ontario impacted by LCBO store closures in Ontario during the labour strike in July 2024, coupled with a reduction of foot traffic in LCBO stores following the opening of thousands of grocery and convenience stores to the sale of RTD and Wine as of September 2024. Industry trends for the fiscal year to date were led by retail sales value declines in vodka, rum and Canadian whisky categories.

In the last month of the third quarter, the removal of US-origin spirits from shelves from March 4, 2025 across most Canadian provinces, in response to the implementation of tariffs on Canadian goods by the United States, drove a further adverse impact to spirits performance more broadly. In the last rolling 12 months, the Canadian spirits industry declined 5% in volume and 4% in value.

The RTD category was also impacted by the strike during the first fiscal quarter but benefited from the RTM modernization in Ontario over the second and third fiscal quarters and remained one of the fastest growing categories overall in the last twelve months, increasing 3% in volume and 6% in value.

Over the last quarter, retail sales value for the RTD category was impacted by the Federal "GST/HST break" or retail sales tax temporary holiday, in effect December 14, 2024 through February 15, 2025. Sales taxes are included in Total Retail Sales Value, and as such, the temporary removal of such taxes during the GST/HST break has a deflationary impact on Retail Sales Value trend which is not indicative of the underlying sales performance.

Corby's total represented spirits (including PR spirits) have been outperforming the Canadian spirits market in value for more than two years, gaining share in most categories. Over the past twelve months, Corby spirits were resilient and only declined 2% while Corby RTDs (excluding Nude Beverages) were dynamic with a growth of 9% in value, both outpacing the market in value growth, reflecting the Company's ability to navigate the strike and its diversified product portfolio strength along with successful new product launches.

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				*Nine Months Ended*				*Twelve Months-Ended*			
(Volumes in 000's of 9L cases)	***Mar 31, 2025***	*Mar 31, 2024*	*% Retail Volume Growth*	*% Retail Value Growth*	***Mar 31, 2025***	*Mar 31, 2024*	*% Retail Volume Growth*	*% Retail Value Growth*	***Mar 31, 2025***	*Mar 31, 2024*	*% Retail Volume Growth*	*% Retail Value Growth*
Brand												
J.P. Wiser's Canadian whisky	**152**	163	(7%)	(5%)	**535**	577	(7%)	(5%)	**707**	752	(6%)	(3%)
Polar Ice vodka	**87**	81	7%	4%	**309**	258	19%	9%	**413**	340	21%	9%
Lamb's rum	**45**	48	(6%)	(4%)	**161**	176	(8%)	(5%)	**213**	230	(7%)	(5%)
Mixable liqueurs	**29**	32	(11%)	(8%)	**121**	131	(8%)	(4%)	**157**	168	(7%)	(3%)
Ace Beverage Group Brands (excl. Nude)	**334**	311	7%	(1%)	**1,429**	1,468	(3%)	(4%)	**1,897**	1,937	(2%)	(2%)
Nude Beverages[2]	**123**	128	(4%)	(11%)	**456**	506	(10%)	(14%)	**636**	735	(14%)	(17%)
Ungava Spirits Brands	**28**	28	(2%)	(3%)	**121**	127	(5%)	(6%)	**150**	157	(5%)	(6%)
Other Corby-owned brands	**33**	38	(11%)	(8%)	**111**	120	(8%)	(6%)	**147**	158	(7%)	(5%)
Total	**831**	829	0%	(3%)	**3,243**	3,362	(4%)	(3%)	**4,321**	4,478	(4%)	(2%)

[1] Refers to sales at the retail store and licensee level in Canada, as provided by the Association of Canadian Distillers.
[2] Retail Sales data for Nude Beverages in the province of Alberta is not provided by the Association of Canadian Distillers in the current period, and as such, has been excluded from this table in the current and comparative periods.

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 volume declined 7% while retail value declined 5% in the nine-month period ended March 31, 2025, compared to same period in the prior year, mostly in line with an overall declining Canadian whisky category impacted by the LCBO strike in the first quarter and unfavourable macroeconomic factors, amplified by the lapping of sale of special edition products in the comparable period last year. Retail sales volumes for the Canadian whisky category declined 5%, while retail value for the category declined 4% 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 19% and retail value by 9% in the nine-month period ended March 31, 2025 compared to the same period in the prior year, supported by the launch of several innovations in the RTD and RTS categories, including new flavours of Polar Ice vodka Berry Blizzard and Polar Ice vodka Cinnamon Sugar, created in collaboration with the iconic Canadian snack and pastry maker, BeaverTails®. Polar Ice vodka gained share over the overall vodka category in Canada which declined 6% in retail volume and 6% in retail value on a comparable basis. The standard vodka category, where Polar Ice vodka competes, remained flat in retail volume and declined 1% in value compared to the same period in 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 8% for the nine-month period ended March 31, 2025, while retail value declined 6% compared to the same period in the prior year. Retail volume and value declines are attributed to earlier logistics strikes and labour strikes in the first half of the fiscal year, amplified by overall soft consumer trends. The economy rum category, where Lamb's rum competes, saw retail volumes decline 10% while retail value declined 8% compared to the same period last year. Lamb's rum declined 8% in retail volume and 5% in retail value for the nine-month period ended March 31, 2025 compared to the same period in the prior year, ahead of the category trend.

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 declined 8% while retail value declined 4% for the nine-month period ended March 31, 2025 compared to the prior year, behind a declining category. Retail volume for the liqueurs category overall declined 5% while value declined 3% for the nine-month period ended March 31, 2025 compared to the same period last year, impacted by store closures due to the LCBO labour strike and overall macroeconomic factors.

Ace Beverage Group Brands

Ace Beverage Group Brands' portfolio declined 3% in retail volume and 4% in retail value for the nine-months ended March 31, 2025, when compared to the same period last year, severely impacted by the LCBO labour strike in July 2024 due to its heavy weight in Ontario and declines on non-strategic products.

Reflecting a strong recovery during the three-month period ended March 31, 2025, the Ace Beverage Group Brands' portfolio grew 7% in volume compared to the same period in the prior year, capitalizing on the pipeline fill and retail sales to grocery and convenience stores linked to the RTM modernization in Ontario. However, value declined 1% in the three-month period ended March 31, 2025, impacted by the GST/HST break, as well as the dilutive effect of evolving channel mix.

Cottage Springs remained the number 1 RTD brand sold at the LCBO in terms of value on a rolling 12-month basis, and fully capitalized on the new channel expansion in Ontario to accelerate growth through a significant increase in the number of distribution points in the last three months, materialized by national retail volume increase of 9%.

Nude Beverages

In this transition year, the Company is actively working to leverage efficiencies and synergies in sales and marketing execution to get Nude brands back to growth supported by a robust innovation pipeline, though these efforts are expected to take additional time to reflect in consumer trends. Nude Beverages' portfolio declined 10% in retail volume and 14% in retail value during the first nine months of fiscal 2025, compared to the previous year, though the rate of decline improved from previous quarters. The last three months showed some improvement over the year-to-date trend, driven by the continued expansion efforts and successful innovation launches in Western provinces such as Slappy's.

Ungava Spirits Brands

Retail volume and value for the Ungava Spirits Brands declined 5% in volume and 6% in value, for the nine-months ending March 31, 2025 compared to the same period last year. The flagship brand, Ungava gin, impacted by strong competition and changing consumer preferences in the Quebec and Ontario market, declined 13% in retail volume and retail value. Performance remained ahead of the super-premium gin category, which declined 18% in retail volume and value. The overall gin category declined 9% in retail volume and retail value. RTD and RTS innovations launched under the Quebec market are growing rapidly but resulted in 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) were similarly impacted by an overall trend of economization with consumers, as well as bottle format transition in Ontario. Retail volume and value declined 10% and 7%, respectively, in the nine-month period ended March 31, 2025 compared to the same period 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 saw an 8% decline in retail volume and a 6% decrease in retail value during the first nine months of fiscal year 2025, compared to the same period last year.

The Northern Border Collection grew 5% in volume and value driven by strong performance on Lot No. 40® with growing consumer demand for the premium Canadian whisky in the retail and on-channel premise amid recent sale restrictions on bourbon in certain provinces.

Royal Reserve declined 9% in retail volume and 7% in retail value during the nine-month period ended March 31, 2025, compared to the same period in the prior year, in line with overarching consumer trends and macroeconomic factors.

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.

Financial and Operating Results

The following table presents a summary of certain selected consolidated financial information of the Company for the three and nine-months ended March 31, 2025 and 2024:

(in millions of Canadian dollars, except per share amounts)	*Three Months Ended* ***Mar. 31, 2025***	*Mar. 31, 2024 (1)*	*$ Change*	*% Change*	*Nine Months Ended* ***Mar. 31, 2025***	*Mar. 31, 2024 (1)*	*$ Change*	*% Change*
Revenue	**$ 48.0**	$ 48.5	$ (0.4)	(1%)	**$ 174.8**	$ 163.1	$ 11.6	7%
Cost of sales	**(23.4)**	(22.6)	$ (0.7)	3%	**(85.9)**	(79.8)	$ (6.1)	8%
Marketing, sales and administration	**(17.0)**	(16.7)	(0.3)	2%	**(53.4)**	(51.2)	(2.2)	4%
Other income (expense)	**0.0**	0.1	(0.1)	(61%)	**0.2**	(0.1)	0.3	(272%)
Earnings from operations	**7.7**	9.2	(1.6)	(17%)	**35.7**	32.0	3.7	11%
Adjusted Earnings from operations(2)	**7.7**	9.2	(1.6)	(17%)	**36.3**	35.4	0.9	3%
Adjusted EBITDA(2)	**11.7**	13.0	(1.3)	(10%)	**48.4**	46.8	1.7	4%
Financial income	**0.2**	0.5	(0.3)	(62%)	**0.8**	0.9	(0.1)	(9%)
Financial expenses	**(2.2)**	(3.4)	1.2	(37%)	**(6.9)**	(6.7)	(0.3)	4%
Net financial expense	**(2.0)**	(2.9)	1.0	(33%)	**(6.1)**	(5.8)	(0.3)	6%
Earnings before income taxes	**5.7**	6.3	(0.6)	(10%)	**29.6**	26.3	3.3	13%
Income taxes	**(1.6)**	(2.0)	0.4	(18%)	**(8.4)**	(7.1)	(1.2)	17%
Net earnings	**$ 4.0**	$ 4.3	$ (0.3)	(6%)	**$ 21.2**	$ 19.1	$ 2.1	11%
Adjusted Net earnings(2)	**$ 4.5**	$ 5.6	$ (1.1)	(20%)	**$ 23.2**	$ 22.9	$ 0.3	1%
Per common share								
- Basic net earnings	**$ 0.14**	$ 0.15	$ (0.01)	(6%)	**$ 0.75**	$ 0.67	$ 0.07	11%
- Diluted net earnings	**$ 0.14**	$ 0.15	$ (0.01)	(6%)	**$ 0.75**	$ 0.67	$ 0.07	11%
- Adjusted Basic net earnings(2)	**$ 0.16**	$ 0.20	$ (0.04)	(20%)	**$ 0.81**	$ 0.81	$ 0.01	1%
- Adjusted Diluted net earnings(2)	**$ 0.16**	$ 0.20	$ (0.04)	(20%)	**$ 0.81**	$ 0.81	$ 0.01	1%

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

Overall Financial Results

In the third quarter of fiscal 2025, typically Corby's slowest quarter in terms of revenue, the Company's results were adversely impacted by unfavourable liquor board ordering patterns in Ontario, soft underlying consumer trends, and the lapping of a high comparison basis in both domestic and international markets, reflecting a decline in revenue and modest expense growth. As a result, Adjusted EBITDA of $11.7 million decreased 10% versus the same period last year. Reported net earnings for the third quarter were $4.0 million, a decrease of 6% compared to the same period last year, while adjusted net earnings were $4.5 million, a decline of 20% year-over-year. Reported earnings for the third quarter of fiscal 2024 were impacted by higher interest charges on ABG's Non-Controlling Interest ("NCI") obligation, as described in Note 4 to the interim condensed consolidated financial statements for the three-and-nine month periods ended March 31, 2025, which are excluded from the Adjusted figures.

In the nine months ended March 31, 2025, Corby's growth remained steady with market share gains and diligent resource management, materialized by reported earnings from operations of $35.7 million and adjusted earnings from operations of $36.3 million, increasing by 11% and 3%, respectively, versus the same period last year. Adjusted EBITDA of $48.4 million increased by 4% in FYTD March 2025.

As required under IFRS, inventory acquired in a business combination is adjusted to its fair market value upon acquisition. Reported earnings were impacted by these fair market value adjustments of inventory in both periods. The nine-month period ending March 31, 2025 was impacted by $0.6 million in fair market value of acquired Nude inventory and the nine-month period ending March 31, 2024 was impacted by $3.0 million in fair market value of acquired ABG inventory. Adjusted earnings excludes these technical impacts to provide insight to the underlying performance of the acquired businesses (Refer to the "*Non-IFRS Financial Measures*" section of this MD&A for further details). Corby reported net earnings of $21.2 million and adjusted net earnings of $23.2 million in the nine-month period ended March 31, 2025, reflecting increases of 11% and 1% year-over-year, respectively.

Net earnings for both the three and nine-month periods ended March 31, 2025 were impacted by non-cash interest charges related to the NCI obligation. Adjusted Earnings from Operations and Adjusted Net Earnings in the comparable period last year remove the impact of fair value adjustments related to inventory acquired during the aforementioned business combinations from the reported figures. See the "Non-IFRS Financial Measures" section of this MD&A for more information.

Revenue

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

	Three Months Ended						
	Mar. 31,		Mar. 31,	*Consolidated*		*Organic*	
(in millions of Canadian dollars)	**2025**		2024	*$ Change*	*% Change*	*$ Change*	*% Change*
Revenue streams:	*Consolidated*	*Organic (1)*		*Consolidated*		*Organic (1)*	
Case goods	**$ 40.4**	**$ 36.4**	$ 42.0	$ (1.7)	(4%)	$ (5.6)	(13%)
Domestic	36.2	32.3	37.1	(0.9)	(2%)	(4.8)	(13%)
International	4.2	4.2	5.0	(0.8)	(16%)	(0.8)	(16%)
Total Commissions	**6.8**	**6.8**	5.7	1.1	20%	1.1	20%
Gross commissions	9.4	9.4	8.2	1.1	13%	1.1	13%
Amortization of representation rights	(2.6)	(2.6)	(2.6)	-	0%	-	0%
Other services	**0.9**	**0.9**	0.8	0.1	13%	0.1	13%
Revenue	**$ 48.0**	**$ 44.1**	$ 48.5	$ (0.4)	(1%)	$ (4.4)	(9%)

	Nine Months Ended						
	Mar. 31,		Mar. 31,	*Consolidated*		*Organic*	
(in millions of Canadian dollars)	**2025**		2024	*$ Change*	*% Change*	*$ Change*	*% Change*
Revenue streams:	*Consolidated*	*Organic (1)*		*Consolidated*		*Organic (1)*	
Case goods	**$ 148.9**	**$ 137.0**	$ 140.9	$ 8.0	6%	$ (3.8)	(3%)
Domestic	137.8	125.9	128.3	9.5	7%	(2.4)	(2%)
International	11.2	11.2	12.6	(1.5)	(12%)	(1.5)	(12%)
Total Commissions	**22.9**	**22.9**	19.5	3.4	17%	3.4	17%
Gross commissions	30.7	30.7	27.3	3.4	12%	3.4	12%
Amortization of representation rights	(7.8)	(7.8)	(7.8)	-	0%	-	0%
Other services	**3.0**	**3.0**	2.7	0.3	10%	0.3	10%
Revenue	**$ 174.8**	**$ 162.9**	$ 163.1	$ 11.6	7%	$ (0.2)	0%

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

Organic revenue growth is measured as the difference between revenue excluding case goods revenue from acquired or disposed brands compared to revenue in the preceding fiscal period during which the acquisition or disposal had not yet occurred. For the three and nine-month periods ended March 31, 2025, when compared to the same periods last year, organic revenue growth excludes revenue from Nude beverages acquired in May 2024. Organic revenue growth is not a standardized financial measure and might not be comparable to similar measures disclosed by other issuers (refer to the "Non-IFRS Financial Measures" section of this MD&A).

Case Goods revenue decreased by $1.7 million or 4%, and increased $8.0 million, or 6% for the three and nine-month periods ended March 31, 2025, respectively, when compared to the same period last year, bolstered by Nude sales' inclusion. Organic case goods revenue decreased $5.6 million or 13% and decreased $3.8 million or 3% in the three and nine-month periods ended March 31, 2025, respectively, when compared to the same period last year, driven by unfavourable liquor board ordering patterns in Ontario during the third quarter on spirit products, soft underlying consumer trends, export sales cycling the outstanding pipeline fill to new export markets last year, as well as the negative impacts from the LCBO labour strike in July 2024 and normalization of sales relative to a high base of comparison in the same period last year. Organic revenue performance was partially offset by strong revenue of ABG brands capitalizing on the RTM modernization in Ontario, and on innovation launches.

Total commissions reached $6.8 million, growing by $1.1 million, or 20%, in the three-months ending March 31, 2025 and reached $22.9 million, growing by $3.4 million, or 17%, in the nine-month period ended March 31, 2025, compared to the prior year. Performance in both periods was driven by PR wines and RTDs benefitting from the pipeline fill to support the RTM modernization in Ontario, partially offset by lower agency sales and successive labour, rail and port strikes that affected some imported brands in the first half of the fiscal year. On July 17, 2024, PR announced the sale of its international strategic wine brands to Australian Wine Holdco Limited, which closed effective on April 30, 2025. The affected brands contributed $2.9 million toward Net Earnings in the year ended June 30, 2024. Please refer to the “Significant Event” section in this MD&A for further details. Retail performance on PR spirits continued to outpace the overall market, as the portfolio benefitted from its comprehensive positioning across price bands and categories along with PR’s investment to build these brands in Canada.

Other services represent ancillary revenue incidental to Corby’s core business activities, such as logistical fees, merchandise sales, and occasional bulk whisky sales. Revenue from other services increased by $0.1 million or 13% in the three-month period and $0.3 million or 10% in the nine-month period ending March 31, 2025, compared to the same periods last year.

As a result, total revenue decreased $0.4 million or 1% and increased $11.6 million, or 7%, while organic revenue decreased $4.4 million or 9% and declined $0.2 million, or broadly flat to last year, during the three and nine-month periods ended March 31, 2025, respectively, when compared to the same period last year.

Cost of sales

Cost of sales increased $0.7 million or 3% and increased $6.1 million, or 8%, for the three and nine-month period ended March 31, 2025, respectively, when compared to the same period last year, reflecting the inclusion of Nude RTD’s cost of sales and higher input costs on production and distribution. In the nine-month period ended March 31, 2025, cost of sales included $0.6 million related to fair value adjustments to inventory acquired in the Nude acquisition. This was offset by the cycling of the $3.0 million cost impact of the fair value adjustment to inventory acquired in the ABG acquisition incurred in the comparable period last year. The Company’s strategy involves offsetting cost of sales increases by active revenue growth management to identify pricing initiatives and trade promotion optimization opportunities across provinces.

Marketing, sales and administration

Marketing, sales and administration expenses increased $0.3 million or 2% and increased $2.2 million, or 4%, for the three and nine-month period ended March 31, 2025, respectively, primarily reflecting the inclusion of marketing investments and overheads related to the Nude beverages. Corby strategically focused marketing investments on the RTD portfolio, the J.P. Wiser’s multi-year Canadian partnership with National Hockey League and Polar Ice vodka’s Blizzard summer campaign and BeaverTails® partnership, while the Company continued to diligently manage overheads. The combined impact of these factors resulted in marketing, sales and administrative expenses increasing at a slower pace than revenue for the nine-month period ending March 31, 2025.

Net financial result

Net financial expense decreased $1.0 million or 33% and increased $0.3 million or 6% for the three and nine-month period ended March 31, 2025, respectively. Third quarter interest expense was impacted by the lapping of higher non-cash interest accrued on ABG’s NCI obligation in the prior year quarter.

Net financial result also reflects interest earned on deposits in cash management pools as well as interest expense associated with the Company’s pension and post-retirement benefit plans, interest charges on leased assets and interest charges on ABG’s credit facilities payable.

Income taxes

A reconciliation of the effective tax rate to the statutory rates for each period is presented below. Corby's tax rate has been impacted by the non-deductible interest expense related to ABG's NCI Obligation as discussed above in "Net Financial Result" as well as other non-deductible expenses.

	Three Months Ended		*Nine Months Ended*	
	Mar. 31, 2025	*Mar. 31, 2024*	**Mar. 31, 2025**	*Mar. 31, 2024*
Combined basic Federal and Provincial tax rates	**26.4%**	26.3%	**26.4%**	26.3%
Non-deductible expenses for taxation purposes	**2.7%**	6.1%	**1.6%**	2.3%
Other	**-0.2%**	-0.7%	**0.2%**	-1.4%
Effective tax rate	**28.9%**	31.7%	**28.2%**	27.2%

Liquidity, Contractual Obligations and Capital Resources

At March 31, 2025, Corby's sources of liquidity are its deposits in cash management pools of $5.7 million, and its cash generated from operating activities. A summary of the maturity of the Company's contractual obligations as at March 31, 2025 are represented in the table below:

	Less than 1 year	1 to 5 years	5 years and thereafter	Total
Bank indebtedness	$ 0.9	$ -	$ -	$ 0.9
Trade payables and accrued liabilities	49.7	-	-	49.7
Lease liabilities	1.8	1.9	-	3.7
Credit facilities payable	1.9	-	-	1.9
Long-term debt	-	-	102.0	102.0
	$ 54.3	$ 1.9	$ 102.0	$ 158.2

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)	Three Months Ended Mar. 31, 2025	Mar. 31, 2024[1]	$ Change	Nine Months Ended Mar. 31, 2025	Mar. 31, 2024[1]	$ Change
Operating activities						
Net earnings, adjusted for non-cash items	**$ 11.7**	$ 13.0	(1.3)	**$ 47.8**	$ 43.0	4.8
Net change in non-cash working capital	**(14.9)**	(15.1)	0.2	**(9.9)**	(16.3)	6.4
Net payments for interest and income taxes	**(3.2)**	(4.3)	1.1	**(8.6)**	(12.1)	3.5
	(6.3)	(6.4)	0.1	**29.2**	14.6	14.6
Investing activities						
Additions to property and equipment	**(0.9)**	(0.9)	-	**(1.9)**	(1.9)	-
Additions to intangible assets	**-**	-	-	**(0.2)**	-	(0.2)
Business acquisition	**-**	-	-	**-**	(136.3)	136.3
Withdrawals from cash management pools	**18.3**	14.0	4.3	**21.7**	131.0	(109.3)
	17.3	13.1	4.3	**19.6**	(7.2)	26.8
Financing activities						
Payment of lease liabilities	**(0.5)**	(0.4)	(0.1)	**(1.4)**	(1.1)	(0.3)
Net proceeds from (repayment of) bank debt	**0.9**	-	0.9	**0.9**	(9.6)	10.5
Repayments of credit facilities payable	**(0.3)**	(0.3)	-	**(15.9)**	(0.8)	(15.1)
Net (repayments) proceeds on long-term debt	**(6.0)**	-	(6.0)	**(18.0)**	22.0	(40.0)
Dividends paid	**(6.5)**	(6.0)	(0.5)	**(19.1)**	(17.9)	(1.2)
	(12.4)	(6.7)	(5.7)	**(53.5)**	(7.4)	(46.1)
Net change in cash	**(1.4)**	-	(1.4)	**(4.6)**	-	(4.6)
Cash, beginning of the period	**1.4**	-	1.4	**4.6**	-	4.6
Cash, end of period	**$ -**	$ -	$ -	**$ -**	$ -	$ -

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

Operating activities

Net cash used in operating activities was $6.3 million during the quarter ended March 31, 2025, compared to $6.4 million cash used during the same three-month period last year. During the current year quarter working capital changes used $14.9 million, relatively consistent with the same period last year and reflective of typical seasonality of the business. The current year quarter benefited from lower tax payments when compared to the same period last year, offsetting the impacts of slightly lower earnings quarter over quarter.

For the nine-month period ended March 31, 2025, net cash generated from operating activities was $29.2 million, reflecting an increase of $14.6 million compared to the same nine-month period last year. Cash flows were impacted by higher earnings from operations, favourable working capital changes and lower tax payments. Working capital reflects favourable changes in accounts payable driven by the timing of advertising and promotional spend, partially offset by unfavourable changes in accounts receivable. The change in net income taxes paid is reflective of tax refunds received during the current year-to-date period.

Investing activities

Net cash generated from investing activities was $17.3 million for the quarter ended March 31, 2025 compared to $13.1 million in the same period of the prior year, representing an increase in cash generated of $4.3 million. Net cash generated from investing activities for the nine-month period ended March 31, 2025 was $19.6 million compared to $7.2 million cash used in the prior year period. Investing activities include investments in property and equipment and intangible assets, cash paid on account of business acquisitions, and cash inflows from Corby's cash management pools.

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. The $131.0 million withdrawal from cash management pools during the nine-month period ended March 31, 2024 reflected the use of funds to acquire ABG ($136.3 million) offset by cash generated during normal business operations. 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.

Financing activities

Financing activities includes such items as dividend payments, payments on lease obligations, proceeds and payments from long-term debt and draws and repayments on credit facilities payable. For the quarter ended March 31, 2025, cash used in financing activities totalled $12.4 million which was primarily driven by $6.0 million in repayments on Corby’s term loan with PR, and dividend payments of $6.5 million. Comparatively, cash used in financing activities for the quarter ended March 31, 2024 was $6.7 million which included repayments of credit facilities of $0.3 million, payments on lease obligations of $0.4 million, and dividend payments of $6.0 million.

For the nine-months ended March 31, 2025, cash used in financing activities totalled $53.5 million which primarily consisted of $18.0 million in repayments on Corby’s term loan with PR, payments made to reduce ABG’s outstanding credit facilities of $15.9 million, and dividend payments of $19.1 million. Comparatively, cash used in financing activities for the nine-month period ended March 31, 2024 was $7.4 million and mainly reflects dividend payments of $17.9 million and repayments of bank indebtedness and credit facilities of $10.4 million. This was partially offset by proceeds of $22.0 million on Corby’s term loan with PR.

On May 14, 2025, subsequent to the quarter ended March 31, 2025, Corby’s Board of Directors declared its regular quarterly dividend of $0.23 per common share. This dividend is payable on June 11, 2025 to shareholders of record as at the close of business on May 28, 2025.

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
2025 - Q3	May 14, 2025	May 28, 2025	June 11, 2025	$ 0.23
2025 - Q2	February 12, 2025	February 26, 2025	March 12, 2025	0.23
2025 - Q1	November 13, 2024	November 29, 2024	December 18, 2024	0.22
2024 - Q4	August 21, 2024	September 11, 2024	September 27, 2024	0.22
2024 - Q3	May 9, 2024	May 29, 2024	June 12, 2024	0.21
2024 - Q2	February 7, 2024	February 27, 2024	March 13, 2024	0.21
2024 - Q1	November 8, 2023	November 24, 2023	December 8, 2023	0.21
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

Outstanding Share Data

As at May 14, 2025, 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

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 PR 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 million. The loan provided Corby with the required funding to complete the ABG acquisition which closed on July 4, 2023. The loan bears interest at a fixed rate of 5.43% per annum and matures June 20, 2033. 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, 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 it was a related party transaction, was approved by Corby's Independent Committee of the Board of Directors, with external financial and legal advice.

PR also represents certain Corby-owned brands in the UK. 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.

On July 17, 2024, PR announced the sale of its international strategic wine brands to Australian Wine Holdco Limited, which closed effective on April 30, 2025. The transaction includes the sale of a wide portfolio of international wine brands owned and produced by Pernod Ricard Winemakers from three origins including Jacob's Creek® from Australia; Stoneleigh®, Brancott Estate® from New Zealand; and Campo Viejo® from Spain. Corby will continue to represent these brands in Canada during a transition period until August 31st, 2025 under the same terms of the PR Representation agreement. Corby is in active discussions with the new owner to continue the representation and distribution of the acquired wine brands in Canada beyond the end of the transition period. Commissions from the affected brands contributed $2.9 million to Corby's Net Earnings in the year ended June 30, 2024.

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 May 14, 2025, 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. During the three and nine-month periods ended March 31, 2025, Corby earned market rates of interest, based upon the 30-day Canadian Overnight Repo Rate ("CORRA") plus 0.75% on its deposits in cash management pools. Prior year interest was calculated using the 30-day Canadian Dealer Offered Rate ("CDOR") 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.

Selected Quarterly Information

Summary of Quarterly Financial Results

Seasonality factors cause Corby's operating results to fluctuate from quarter to quarter. Spirits sales typically are strong in the first and second quarters, while third-quarter sales usually are lower after the end of the retail holiday season. Fourth-quarter spirits sales typically increase again with the onset of warmer weather as consumers tend to increase their purchasing levels during the summer season. In contrast, the RTD segment benefits from outdoor gatherings and warmer months, leading typically to stronger sales in the third and fourth quarters, during the spring and summer.

The following table provides selected historical information and other data, which should be read in conjunction with the financial statements of the Company.

(in millions of Canadian dollars, except per share amounts)	**Q3 2025**	Q2 2025	Q1 2025	Q4 2024	**Q3 2024**	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Revenue	**$ 48.0**	$ 61.7	$ 65.1	$ 66.5	**$ 48.5**	$ 56.0	$ 58.6	$ 44.2	$ 32.2
Earnings from operations	**7.7**	13.0	15.0	8.7	**9.2**	11.4	11.4	1.8	4.8
Adjusted Earnings from Operations[(1)]	**7.7**	13.0	15.6	9.2	**9.2**	12.0	14.3	5.9	4.8
Adjusted EBITDA[(1)]	**11.7**	17.2	19.5	13.3	**13.0**	15.7	18.1	9.7	8.5
Net earnings	**4.0**	7.9	9.3	4.8	**4.3**	7.3	7.5	1.6	3.9
Basic EPS	**0.14**	0.28	0.33	0.17	**0.15**	0.26	0.26	0.06	0.14
Diluted EPS	**0.14**	0.28	0.33	0.17	**0.15**	0.26	0.26	0.06	0.14
Adjusted Net earnings[(1)]	**4.5**	8.4	10.2	5.4	**5.6**	7.8	9.6	4.9	3.9
Adjusted Basic EPS[(1)]	**0.16**	0.30	0.36	0.19	**0.20**	0.27	0.33	0.18	0.14
Adjusted Diluted EPS[(1)]	**0.16**	0.30	0.36	0.19	**0.20**	0.27	0.33	0.18	0.14

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

Critical Accounting Estimates

These interim condensed consolidated financial statements have been prepared in accordance with IFRS using the material accounting policies described in Note 4 of the annual audited consolidated financial statements for the year ended June 30, 2024 as well as in the Company’s annual MD&A. The preparation of the interim condensed 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 interim condensed consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Critical judgements, estimates and assumptions used in applying the Company's accounting policies are outlined in Note 2 of the annual audited consolidated financial statements for the year ended June 30, 2024.

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. These accounting policies and accounting estimates are critical to the understanding of the business and to the results of operations. For the three-and-nine month periods ended March 31, 2025, there were no material changes to the critical accounting estimates used by the Company from those reported in the annual MD&A and annual financial statements for the year ended June 30, 2024. In addition, significant accounting judgements and estimates are used in the determination of the fair value of assets and liabilities acquired in a business combinations, including trademarks, goodwill and the Non-controlling interest obligation as described in Note 4 to the interim condensed consolidated financial statements for the three-and-nine month periods ended March 31, 2025.

Recent Accounting Pronouncements

Recent accounting pronouncements in effect

A number of new standards, amendments to standards and interpretations are effective for the financial period ended March 31, 2025, and accordingly, have been applied in preparing the interim condensed consolidated financial statements:

a) 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. Furthermore the amendment specifies that covenants whose compliance is assessed after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the entity is required to disclose information about these covenants in the notes to the financial statements. This amendment is effective for annual periods beginning on or after January 1, 2024. For Corby, the amendment became effective July 1, 2024 and did not have any impact on the Company's financial statements and disclosures.

The following standards and amendments to standards are also effective for the financial reporting period but were not applicable to Corby:

New or Revised Pronouncement		Effective Date	Company Effective Date
Amendments to IAS 7 & IFRS 7	*Supplier financing arrangements*	January 1, 2024	July 1, 2024
Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*	January 1, 2024	July 1, 2024

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 ending March 31, 2025, and accordingly, have not been applied in preparing the interim condensed consolidated financial statements:

a) IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued a new standard IFRS 18 "Presentation and Disclosure in Financial Statements" that will replace IAS 1 "Presentation of Financial Statements". This new standard introduces newly defined subtotals on the statement of earnings, new requirements for classification of information, and disclosure of Management Performance Measures in the financial statements. This new standard is effective for annual reporting periods beginning on or after January 1, 2027. For Corby, the amendment will become effective July 1, 2027. The Company is currently assessing the impacts that the new standard will have on its financial statements and 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
Amendments to IAS 21	*Lack of exchangeability of currencies*	January 1, 2025	July 1, 2025
Amendments to IFRS 9 and IFRS 7	*Classification and Measurement of Financial Instruments*	January 1, 2026	July 1, 2026
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*	January 1, 2027	July 1, 2027

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.

In accordance with the provisions of National Instrument 52-109 – *Certification of disclosure in Issuers' Annual and Interim Filings*, ABG Group Brands (which includes Nude Beverage Brands as their activities are managed and integrated by ABG) was excluded from the Company's conclusions over disclosure controls and procedures and internal controls over financial reporting for the 365 day allowable period subsequent to the acquisition to allow for the assessment of the design effectiveness of ABG's disclosure controls and procedures and internal controls over financial reporting. The Company has completed its assessment of ABG's control environment and incorporated it in the Company's assessment of the design effectiveness of disclosure controls and procedures and internal controls over financial reporting.

Except for the preceding changes, there were no changes in internal control over financial reporting during the Company's most recent annual period that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Non-IFRS Financial Measures

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

To better understand our underlying business performance and trends, Corby uses certain non-IFRS 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 IFRS financial measures. Management believes these measures allow for the measurement of the underlying financial performance of the business.

Adjusted Earnings from Operations is equal to earnings from operations before interest and taxes for the period adjusted to remove the costs incurred for business combination inventory fair value adjustments.

Adjusted Net Earnings is equal to net earnings for the period adjusted to remove the costs incurred for business combination inventory fair value adjustments and the notional interest charges related to the NCI obligation, net of tax calculated using the effective tax rate.

Organic revenue growth is measured as the difference between revenue excluding case goods revenue from acquired or disposed brands compared to revenue in the preceding fiscal period during which the acquisition or disposal had not yet occurred.

Adjusted EBITDA refers to Adjusted Earnings from Operations adjusted to remove amortization and depreciation disclosed in Corby's financial statements.

Total Debt refers to debt of the Company, which includes bank indebtedness and credit facilities payable, lease liabilities and long-term debt.

Net Debt refers to the cash and deposits in cash management pools of the Company, less bank indebtedness and credit facilities payable and long-term debt.

The non-IFRS financial measures for Earnings from Operations and Net Earnings exclude the fair value adjustments to inventory related to business combinations in comparative periods and are described as "Adjusted". At Net Earnings level, non-IFRS financial measures also exclude the notional interest charges related to the NCI obligation.

With respect to costs incurred in relation to M&A activity (including transaction costs and fair value adjustments to inventory related to business combinations), while continuing business acquisition is part of Corby's business strategy and costs are incurred on a recurring and regular basis in the search and evaluation of prospective targets, the Company has adjusted for the costs associated with completed acquisition activity during fiscal years 2024 and 2025 in its adjusted metrics. As a point of reference, the recent ABG and Nude acquisitions were Corby's first acquisitions since 2017.

Interest costs incurred in relation to the NCI obligation along with the aforementioned costs have been adjusted in Adjusted Net Earnings. Management believes the exclusion of these costs allows for the measurement of the underlying financial performance of the business.

To reiterate, Management believes the non-IFRS 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 IFRS 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. Using these non-IFRS measures allows management to more concisely describe the key factors that have impacted Corby's financial results.

Reconciliation Tables

The following table presents a reconciliation of Earnings from Operations to Adjusted Earnings from Operations and Adjusted EBITDA, as well as Net Earnings to Adjusted Net Earnings, being their most directly comparable financial measures prescribed by IFRS for the three-month and nine-month periods ended March 31, 2025 and 2024:

	Three months ended				*Nine months ended*			
(in millions of Canadian dollars)	**Mar. 31, 2025**	Mar. 31, 2024	*$ Change*	*% Change*	**Mar. 31, 2025**	Mar. 31, 2024	*$ Change*	*% Change*
Earnings from operations	**$ 7.7**	9.2	$ (1.6)	(17%)	**$ 35.7**	32.0	$ 3.7	11%
Adjustments:								
Transaction related costs[1]	**-**	-	-	n/a	**-**	0.6	$ (0.6)	(100%)
Fair value adjustment to inventory[2]	**-**	-	-	n/a	**0.6**	3.0	(2.5)	(81%)
Distributor transition[3]	**-**	-	-	n/a	**-**	(0.3)	0.3	(100%)
Adjusted Earnings from operations	**$ 7.7**	9.2	$ (1.6)	(17%)	**$ 36.3**	35.4	$ 0.9	3%
Adjusted for Depreciation and amortization	**4.1**	3.8	0.3	8%	**12.2**	11.4	$ 0.8	7%
Adjusted EBITDA	**$ 11.7**	13.0	$ (1.3)	(10%)	**$ 48.4**	46.8	$ 1.7	4%
Net earnings	**$ 4.0**	4.3	$ (0.3)	(6%)	**$ 21.2**	19.1	$ 2.1	11%
Adjustments:								
Transaction related costs[1]	**-**	-	-	n/a	**-**	0.5	(0.5)	(100%)
Fair value adjustment to inventory[2]	**-**	-	-	n/a	**0.4**	2.2	(1.8)	(80%)
Distributor transition[3]	**-**	-	-	n/a	**-**	(0.2)	0.2	(100%)
NCI Obligation[4]	**0.5**	1.4	(0.8)	(63%)	**1.5**	1.4	0.2	12%
Adjusted Net earnings	**$ 4.5**	5.6	$ (1.1)	(20%)	**$ 23.2**	22.9	$ 0.3	1%

(1) Costs related to the acquisition of ABG and Nude beverage brands

(2) Costs related to fair value adjustments to inventory due to business combination

(3) (Income) / costs related to one-time fee for distributor transition

(4) Notional interest costs related to non-conrtolling interest obligations for ABG

The following table presents a reconciliation of total debt and net debt to their most directly comparable financial measures for the nine-month periods ended March 31, 2025 and 2024:

(in millions of Canadian dollars)	**Mar. 31, 2025**	Mar. 31 2024
Bank indebtedness	**$ (0.9)**	$ -
Credit facilities payable	**(1.9)**	(7.3)
Lease liabilities	**(3.7)**	(3.4)
Long-term debt	**(102.0)**	(120.0)
Total debt	**$ (108.5)**	$ (130.6)
Deposits in cash management pools	**$ 5.7**	$ 24.0
Bank indebtedness	**(0.9)**	-
Credit facilities payable	**(1.9)**	(7.3)
Long-term debt	**(102.0)**	(120.0)
Net debt	**$ (99.1)**	$ (103.3)

The following table presents a reconciliation of total organic revenue and organic goods revenue to their most directly comparable financial measures for the three-and-nine-month periods ended March 31, 2025, and 2024:

	Three Months Ended				Nine Months Ended			
	Mar. 31	Mar. 31			**Mar. 31**	Mar. 31		
(in millions of Canadian dollars)	**2025**	2024	*$ Change*	*% Change*	**2025**	2024	*$ Change*	*% Change*
Domestic case goods revenue	**$ 36.2**	37.1	$ (0.9)	(2%)	**$ 137.8**	128.3	$ 9.5	7%
Adjusted for revenue from acquired or disposed brands	**(3.9)**	-	(3.9)	n.a.	**(11.9)**	-	(11.9)	n.a.
Organic domestic case goods revenue	**$ 32.3**	37.1	(4.8)	(13%)	**$ 125.9**	128.3	(2.4)	(2%)
Export case goods revenue	**4.2**	5.0	(0.8)	(16%)	**11.2**	12.6	(1.5)	(12%)
Total commissions	**6.8**	5.7	1.1	20%	**22.9**	19.5	3.4	17%
Other services	**0.9**	0.8	0.1	13%	**3.0**	2.7	0.3	10%
Total organic revenue	**$ 44.1**	$ 48.5	$ (4.4)	(9%)	**$ 162.9**	$ 163.1	$ (0.2)	(0%)

The following table presents a reconciliation of adjusted EBITDA to their most directly comparable financial measures from the three-month period ended March 31, 2025 to the three-month period ended March 31, 2023:

	Three Months Ended								
	Mar. 31,	Dec. 31,	Sep. 30,	Jun. 30,	**Mar. 31,**	Dec. 31,	Sep. 30,	Jun. 30,	Mar. 31,
(in millions of Canadian dollars)	**2025**	2024	2024	2024	**2024**	2023	2023	2023	2023
Adjusted Earnings from operations	**$ 7.7**	$ 13.0	15.6	9.2	**9.2**	12.0	14.3	5.9	4.8
Adjusted for depreciation & amortization	**4.1**	4.1	3.9	4.1	**3.8**	3.7	3.9	3.8	3.7
Adjusted EBITDA	**$ 11.7**	$ 17.2	19.5	13.3	**13.0**	15.7	18.1	9.7	8.5

Non-IFRS Financial Ratios

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

"Adjusted Basic Net Earnings Per Share" is computed in the same way as basic net earnings per share and diluted net earnings per share, respectively, using the aforementioned Adjusted Net Earnings non-IFRS financial measure in place of reported Net Earnings.

"Adjusted Diluted Earnings Per Share" is computed in the same way as basic net earnings per share and diluted net earnings per share, respectively, using the aforementioned Adjusted Net Earnings non-IFRS financial measure in place of reported Net Earnings.

Dividend Payout Ratio refers to annualized dividends paid divided by Cash Flow from Operating Activities.

Management believes the non-IFRS ratios 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 IFRS 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 Adjusted Basic Net Earnings Per Share and Adjusted Diluted Net Earnings Per Share to their most directly comparable financial measures for the three-month and nine-month periods ended March 31, 2025, and 2024:

(in Canadian dollars)	Three months ended Mar. 31, **2025**	Mar. 31, 2024	$ Change	% Change	Nine months ended Mar. 31, **2025**	Mar. 31, 2024	$ Change	% Change
Per common share								
- Basic net earnings	**$ 0.14**	0.15	$ (0.01)	(6%)	**$ 0.75**	0.67	$ 0.07	11%
- Diluted net earnings	**$ 0.14**	0.15	$ (0.01)	(6%)	**$ 0.75**	0.67	$ 0.07	11%
Basic Net earnings per share	**$ 0.14**	0.15	$ (0.01)	(6%)	**$ 0.75**	0.67	$ 0.07	11%
Adjustments:								
Transaction related costs[1]	**-**	-	-	n/a	**-**	0.02	(0.02)	(100%)
Fair value adjustment to inventory[2]	**-**	-	-	n/a	**0.02**	0.08	(0.06)	(80%)
Distributor transition[3]	**-**	-	-	n/a	**-**	(0.01)	0.01	(100%)
NCI Obligation[4]	**0.02**	0.05	(0.03)	(63%)	**0.05**	0.05	0.01	12%
Adjusted Basic Net earnings per share	**$ 0.16**	0.20	$ (0.04)	(20%)	**$ 0.81**	0.81	$ 0.01	1%
Dilluted Net earnings per share	**$ 0.14**	0.15	$ (0.01)	(6%)	**$ 0.75**	0.67	$ 0.07	11%
Adjustments:								
Transaction related costs[1]	**-**	-	-	n/a	**-**	0.02	(0.02)	(100%)
Fair value adjustment to inventory[2]	**-**	-	-	n/a	**0.02**	0.08	(0.06)	(80%)
Distributor transition[3]	**-**	-	-	n/a	**-**	(0.01)	0.01	(100%)
NCI Obligation[4]	**0.02**	0.05	(0.03)	(63%)	**0.05**	0.05	0.01	12%
Adjusted Net Earnings per share	**$ 0.16**	0.20	$ (0.04)	(20%)	**$ 0.81**	0.81	$ 0.01	1%

(1) Costs related to the acquisition of ABG and Nude beverage brands
(2) Costs related to fair value adjustments to inventory due to business combination
(3) (Income) / costs related to one-time fee for distributor transition
(4) Notional interest costs related to non-conrtolling interest obligations for ABG

The following table presents a reconciliation of the Rolling 12-month Dividend Payout Ratio to the quarterly dividends paid and quarterly cash flow from operating activities:

(in millions of Canadian dollars except per share amounts)	**Q3 2025**	Q2 2025	Q1 2025	Q4 2024
Dividend paid per share	$ 0.23	$ 0.22	0.22	0.21
Rolling 12-month Dividend paid per share	0.88			
Shares outstanding	28,468,856			
Rolling 12-month Historical dividends paid	**$ 25.1**			
Cash flow from operating activities	(6.3)	31.9	3.7	16.9
Rolling 12-month Cash flow from operating activities	**46.1**			
Rolling 12-month Dividend Payout Ratio	**54%**			

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.

As part of the modernization of the RTM in Ontario, beverages excluding spirits are now sold in Ontario grocery, convenience, and big-box stores as of September 2024, as noted in regulatory changes announced by the Ontario government on July 15, 2024. While the exclusion of spirits from such channels may potentially negatively impact consumer purchasing and consumption patterns for spirits and will be monitored by the Company going forward, the modernization of the RTM in Ontario presents an opportunity for consumers to purchase a wider range of beverages with greater convenience, including Corby's wine and RTD portfolio. The Company remains agile in its approach to the RTM modernization in Ontario to capitalize on this strategic opportunity for the business as well as continuing to cater to the needs of our consumers with the best of our product offerings.

Furthermore, certain provinces in Canada implement a minimum retail price ("MRP") for beverage alcohol products, and update those prices on a periodic basis according to several factors, including inflationary rates and taxation changes. On March 28, 2025, the Ontario provincial government announced the elimination of the MRP for all spirits and spirit-based RTD products sold at the LCBO and other licensed retailers, effective April 1, 2025. The impact of this regulatory change on the overall retail and market environment in Ontario remains to be seen. Corby closely monitors the overall retail landscape and aims to remain competitive in the Canadian spirits market, while executing on our overall value optimization strategies.

Additionally, as the Company looks to expand 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, tariffs and taxation) in those countries could also adversely affect the operations, financial performance, or reputation of the Company. In particular, Corby is monitoring potential regulatory changes to import tariffs between Canada and the United States. Canadian goods compliant with CUSMA continue to benefit from exemption from the 10% baseline tariff, including our exports to the US. The company is also diversifying supply chains to help ensure product availability, in addition to increasing promotion of Canadian and international products to seize new opportunities and mitigate risks effectively. The Company may also purchase raw materials from international sources, and the price and availability of these materials may be adversely affected by changes in laws and regulations. The Company actively works to mitigate or minimize these risks through measures including but not limited to diversifying supply chains and export markets, active management of promotions and pricing, and re-allocation of investments. Corby will continue to be agile and respond with speed as new developments occur in this matter.

The Company, as an industry leader, actively participates in trade association discussions relating to new developments.

Geo-Political Risk

Geo-political and other events, such as the ongoing situation in Ukraine, and the sanctions imposed in connection therewith, and the situation in the Middle East, 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, 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.

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.

Customer Risk

The beverage alcohol retail sector in Canada is subject to government policy and extensive regulatory requirements. As a result, provincial LB customers, who form the majority of Corby's Canadian customer base, may implement changes which could affect Corby's sales or impact 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 Corby's financial results.

In November 2023, the LCBO advised suppliers that it will be enforcing a pricing term included in its standard purchase terms and conditions that requires suppliers to ensure prices sold to the LCBO are the same or lower than prices sold to any other customer in Canada. This, in suppliers' view, is in contradiction to other pricing policies imposed by the LCBO, particularly "minimum pricing" that increases every year in Ontario.

Corby, together with a collective of spirits suppliers representing almost 70% of the spirits products sold in Ontario, filed a court application with the Ontario Superior Court of Justice to declare such pricing term invalid and unenforceable. The matter will be heard by the Commercial List with the decision expected during calendar year 2025. The suppliers have simultaneously alerted the Competition Bureau of Canada as to how the enforcement of this pricing term by the LCBO is, in their view, an abuse of dominance, and can have major anti-competitive implications for all Canadian consumers, with respect to pricing and product choice.

The LCBO levied penalties on suppliers for sales beginning April 2023. For the fiscal year ended June 30, 2024 Corby recorded expected penalties related to the period April 2023 through June 30, 2024, of which $1.1 million remains accrued and included in accounts payable and accrued liabilities at March 31, 2025. In addition, the LCBO threatened to calculate penalties on sales it believes were not in compliance for the period before April 2023. Corby cannot quantify the potential charge and no provision has been recorded in these financial statements for any exposure before April 2023.

The Company will continue to monitor the potential risks associated with any proposed changes by its customers, and as an industry leader, actively participates in trade association discussions relating to new developments in this area.

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk to the extent that its cash in cash management pools, bank indebtedness and credit facilities payable are based upon variable rates of interest. The Company's long term loan payables bear interest at a fixed rate. Corby does not conduct an active risk management program, 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.

<u>USD Exposure</u>
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.

<u>GBP Exposure</u>
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.

Third-Party Service Providers

HWSL provides more than 90% of the Company's spirits production requirements, among other services including administration and information technology. The Company's RTD production requirements are also fulfilled by various third-party co-packers located across Canada. 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 March 31, 2025:

		Carrying Values as at Mar. 31, 2025		
Segment	Associated Market	Goodwill	Trademarks and licences	Total
Case Goods - Domestic	Canada	115.6	53.7	169.3
Case Goods - International	United Kingdom[1]	1.3	11.8	13.1
		$ 116.9	$ 65.5	$ 182.4

[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 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. The buy-in annuity transaction in 2020 effectively reduced Corby's exposure to pension related risks financial risks. Effective January 1, 2024, Corby converted the buy-in annuities held for its salaried pension plan to buy-out annuities. By converting to a buy-out annuity Corby now effectively reduces administrative costs, including maintenance of pensioner records, benefit payments and regulatory requirements for the group impacted. For further details related to Corby's defined benefit pension plans, please refer to Note 10 of the annual audited consolidated financial statements for the year ended June 30, 2024.

CORBY SPIRIT AND WINE LIMITED
Interim Condensed Consolidated Financial Statements
For the three and nine months ended March 31, 2025 and 2024

Notice of disclosure of no auditor review of interim condensed consolidated financial statements pursuant to National Instrument 51-02, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators.

The accompanying interim condensed consolidated financial statements of Corby Spirit and Wine Limited for the three and nine months ended March 31, 2025 and 2024 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting as issued by the International Accounting Standards Board and are the responsibility of the Company's management. The Company's independent auditors have not performed an audit or a review of these interim condensed consolidated financial statements.

CORBY SPIRIT AND WINE LIMITED
INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS
(not audited or reviewed by the Company's external auditor)
(in thousands of Canadian dollars)

As at	Notes	**Mar. 31, 2025**	June 30, 2024
ASSETS			
Cash		**$ -**	$ 4,648
Deposits in cash management pools		**5,678**	27,352
Accounts receivable	5	**45,181**	48,629
Income taxes recoverable		**-**	2,892
Inventories	6	**100,404**	94,728
Prepaid expenses		**1,391**	1,061
Total current assets		**152,654**	179,310
Other assets		**7,743**	8,015
Deferred income tax assets		**1,248**	-
Right-of-use assets		**3,587**	2,942
Property, plant and equipment		**21,372**	21,908
Goodwill	7	**116,962**	117,351
Intangible assets	8	**82,850**	90,952
Total assets		**$ 386,416**	$ 420,478
LIABILITIES			
Bank indebtedness	9	**$ 943**	**$ -**
Accounts payable and accrued liabilities	10	**49,711**	57,441
Income and other taxes payable		**1,891**	-
Credit facilities payable	9	**1,874**	17,816
Current lease liabilities		**1,753**	1,419
Total current liabilities		**56,172**	76,676
Provision for employee benefits		**6,642**	6,824
Long-term debt	11	**102,000**	120,000
Deferred income tax liabilities		**18,236**	17,571
Long-term lease liabilities		**1,942**	1,600
Non-controlling interest obligation	12	**17,725**	16,206
Total liabilities		**202,717**	238,877
Shareholders' equity			
Share capital		**14,304**	14,304
Accumulated other comprehensive income		**8,394**	8,448
Retained earnings		**161,001**	158,849
Total equity		**183,699**	181,601
Total liabilities and shareholders' equity		**$ 386,416**	$ 420,478

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

CORBY SPIRIT AND WINE LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

(not audited or reviewed by the Company's external auditor)

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

	Notes	For the Three Months Ended Mar. 31, 2025	Mar. 31, 2024 [1]	For the Nine Months Ended Mar. 31, 2025	Mar. 31, 2024 [1]
Revenue	13	**$ 48,021**	$ 48,471	**$ 174,787**	$ 163,141
Cost of sales		**(23,373)**	(22,632)	**(85,931)**	(79,824)
Marketing, sales and administration		**(17,037)**	(16,711)	**(53,357)**	(51,176)
Other income (expense)	14	**39**	101	**194**	(113)
Earnings from operations		**7,650**	9,229	**35,693**	32,028
Financial income	15	**171**	450	**835**	918
Financial expense	15	**(2,155)**	(3,399)	**(6,948)**	(6,686)
		(1,984)	(2,949)	**(6,113)**	(5,768)
Earnings before income taxes		**5,666**	6,280	**29,580**	26,260
Current income taxes		**(1,774)**	(2,139)	**(8,918)**	(6,135)
Deferred income taxes		**135**	150	**564**	(1,004)
Income taxes		**(1,639)**	(1,989)	**(8,354)**	(7,139)
Net earnings		**$ 4,027**	$ 4,291	**$ 21,226**	$ 19,121
Basic earnings attributable to each share		**$ 0.14**	$ 0.15	**$ 0.75**	$ 0.67
Diluted earnings attributable to each share		**$ 0.14**	$ 0.15	**$ 0.75**	$ 0.67
Weighted average common shares outstanding					
Basic		**28,468,856**	28,468,856	**28,468,856**	28,468,856
Diluted		**28,468,856**	28,468,856	**28,468,856**	28,468,856

[1] Certain comparative information has been reclassified to conform to the current year's presentation. Refer to Note 6 for further information.

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

CORBY SPIRIT AND WINE LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(not audited or reviewed by the Company's external auditor)
(in thousands of Canadian dollars)

	For the Three Months Ended		For the Nine Months Ended	
	Mar. 31, 2025	Mar. 31, 2024	**Mar. 31, 2025**	Mar. 31, 2024
Net earnings	**$ 4,027**	$ 4,291	**$ 21,226**	$ 19,121
Other comprehensive income:				
Amounts that will not be subsequently reclassified to earnings:				
Net actuarial losses	**(25)**	(37)	**(73)**	(109)
Income taxes	**6**	12	**19**	29
	(19)	(25)	**(54)**	(80)
Total comprehensive income	**$ 4,008**	$ 4,266	**$ 21,172**	$ 19,041

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(not audited or reviewed by the Company's external auditor)
(in thousands of Canadian dollars)

	Share Capital	Accumulated Other Comprehensive Income	Retained Earnings	Total
Balance as at June 30, 2024	$ 14,304	$ 8,448	$ 158,849	$ 181,601
Total comprehensive income	-	(54)	21,226	21,172
Dividends	-	-	(19,074)	(19,074)
Balance as at March 31, 2025	**$ 14,304**	**$ 8,394**	**$ 161,001**	**$ 183,699**
Balance as at June 30, 2023	$ 14,304	$ 5,127	$ 160,564	$ 179,995
Total comprehensive income	-	(80)	19,121	19,041
Exercise of option to convert buy-in to buy-out annuity relating to the Company's defined benefit pension plan	-	1,710	(1,710)	-
Dividends	-	-	(17,935)	(17,935)
Balance as at March 31, 2024	$ 14,304	$ 6,757	$ 160,040	$ 181,101

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

CORBY SPIRIT AND WINE LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(not audited or reviewed by the Company's external auditor)
(in thousands of Canadian dollars)

	Notes	For the Three Months Ended Mar. 31, 2025	For the Three Months Ended Mar. 31, 2024 [1]	For the Nine Months Ended Mar. 31, 2025	For the Nine Months Ended Mar. 31, 2024 [1]
Operating activities					
Net earnings		**$ 4,027**	$ 4,291	**$ 21,226**	$ 19,121
Adjustments for:					
Amortization and depreciation	16	**4,089**	3,796	**12,156**	11,361
Net financial expense	15	**1,984**	2,949	**6,113**	5,768
Income tax expense		**1,639**	1,989	**8,354**	7,139
Provision for employee benefits		**2**	(61)	**(95)**	(359)
		11,741	12,964	**47,754**	43,030
Net change in non-cash working capital balances	17	**(14,860)**	(15,134)	**(9,899)**	(16,272)
Interest paid	15	**(1,625)**	(1,861)	**(5,330)**	(5,023)
Interest received	15	**185**	334	**849**	856
Income taxes paid		**(1,753)**	(2,809)	**(4,135)**	(7,936)
Net cash from (used in) operating activities		**(6,312)**	(6,506)	**29,239**	14,655
Investing activities					
Additions to property and equipment		**(894)**	(821)	**(1,891)**	(1,895)
Additions to intangible assets		**(45)**	(39)	**(194)**	(39)
Business acquisitions	4	**-**	-	**-**	(136,321)
Withdrawals from cash management pools		**18,281**	14,004	**21,674**	131,029
Net cash from (used in) investing activities		**17,342**	13,144	**19,589**	(7,226)
Financing activities					
Proceeds from long-term debt		**-**	-	**-**	22,000
Repayment of long-term debt		**(6,000)**	-	**(18,000)**	-
Payment of lease liabilities		**(492)**	(410)	**(1,403)**	(1,113)
Repayments of credit facilities payable		**(342)**	(250)	**(15,942)**	(750)
Proceeds from bank debt		**943**	-	**943**	-
Repayment of bank debt		**-**	-	**-**	(9,631)
Dividends paid		**(6,548)**	(5,978)	**(19,074)**	(17,935)
Net cash used in financing activities		**(12,439)**	(6,638)	**(53,476)**	(7,429)
Net change in cash		**(1,409)**	-	**(4,648)**	**-**
Cash, beginning of the period		**1,409**	-	**4,648**	-
Cash, end of the period		**$ -**	$ -	**$ -**	$ -

[1] Certain comparative information has been reclassified to conform to the current year's presentation. Refer to Note 15 for further information.

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

1. GENERAL INFORMATION

Corby Spirit and Wine Limited ("Corby" or the "Company") is a leading Canadian manufacturer, marketer and importer of spirits, wines and ready to drink offerings ("RTDs"). The Company derives its revenues from the sale of its owned-brands in Canada and other international markets, as well as earning commissions from the representation of selected non-owned brands in the Canadian marketplace. Revenues predominantly consist of sales made to each of the provincial liquor boards in Canada. The Company also supplements these primary sources of revenue with other ancillary activities incidental to its core business, such as 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 March 31, 2025.

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. SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of Preparation

Statement of compliance
These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"). These interim condensed consolidated financial statements follow the same accounting policies as the most recent annual consolidated financial statements, except for changes in accounting policies and methods described below. These interim condensed consolidated financial statements should be read in conjunction with the Company's 2024 annual consolidated financial statements.

These interim condensed consolidated financial statements were approved by the Company's Board of Directors on May 14, 2025.

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

Foreign currency translation
Transactions denominated in foreign currencies are translated into the functional currency using the exchange rate applicable 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 applicable at the balance sheet date. Foreign currency differences related to operating activities are recognized in earnings from operations for the period.

Basis of Measurement
These interim condensed 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 Accounting Standards ("IFRS") as described in the most recent annual consolidated financial statements, except for recently adopted policies and methods described below. Historical cost is generally based on the fair value of the consideration given in exchange for assets at the date of the transaction.

Use of Estimates and Judgments
The preparation of these interim condensed consolidated financial statements in conformity with IFRS requires management to make certain judgements, 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 interim condensed 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 interim condensed 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 circumstances on which they were based changes 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.

The Company has assessed significant accounting judgements and estimates in preparing these interim condensed consolidated financial statements for the three and nine months ended March 31, 2025 and March 31, 2024. Management's most critical estimates in determining the value of assets and liabilities and the most critical judgements in applying accounting policies that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next year have been described in Note 2 of the Company's most recent annual consolidated financial statements and have been applied consistently in the preparation of these interim condensed consolidated financial statements.

Seasonality
The interim condensed consolidated financial statements should not be taken as indicative of the performance to be expected for the full fiscal year due to the seasonal nature of the spirits business. Seasonality factors cause Corby's operating results to fluctuate from quarter to quarter. Sales of spirits and wines are typically strong in the first and second quarters of the fiscal year, while third-quarter sales are usually lower after the end of the retail holiday season. Fourth-quarter sales of spirits and wines typically increase again with the onset of warmer weather, as consumers tend to increase their purchasing levels during the summer season. This contrasts with the seasonality trends of RTDs, with the strongest sales typically occurring in the third and fourth quarter to align with the onset of warmer months, while the first and second quarter are comparatively lower.

(ii) 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 financial period ended March 31, 2025, and accordingly, have been applied in preparing these interim condensed consolidated financial statements:

a) 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. Furthermore the amendment specifies that covenants whose compliance is assessed after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the entity is required to disclose information about these covenants in the notes to the financial statements. This amendment is effective for annual periods beginning on or after January 1, 2024. For Corby, the amendment became effective July 1, 2024 and did not have any impact on the Company's financial statements and disclosures.

The following standards and amendments to standards are also effective for the financial reporting period but were not applicable to Corby:

	New or Revised Pronouncement	Effective Date	Company Effective Date
Amendments to IAS 7 & IFRS 7	*Supplier financing arrangements*	January 1, 2024	July 1, 2024
Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*	January 1, 2024	July 1, 2024

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 ending March 31, 2025, and accordingly, have not been applied in preparing these interim condensed consolidated financial statements:

a) IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued a new standard IFRS 18 “Presentation and Disclosure in Financial Statements” that will replace IAS 1 “Presentation of Financial Statements”. This new standard introduces newly defined subtotals on the statement of earnings, new requirements for classification of information, and disclosure of Management Performance Measures in the financial statements. This new standard is effective for annual reporting periods beginning on or after January 1, 2027. For Corby, the amendment will become effective July 1, 2027. The Company is currently assessing the impacts that the new standard will have on its financial statements and 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
Amendments to IAS 21	*Lack of exchangeability of currencies*	January 1, 2025	July 1, 2025
Amendments to IFRS 9 and IFRS 7	*Classification and Measurement of Financial Instruments*	January 1, 2026	July 1, 2026
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*	January 1, 2027	July 1, 2027

3. FAIR VALUE

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 approximately $99,701 at March 31, 2025. 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.

4. BUSINESS COMBINATIONS

MXM Beverages Ltd.

On May 13, 2024, Corby’s subsidiary, ABG, acquired certain assets of MXM Beverages Ltd. (“MXM”). The purchase price of $11,799, which has been adjusted to reflect estimated working capital assumed as at the purchase date, was paid using available cash and financing in the form of an acquisition loan. The acquisition loan bears interest at a variable rate using methodologies based on the Canadian Overnight Repo Rate ("CORRA") plus the applicable CORRA margin, or prime plus the applicable prime rate margin. The applicable CORRA margin and the applicable prime rate margin, are determined with reference to the Total Leverage Ratio of ABG.

MXM holds a prominent position in the RTD and better-for-you beverages market in Western Canada. MXM's portfolio includes its flagship brand "Nude" and other innovative RTD offerings further adding scale to Corby and ABG's portfolio within the high-growth RTD category.

The Company has accounted for this acquisition using the acquisition method in accordance with IFRS 3, Business Combinations ("IFRS 3"), as the assets acquired substantially constitute a business, and the results of MXM have been consolidated with those of the Company from the date of acquisition. The total purchase consideration has been allocated to identifiable assets acquired, including trademark, based on their fair values of $9,279 and goodwill of $2,520. The fair value of the trademark was determined using an income approach and required the Company to make significant assumptions, which included, forecasted revenues, royalty rate and the discount rate.

During the nine months ended March 31, 2025 the Company recorded an adjustment to inventory and goodwill in the amount of $389 to adjust for the undervaluation of inventories recorded on date of acquisition.

Details of the fair value of identifiable assets acquired, purchase consideration and goodwill are as follows:

Purchase consideration	**$**	**11,799**
Accounts receivable		1,333
Inventories		4,376
Trademark		3,570
Total identifiable net assets acquired	**$**	**9,279**

Goodwill arising from the acquisition has been recognized as follows:

Purchase consideration	**$**	**11,799**
Fair value of identifiable assets acquired including brands		(9,279)
Goodwill	**$**	**2,520**

Goodwill is attributable to the synergies expected to be achieved from integrating MXM's products into the Company's existing portfolio. Goodwill arising from this transaction is expected to be deductible for tax purposes.

Ace Beverage Group Inc.

On July 4, 2023, Corby acquired 90% of the outstanding shares of Ace Beverage Group Inc. ("ABG"). The purchase price of $136,321, which has been adjusted to reflect estimated working capital and debt assumed as at the purchase date, 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 a fixed rate of 5.43% per annum. 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 ABG's continuing operating loan.

Further, the Company entered into an agreement with the minority shareholders of ABG which provides the Company with options to purchase the remaining outstanding shares of ABG in the future. In the event that the Company does not exercise the options, the Company is obligated to declare and pay an annual dividend to the minority shareholders equal to the cash balance, less an amount to satisfy the anticipated working capital and investment needs of ABG for the following fiscal year subject to applicable law and approval by the Board of Directors of ABG addressing the ability of ABG to declare and pay such dividends. Please refer to Note 12 for further information regarding the non-controlling interest obligation.

ABG holds a leading position in the RTD and better-for-you beverages market in Canada. ABG's portfolio includes its flagship brand "Cottage Springs" and other innovative RTD offerings adding significant scale to Corby's portfolio as well as expertise in the high-growth RTD category.

The Company has accounted for this acquisition using the acquisition method in accordance with IFRS 3, Business Combinations ("IFRS 3"), and the results of ABG have been consolidated with those of the Company from the date of acquisition. IFRS 3 provides that for each transaction to apply either the proportionate or full goodwill methods. The Company has applied the proportionate method to this transaction. The total purchase consideration has been allocated to identifiable assets acquired, including trademarks, based on their fair values of $45,041 and goodwill $105,685. The fair value of the trademarks was determined using an income approach and required the Company to make significant assumptions, which include, forecasted revenues, royalty rate and the discount rate.

Details of the fair value of identifiable assets acquired, purchase consideration and goodwill are as follows:

Purchase consideration	**$**	**136,321**
Accounts receivable		11,438
Inventories		19,222
Prepaid expenses		573
Property, plant and equipment		513
Right-of-use assets		437
Intangible assets		46,691
Cash		4
Bank indebtedness		(9,631)
Accounts payables and accrued liabilities		(4,206)
Credit facility payable and other debt-like items		(8,805)
Lease liabilities		(455)
Deferred income taxes, net		(10,740)
Total identifiable net assets acquired	**$**	**45,041**

Goodwill arising from the acquisition has been recognized as follows:

Purchase consideration	**$**	**136,321**
Non-controlling interest obligation		14,405
Fair value of identifiable assets acquired including trademarks		(45,041)
Goodwill	**$**	**105,685**

Goodwill is attributable to the expertise of ABG's team within the RTD segment as well as synergies expected to be achieved from integrating ABG's products into the Company's existing portfolio. Goodwill arising from this transaction is not expected to be deductible for tax purposes.

5. ACCOUNTS RECEIVABLE

		Mar. 31, 2025		June 30, 2024
Trade receivables	**$**	**26,805**	$	33,486
Due from related parties		**15,622**		13,767
Other		**2,754**		1,376
	$	**45,181**	$	48,629

6. INVENTORIES

	Mar. 31, 2025	June 30, 2024
Raw materials	$ **13,415**	$ 12,503
Work-in-progress	**61,535**	58,278
Finished goods	**25,454**	23,947
	$ **100,404**	$ 94,728

The cost of inventory recognized as an expense and included in cost of goods sold during the three and nine months ended March 31, 2025 was $20,157 and $74,936 (2024 - $22,321 and $71,398). The cost of inventory recognized as an expense and included in cost of goods sold includes the fair value adjustments of inventory acquired through acquisitions noted below.

On May 13, 2024, the Company acquired $4,376 of inventories as part of the acquisition of MXM of which $752 relates to a fair value adjustment, representing the difference between inventory cost and its fair value. The fair value adjustment is recognized as an expense in cost of sales as the related inventories are sold. For the three and nine months ended March 31, 2025, the Company recognized $0 and $595 of the fair value adjustment in cost of sales, which decreased gross profit realized.

On July 4, 2023, the Company acquired $19,222 of inventories as part of the acquisition of ABG of which $3,047 relates to a fair value adjustment, representing the difference between inventory cost and its fair value. For the three and nine months ended March 31, 2024, the Company recognized $0 and $3,047 of the fair value adjustment in cost of sales, which decreased gross profit realized.

During the three and nine months ended March 31, 2025 there were write-downs of $88 and $432 (2024 - $0 and $129) on inventory as a result of net realizable value being lower than cost and were included within cost of sales. No inventory write-downs recognized in previous periods were reversed.

7. GOODWILL

	Mar. 31, 2025	June 30, 2024
Goodwill, beginning of period	$ **117,351**	$ 8,757
Business combinations	**(389)**	108,594
Goodwill, end of period	$ **116,962**	$ 117,351

8. INTANGIBLE ASSETS

				2025
		Movements in the Period		
	June 30, 2024	Additions	Amortization	**Mar. 31, 2025**
Long-term representation rights	$ **23,337**	$ **-**	$ **(7,779)**	$ **15,558**
Trademarks and licences	**65,111**	**-**	**-**	**65,111**
Distribution rights	**330**	**-**	**-**	**330**
IT Software	**2,174**	**194**	**(517)**	**1,851**
	$ **90,952**	$ **194**	$ **(8,296)**	$ **82,850**

9. CREDIT FACILITIES PAYABLE

The Company, through its subsidiary ABG, has available a revolving operating facility authorized to a maximum of $15,000 and a non-revolving facility that is due on demand. At March 31, 2025 and June 30, 2024 the balances were as follows:

		Mar. 31, 2025		June 30, 2024
Operating line of credit (available up to $15,000)	**$**	**943**	$	-
Non-revolving credit facility		**1,874**		17,816

During the three and nine months ended March 31, 2025, interest expense on both facilities amounted to $115 and $449 (2024 - $197 and $597). The facilities are held by a Canadian chartered bank and accrue interest at a variable rate using methodologies based on the CORRA rate plus the applicable CORRA margin, or prime plus the applicable prime rate margin. The applicable CORRA margin and the applicable prime rate margin, are determined with reference to the Total Leverage Ratio of ABG. The Company has the discretion to choose the most favourable interest calculation methodology.

The Company is required to pay mandatory principal instalments on the non-revolving credit facility based on the following schedule:

Less than one year	$	1,571
1 - 5 years		303
Total principal outstanding	**$**	**1,874**

The Company may prepay amounts outstanding under the non-revolving credit facilities, at any time, without penalty. During the three and nine months ended March 31, 2025, the Company made principal repayments of $342 and $15,942 (2024- $250 and $750).

The facilities are secured by a general security agreement constituting a first-priority encumbrance on select present and future property and assignment of all proceeds under ABG's insurance policies. In connection with the closing of its acquisition of ABG, Corby signed a guarantee with respect to amounts owing under both facilities.

ABG is subject to covenants and was in compliance with all covenants as of March 31, 2025. Covenants are used to determine the appropriate interest rate margin on the various credit facilities under the agreements.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		Mar. 31, 2025		June 30, 2024
Trade payables and accruals	**$**	**35,525**	$	43,924
Due to related parties		**12,080**		10,679
Other		**2,106**		2,838
	$	**49,711**	$	57,441

11. LONG TERM DEBT

On June 12, 2023, Corby entered into a loan agreement with PR with a total available credit amount of $120,000. The loan provided Corby with the required funding to complete the ABG acquisition which closed on July 4, 2023 (Refer to Note 4 "Business Combinations" for further information).

Details of the term loan payable to PR are as follows:

	Maturity Date	Rate	Mar. 31, 2025	June 30, 2024
Term loan payable	June 20, 2033	5.43%	$ **102,000**	$ 120,000

The term loan principal along with any accrued interest is due in full at the maturity date, June 20, 2033. Corby has the option to voluntarily make partial or total repayment at any time before the maturity date. During the three and nine months ended March 31, 2025, the Company made repayments of $6,000 and $18,000 respectively (2024 - $nil) on the principal balance. During the three and nine months ended March 31, 2025, the Company incurred and paid interest of $1,440 and $4,600 (2024 - $1,620 and $4,355). Interest is payable on a quarterly basis at the end of each quarter.

12. NON-CONTROLLING INTEREST OBLIGATION

Non-controlling interest represent the equity in a subsidiary that is not attributable directly or indirectly to its parent. Non-controlling interest is typically presented within equity, separately from the equity of the parent. Income, expenses, assets and liabilities are typically reported in the parent's consolidated financial statements at the consolidated amounts, which include the amounts attributable to the owners of the parent and NCI. In the parent's consolidated statement of earnings, the amount of profit or loss and total comprehensive income attributable to owners of the parent and non-controlling interest are shown separately.

In conjunction with the acquisition of 90% of the outstanding shares of ABG, Corby has the right, but not an obligation to purchase 50% of the shares owned by ABG's minority shareholders at June 30, 2025 ("Year 2 Option"), and the remaining shares at June 30, 2028 ("Year 5 Option"). If Corby does not exercise the Year 2 Option and/or does not exercise the Year 5 Option, then in each fiscal year thereafter, ABG is obligated to declare and pay an annual dividend equal to the cash balance of ABG, less an amount to satisfy the anticipated working capital and investment needs of ABG for the following fiscal year. Under both scenarios, Corby has an obligation to make a cash payment in the future which is payable to the non-controlling shareholders.

As a result, IFRS requires recognition of a liability payable to the non-controlling shareholders. The liability for the non-controlling interest obligation is measured using the discounted cash flows of the estimated future dividend stream of ABG. Accretion of the obligation is recorded as interest in financial expense on the statement of earnings.

The Non-controlling interest obligation for the period is as follows:

	Mar. 31, 2025	June 30, 2024
Non-controlling interest obligation, beginning of period	$ **16,206**	$ 14,405
Accretion of obligation during the period	**1,519**	1,801
Non-controlling interest obligation, end of period	$ **17,725**	$ 16,206

13. REVENUE

The Company's revenue consists of the following streams:

	Three months ended		*Nine months ended*	
	Mar. 31, 2025	Mar. 31, 2024	**Mar. 31, 2025**	Mar. 31, 2024
Case goods sales	$ **40,362**	$ 42,025	$ **148,917**	$ 140,893
Commissions, net	**6,766**	5,656	**22,876**	19,520
Other services	**893**	790	**2,994**	2,728
	$ **48,021**	$ 48,471	$ **174,787**	$ 163,141

Commissions for the three and nine months ended March 31, 2025 are shown net of amortization of long-term representation rights of $2,593 and $7,779 (2024 - $2,593 and $7,779). Other services include revenues incidental to the manufacture of case goods, such as logistics fees, on-premise merchandise sales and miscellaneous bulk spirit sales.

14. OTHER INCOME (EXPENSE)

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

	Three months ended		*Nine months ended*	
	Mar. 31, 2025	Mar. 31, 2024	**Mar. 31, 2025**	Mar. 31, 2024
Foreign exchange gain (loss)	**$ 38**	$ (121)	**$ 3**	$ (86)
Transaction costs	**-**	-	**-**	(677)
Licensing fees	**3**	244	**189**	455
Other	**(2)**	(22)	**2**	195
	$ 39	$ 101	**$ 194**	$ (113)

15. NET FINANCIAL INCOME AND EXPENSE

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

	Three months ended		*Nine months ended*	
	Mar. 31, 2025	Mar. 31, 2024 [(1)]	**Mar. 31, 2025**	Mar. 31, 2024 [(1)]
Interest income on deposits in cash management pools	**$ 158**	322	**$ 797**	$ 819
Interest expense on bank indebtedness, loans and lease liabilities	**(1,593)**	(1,839)	**(5,187)**	(5,055)
Interest on non-controlling interest obligation	**(506)**	(1,350)	**(1,519)**	(1,350)
Net financial impact of pensions	**(37)**	(57)	**(112)**	(170)
Other interest	**(6)**	(25)	**(92)**	(12)
	$ (1,984)	$ (2,949)	**$ (6,113)**	$ (5,768)

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

For the three and nine months ended March 31, 2025, cash interest received was $185 and $849 and cash interest paid was $1,625 and $5,330. For the three and nine months ended March 31, 2024, net interest paid of $1,527 and $4,167 was reclassified to conform to the current year's presentation in the interim condensed consolidated statement of cash flows as cash interest received was $334 and $856 and cash interest paid was $1,861 and $5,023 for the three and nine months ended March 31, 2024, respectively.

16. EXPENSES BY NATURE

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

	Three months ended		*Nine months ended*	
	Mar. 31, 2025	Mar. 31, 2024	**Mar. 31, 2025**	Mar. 31, 2024
Depreciation of property and equipment	**$ 815**	$ 769	**$ 2,427**	$ 2,132
Depreciation of right-of-use assets	**501**	327	**1,433**	1,005
Amortization of intangible assets	**2,773**	2,700	**8,296**	8,224
Salary and payroll costs	**8,821**	7,935	**26,949**	24,276
Expenses related to pensions and benefits	**147**	179	**441**	537

17. NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES

	Three months ended		Nine months ended	
	Mar. 31, 2025	Mar. 31, 2024	**Mar. 31, 2025**	Mar. 31, 2024
Accounts receivable	**$ (4,016)**	$ 3,365	**$ 3,448**	$ 14,965
Inventories	**(6,838)**	(3,783)	**(5,287)**	(488)
Prepaid expenses	**(388)**	265	**(330)**	75
Accounts payable and accrued liabilities	**(3,618)**	(14,981)	**(7,730)**	(30,824)
	$ (14,860)	$ (15,134)	**$ (9,899)**	$ (16,272)

18. DIVIDENDS

On May 14, 2025 subsequent to the quarter ended March 31, 2025, the Board of Directors declared its regular quarterly dividend of $0.23 per common share, to be paid on June 11, 2025 to shareholders of record as at the close of business on May 28, 2025.

19. 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 PR 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 the full amount of credit available under the term loan agreement was utilized as of June 30, 2024. The loan provided Corby with the required funding to complete the ABG acquisition which closed on July 4, 2023. The loan bears interest at a fixed rate of 5.43% per annum and matures June 20, 2033. 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, 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 Committee of the Board of 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. 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.

On July 17, 2024, PR announced the sale of its international strategic wine brands to Australian Wine Holdco Limited, which closed effective on April 30, 2025. The transaction includes the sale of a wide portfolio of international wine brands owned and produced by Pernod Ricard Winemakers from three origins including Jacob's Creek® from Australia; Stoneleigh®, Brancott Estate® from New Zealand; and Campo Viejo® from Spain. Corby will continue to represent these brands during a transition period until August 31, 2025 under the same terms of the PR Representation agreement. Corby is in active discussions with the new owner to continue the representation and distribution of the acquired wine brands in Canada beyond the end of the transition period. The affected brands contributed $2,936 to Net Earnings during the year ended June 30, 2024.

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

	Three months ended		*Nine months ended*	
	Mar. 31, 2025	Mar. 31, 2024	**Mar. 31, 2025**	Mar. 31, 2024
Sales to related parties				
Commissions - parent, ultimate parent and affiliated companies	**$ 9,333**	$ 8,188	**$ 30,389**	$ 26,980
Products for resale at an export level - affiliated companies	**3,123**	4,051	**8,606**	10,538
Bulk spirits - parent	**(9)**	-	**-**	18
	$ 12,447	$ 12,239	**$ 38,995**	$ 37,536
Cost of goods sold, purchased from related parties				
Distilling, blending, and production services - parent	**$ 7,405**	$ 7,065	**$ 21,172**	$ 20,294
Administrative services purchased from related parties				
Marketing, selling and administration services - parent and affiliated companies	**$ 1,034**	$ 925	**$ 3,054**	$ 2,775

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

During the three and nine months ended March 31, 2025, the Company paid interest of $1,440 and $4,600 (2024 - $1,620 and $4,355) on its long-term debt payable to PR.

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 May 14, 2025, 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 CORRA rate plus 0.75%. Prior year interest was calculated using the 30-day Canadian Dealer Offered Rate ("CDOR") plus 0.40%. During the three and nine months ended March 31, 2025, Corby earned interest income of $158 and $797 from PR (2024 – $322 and $819). Corby has the right to terminate its participation in the Mirror Netting Services Agreement at any time, subject to five days' written notice.

20. 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, and Cottage Springs and Nude RTD beverages.

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 Scotch whiskies, 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 13 of the interim condensed 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 three and nine months ended March 31, 2025 was $2,593 and $7,779 (2024 – $2,593 and $7,779). Therefore, a table detailing operational results by segment has not been provided as no additional meaningful information would result.

21. CONTINGENCIES

Class Action Lawsuit
On June 16, 2021, a claim was filed regarding a proposed class action against Corby related to black discolouration 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. On December 21, 2023, the court declined to certify the class action and the plaintiffs filed a notice of appeal, which was withdrawn on October 2, 2024.

Other contingencies
During November 2023, the Liquor Control Board of Ontario ("LCBO"), one of Corby's customers, advised suppliers that it will be enforcing a pricing term included in its standard purchase terms and conditions that requires suppliers to ensure prices sold to the LCBO are the same or lower than prices sold to any other customer in Canada, which is in contradiction to other pricing policies imposed by the LCBO, particularly "minimum pricing" that increases every year. The LCBO levied penalties on suppliers for sales beginning April 2023. For the fiscal year ended June 30, 2024 Corby recorded expected penalties related to the period April 2023 through June 30, 2024, of which $1,104 remains accrued and included in accounts payable and accrued liabilities at March 31, 2025. In addition, the LCBO threatened to calculate penalties on sales not in compliance for the period before April 2023. Corby cannot quantify the potential charge and no provision has been recorded in these financial statements for any exposure before April 2023. Corby believes a retroactive charge back of this nature would not

be enforceable. Corby, together with a collective of spirits suppliers representing almost 70% of the spirits products sold in Ontario, filed a court application with the Ontario Superior Court of Justice for court orders declaring that the LCBO’s pricing term is of no force and effect or, alternatively, cannot be enforced retroactively, and that the LCBO must release any amounts set off based on its enforcement. The matter will be heard by the Commercial List with the decision anticipated during fiscal year 2025.

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FOR MORE INFORMATION

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