CORBY SPIRIT AND WINE LIMITED

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

2026

CORBY SPIRIT AND WINE LIMITED
Management's Discussion and Analysis
June 30, 2026

The following Management's Discussion and Analysis ("MD&A") dated August 26, 2026 should be read in conjunction with the annual audited consolidated financial statements and accompanying notes as at and for the year ended June 30, 2026 ("full year"), prepared in accordance with IFRS Accounting Standards ("IFRS"). Information for the three months ended June 30, 2026 and 2025 were not audited.

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 Events", "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 August 26, 2026. 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 fourth quarter of fiscal 2026 (three-months ended June 30, 2026) are against results for the fourth quarter of fiscal 2025 (three-months ended June 30, 2025). 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 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 consist 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 (please refer to the “Subsequent Events” section of this MD&A for further details), Polar Ice® vodka, McGuinness® liqueurs, Cottage Springs®, 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. On April 30, 2025, PR finalized the sale of its international strategic wine brands to Australian Wine Holdco Limited, previously announced on July 17, 2024, and brands sold included Jacob’s Creek®, Stoneleigh®, and Campo Viejo® wines. On August 29, 2025, Corby announced the signing of a new agreement with Vinarchy North America Incorporated, a subsidiary of Australian Wine Holdco Limited, effective September 1, 2025, pursuant to which Corby will continue its exclusive representation of the aforementioned brands in Canada for two years. Please refer to the “Significant Events” section of this MD&A for further details.

Effective March 1, 2026, through its subsidiary, Ace Beverage Group Inc. (“ABG”), the Company expanded its agency portfolio through a new agreement with Canada Dry Mott's Inc. (“CDMI”), providing ABG with the exclusive representation rights for certain CDMI RTD brands including, Mott’s® Clamato®, Snapple®, Tahiti Treat®, and Hires®, in Western & Central Canada provinces until August 31, 2029. Please refer to the “Significant Events” section of 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. The Company and the Corby Board of Directors are actively engaged in ongoing discussions with PR related to the renewal of the 2006 Agreements, including the administrative services, distillate, and co-pack agreements (please refer to the “Related Party Transactions” section of this MD&A for more information).

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 95%-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 (“RTM”) 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, Ontario, Manitoba and Quebec.

Since September 2024, beverage alcohol excluding spirits has been available in Ontario grocery, convenience, and big-box stores, following the Ontario government's July 2024 regulatory changes. This RTM modernization continues to expand distribution opportunities for Corby's RTD and wine portfolios, and the Company remains focused on capitalizing on new points of distribution while continuing to serve consumers across all channels. Foot traffic in liquor board stores that sell spirits has softened following this channel expansion. Please refer to the "Risks & Risk Management" section of 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 fiscal 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 first and fourth fiscal quarters, during the spring and summer.

In addition, retail sales comparisons could be affected by timing of key holidays and LBs' reporting calendars. Lingering effects from previous or ongoing disruptions to the global supply chain, LB's labour strike and LBs' order phasing and inventory management have contributed to an alteration of our typical sales trends (impacting year over year comparability).

Significant Events

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 included 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 continued to represent these brands in Canada during a transition period that expired on August 31, 2025, under the same terms as those contained in the 2021 representation agreement with PR (please refer to the "Related Party Transactions" section of this MD&A for further details). On August 29, 2025, Corby announced the signing of a new agreement with Vinarchy North America Incorporated, a subsidiary of Australian Wine Holdco Limited, effective September 1, 2025, pursuant to which Corby will continue its exclusive representation of the above-mentioned brands in Canada for two years, subject to terms of the agreement.

On September 26, 2025, Corby exercised a call option provided for in the shareholder agreement between Corby, Ace Beverage Holdco Inc. ("Ace Holdco"), and the minority shareholders of Ace Holdco dated July 4, 2023, to purchase additional outstanding shares of Ace Holdco, increasing its ownership stake in Ace Holdco by 5% to

95% of the issued and outstanding shares. The call option exercise price was paid to the non-controlling shareholders in the amount of $9.3 million on October 10, 2025.

On February 17, 2026, the Company announced that its subsidiary, ABG, and CDMI entered into an agreement, effective as of March 1, 2026, providing ABG the exclusive rights to represent certain CDMI RTD brands in Western & Central Canada provinces until August 31, 2029, subject to the terms of the agreement. Under the agreement, ABG will represent CDMI's Mott's Clamato, Snapple, Tahiti Treat, and Hires RTD brands in the provinces of Ontario, British Columbia, Alberta, Saskatchewan, and Manitoba.

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 dynamic Canadian spirits and wines market, and in the currently growing RTD category, brand performance is driven by evolving consumer trends, the deep understanding of which is the cornerstone 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 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 portfolio rationalization initiatives or 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, the Nude brand and certain assets on May 13, 2024 (the "Nude Acquisition"), and more recently, the disposal of certain non-core ABG brands on October 6, 2025 to consolidate our position as one of the leading RTD players across Canada and the disposal of Lamb's brands on August 5, 2026. Please refer to Note 9 of the annual audited consolidated financial statements for the year-ended June 30, 2026 for more information on the sale of the non-core brands Ace Hill beer, Ace Hill RTDs and Liberty Village Dry Cider. For more information related to the sale of the Lamb's brand on August 5, 2026, please refer to the Subsequent Events section of this MD&A and Note 35 of the annual audited consolidated financial statements for the year ended June 30, 2026.

Export represents a targeted growth opportunity, subject to regulatory conditions, distribution arrangements and consumer demand in target markets. Corby continues to prioritize portfolio discipline in its export business, focusing resources on markets and brands with the strongest long-term potential.

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 RTM 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 where commercially and operationally feasible, fostering responsible consumption and contributing to the well-being of communities and the environment. The Company's approach to S&R 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.

Subsequent Events

Sale of Lamb's Rum Brand

On August 5, 2026, subsequent to the year-ended June 30, 2026, the Company announced that it sold the Lamb's rum brand and certain related assets to Maison des Futailles, L.P., a subsidiary of Phildan Inc., and Glen Turner Company Limited, a subsidiary of COFEPP SAS, for an aggregate price of $39.2 million, subject to customary adjustments. Under the agreement, Phildan acquired the North American rights to the brand, while COFEPP acquired the rights to the brand in the rest of the world outside North America. During fiscal 2026, the disposed brands represented approximately 7% of volumes associated with Corby's Case Good segment and contributed $5.1 million of net earnings.

Renewal of Representation Agreement with Pernod Ricard

On August 26, 2026, subsequent to the year-ended June 30, 2026, the Company and PR entered into a new Canadian representation agreement (the "2026 Representation Agreement"), for a term of three years commencing October 1, 2026 and expiring September 30, 2029, with the potential for automatic renewal for a further two years thereafter, subject to the achievement of performance criteria. The 2026 Representation Agreement renews the Company's exclusive right to represent PR's brands in Canada, including Absolut vodka, Jameson Irish whiskey and The Glenlivet Scotch whisky, and extends such rights under the prior Canadian Representation Agreement dated September 24, 2020, which was effective July 1, 2021 and expires September 30, 2026.

As PR is the Company's ultimate parent, the 2026 Representation Agreement constitutes a related party transaction and was reviewed and approved by the Independent Committee of the Board of Directors, in accordance with the Company's related party transaction policy, following an extensive review of the agreement with external financial and legal advice prior to execution. The 2026 Representation Agreement provides for payment on October 1, 2026 of an upfront fee of $18.7 million to PR by the Company, financed through Corby's deposits in cash management pools.

Three-Year Review of Selected Financial Information

Corby incurred several expenses in this fiscal year 2026 in relation to portfolio rationalization, restructuring, interest charges and adjustments related to non-controlling interest ("NCI") obligation, and also had income related to a revised estimate of the provision related to the LCBO pricing dispute. Similarly, Corby incurred several expenses in this fiscal year 2025 in relation to portfolio rationalization, restructuring, fair value adjustments to inventory following the Nude Acquisition and interest charges related to NCI obligation; and in fiscal year 2024 in relation to the acquisition of ABG and the Nude Acquisition, distributor transitioning, restructuring, fair value adjustments to inventory following the acquisition of ABG, and interest charges related to the NCI obligation.

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. Specifically, management believes the above listed expenses are not indictive of Corby's underlying business performance and trends, and thus management removes the impact of these activities and expenses when assessing Corby's business performance over time.

For further clarity, these non-IFRS financial measures exclude the costs related to brand portfolio rationalization, transaction costs related to acquisitions or dispositions, distributor transitions, organizational restructuring provisions, fair value adjustments to inventory related to business combinations and revised estimates for an LCBO pricing dispute and are described as "Adjusted". At the Net Earnings level, non-IFRS financial measures also exclude the notional interest charges and adjustments 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), while remaining vigilant for 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 and interested parties, the Company has adjusted for the costs associated with completed acquisition activity in its adjusted metrics. The recent ABG & Nude acquisitions were Corby's first acquisitions since 2017. Corby has completed two acquisitions in the last eight years and has adjusted the one-time costs to complete these transactions in Adjusted Earnings from Operations and Adjusted Net Earnings.

Costs incurred in relation to distributor transitions, specific organizational restructuring programs distinct from severance costs incurred in the normal course of business, and costs related to rationalizing brand portfolio including the discontinuation of certain recently acquired product lines following a strategic portfolio review, have been adjusted in Adjusted Earnings from Operations, and interest costs incurred in relation to the NCI obligation along with the aforementioned costs and has 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 on a more consistent basis.

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. See the "Non-IFRS Financial Measures" section of this MD&A.

Adjusted Earnings from Operations is equal to earnings from operations before interest and taxes for the period adjusted to remove restructuring provisions, portfolio rationalization costs and the impact of revised estimates for the provision related to the LCBO pricing dispute; in fiscal year 2025, remove the costs incurred for business combination inventory fair value adjustments, restructuring provisions and portfolio rationalization costs; and in fiscal year 2024, remove the costs incurred for business combination inventory fair value adjustments, one-time termination fees related to distributor transitions, restructuring provisions and the transaction costs related to the acquisition of ABG and Nude assets.

Adjusted Net Earnings is equal to net earnings for the period adjusted to remove restructuring provisions, portfolio rationalization costs, the impact of revised estimates for the provision related to the LCBO pricing dispute and the notional interest charges and adjustments related to the NCI obligation; in fiscal year 2025, remove the costs incurred for business combination inventory fair value adjustments, restructuring provisions, portfolio rationalization costs and the notional interest charges related to NCI obligation; and in fiscal year 2024, remove the costs incurred for business combination inventory fair value adjustments, one-time termination fees related to distributor transitions, restructuring provisions, the transaction costs related to the acquisition of ABG and Nude assets and the notional interest charges related to NCI obligation.

The following table provides a summary of certain selected consolidated financial information for the Company for the years ending June 30, 2026, 2025 and 2024:

(in millions of Canadian dollars, except per share amounts)	**2026**	2025	2024
Revenue	**$ 271.6**	$ 246.8	$ 229.7
Earnings from operations	**53.7**	46.1	40.7
- Earnings from operations per common share	**1.88**	1.62	1.43
Adjusted earnings from operations [1]	**53.7**	47.8	44.6
- Adjusted earnings from operations per common share [1]	**1.89**	1.68	1.57
Adjusted EBITDA [1]	**67.5**	64.0	60.0
- Adjusted EBITDA per common share [1]	**2.37**	2.25	2.11
Net earnings	**33.4**	27.4	23.9
Adjusted net earnings [1]	**35.1**	30.6	28.5
- Basic earnings per share	**1.17**	0.96	0.84
- Diluted earnings per share	**1.17**	0.96	0.84
- Adjusted, Basic earnings per share [1]	**1.23**	1.08	1.00
- Adjusted, Diluted earnings per share [1]	**1.23**	1.08	1.00
Total assets	**415.2**	402.8	420.5
Total liabilities	**227.3**	219.5	238.9
Total shareholders' equity	**187.9**	183.3	181.6
Regular dividends paid per share	**0.94**	0.90	0.84

[1] See "Non-IFRS Financial Measures"

In fiscal year 2026, revenue grew $24.9 million or 10% compared to fiscal year 2025, driven by continued RTD business expansion, strong performance of exported Canadian spirits, and the domestic Canadian spirits' portfolio continuing to benefit from the US-origin products removal in key provinces. In fiscal year 2025, revenue growth was primarily driven by the addition of the Nude portfolio and expanded distribution for RTD and wine products as the Company capitalized on the RTM modernization in Ontario, and shelf prominence for many of Corby's owned and represented brands in provinces with trade restrictions. Revenue growth in fiscal year 2024 compared to the previous year was also driven by broad-based pricing initiatives and solid domestic commercial performance, with market share gains in value for most of Corby's key brands, along with strong export sales capitalizing on new market opportunities. The Company's revenue grew on an annualized basis between fiscal year 2024 and fiscal year 2026, demonstrating Corby's ability and strength to navigate a volatile market context, dynamic global trade environment and supply chain challenges.

In line with industry practice, the Company sells excess inventory from time to time to rebalance its maturation inventories and align with long-term strategies and forecasts. Bulk sales of excess inventory declined in fiscal year 2026 versus the prior year, while fiscal year 2025 was also lower when compared to fiscal year 2024.

Net earnings increased $6.0 million or 22% in fiscal year 2026 versus prior year, while adjusted net earnings grew by $4.5 million or 15% in fiscal year 2026 versus the prior year. These growth rates exceed the revenue growth rate, reflecting disciplined cost management.

Overall net earnings have shown a growth trend since fiscal year 2024, which was primarily driven by excellence in sales execution, the effectiveness of Corby's portfolio prioritization strategy, strong and continued momentum from the RTD portfolio through the acquisition of ABG in fiscal year 2024 driving growth as a result of evolving consumer trends and channel expansion from retail modernization, and efforts to protect margins through promotional optimization and costs efficiency initiatives; serving to offset the impact of rising costs of inputs from the inflationary environment and investments behind key brands and people.

Net assets (i.e., total assets less total liabilities) is a result of cash generated from operating activities less investing activity (acquisitions and additions to property, plant, equipment, and intangibles) proceeds and repayments on long term debt and dividends paid. Net assets are also impacted by changes in the valuation of Corby's employee benefits liabilities (primarily the result of net actuarial gains and losses and unrealized gains and losses on plan assets).

Brand Performance Review

Corby's portfolio of owned brands accounts for 88% of the Company's total annual revenue in fiscal year 2026. Included in this portfolio are its key brands: J.P. Wiser's Canadian whisky, Polar Ice vodka, Corby's mixable liqueur brands, McGuinness and Meaghers, Lamb's rum, 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. As described in the "Business Overview" section of this MD&A, Corby's shipment volumes are subject to being impacted by volatility in LBs order phasing as well as global supply chain and logistics delays.

	Three Months Ended				*Year Ended*			
			Shipment Change				*Shipment Change*	
	Jun. 30,	*Jun. 30,*	*Volume*	*Value*	***Jun. 30,***	*Jun. 30,*	*Volume*	*Value*
(Volumes in 000's of 9L cases)	***2026***	*2025*	*%*	*%*	***2026***	*2025*	*%*	*%*
Brand								
J.P. Wiser's Canadian whisky	**221**	213	4%	(8%)	**848**	771	10%	7%
Polar Ice vodka	**84**	126	(33%)	(29%)	**364**	429	(15%)	(13%)
Lamb's rum	**98**	98	(0%)	(2%)	**393**	381	3%	7%
Mixable liqueurs	**32**	40	(21%)	(19%)	**138**	155	(11%)	(10%)
Ungava Spirits brands	**45**	41	10%	8%	**184**	147	25%	23%
Ace Beverage Group brands	**1,051**	1,051	(0%)	13%	**3,541**	3,023	17%	27%
Other Corby-owned brands	**36**	45	(20%)	(17%)	**160**	167	(5%)	7%
Total Corby brands	**1,567**	1,615	(3%)	(1%)	**5,627**	5,072	11%	13%

In the year-ended June 30, 2026, compared to the prior year, Corby's owned-brands grew 11% in shipment volume and 13% in shipment value in a volatile market environment, driven largely by Corby's RTD business expansion across Western Canada and Ontario, continuing to capitalize on RTM modernization and LCBO markup change in Ontario, and further supported by the ongoing successful execution of the "Proudly Canadian" sales plan following the removal of US-origin products from liquor board shelves.

In the year-ended June 30, 2026, compared to the prior year, J.P. Wiser's Canadian whisky's performance increased 10% in volume and 7% in value. The increase in volume was driven by shipment growth in domestic and export markets, benefitting from retaliatory trade measures against US-origin products, amplified by the J.P. Wiser's partnership with the National Hockey League and the launch of J.P. Wiser's Canada Dry RTD through partnership with CDMI. Value grew in excess of volume for the exported J.P. Wiser's sales, however this was offset by value growing at a slower pace than volume for domestic J.P Wiser's sales. Lamb's rum sales increased by 3% in volume and 7% in value in the same period driven particularly by growth in key export markets. Ungava Spirits Brands increased 25% in volume and 23% in value, with flagship products benefitting from the de-shelving of US-origin products in Quebec. Polar Ice vodka volume and value declined 15% and 13%, respectively, reflecting the cycling of fiscal 2025 innovation launches and intensified competition in Ontario following LCBO's removal of floor pricing. The Ace Beverage Group Brands portfolio grew 17% in volume and 27% in value with strong momentum from Cottage Springs, benefitting from RTM modernization in Ontario and expansion outside of Ontario, plus the LCBO pricing markup change which has contributed to strong value conversion. Mixable liqueurs declined 11% in volume and 10% in value compared to the prior year, impacted by delisting of McGuinness 375mL and softer performance in several regions. Other Corby-owned brands decreased 5% in volume compared to the same period in the prior year primarily due to Royal Reserve® experiencing softer OTC performance in several regions, and increased 7% in value compared to the same period in the prior year due to a greater share of Pike Creek and Lot 40.

In the three-month period ended June 30, 2026, compared to the same period in the prior year, Corby's owned-brands declined slightly by 3% in volume and 1% in value, as domestic spirits shipments were negatively impacted in Q4, as expected, due to LCBO order phasing which resulted in shipments getting pulled forward to Q3. However, this was offset by 33% shipment growth in export markets, and strong value conversion in Ace Beverage Group driven by the LCBO pricing markup change.

In the three-month period ended June 30, 2026, compared to the same period in the prior year, J.P. Wiser Canadian whisky's performance increased 4% in volume, benefitting from the launch of the J.P. Wiser's Canada Dry RTD. However, value decreased 8% due to mix, as the J.P. Wiser's RTD has a lower selling price relative to spirits. Ungava Spirits Brands increased 10% in volume and 8% in value, with flagship products benefitting from the de-shelving of US-origin products in Quebec. Polar Ice vodka declined 33% in volume and 29% in value compared to the prior year period due to cycling innovation launches in the prior year period and softer sellout performance in Ontario impacted by the removal of floor prices in the LCBO. Lamb's rum was flat in terms of shipments, and down a slight 2% in value compared to the prior year period. Mixable liqueurs declined 21% in volume and 19% in value compared to the same period in the prior year, impacted by delisting of McGuinness 375mL and softer performance in several regions. Other Corby-owned brands decreased 20% in volume and 17% in value compared to the same period in the prior year, primarily due to Royal Reserve® which was impacted by LCBO order phasing and softer OTC performance in several regions.

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

	Three Months Ended				*Year Ended*			
			Shipment Change				*Shipment Change*	
	Jun. 30,	*Jun. 30,*	*Volume*	*Value*	***Jun. 30,***	*Jun. 30,*	*Volume*	*Value*
(Volumes in 000's of 9L cases)	***2026***	*2025*	*%*	*%*	***2026***	*2025*	*%*	*%*
Domestic	**1,487**	1,555	(4%)	(3%)	**5,342**	4,820	11%	12%
International	**80**	60	33%	37%	**285**	252	13%	22%
Total Corby brands	**1,567**	1,615	(3%)	(1%)	**5,627**	5,072	11%	13%

In the fourth quarter of fiscal year 2026, domestic shipments decreased 4% in volume and 3% in value compared to the same period last year, which was expected after LCBO pulled forward shipments into Q3 in anticipation of an enterprise resource planning system upgrade. Value conversion benefitted from the RTD LCBO pricing markup change.

Full fiscal year 2026 domestic shipments grew 11% in volume and 12% in value compared to the prior fiscal year, driven largely by Corby's RTD business expansion across Western Canada and Ontario, continuing to capitalize on RTM modernization and LCBO markup change in Ontario, and further supported by the ongoing successful execution of the "Proudly Canadian" sales plan following the removal of US-origin products from liquor board shelves.

Regarding international markets' performance in the three-month period ended June 30, 2026, shipment volumes increased 33% and shipment value increased 37% compared to the same period last year, primarily in the U.S. and U.K. markets as the comparative period was unfavourably impacted by shipment phasing in both markets.

Full year international shipments increased 13% in volume and 22% in value in the fiscal year 2026 compared to the prior fiscal year, driven by new channel pipeline fill in strategic Eastern European markets, J.P. Wiser's growth in the U.S., and improved volume-to-value conversion of Lamb's rum in the UK.

Retail Sales Performance / Spirit Market Trends

Retail sales performance commentary included in this MD&A is based on retail sales data through the third quarter of fiscal 2026, as complete fourth quarter Ontario market data was not available at the time of reporting. Given Ontario's significance within the Canadian spirits & RTD market, excluding Ontario would materially affect the representativeness of national market results. Accordingly, Q3 has been used as the basis for assessing Corby's performance relative to the industry.

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 twelve months ended March 31, 2026, the Canadian spirits industry declined 3.5% in volume and 3.6% in value versus the prior year. While results benefited from lapping the LCBO labour strike in Ontario in July 2024, industry performance continued to be materially affected by structural changes in the provincial beverage alcohol landscape. The expansion of grocery and convenience channels for wine and RTD categories reduced foot traffic to LCBO stores, while the removal of minimum floor pricing increased affordability in several categories, moderating value growth.

Additional volatility was introduced in the second fiscal quarter of 2026 by the BC General Employees' Union (BCGEU) strike, and earlier removal of U.S.-origin spirits, following increased U.S. tariffs on Canada, which continued to shift demand dynamics across categories. Over the past twelve months, value declines were most pronounced in bourbon, rum, and vodka, while Canadian whisky and Irish whiskey posted growth, benefiting from reduced bourbon availability across most provinces. Tequila continued its positive momentum, and RTDs remained the fastest-growing category overall, increasing 10% in volume and 12% in value, supported by strike recovery effects and channel expansion in Ontario.

Against this backdrop, Corby's total represented spirits (including PR spirits) outperformed the Canadian spirits market in value for the fourteenth consecutive quarter. Over the last twelve months, Corby spirits grew 3.1% in value, while Corby RTDs (excluding Nude Beverages) delivered strong growth of 32% in value. This sustained outperformance reflects the strength of the Company's diversified portfolio, strong local brand resonance, disciplined sales execution, and successful innovation, as well as its ability to navigate an evolving retail environment amid ongoing supply and labour disruptions across Canada.

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 (including category and overall market trends noted in the following discussion), 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, 2026***	*Mar. 31, 2025*	*% Retail Volume Growth*	*% Retail Value Growth*	***Mar. 31, 2026***	*Mar. 31, 2025*	*% Retail Volume Growth*	*% Retail Value Growth*	***Mar. 31, 2026***	*Mar. 31, 2025*	*% Retail Volume Growth*	*% Retail Value Growth*
Brand												
J.P. Wiser's Canadian whisky	**158**	152	4%	3%	**547**	535	2%	3%	**723**	707	2%	3%
Polar Ice vodka	**76**	87	(13%)	(10%)	**293**	309	(5%)	(5%)	**407**	413	(1%)	-3%
Lamb's rum	**43**	45	(4%)	(2%)	**163**	161	1%	3%	**219**	213	3%	5%
Mixable liqueurs	**26**	29	(9%)	(9%)	**109**	121	(10%)	(9%)	**143**	157	(9%)	(7%)
Ace Beverage Group Brands[(2)]	**541**	455	19%	24%	**2,360**	1,862	27%	28%	**3,149**	2,498	26%	26%
Ungava Spirits Brands	**29**	28	6%	10%	**135**	121	12%	20%	**171**	150	14%	21%
Other Corby-owned brands	**31**	33	(7%)	2%	**108**	111	(3%)	7%	**146**	147	(1%)	8%
Total	**905**	828	9%	4%	**3,717**	3,219	15%	8%	**4,959**	4,286	16%	8%

[(1)] Refers to sales at the provincial liquor retail store and licensee level in Canada, as well as sales from provincial liquor boards to authorized private retailers and licensees in Canada, as provided by the Association of Canadian Distillers and Provincial liquor boards.

[(2)] Retail Sales data for Nude Beverages in the province of Alberta is not reported consistently in ACD data across current and comparative periods, and as such, has been excluded from this table.

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 grew 2% in retail volume and 3% in retail value for the nine months ended March 31, 2026. Performance trailed the overall Canadian whisky category, which grew 3% in volume and 4% in value, as the category continued to normalize following the LCBO labour strike in Q1 last year. Category value growth was driven by strong demand in the super-premium segment, reflecting consumers trading into higher-end offerings as substitutes for bourbon.

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 retail volumes and value declined 5% for the nine months ended March 31, 2026, driven by intensified competitive pressures in select provinces. These declines were partially offset by innovation launches within the RTD segment. Over the same period, the overall vodka category declined 2% in volume and 3% in value.

Lamb's Rum

Lamb's rum, a top-selling rum family in Canada, demonstrated resilient performance despite being impacted by challenging consumer trends for standard rum, particularly in regional strongholds. Against a challenging rum category backdrop, Lamb's rum gained share, growing 1% in retail volume and 3% in retail value. The overall rum category declined 5% in volume and 3% in value, driven by weaker consumer demand and lapping the LCBO labour strike.

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 10%, and retail value declined 9%, underperforming the broader liqueurs category, which declined 2% in volume and 1% in value.

Ace Beverage Group Brands

Ace Beverage Group brands delivered strong performance, increasing 27% in retail volume and 28% in retail value. Cottage Springs grew 34% in both volume and value, supported by innovation and expanded Ontario distribution.

Ungava Spirits Brands

Ungava Spirits Brands grew 12% in volume and 20% in value, materially outperforming the gin category. Ungava Gin grew 11% in volume and 15% in value, supported by innovation including Strawberry Yuzu.

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 a 3% decline in retail volume, though a 7% increase in retail value for the nine months ended March 31, 2026, compared to the same period in the prior year. This was led by the Northern Border Collection, which grew 97% in value.

Financial and Operating Results

The following table presents a summary of certain selected consolidated financial information of the Company for the year ended June 30, 2026 and 2025:

(in millions of Canadian dollars, except per share amounts)		Year Ended Jun. 30 2026		Jun. 30 2025		$ Change	% Change
Revenue	**$**	**271.6**	$	246.8	$	24.9	10%
Cost of sales		**(138.7)**		(123.8)		(15.0)	12%
Marketing, sales and administration		**(80.0)**		(77.0)		(3.0)	4%
Other income and expense		**0.8**		0.2		0.6	375%
Earnings from operations		**53.7**		46.1		7.5	16%
Adjusted Earnings from operations(1)		**53.7**		47.8		5.9	12%
Adjusted EBITDA(1)		**67.5**		64.0		3.5	5%
Financial income		**0.6**		1.0		(0.4)	(42%)
Financial expenses		**(7.5)**		(9.0)		1.5	(16%)
Fair value adjustment of non-controlling interest obligation		**(0.5)**		-		(0.5)	N/A
Net financial expense		**(7.5)**		(8.0)		0.5	-7%
Earnings before income taxes		**46.2**		38.1		8.1	21%
Income taxes		**(12.8)**		(10.7)		(2.1)	19%
Net earnings	**$**	**33.4**	$	27.4	$	6.0	22%
Adjusted Net earnings(1)	**$**	**35.1**	$	30.6	$	4.5	15%
Per common share							
- Basic net earnings	**$**	**1.17**	$	0.96	$	0.21	22%
- Diluted net earnings	**$**	**1.17**	$	0.96	$	0.21	22%
- Adjusted Basic net earnings(1)	**$**	**1.23**	$	1.08	$	0.16	15%
- Adjusted Diluted net earnings(1)	**$**	**1.23**	$	1.08	$	0.16	15%

(1) See "Non-IFRS Financial Measures"

Overall Financial Results

Significant year-over-year revenue growth, driven by continued RTD business expansion, strong performance of exported Canadian spirits, and the domestic Canadian spirits' portfolio continuing to benefit from the US-origin products removal in key provinces. Furthermore, marketing, sales and administration expenses increased by 4% versus the prior year, contributing to strong earnings growth on a year-over-year basis that outpaced revenue growth, with reported and adjusted earnings from operations of $53.7 million, an increase of 16% and 12%, respectively. Adjusted EBITDA of $67.5 million increased by 5% versus prior year.

As required under IFRS, inventory acquired in a business combination is adjusted to its fair market value upon acquisition. Reported earnings in fiscal 2025 were impacted by $0.6 million of fair market value adjustment of acquired Nude inventory. Additionally, the call option was paid to the founders and minority shareholders of ABG in the amount of $9.3 million on October 10, 2025, and resulted in a true-up adjustment of $0.5 million to the NCI obligation which was recorded as a reduction in Corby's net earnings. (See Note 21 of the annual audited consolidated financial statements for the year ended June 30, 2026, for further details).

Net earnings for the years ended June 30, 2026 and 2025 were impacted by non-cash interest charges and adjustments related to ABG's NCI obligation, portfolio rationalization costs, restructuring costs and the revised estimate for the LCBO pricing dispute. Adjusted Net Earnings excludes these 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 $33.4 million and adjusted net earnings of $35.1 million for the year ended June 30, 2026, reflecting increases of 22% and 15% year-over-year, respectively.

Revenue

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

(in millions of Canadian dollars)		Year ended Reported Jun. 30, 2026		Jun. 30, 2025		$Change	%Change		Organic [1][2] Jun. 30, 2026		Jun. 30, 2025		$Change	%Change
Revenue streams:														
Case Goods	**$**	**238.9**	$	212.3	$	26.6	13%	**$**	**237.8**	$	209.0	$	28.9	14%
Domestic		**220.7**		197.3		23.4	12%		**219.7**		194.0		25.6	13%
International		**18.2**		14.9		3.2	22%		**18.2**		14.9		3.2	22%
Net commissions		**29.4**		30.6		(1.2)	(4%)		**29.4**		30.6		(1.2)	(4%)
Gross commissions		**37.1**		41.0		(3.8)	(9%)		**37.1**		41.0		(3.8)	(9%)
Amortization of representation rights		**(7.8)**		(10.4)		2.6	(25%)		**(7.8)**		(10.4)		2.6	(25%)
Other services		**3.4**		3.9		(0.5)	(13%)		**3.4**		3.9		(0.5)	(13%)
Revenue	**$**	**271.6**	$	246.8	$	24.9	10%	**$**	**270.6**	$	243.5	$	27.1	11%

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

Organic revenue growth is calculated by excluding case goods revenue from brands disposed of or acquired from both the current and comparable prior periods. This approach ensures a like-for-like comparison by removing the impact of portfolio changes that did not apply in the prior period. For the three-month and year ended periods June 30, 2026 and June 30, 2025, organic revenue growth excludes revenue from Ace Hill and Liberty Village brands, which were disposed of in October 2025. 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 increased $26.6 million, or 13% for the year ended June 30, 2026 compared to the prior year, driven by continued RTD business expansion, strong performance of exported Canadian spirits, and the domestic Canadian spirits’ portfolio continuing to benefit from the US-origin products removal in key provinces. Excluding the contributions from the above noted brands, organic case goods revenue increased $28.9 million or 14% for the year ended June 30, 2026 compared to the prior year.

Net commissions reached $29.4 million and decreased $1.2 million, or 4% in the year ended June 30, 2026, when compared to the same period last year due to the imported wines portfolio lapping a higher comparative basis in the prior year period (please refer to the “Significant Events” section of this MD&A for further details), offset slightly by the inclusion of the CDMI RTDs portfolio through the new representation agreement with CDMI.

Other services represent ancillary revenue incidental to Corby’s core business activities, such as logistical fees, merchandise sales, and occasional bulk whisky sales. Revenue from other services decreased $0.5 million in the year ended June 30, 2026 when compared to the same period last year.

As a result, total Revenue increased $24.9 million, or 10% during the year ended June 30, 2026 when compared to last year, and organic revenue grew $27.1 million or 11% compared to fiscal year 2025.

Cost of sales

Cost of sales increased $15.0 million or 12% for the year ended June 30, 2026 when compared to the same period last year. The increase was primarily driven by growth in RTD-skewed portfolio mix and cost inflation, reflected in higher domestic spirits production costs and increased costs of distributing Ace Beverage Group Brands through the Grocery and Convenience channel in Ontario. Corby continues to mitigate cost pressures by actively managing revenue growth through pricing strategies and trade promotion optimization across key provinces.

Marketing, sales and administration

In full-year fiscal 2026, marketing, sales and administrative expenses grew by $3.0 million, or 4% versus the prior year, primarily reflecting the higher investments into RTD business through trade support into grocery and convenience channels, offset slightly by diligent overhead expense management. Corby strategically focused marketing investments on the RTD portfolio and the J.P. Wiser’s multi-year Canadian partnership with the National Hockey League.

Other income

Other income increased $0.6 million for the year ended June 30, 2026, primarily driven by a revised estimate of the provision related to the LCBO pricing dispute and gain from the sale of non-core brands.

Net financial expense

Net financial expense decreased by $0.5 million, or 7% in fiscal year 2026 versus the prior year. Corby accrued $1.2 million in interest on its NCI obligation during the year ended June 30, 2026, compared to $2.0 million last year. Net financial expenses also includes an adjustment of $0.5 million with respect to the NCI obligation recorded in the current year ($nil -2025).

Additionally, on June 12, 2023, to provide financing for the completion of Corby's acquisition of ABG, Corby entered into a loan agreement with PR. As at June 30, 2026, $96.0 million remains outstanding and Corby incurred interest charges of $6.0 million on this loan agreement during the year ended June 30, 2026, compared to $6.7 million last year.

Net financial expense 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, and interest charges on credit facilities and on leased assets.

Income taxes

A reconciliation of the effective tax rate to the statutory rates for each period is presented below. Non-deductible expenses for taxation purposes include the adjustments on the NCI obligation, interest accrued on the NCI obligation, the non-taxable portion of capital gains on ABG's brand sale, and the non-deductible portion of meals and entertainment expenditures.

	2026	*2025*
Combined basic Federal and Provincial tax rates	**26.4%**	26.4%
Non-deductible expenses for taxation purposes	**1.0%**	1.6%
Other	**0.2%**	0.0%
Effective tax rate	**27.6%**	28.0%

Liquidity, Contractual Obligations and Capital Resources

At June 30, 2026, Corby's sources of liquidity are its cash of $0.9 million, deposits in cash management pools of $6.7 million, future cash generated by operating activities and available credit on its revolving operating facility of $25 million. A summary of the maturity of the Company's contractual obligations as at June 30, 2026 are represented in the table below:

(in millions of Canadian dollars)	Less than 1 year	1 to 5 years	5 years and thereafter	Total
Accounts payables and accrued liabilities	$ 84.0	$ -	$ -	$ 84.0
Lease liabilities	2.2	5.9	1.1	9.2
Long-term debt	-	-	96.0	96.0
Non-controlling interest obligation	-	10.7	-	10.7
	$ 86.2	$ 16.6	$ 97.1	$ 199.9

In addition, and subsequent to June 30, 2026, the Company received proceeds from the sale of the Lamb's brand. The Company also entered into the 2026 Representation Agreement, which requires an upfront payment of $18.7 million on October 1, 2026. After giving effect to these transactions, 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)	***2026***	*2025*	*$ Change*
Operating activities			
Net earnings, adjusted for non-cash items	**$ 67.5**	$ 62.4	5.1
Net change in non-cash working capital	**(12.4)**	(5.7)	(6.7)
Net payments for interest and income taxes	**(18.0)**	(11.9)	(6.1)
	37.1	44.8	(7.7)
Investing activities			
Additions to property and equipment	**(3.1)**	(2.2)	(0.9)
Additions to intangible assets	**(0.1)**	(0.2)	0.1
Proceeds from representation rights	**3.4**	-	3.4
Proceeds from sale of brand trademarks	**3.0**	-	3.0
Exercise of option to partially acquire non-controlling interest	**(9.3)**	-	(9.3)
Withdrawals from cash management pools	**9.0**	11.6	(2.6)
	3.0	9.2	(6.2)
Financing activities			
Proceeds on note receivable	**0.7**	-	0.7
Payment of lease liabilities	**(2.4)**	(1.9)	(0.5)
Net (payments) draws from bank indebtedness	**(3.5)**	3.4	(6.9)
Net (repayments) draws on credit facilities payable	**(1.5)**	(16.3)	14.8
Net (repayments) proceeds on long-term debt	**(6.0)**	(18.0)	12.0
Dividends paid	**(26.8)**	(25.6)	(1.2)
	(39.4)	(58.4)	19.0
Net change in cash	**0.7**	(4.5)	5.2
Cash, beginning of the year	**0.2**	4.7	(4.5)
Cash, end of the year	**$ 0.9**	$ 0.2	$ 0.7

Operating activities

For the year ended June 30, 2026, net cash generated from operating activities was $37.1 million, reflecting a decrease of $7.7 million compared to the same period last year. Stronger earnings from operations in the current year were offset by increased working capital requirements and higher payments on income taxes.

Working capital reflects unfavourable changes in accounts receivable and inventory, due to evolving customer base, particularly relating to agency customers, and increased inventory to support RTD business growth. This was partially offset by favourable changes in accounts payable, reflecting higher RTD-related production inputs and the phasing of promotional activities.

The current year reflected increased tax payments when compared to the same period last year, with an increase in required tax instalments, and lapping a tax refund received in the prior year period.

Investing activities

Net cash generated from investing activities was $3.0 million for the year ended June 30, 2026, compared to $9.2 million cash generated in the same period of the prior year, representing a decrease in cash generated of $6.2 million. Investing activities include investments in property and equipment and intangible assets, cash paid on account of business acquisitions, cash inflows from Corby's cash management pools, and net proceeds on sale of representation rights and brand trademarks.

Investing activities also included $3.0 million proceeds received on the disposal of non-core brands, $3.4 million proceeds on the disposal of long-term representation rights of PR wine brands, and $9.3 million outflow relating to the exercise of Corby's first option to acquire an additional 5% of ABG.

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

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 year ended June 30, 2026, cash used in financing activities totalled $39.4 million which was primarily driven by $26.8 million dividend payments, $6.0 million in repayments on Corby's term loan with PR, $3.5 million repayment on ABG's line of credit, and $1.5 million repayment on credit facilities payable. In addition, proceeds of $0.7 million were received on the note receivable concerning ABG's sale of non-core brands.

Comparatively, cash used in financing activities for the year ended June 30, 2025, was $58.4 million which was primarily driven by dividend payments of $25.6 million, $18.0 million in repayments on Corby's term loan with PR, and payments made to reduce ABG's outstanding credit facilities of $16.3 million. This was partially offset by $3.4 million drawn on ABG's line of credit.

On August 26, 2026, subsequent to the year ended June 30, 2026, the Board of Directors declared a regular quarterly dividend of $0.25 per common share, an increase of $0.01, or 4.2% from the previous quarterly dividend of $0.24 per share. This dividend is payable on September 25, 2026, to shareholders of record as at the close of business on September 11, 2026. Prior to this announcement, the quarterly dividend was last increased on February 11, 2026.

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
2026 - Q4	August 26, 2026	September 11, 2026	September 25, 2026	$ 0.25
2026 - Q3	May 14, 2026	May 27, 2026	June 10, 2026	0.24
2026 - Q2	February 11, 2026	February 25, 2026	March 11, 2026	0.24
2026 - Q1	November 12, 2025	November 28, 2025	December 19, 2025	0.23
2025 - Q4	August 20, 2025	September 10, 2025	September 26, 2025	0.23
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

Outstanding Share Data

As at August 26, 2026, 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.

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 30, 2026, with a potential for automatic renewal for a further three years thereafter, subject to the achievement of performance criteria (the "2021 Agreement"). 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 was 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 September 24, 2025, the 2021 Agreement was amended to provide for continued discussion and negotiation concerning renewal.

On August 26, 2026, Corby entered into a new Canadian representation agreement with PR (the "2026 Representation Agreement"), for a term of three years commencing October 1, 2026 and expiring September 30, 2029, with the potential for automatic renewal for a further two years thereafter, subject to the achievement of performance criteria and other terms of the agreement. The 2026 Representation Agreement renews the Company's exclusive rights to represent PR's brands in Canada. The 2026 Representation Agreement provides for the payment of an upfront fee of $18.7 million, to be paid on October 1, 2026, from its deposits in cash management pools. Since the 2026 Representation Agreement was 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.

The Company and the Corby Board of Directors continue to be actively engaged in discussions with PR related to the renewal of the distillate, co-pack, and administrative services agreements with HWSL, each scheduled to expire September 30, 2026.

On June 12, 2023, Corby entered into a loan agreement with PR with a total available credit amount of $120.0 million, 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. The agreement with PRUK ended, following the sale of the Lamb's rum brand by Corby on August 5, 2026. Refer to the Subsequent Events section of this MD&A for further details.

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 continued to represent these brands during a transition period until August 31, 2025 under the same terms of the PR Representation Agreement. The affected brands contributed $4.25 million to Net Earnings during the year ended June 30, 2025.

Deposits in cash management pools

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

As a result of Corby's participation in this agreement, Corby's credit risk associated with its deposits in cash management pools is contingent upon PR's credit rating. PR's credit rating as at August 26, 2026, 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 year ended June 30, 2026, Corby earned interest income of $0.4 million from PR (2025 – $0.9 million). Corby has the right to terminate its participation in the Mirror Netting Services Agreement at any time, subject to five days' written notice.

Results of Operations – Fourth Quarter of Fiscal 2026

The following table presents a summary of certain selected consolidated financial information for the Company for the three-month periods ended June 30, 2026 and 2025:

	Three Months Ended			
(in millions of Canadian dollars, except per share amounts)	***Jun. 30, 2026***	*Jun. 30, 2025*	*$ Change*	*% Change*
Revenue	**$ 71.1**	$ 72.0	$ (0.9)	(1%)
Cost of sales	**(36.4)**	(37.9)	1.5	(4%)
Marketing, sales and administration	**(23.7)**	(23.7)	0.0	(0%)
Other income and expense	**(0.1)**	(0.0)	(0.1)	426%
Earnings from operations	**10.9**	10.4	0.4	4%
Adjusted Earnings from operations(1)	**11.8**	11.5	0.3	3%
Adjusted EBITDA(1)	**14.7**	15.6	(0.9)	(5%)
Financial income	**0.2**	0.2	0.0	23%
Financial expenses	**(2.0)**	(2.1)	0.1	(3%)
Net financial expense	**(1.8)**	(1.9)	0.1	(5%)
Earnings before income taxes	**9.1**	8.5	0.5	6%
Income taxes	**(2.6)**	(2.3)	(0.3)	12%
Net earnings	**$ 6.5**	$ 6.2	$ 0.3	4%
Adjusted Net earnings(1)	**$ 7.4**	$ 7.5	$ (0.0)	-1%
Per common share				
- Basic net earnings	**$ 0.23**	$ 0.22	$ 0.01	4%
- Diluted net earnings	**$ 0.23**	$ 0.22	$ 0.01	4%
- Adjusted Basic net earnings(1)	**$ 0.26**	$ 0.26	$ (0.00)	(1%)
- Adjusted Diluted net earnings(1)	**$ 0.26**	$ 0.26	$ (0.00)	(1%)

(1) See "Non-IFRS Financial Measures"

Revenue

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

	Three months ended							
	Reported				*Organic (1)(2)*			
(in millions of Canadian dollars)	**Jun. 30, 2026**	Jun. 30, 2025	*$Change*	*%Change*	**Jun. 30, 2026**	Jun. 30, 2025	*$Change*	*%Change*
Revenue streams:								
Case Goods	**$ 62.9**	$ 63.4	$ (0.5)	(1%)	**$ 62.9**	$ 62.5	$ 0.4	1%
Domestic	**57.7**	59.6	(1.9)	(3%)	**57.7**	58.7	(1.0)	(2%)
International	**5.2**	3.8	1.4	37%	**5.2**	3.8	1.4	37%
Net commissions	**7.3**	7.7	(0.4)	(5%)	**7.3**	7.7	(0.4)	(5%)
Gross commissions	**9.1**	10.3	(1.2)	(12%)	**9.1**	10.3	(1.2)	(12%)
Amortization of representation rights	**(1.8)**	(2.6)	0.8	(32%)	**(1.8)**	(2.6)	0.8	(32%)
Other services	**0.9**	0.9	(0.1)	(8%)	**0.9**	0.9	(0.1)	(8%)
Revenue	**$ 71.1**	$ 72.0	$ (0.9)	(1%)	**$ 71.1**	$ 71.1	$ (0.1)	(0%)

(1) See "Non-IFRS Financial Measures"

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

Organic revenue growth is calculated by excluding case goods revenue from brands disposed of or acquired from both the current and comparable prior periods. This approach ensures a like-for-like comparison by removing the impact of portfolio changes that did not apply in the prior period. For the three-month period ended June 30, 2026 and June 30, 2025, organic revenue growth excludes revenue from Ace Hill and Liberty Village brands, which were disposed of in October 2025. Case goods revenue decreased $0.5 million, or 1% for the three-month period ended June 30, 2026 when compared to the same period last year, as the expected unfavourable financial impact from LCBO order phasing in the current period was offset by continued growth in the RTD portfolio benefiting from continued channel expansion across Canada and the LCBO pricing markup change, and strong export business performance.

Organic case goods revenue increased $0.4 million or 1% in the three-month period ended June 30, 2026 compared to the same period last year. The stronger performance of organic revenue versus reported revenue is due to the exclusion of Ace Hill and Liberty Village from the comparative period.

Total commissions of $7.3 million decreased by $0.4 million, or 5%, in the three-months ended June 30, 2026 compared to the same period in the prior year, impacted by overall softer performances from imported spirits and RTDs, and the wines portfolio lapping higher comparative basis in FY25 (Refer to the “Significant Events” section of this MD&A for further details). However, this was offset slightly by the inclusion of the CDMI RTDs portfolio through the new representation agreement with CDMI.

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 declined $0.1 million or 8% during the three-month period ended June 30, 2026 when compared to the same period last year.

As a result, total revenue decreased $0.9 million or 1% during the three-month period ended June 30, 2026, while organic revenue decreased $0.1 million or 0%.

Cost of sales

Cost of goods sold was $36.4 million during the three-month period ended June 30, 2026, decreasing $1.5 million or 4% when compared with the same three-month period last year, reflecting lower total revenue. Cost of goods sold decreased at a faster rate than revenue due primarily to margin optimization within the RTD and export portfolios.

Marketing, sales and administration

In the fourth quarter of fiscal 2026, marketing, sales and administrative expenses were equal compared to the prior year period, despite unfavourable phasing impacts in marketing expenses, reflecting targeted investment behind key brands and careful resource management to support the rapid growth of Corby’s RTD business. Marketing costs included the J.P. Wiser’s multi-year Canadian partnership with National Hockey League and continued support for the RTD business expansion.

Net earnings and earnings per share

Net earnings for the fourth quarter of fiscal year 2026 were $6.5 million, or $0.23 per share, which is an increase of $0.3 million or 4% over the same quarter last year driven by the aforementioned reasons. Once adjusted to remove certain amounts that management believes are not indicative of Corby’s underlying business performance and trends (See the “Non-IFRS Financial Measures” section of this MD&A for more information), adjusted net earnings for the three-months ended June 30, 2026 were $7.4 million, a decrease of 1% compared to the same period last year.

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 fiscal 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 first and fourth fiscal 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)	**Q4 2026**	Q3 2026	Q2 2026	Q1 2026	**Q4 2025**	Q3 2025	Q2 2025	Q1 2025
Revenue	**$ 71.1**	$ 58.3	$ 66.9	$ 75.4	**$ 72.0**	$ 48.0	$ 61.7	$ 65.1
Earnings from operations	**10.9**	12.5	13.8	16.4	**10.4**	7.7	13.0	15.0
Adjusted Earnings from operations(1)	**11.8**	11.6	13.8	16.5	**11.5**	7.7	13.0	15.6
Adjusted EBITDA(1)	**14.7**	15.2	17.3	20.3	**15.6**	11.7	17.2	19.5
Cash flow from operating activities	**17.7**	(17.6)	31.4	5.6	**15.5**	(6.3)	31.9	3.7
Net earnings	**6.5**	7.9	8.8	10.2	**6.2**	4.0	7.9	9.3
Basic EPS	**0.23**	0.28	0.31	0.36	**0.22**	0.14	0.28	0.33
Diluted EPS	**0.23**	0.28	0.31	0.36	**0.22**	0.14	0.28	0.33
Adjusted Net earnings(1)	**7.4**	7.6	9.1	11.0	**7.5**	4.5	8.4	10.2
Adjusted Basic EPS(1)	**0.26**	0.27	0.32	0.39	**0.26**	0.16	0.30	0.36
Adjusted Diluted EPS(1)	**0.26**	0.27	0.32	0.39	**0.26**	0.16	0.30	0.36

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

Critical Accounting Estimates

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

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

Estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Estimates are made on the assumption the Company will continue as a going concern and are based on information available at the time of preparation. Estimates may be revised where the circumstance on which they were based 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.

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

(i) Impairment

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

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

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

(ii) Business combinations

Business combinations are accounted for using the acquisition method of accounting. The Company determines the fair value of the identifiable assets acquired and the liabilities assumed using income approach valuation techniques corroborated by other valuation techniques. The process of determining these fair values requires the Company to make estimates and assumptions of a long-term nature regarding discount rates, projected revenues, royalty rates and margins derived from past experience, actual operating results and budgets. These estimates and assumptions may change in the future due to uncertain competitive and economic market conditions or changes in business strategies.

(iii) Income and other taxes

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

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

(iv) Post-employment benefits

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

(v) Non-controlling interest obligation

The non-controlling interest obligation involves uncertainty in estimating the underlying future cash flows related to the obligation, their expected fluctuations and timing, on a recurring basis. See Note 20, "Non-controlling interest obligation", for further details.

(vi) Other

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

Recent Accounting Pronouncements

Recent accounting pronouncements in effect

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

	New or Revised Pronouncement	Effective Date	Company Effective Date
Amendments to IAS 21	*Lack of exchangeability of currencies*	January 1, 2025	July 1, 2025

Recent accounting pronouncements not in effect

The below standards and amendments to standards have been issued but are not yet effective for the fiscal year ending June 30, 2026, and accordingly, have not been applied in preparing these 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 IFRS 9 and IFRS 7	*Classification and measurement of financial instruments*	January 1, 2026	July 1, 2026
Amendments to IFRS 9 and IFRS 7	*Power purchase arrangements*	January 1, 2026	July 1, 2026
IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7	*Annual Improvements to IFRS Accounting Standards - Volume 11*	January 1, 2026	July 1, 2026
IFRS 19	*Subsidiaries without public accountability: disclosures*	January 1, 2027	July 1, 2027
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*	January 1, 2027	July 1, 2027
Amendments to IFRS S2	*Amendments to Greenhouse Gas Emissions Disclosures*	January 1, 2027	July 1, 2027

Disclosure Controls and Procedures

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

Management, with the participation of the CEO and CFO, has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in National Instrument 52-109) as at June 30, 2026, and has concluded that such disclosure controls and procedures are effective based upon such evaluation.

Internal Controls Over Financial Reporting

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

In addition, the CEO and CFO have designed, or caused to be designed under their supervision, internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be designed effectively can provide only reasonable assurance with respect to financial reporting and financial statement preparation.

Management, with the participation of the CEO and CFO, has evaluated the effectiveness of the Company's internal controls over financial reporting as at June 30, 2026, and has concluded that internal control over financial reporting is designed and operating effectively to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management's assessment was based on the framework established in Internal Control – Integrated Framework (2013), published by the Committee of Sponsoring Organizations of the Treadway Commission.

There were no changes in internal 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", "Organic Revenue", "Adjusted Diluted Earnings per Share", "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 restructuring provisions, portfolio rationalization costs and the impact of revised estimates for the provision related to the LCBO pricing dispute; in fiscal year 2025, remove the costs incurred for business combination inventory fair value adjustments, restructuring provisions and portfolio rationalization costs; and in fiscal year 2024, remove the costs incurred for business combination inventory fair value adjustments, one-time termination fees related to distributor transitions, restructuring provisions and the transaction costs related to the acquisition of ABG and Nude assets.

Adjusted Net Earnings is equal to net earnings for the period adjusted to remove restructuring provisions, portfolio rationalization costs, the impact of revised estimates for the provision related to the LCBO pricing dispute and the notional interest charges and adjustments related to the NCI obligation; in fiscal year 2025, remove the costs incurred for business combination inventory fair value adjustments, restructuring provisions, portfolio rationalization costs and the notional interest charges related to NCI obligation; and in fiscal year 2024, remove the costs incurred for business combination inventory fair value adjustments, one-time termination fees related to distributor transitions, restructuring provisions, the transaction costs related to the acquisition of ABG and Nude assets and the notional interest charges related to NCI obligation.

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, credit facilities payable and long-term debt.

These non-IFRS financial measures exclude the costs incurred from portfolio rationalization costs related to disposals, fair value adjustments to inventory related to business combinations in the comparative period and are described as "Adjusted". At the Net Earnings level, non-IFRS financial measures also exclude the notional interest charges related to the NCI obligation, as well as the adjustments of the NCI obligation.

Costs incurred in relation to portfolio rationalization, including but not limited to the disposal of product lines following a strategic portfolio review, have been adjusted in Adjusted Earnings from Operations, and interest costs and adjustments incurred in relation to the NCI obligation along with the aforementioned costs and has 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 on a more consistent basis.

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 Net Earnings to Adjusted Net Earnings, being their most directly comparable financial measures prescribed by IFRS for the three months and years ended June 30, 2026, 2025 and 2024:

	Three months ended				
	June 30,	June 30,	June 30,	*June 30, 2026 vs 2025*	
(in millions of Canadian dollars)	**2026**	2025	2024	*$ Change*	*% Change*
Earnings from operations	**$ 10.9**	10.4	8.7	$ 0.4	4%
Adjustments:					
Transaction related costs[1]	**-**	-	0.6	-	n.a.
Portfolio rationalization costs[2]	**0.4**	0.8	-	(0.4)	(48%)
Restructuring costs[3]	**0.5**	0.3	(0.3)	0.2	88%
Fair value adjustment to inventory[4]	**-**	-	0.2	-	n.a.
Revised estimate for LCBO pricing dispute[7]	**-**	-	-	-	n.a.
Distributor transition[5]	**-**	-	-	-	n.a.
Adjusted Earnings from operations	**$ 11.8**	11.5	9.2	$ 0.3	3%
Adjusted for Depreciation and amortization	**3.0**	4.1	4.1	(1.1)	(28%)
Adjusted EBITDA	**$ 14.7**	15.6	13.3	$ (0.9)	(5%)
Net earnings	**$ 6.5**	6.2	4.8	$ 0.3	4%
Adjustments:					
Transaction related costs[1]	**-**	-	0.3	-	n.a.
Portfolio rationalization costs[2]	**0.3**	0.6	-	(0.3)	(48%)
Restructuring costs[3]	**0.3**	0.2	(0.3)	0.2	88%
Fair value adjustment to inventory[4]	**-**	-	0.1	-	n.a.
Revised estimate for LCBO pricing dispute[7]	**-**	-	-	-	n.a.
Distributor transition[5]	**-**	-	-	-	n.a.
NCI Obligation[6]	**0.3**	0.5	0.5	(0.2)	(42%)
Adjusted Net earnings	**$ 7.4**	$ 7.5	5.4	$ (0.0)	(1%)

(in millions of Canadian dollars)	Year ended **June 30, 2026**	June 30, 2025	June 30, 2024	June 30, 2026 vs 2025 $ Change	% Change
Earnings from operations	**$ 53.7**	46.1	40.7	$ 7.5	16%
Adjustments:					
Transaction related costs[1]	**-**	-	1.2	-	n.a.
Portfolio rationalization costs[2]	**0.4**	0.8	-	(0.4)	(48%)
Restructuring costs[3]	**0.5**	0.3	(0.3)	0.2	88%
Fair value adjustment to inventory[4]	-	0.6	3.2	(0.6)	(100%)
Revised estimate for LCBO pricing dispute[7]	**(0.9)**	-	-	(0.9)	n.a.
Distributor transition[5]	**-**	-	(0.3)	-	n.a.
Adjusted Earnings from operations	**$ 53.7**	47.8	44.6	$ 5.9	12%
Adjusted for Depreciation and amortization	**13.9**	16.3	15.4	(2.4)	(15%)
Adjusted EBITDA	**$ 67.5**	64.0	60.0	$ 3.5	5%
Net earnings	**$ 33.4**	27.4	$ 23.9	$ 6.0	22%
Adjustments:					
Transaction related costs[1]	**-**	-	0.9	-	n.a.
Portfolio rationalization costs[2]	**0.3**	0.6	-	(0.3)	(48%)
Restructuring costs[3]	**0.3**	0.2	(0.3)	0.2	88%
Fair value adjustment to inventory[4]	**-**	0.4	2.4	(0.4)	(100%)
Revised estimate for LCBO pricing dispute[7]	**(0.6)**	-	-	(0.6)	n.a.
Distributor transition[5]	**-**	-	(0.2)	-	n.a.
NCI Obligation[6]	**1.7**	2.0	1.8	(0.3)	-15%
Adjusted Net earnings	**$ 35.1**	$ 30.6	28.5	$ 4.5	15%

(1) Costs related to the acquisitions of ABG and Nude Beverages brands

(2) Costs related to rationalizing brand portfolio, including costs incurred to discontinue certain recently acquired product lines following strategic portfolio review

(3) (Income) / costs related to organizational restructuring and provisions

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

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

(6) Notional interest costs related to non-controlling interest obligations for ABG

(7) Impact of revised estimate contingency provision related to LCBO pricing dispute

The following table presents a reconciliation of total debt and net debt to their most directly comparable financial measures for the years ended June 30, 2026 and 2025:

(in millions of Canadian dollars)	**June 30, 2026**	June 30, 2025
Bank indebtedness	**$ -**	$ (3.5)
Credit facilities payable	**-**	(1.5)
Lease liabilities	**(9.3)**	(3.6)
Long-term debt	**(96.0)**	(102.0)
Total debt	**$ (105.3)**	$ (110.6)
Cash	**$ 0.8**	$ 0.2
Deposits in cash management pools	**6.8**	15.8
Bank indebtedness	**-**	(3.5)
Credit facilities payable	**-**	(1.5)
Long-term debt	**(96.0)**	(102.0)
Net debt	**$ (88.4)**	$ (91.0)

The following table presents a reconciliation of total organic revenue to their most directly comparable financial measures for the three months and year ended June 30, 2026, and 2025:

(in millions of Canadian dollars)	Three months ended Jun. 30 2026	Jun. 30 2025	$ Change	% Change	Year ended Jun. 30 2026	Jun. 30 2025	$ Change	% Change
Case Goods - Domestic Revenue	$ **57.7**	59.6	(1.9)	(3%)	$ **220.7**	$ 197.3	23.4	12%
Adjusted for revenue from acquired or disposed brands	**0.0**	(0.9)	0.9	(100%)	**(1.0)**	(3.3)	2.3	(68%)
Case Goods - Domestic Organic Revenue	$ **57.7**	$ 58.7	(1.0)	(2%)	$ **219.7**	194.0	25.6	13%
Case Goods - International Revenue	**5.2**	3.8	1.4	37%	**18.2**	14.9	3.2	22%
Net commissions	**7.3**	7.7	(0.4)	(5%)	**29.4**	30.6	(1.2)	(4%)
Other services	**0.9**	0.9	(0.1)	(8%)	**3.4**	3.9	(0.5)	(13%)
Total Organic Revenue	$ **71.1**	$ 71.1	(0.1)	(0%)	$ **270.6**	$ 243.5	27.1	11%

The following table presents a reconciliation of adjusted EBITDA to their most directly comparable financial measures from the three-month period ended June 30, 2026 to the three-month period ended June 30, 2024:

(in millions of Canadian dollars)	Three months ended Jun. 30, 2026	Mar. 31, 2026	Dec. 31, 2025	Sep. 30, 2025	Jun. 30, 2025	Mar. 31, 2025	Dec. 31, 2024	Sep. 30, 2024	Jun. 30, 2024
Earnings from operations	$ **10.9**	12.5	13.8	16.4	**10.4**	7.7	13.0	15.0	**8.7**
Adjustments:									
Transaction related costs[1]	**-**	-	-	-	**-**	-	-	-	**0.6**
Portfolio rationalization costs[2]	**0.4**	-	-	-	**0.8**	-	-	-	**-**
Restructuring costs[3]	**0.5**	-	-	-	**0.3**	-	-	-	**(0.3)**
Fair value adjustment to inventory[4]	**-**	-	-	-	**-**	-	-	0.6	**0.2**
Revised estmate for LCBO pricing dispute[5]	**-**	(0.9)	-	-	**-**	-	-	-	**-**
Adjusted Earnings from operations	$ **11.8**	11.6	13.8	16.4	**11.5**	7.7	13.0	15.6	**9.2**
Adjusted for depreciation & amortization	**3.0**	3.6	3.5	3.8	**4.1**	4.1	4.1	3.9	**4.1**
Adjusted EBITDA	$ **14.7**	15.2	17.3	20.3	**15.6**	11.7	17.2	19.5	**13.3**

(1) Costs related to the acquisitions of ABG and Nude Beverages brands

(2) Costs related to rationalizing brand portfolio, including costs incurred to dispose or discontinue product lines following strategic portfolio review

(3) (Income) / costs related to organizational restructuring and provisions

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

(5) Impact of revised estimate contingency provision related to LCBO pricing dispute

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, using the aforementioned Adjusted Net Earnings non-IFRS financial measure in place of reported Net Earnings.

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

Dividend Payout Ratio refers to dividends paid during the fiscal year ended June 30, 2026, divided by Cash flow from operating activities for the fiscal year 2026.

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 months and years ended June 30, 2026, 2025 and 2024:

(in Canadian dollars)		*Three months ended* June 30, 2026	June 30, 2025	June 30, 2024		*June 30, 2026 vs 2025* *$ Change*	*% Change*
Per common share							
- Basic net earnings	**$**	**0.23**	0.22	0.17	$	0.01	4%
- Diluted net earnings	**$**	**0.23**	0.22	0.17	$	0.01	4%
Basic net earnings per share	**$**	**0.23**	0.22	0.17	$	0.01	4%
Adjustments:							
Transaction related costs[1]		**-**	-	0.01		-	n.a.
Portfolio rationalization costs[2]		**0.01**	0.02	-		(0.01)	(48%)
Restructuring costs[3]		**0.01**	0.01	(0.01)		0.01	88%
Fair value adjustment to inventory[4]		**-**	-	0.00		-	n.a.
Revised estimate for LCBO pricing dispute[7]		**-**	-	-		-	n.a.
Distributor transition[5]		**-**	-	-		-	n.a.
NCI Obligation[6]		**0.01**	0.02	0.02		(0.01)	(42%)
Adjusted Basic, net earnings per share	**$**	**0.26**	0.26	0.19	$	(0.00)	(1%)
Diluted net earnings per share	**$**	**0.23**	0.22	0.17	$	0.01	4%
Adjustments:							
Transaction related costs[1]		**-**	-	0.01		-	n.a.
Portfolio rationalization costs[2]		**0.01**	0.02	-		(0.01)	(48%)
Restructuring costs[3]		**0.01**	0.01	(0.01)		0.01	88%
Fair value adjustment to inventory[4]		**-**	-	0.00		-	n.a.
Revised estimate for LCBO pricing dispute[7]		**-**	-	-		-	n.a.
Distributor transition[5]		**-**	-	-		-	n.a.
NCI Obligation[6]		**0.01**	0.02	0.02		(0.01)	(42%)
Adjusted Diluted, net earnings per share	**$**	**0.26**	0.26	0.19	$	(0.00)	(1%)

(in Canadian dollars)		June 30, 2026	June 30, 2025	June 30, 2024		*June 30, 2026 vs 2025* *$ Change*	*% Change*
				Year ended			
Per common share							
- Basic net earnings	**$**	**1.17**	0.96	0.84	$	0.21	22%
- Diluted net earnings	**$**	**1.17**	0.96	0.84	$	0.21	22%
Basic net earnings per share	**$**	**1.17**	0.96	0.84	$	0.21	22%
Adjustments:							
Transaction related costs[1]		**-**	-	0.03		-	n.a.
Portfolio rationalization costs[2]		**0.01**	0.02	-		(0.01)	(48%)
Restructuring costs[3]		**0.01**	0.01	(0.01)		0.01	88%
Fair value adjustment to inventory[4]		**-**	0.02	0.08		(0.02)	(100%)
Revised estimate for LCBO pricing dispute[7]		**(0.02)**	-	-		(0.02)	n.a.
Distributor transition[5]		**-**	-	(0.01)		-	n.a.
NCI Obligation[6]		**0.06**	0.07	0.06		(0.01)	(15%)
Adjusted Basic, net earnings per share	**$**	**1.23**	1.08	1.00	$	0.16	15%
Dilluted net earnings per share	**$**	**1.17**	0.96	0.84	$	0.21	22%
Adjustments:							
Transaction related costs[1]		**-**	-	0.03		-	n.a.
Portfolio rationalization costs[2]		**0.01**	0.02	-		(0.01)	(48%)
Restructuring costs[3]		**0.01**	0.01 -	0.01		0.01	88%
Fair value adjustment to inventory[4]		**-**	0.02	0.08		(0.02)	(100%)
Revised estimate for LCBO pricing dispute[7]		**(0.02)**	-	-		(0.02)	n.a.
Distributor transition[5]		**-**	- -	0.01		-	n.a.
NCI Obligation[6]		**0.06**	0.07	0.06		(0.01)	(15%)
Adjusted Diluted, net earnings per share	**$**	**1.23**	$ 1.08	1.00	$	0.16	15%

(1) Costs related to the acquisitions of ABG and Nude Beverages brands

(2) Costs related to rationalizing brand portfolio, including costs incurred to discontinue certain recently acquired product lines following strategic portfolio review

(3) (Income) / costs related to organizational restructuring and provisions

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

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

(6) Notional interest costs related to non-controlling interest obligations for ABG

(7) Impact of revised estimate contingency provision related to LCBO pricing dispute

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

(in millions of Canadian dollars except per share amounts)		*Year ended* **June. 30, 2026**
Dividend paid per share	$	0.94
Shares outstanding		28,468,856
Total dividends paid	**$**	**26.8**
Cash flow from operating activities		37.1
Dividend Payout Ratio		**72%**

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 a result of Ontario's modernization, beverages excluding spirits have been sold in Ontario grocery, convenience, and big-box stores since September 2024. The exclusion of spirits from these expanded channels continues to reduce foot traffic in liquor board stores, which may negatively impact consumer purchasing and consumption patterns for spirits. The Company continues to monitor this risk closely while capitalizing on expanded distribution opportunities for its RTD and wine portfolios through the new channels.

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.

The Ontario provincial government announced changes as part of the 2025 Ontario Budget to the basic mark-up rates applied by the LCBO on certain wine-based and spirit-based RTDs, effective August 1, 2025, with further proposals to introduce a new "alcohol refreshment beverage" category. The Ontario provincial government also implemented a new wholesale pricing model effective April 1, 2026. The Company continues to monitor the regulatory environment with respect to provincial taxation and aims to remain competitive in the market.

Additionally, as the Company conducts 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 baseline tariffs, 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.

The Company’s fiscal 2026 performance benefited in part from the removal of certain U.S.-origin products from liquor board shelves in key provinces. These benefits may cease in future periods if trade restrictions are lifted and U.S.-origin products return to shelves, which could impact consumer purchasing behaviour and the Company's performance in fiscal 2027 and beyond.

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 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 reduced. 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.

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 and 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. Subsequently, the LCBO advised it will not levy further retroactive chargebacks; thus, during the fiscal year ending June 30, 2026, Corby updated its estimate of the Company's exposure related to this matter and accordingly adjusted the associated provision.

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.

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

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

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 operations, financial results, or reputation, depending on severity and duration, 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. The process of determining the recoverable amount requires the Company to make estimates and assumptions of a long-term nature regarding discount rates, projected revenues and terminal growth rates, as applicable, derived from past experience, actual operating results and budgets. These estimates and assumptions may change in the future due to uncertain competitive and economic market conditions or changes in business strategies. Certain of the aforementioned factors affecting the determination of fair value may be impacted and, as a result, the Company's financial results may be adversely affected.

The following table summarizes Corby's goodwill and indefinite-life intangible assets and details the amounts associated with each of the Company's reportable segments as at June 30, 2026:

(in millions of Canadian dollars)		Carrying Values as at June 30, 2026		
Segment	Associated Market	Goodwill	Trademarks and licences	Total
Case Goods - Domestic	Canada	$ 115.6	$ 50.2	$ 165.8
Case Goods - International	United Kingdom	0.6	-	0.6
		$ 116.2	$ 50.2	$ 166.4

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 effectively reduced 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 11 of the annual audited consolidated financial statements for the year ended June 30, 2026.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Corby Spirit and Wine Limited

Opinion

We have audited the consolidated financial statements of Corby Spirit and Wine Limited (the Entity), which comprise:

- the consolidated balance sheets as at June 30, 2026 and June 30, 2025
- the consolidated statements of earnings for the years then ended
- the consolidated statements of comprehensive income for the years then ended
- the consolidated statements of changes in shareholders' equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at June 30, 2026 and June 30, 2025, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***“Auditor's Responsibilities for the Audit of the Financial Statements”*** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended June 30, 2026. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Evaluation of the recoverable amount of the cash generating units containing goodwill and indefinite-lived intangible assets

Description of the matter

We draw attention to Notes 2(i), 4, 14, 15 and 16 to the financial statements. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units. Cash generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal management purposes ("CGU"). Goodwill and indefinite-lived intangible assets are tested for impairment at least annually and whenever there is an indication that the asset may be impaired. When the recoverable amount of a CGU is less than its carrying amount, an impairment loss is recognized within earnings from operations. The recoverable amount of the CGU is the higher of its fair value less costs to sell and its value in use, which involves estimating future cash flows before taxes. The process of determining the recoverable amount requires the Entity to make estimates and assumptions of a long-term nature regarding the projected revenues and margins, discount rates, and terminal growth rates.

Why the matter is a key audit matter

We identified the evaluation of the recoverable amount of the CGUs containing goodwill and indefinite-lived intangible assets as a key audit matter. This matter represented an area of higher assessed risk of material misstatement given the magnitude of goodwill and indefinite-lived intangible assets. It also involved a high degree of estimation uncertainty in assessing the assumptions used to determine the recoverable amounts. Significant auditor judgement and the involvement of professionals with specialized skills and knowledge were required to evaluate the results of our audit procedures.

How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included the following:

We evaluated the Entity's ability to accurately forecast revenues and margins by comparing actual results to historical forecasts. We also took into account historical actual results and industry data, to assess adjustments, or lack of adjustments to the projected revenues and margins.

We involved valuation professionals with specialized skills and knowledge, who assisted in the following:

- Evaluating the appropriateness of the Entity's discount rates against discount rate ranges that are independently developed using publicly available market data for comparable companies;
- Evaluating the appropriateness of the terminal growth rates by comparing to long-term estimates of inflation.

Other Information

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

- the information included in Management's Discussion and Analysis.
- the information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "2026 Annual Report".

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

The information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "2026 Annual Report" is expected to be made available to us after the date of this auditor's report.

If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

The engagement partner on the audit resulting in this auditor's report is Bryant William Ramdoo.

Vaughan, Canada

August 26, 2026

CORBY SPIRIT AND WINE LIMITED
CONSOLIDATED BALANCE SHEETS
for the years ended June 30, 2026 and 2025
(in thousands of Canadian dollars)

As at	Notes		**June 30, 2026**		June 30, 2025
ASSETS					
Cash		**$**	**853**	$	179
Deposits in cash management pools			**6,752**		15,756
Accounts receivable	7		**77,664**		55,085
Inventories	8		**102,877**		101,457
Prepaid expenses			**861**		574
Note receivable	9		**162**		-
Assets classified as held for sale	10		**20,305**		-
Total current assets			**209,474**		173,051
Other assets	11		**5,996**		7,143
Deferred income tax assets	20		**514**		1,158
Right-of-use assets	12		**9,393**		3,532
Property, plant and equipment	13		**20,482**		20,867
Goodwill	14		**116,221**		116,962
Intangible assets	15		**53,154**		80,095
Total assets		**$**	**415,234**	$	402,808
LIABILITIES					
Bank indebtedness	17	**$**	**-**	$	3,477
Accounts payable and accrued liabilities	18		**84,019**		64,049
Income and other taxes payable			**3,225**		2,403
Credit facilities payable	17		**-**		1,505
Current lease liabilities	12		**2,178**		1,688
Total current liabilities			**89,422**		73,122
Employee benefit obligation	11		**7,773**		6,122
Long-term debt	19		**96,000**		102,000
Deferred income tax liabilities	20		**16,321**		18,082
Long-term lease liabilities	12		**7,088**		1,918
Non-controlling interest obligation	21		**10,662**		18,232
Total liabilities			**227,266**		219,476
Shareholders' equity					
Share capital	22		**14,304**		14,304
Accumulated other comprehensive income	23		**6,355**		8,374
Retained earnings			**167,309**		160,654
Total equity			**187,968**		183,332
Total liabilities and shareholders' equity		**$**	**415,234**	$	402,808

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

CORBY SPIRIT AND WINE LIMITED
CONSOLIDATED STATEMENTS OF EARNINGS
for the years ended June 30, 2026 and 2025
(in thousands of Canadian dollars, except per share amounts)

	Notes		**June 30, 2026**		June 30, 2025
Revenue	24	**$**	**271,646**	$	246,786
Cost of sales			**(138,748)**		(123,785)
Marketing, sales and administration			**(80,034)**		(77,032)
Other income and expense	25		**798**		167
Earnings from operations			**53,662**		46,136
Financial income	26		**582**		995
Financial expense	26		**(7,537)**		(9,016)
Adjustment of non-controlling interest obligation	21		**(530)**		-
			(7,485)		(8,021)
Earnings before income taxes			**46,177**		38,115
Current income taxes	20		**(13,338)**		(11,309)
Deferred income tax recovery	20		**577**		621
Income taxes			**(12,761)**		(10,688)
Net earnings		**$**	**33,416**	$	27,427
Basic earnings attributable to each share	27	**$**	**1.17**	$	0.96
Diluted earnings attributable to each share	27	**$**	**1.17**	$	0.96
Weighted average common shares outstanding					
Basic			**28,468,856**		28,468,856
Diluted			**28,468,856**		28,468,856

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

CORBY SPIRIT AND WINE LIMITED

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

for the years ended June 30, 2026 and 2025
(in thousands of Canadian dollars)

	Notes	**June 30, 2026**	June 30, 2025
Net earnings		**$ 33,416**	$ 27,427
Other comprehensive income:			
Amounts that will not be subsequently reclassified to earnings:			
Net actuarial losses	11	**(2,560)**	(100)
Income tax recovery	20	**541**	26
		(2,019)	(74)
Total comprehensive income		**$ 31,397**	$ 27,353

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

for the years ended June 30, 2026 and 2025
(in thousands of Canadian dollars)

	Share Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
Balance as at June 30, 2025	$ 14,304	$ 8,374	$ 160,654	$ 183,332
Total comprehensive income (loss)	-	(2,019)	33,416	31,397
Dividends	-	-	(26,761)	(26,761)
Balance as at June 30, 2026	**$ 14,304**	**$ 6,355**	**$ 167,309**	**$ 187,968**
Balance as at June 30, 2024	$ 14,304	$ 8,448	$ 158,849	$ 181,601
Total comprehensive income (loss)	-	(74)	27,427	27,353
Dividends	-	-	(25,622)	(25,622)
Balance as at June 30, 2025	**$ 14,304**	**$ 8,374**	**$ 160,654**	**$ 183,332**

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

CORBY SPIRIT AND WINE LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
for the years ended June 30, 2026 and 2025
(in thousands of Canadian dollars)

	Notes	June 30, 2026	June 30, 2025
Operating activities			
Net earnings		**$ 33,416**	$ 27,427
Adjustments for:			
Amortization and depreciation	28	**14,186**	16,278
Net financial expense	26	**6,955**	8,021
(Gain) / Loss on disposal of property and equipment	9	**(393)**	25
Adjustment of non-controlling interest obligation	21	**530**	-
Income tax expense	20	**12,761**	10,688
Non-cash change in employee benefit obligation		**54**	(80)
		67,509	62,359
Net change in non-cash working capital balances	30	**(12,436)**	(5,726)
Interest paid		**(5,919)**	(6,854)
Interest received		**464**	1,008
Income taxes paid		**(12,516)**	(6,014)
Net cash from operating activities		**37,102**	44,773
Investing activities			
Additions to property and equipment	13	**(3,089)**	(2,229)
Additions to intangible assets	15	**(115)**	(210)
Proceeds from representation rights	15	**3,439**	-
Proceeds from sale of brand trademarks	9	**3,000**	-
Exercise of option to partially acquire non-controlling interest	21	**(9,285)**	-
Withdrawals from cash management pools		**9,004**	11,596
Net cash from investing activities		**2,954**	9,157
Financing activities			
Proceeds on note receivable	9	**749**	-
Repayment of long-term debt	19	**(6,000)**	(18,000)
Payment of lease liabilities		**(2,388)**	(1,943)
Repayments of credit facilities payable	17	**(1,505)**	(16,311)
Net (payments) draws from bank indebtedness	17	**(3,477)**	3,477
Dividends paid		**(26,761)**	(25,622)
Net cash used in financing activities		**(39,382)**	(58,399)
Net change in cash		**674**	(4,469)
Cash, beginning of the year		**179**	4,648
Cash, end of the year		**$ 853**	$ 179

The accompanying notes are an integral part of these 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 June 30, 2026.

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

2. BASIS OF PREPARATION

Statement of Compliance
These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") and using the accounting policies described herein.

These consolidated financial statements were approved by the Company's Board of Directors on August 26, 2026.

Functional and Presentation Currency
The Company's 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 year.

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

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

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

Estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Estimates are made on the assumption 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 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.

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

(i) Impairment

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

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

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

(ii) Business combinations

Business combinations are accounted for using the acquisition method of accounting. The Company determines the fair value of the identifiable assets acquired and the liabilities assumed using income approach valuation techniques corroborated by other valuation techniques. The process of determining these fair values requires the Company to make estimates and assumptions of a long-term nature regarding discount rates, projected revenues, royalty rates and margins derived from past experience, actual operating results and budgets. These estimates and assumptions may change in the future due to uncertain competitive and economic market conditions or changes in business strategies.

(iii) Income and other taxes

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

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

(iv) Post-employment benefits

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

(v) Non-controlling interest obligation

The non-controlling interest obligation involves uncertainty in estimating the underlying future cash flows related to the obligation, their expected fluctuations and timing, on a recurring basis. See Note 21, "Non-controlling interest obligation", for further details.

(vi) Other

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

3. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

Recent accounting pronouncements

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

New or Revised Pronouncement		Effective Date	Company Effective Date
Amendments to IAS 21	*Lack of exchangeability of currencies*	January 1, 2025	July 1, 2025

Recent accounting pronouncements not in effect

The below standards and amendments to standards have been issued but are not yet effective for the fiscal year ending June 30, 2026, and accordingly, have not been applied in preparing these 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 a material impact on the Company's disclosures and financial results are as follows:

New or Revised Pronouncement		Effective Date	Company Effective Date
Amendments to IFRS 9 and IFRS 7	*Classification and measurement of financial instruments*	January 1, 2026	July 1, 2026
Amendments to IFRS 9 and IFRS 7	*Power purchase arrangements*	January 1, 2026	July 1, 2026
IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7	*Annual Improvements to IFRS Accounting Standards - Volume 11*	January 1, 2026	July 1, 2026
IFRS 19	*Subsidiaries without public accountability: disclosures*	January 1, 2027	July 1, 2027
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*	January 1, 2027	July 1, 2027
Amendments to IFRS S2	*Amendments to Greenhouse Gas Emissions Disclosures*	January 1, 2027	July 1, 2027

4. MATERIAL ACCOUNTING POLICIES

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

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

The following list outlines, as of August 26, 2026, each of Corby's material subsidiaries:

Name	***Governing Jurisdiction***	***Ownership Percentage***
Ace Beverage Holdco Inc.	Canada	95%
Ace Beverage Group Inc.	Canada	95%
The Foreign Affair Winery Limited	Canada	100%
Ungava Spirits Co. Ltd.	Canada	100%

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

On September 26, 2025, Corby exercised the first of the two call options provided for in the shareholder agreement between Corby, Ace Beverage Holdco Inc. ("ABHI"), the founders and the minority shareholders of ABHI dated July 4, 2023, to purchase an additional 5% of shares of ABHI, increasing its ownership stake to 95% of the issued and outstanding shares, please refer to "Note 21 – Non-Controlling Interest Obligation" for further information.

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

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

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

Inventories
Inventories are measured at the lower of cost (acquisition cost and cost of production, including indirect production overheads) and net realizable value. Net realizable value is the selling price less the estimated cost of completion and sale of the inventories. Most inventories are valued using the average cost method. The cost of long-cycle inventories is calculated using a single method, which includes distilling and ageing maturing costs but excludes finance costs. These inventories are classified in current assets, although a substantial part remains in inventory for more than one year before being sold in order to undergo the ageing maturing process used for certain spirits. Grapes produced from vineyards controlled by the Company that are part of inventory are measured at their fair value less costs to sell at the point of harvest. Inventory of wine that is produced by the Company is valued at the lower of cost and net realizable value, with cost being determined on an average cost basis. Inventory of bulk wine and grapes is included in work-in-progress inventory.

Assets classified as held for sale
Assets classified as held for sale is comprised of non-current assets and other assets which are part of a disposal group when their carrying amount is expected to be recovered principally through a sale transaction rather than through continuing use. Assets classified as held for sale are tested for impairment before classification as held for sale, measured at the lower of carrying amount and fair value less costs to sell, and not depreciated.

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

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

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

Buildings	25 to 40 years
Leasehold improvements	Shorter of term of lease or estimated useful life
Machinery and equipment	3 to 12 years
Casks	12 years
Vines	30 years

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

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

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

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

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

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

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

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

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

Goodwill

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

Goodwill is measured at cost less any accumulated impairment losses.

Intangible Assets

Intangible assets include the following:

(i) Long-term Representation Rights

Long-term representation rights represent the cost of the Company's exclusive right to represent PR's brands in Canada. These representation rights are carried at cost, less accumulated amortization. Amortization is provided for on a straight-line basis, over the term of their respective agreements. Representation rights were scheduled to expire on September 30, 2021. On September 24, 2020, Corby renewed its exclusive right to represent PR's brands in Canada for a further five years and three months, effective July 1, 2021 until September 29, 2026, with a potential for automatic renewal for a further three years thereafter, subject to the achievement of performance criteria. The agreement required a payment of an up-front fee of $54,450 which was paid September 28, 2021, which Corby funded through its deposits in cash management pools. See Note 32, "Related Party Transactions" for further information. Amortization is recognized as a reduction to commission revenue earned from the representation of PR brands.

(ii) Trademarks and licences

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

(iii) Software

Software is carried at cost, less accumulated amortization. Amortization is recognized on a straight-line basis over the expected useful life which is typically 3-5 years and recorded within "Marketing, sales and administration" in the statement of earnings. Useful life for items included in software is reviewed on an annual basis and software is written down when no longer in use.

(iv) Distribution rights

Distribution rights represent the right to sell specified products in a certain territory. Acquired distribution rights are carried at cost less accumulated amortization.

Impairment

(i) Financial Assets

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

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

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

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

All impairment losses are recognized in net earnings.

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

(ii) Non-financial assets

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

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

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

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

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

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

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

Provisions
Provisions are recognized when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and that the obligation can be measured reliably. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risk specific to the liability. Provisions are reviewed on a regular basis and adjusted to reflect management's best current estimates. Due to the judgmental nature of these items, future settlements may differ from amounts recognized. Provisions notably include: provisions for uncertain tax positions (Note 20) and provisions related to contingencies (Note 34).

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

The Company maintains registered defined benefit pension plans under which benefits are available to certain employee groups. The Company makes supplementary retirement benefits available to certain employees under a non-registered defined benefit pension plan. The registered and non-registered defined benefit pension plans were closed to new members effective July 1, 2010. The Company provides a defined contribution plan for employees hired after July 1, 2010.

(i) Defined Benefit Plans

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

Defined benefit costs are categorized as follows:

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

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

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

(ii) Defined contribution plans

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

(iii) Termination benefits

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs. Expense for termination benefits are recognized in earnings from operations in the period in which they occur.

Income Taxes

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

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

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

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

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

Non-Controlling Interest Obligation

Non-controlling interest ("NCI") 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 Ace Beverage Group "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 both the Year 2 option and the Year 5 Option, then in each fiscal year hereafter, 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. Corby has 90 days after the period end date to exercise the option. Corby exercised the Year 2 Option in September 2025 as per the agreement, acquiring an additional 5% interest in ABG.

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.

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

(i) *Case Goods Sales*

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

Case Goods sales are recorded net of trade discounts, volume rebates, sales-related taxes and duties and costs of services provided directly by customers which include: distribution costs, listing costs for new products, promotional activities at point of sale and other advertising and promotional services. The transaction price recognized at that point reflects our estimate of the consideration to be received in exchange for the products. The actual amount may ultimately differ due to the effect of various customer incentives and trade promotion activities.

(ii) *Commissions*

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

(iii) *Other services*

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

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

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

Earnings per Common Share
The Company presents basic and diluted earnings per share ("EPS") amounts for its common shares. Basic EPS is calculated by dividing the net earnings attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted EPS is calculated by adjusting the net earnings attributable to shareholders and the weighted average number of shares outstanding for the effect of potentially dilutive shares. There are no potentially dilutive shares as at June 30, 2026 and 2025.

Classification of Financial Instruments

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

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

Financial Asset/Liability	Category	Measurement
Cash	Amortized cost	Amortized cost
Deposits in cash management pools	Amortized cost	Amortized cost
Accounts receivable	Amortized cost	Amortized cost
Note receivable	Amortized cost	Amortized cost
Bank indebtedness	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Credit facilities payable	Amortized cost	Amortized cost
Long-term debt	Amortized cost	Amortized cost
Non-controlling interest obligation	Amortized cost	Amortized cost

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

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

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

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

Segmented Reporting

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

5. FINANCIAL INSTRUMENTS

Corby's financial instruments consist of cash, deposits in cash management pools, accounts receivable, note receivable, bank indebtedness, accounts payable and accrued liabilities, credit facilities payable, long-term debt, and non-controlling interest obligation balances.

Financial Risk Management Objectives and Policies

In the normal course of business, the Company is exposed to financial risks that have the potential to negatively impact its financial performance. Management believes that the risks arising from the Company's financial instruments are already at an acceptably low level and does not actively manage these risks. These risks are discussed in more detail below.

Credit Risk
Credit risk arises from cash held with PR via Corby's participation in the Mirror Netting Service Agreement (further described in Note 32), as well as credit exposure to customers, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of these financial assets.

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

Management believes that the Company's credit risk relating to accounts receivable is at an acceptably low level. As at June 30, 2026, over 80% (2025 – 90%) of Corby's trade receivable balances are collectible from government-controlled liquor boards. The remaining trade receivable balances relate to agency sales and sales generated from export sales. Receivables that are neither past due nor impaired are considered credit of high quality.

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

Liquidity Risk
Liquidity risk is the risk the Company may not be able to settle or meet its obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's Executive Team is responsible for the management of liquidity risk, including funding, settlements, and related processes and policies. The operational, tax, capital and regulatory requirements and obligations of the Company are considered in the management of liquidity.

Corby's sources of liquidity are its cash of $853, deposits in cash management pools of $6,752, future cash generated by operating activities and available credit on its revolving operating facility of $25,000. The Company believes that its deposits in cash management pools, combined with its historically strong and consistent operational cash flows, are more than sufficient to fund its operations, investing activities and commitments for the foreseeable future.

The Company manages its liquidity risk utilizing various sources of financing to maintain flexibility while ensuring access to cost-effective funds when required through the use of its operating line of credit, credit facilities, and its long-term debt from PR. The Company also monitors both short and long-term cash flow forecasts, taking into account seasonality of its revenue, income and working capital needs to manage liquidity risk.

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

The company's contractual maturities are as follows:

	Less than 1 year	1 to 5 years	5 years and thereafter	Total
Accounts payables and accrued liabilities	$ 84,019	$ -	$ -	$ 84,019
Lease liabilities	2,178	5,944	1,144	9,266
Long-term debt	-	-	96,000	96,000
Non-controlling interest obligation	-	10,662	-	10,662
	$ 86,197	$ 16,606	$ 97,144	$ 199,947

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk to the extent that its deposits in cash managements pools, bank indebtedness and credit facilities payable are based upon variable rates of interest. The Company's long-term debt bears interest at a fixed rate.

During the fiscal year ended June 30, 2026, Corby earned market rates of interest, based upon the 30-day CORRA rate plus 0.75%, on its deposits in cash management pools. A 50 basis point ("bp") increase or decrease in the interest rate would impact the Company's earnings by approximately $46 (2025 – $97).

The Company's bank indebtedness and credit facilities bear interest based on variable market rates. A 50 basis point ("bp") increase or decrease in the interest rate would impact the Company's earnings by approximately $12 (2025 – $48).

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

Foreign Currency Risk
The Company has exposure to foreign currency risk as it conducts business in multiple foreign currencies; however, its exposure is primarily limited to the US dollar ("USD") and UK pound sterling ("GBP"). Corby does not utilize derivative instruments to manage this risk. Subject to competitive conditions, changes in foreign currency rates may be passed on to consumers through pricing over the long term. A 1% increase or decrease in the exchange rate of USD or GBP would impact the Company's net earnings by approximately $281 (2025 - $205) or $51 (2025 - $49), respectively.

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

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

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

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

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

For financial assets and liabilities that are valued at other than fair value on its balance sheets (i.e., deposits in cash management pools, accounts receivable, note receivable, bank indebtedness, accounts payable and accrued liabilities, credit facilities payable, long-term debt, and non-controlling interest obligation balances), 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 $94,272 at June 30, 2026. Fair value is determined using Level 2 inputs. Level 3 inputs are used to determine the fair value of the note receivable and pension plan assets contained within the infrastructure and real estate funds.

6. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

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

Management includes the following items in its definition of capital:

		June 30, 2026		June 30, 2025
Share capital	$	**14,304**	$	14,304
Accumulated other comprehensive income		**6,355**		8,374
Retained earnings		**167,309**		160,654
Net capital under management	$	**187,968**	$	183,332

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

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

7. ACCOUNTS RECEIVABLE

		June 30, 2026		June 30, 2025
Trade receivables	$	**52,579**	$	31,938
Due from related parties		**22,913**		19,523
Other		**2,237**		3,724
		77,729		55,185
Allowance for uncollectible amounts		**(65)**		(100)
	$	**77,664**	$	55,085

8. INVENTORIES

		June 30, 2026		June 30, 2025
Raw materials	$	**12,061**	$	15,064
Work-in-progress		**58,781**		62,155
Finished goods		**32,035**		24,238
	$	**102,877**	$	101,457

The cost of inventory recognized as an expense and included in cost of sales during the year ended June 30, 2026 was $118,960 (2025 – $106,439).

During the year, there were write-downs of $2,102 (2025 – $1,480) on inventory as a result of net realizable value being lower than cost. There were no reversals of inventory write-downs during the current fiscal year ended June 30, 2026. Inventory write-downs are included in cost of sales.

9. NOTE RECEIVABLE

Sale of Ace Hill and Liberty Village Brand Trademarks

On October 6, 2025, Corby's subsidiary ABG sold trademarks and associated inventory of certain non-core brands, Ace Hill and Liberty Village, to an unrelated third party Twenty Bench Brewing Company ("TBBC"), recognizing a gain of $393, net of transaction related expenses. The gain has been presented in Earnings from Operations within the consolidated financial statements and included in other income.

The fair value of proceeds totaled $4,640 and included $3,000 in cash, a note receivable of $889, and other receivables of $751. The note and other receivables are to be paid from TBBC's future sales of Ace Hill and Liberty Village products, or within a maximum eighteen-month period. The fair value of proceeds was determined using a discounted cash flow model at the date of the transaction.

During the fiscal year ending June 30, 2026, these assets were included in the Case Goods segment and contributed $3,304 to revenue and $994 to net earnings.

The note receivable is non-interest bearing with a face value of $1,000. Subsequent to initial measurement of the note receivable at fair value, the Company has classified and measured this financial instrument at amortized cost, as it is held within a business model to collect contractual cash flows and those cash flows solely represent payments of principal.

During the year ended June 30, 2026, cash proceeds from the note receivable were $749.

At June 30, 2026, the carrying amount of the note receivable is $162 and approximates its fair value. The fair value is estimated using the discounted cash flow model and is classified within Level 3 of the fair value hierarchy due to the use of unobservable inputs.

The note receivable exposes the Group to credit risk. Management monitors the counterparty's creditworthiness and assesses expected credit losses at each reporting date.

10. ASSETS CLASSIFIED AS HELD FOR SALE

On August 5, 2026, subsequent to the year ended June 30, 2026, Corby signed a definitive agreement and sold the Lamb's rum brand and certain related assets to Maison des Futailles, L.P., a subsidiary of Phildan Inc., and Glen Turner Company Limited, a subsidiary of COFEPP SAS.

Accordingly, in the Company's consolidated balance sheet as at June 30, 2026, non-current assets of $12,840 and inventory $7,465 associated with the disposed brands, have been classified as held for sale and within current assets. See Note 35 – Subsequent Event for further information.

11. EMPLOYEE BENEFITS

The Company provides pension benefits to its employees through a defined contribution pension plan and defined benefit pension plans. Employees hired after July 1, 2010 are no longer offered enrolment into the Company's defined benefit pension plans. Instead, the Company provides these employees a defined contribution pension plan. To become eligible to join the defined contribution pension plan, most employees must first accrue 90 days of service. For the year ended June 30, 2026, the Company recognized contributions of $754 as an expense (2025 - $750) with respect to the defined contribution pension plan.

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

The registered pension plans are registered under the Pension Benefits Act (Ontario) (the "Act") with regulatory oversight by the Financial Services Regulatory Authority of Ontario. The latest valuations completed for these plans are dated December 31, 2025 for the executive plan and June 30, 2023 for the salaried plan. The next required valuations must be completed with an effective date no later than December 31, 2028 and June 30, 2026, respectively. The Act requires funding valuations for the registered pension plans to be performed at least once every three years and plan deficits must be funded over a period of up to five years. The registered pension plans are funded through a combination of employee and employer contributions.
The Company is under no obligation to make any funding in respect to the benefits accruing under the non-registered pension plans. However, the Company has adopted a funding policy to make periodic contributions to

the non-registered pension plans to provide security for the benefits accrued by the members. Such funding policy may be reviewed and amended at any time by the Company.

The post-retirement benefit plan is unfunded.
As at June 30, 2026, the average duration of the defined benefit obligation for the registered and non-registered pension plans and the post-retirement benefit plan is 14 years (2025 – 13 years).

Company contributions to the registered and non-registered pension plans are expected to be $109 for the fiscal year ended June 30, 2027.

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

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

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

An increase in interest rates will increase the discount rate, which will subsequently decrease the present value of the defined benefit obligation. An increase in longevity and compensation will increase the present value of the defined benefit obligation. Longevity risk is impacted by mortality assumptions, which were updated to use the club Vita Canada's CV24v2 VitaCurves for the Corby salaried, Corby SERP and Corby designated executive plans. For the Corby Meaghers plan, the mortality assumption was updated to use 100% of the Canadian Pensioner Mortality 2024 table.

The significant actuarial assumptions are as follows:

			2026			2025
	Registered Pension Plans	Non-registered Pension Plans	Other Benefit Plan	Registered Pension Plans	Non-registered Pension Plans	Other Benefit Plan
Accrued benefit obligation, end of year						
Discount rate	**5.0%**	**5.0%**	**5.0%**	5.0%	5.0%	5.0%
Compensation increase	**3.0%**	**3.0%**	**N/A**	3.0%	3.0%	N/A
Inflation	**2.0%**	**2.0%**	**N/A**	2.0%	2.0%	N/A
Benefit expense, for the year						
Discount rate	**5.0%**	**5.0%**	**5.0%**	5.1%	5.1%	5.1%
Compensation increase	**3.0%**	**3.0%**	**N/A**	3.0%	3.0%	N/A
Inflation	**2.0%**	**2.0%**	**N/A**	2.0%	2.0%	N/A

The discount rate has been set based on current market rates at the end of the Company's financial year, assuming a rate of return comparable to high-quality fixed income securities of equivalent currency and term that approximate the terms of the pension plan liabilities. A 50bp increase in the assumed discount rate would decrease the amount of the Company's pension obligation and pension expense in respect of its registered and non-registered defined benefit plans by $2,207 and $51, respectively. Conversely, a 50bp decrease in the assumed discount rate would increase the amount of the Company's pension obligation and pension expense in respect of its registered and non-registered defined benefit plans by $2,452 and $58, respectively. The method used to determine the impact of the discount rate changes is consistent with the method used in prior years and the method used to determine the amounts recognized in the consolidated financial statements.

The medical cost trend rate used was 4.3% for 2026 (2025 – 4.3%), with 3.1% being the ultimate trend rate for 2040 and years thereafter (2025 – 3.1%). The dental cost trend rate used was 6.0% for 2026 (2025 – 6.0%). Assumed health care cost trend rates have a significant effect on the amounts reported for the other benefit plan. A 1% increase in the assumed medical cost trend rate would increase the amount of the Company's pension obligation by $666 with minimal impact on pension expense. Conversely, a 1% decrease in the medical cost trend rate would decrease the amount of the Company's pension obligation $547 with minimal impact on pension expense. The method used to determine the impact of medical cost rate changes is consistent with the method used in prior years and the method used to determine the amounts recognized in the consolidated financial statements.

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

	June 30, 2026	June 30, 2025
Present value of defined benefit obligation of unfunded plans	**$ (6,376)**	$ (6,037)
Present value of defined benefit obligation of partially funded plans	**(9,247)**	(8,611)
Present value of defined benefit obligation of fully funded plans	**(20,324)**	(17,877)
Total present value of defined benefit obligation	**(35,947)**	(32,525)
Fair value of plan assets	**34,170**	33,546
Net defined benefit (liability) asset	**$ (1,777)**	$ 1,021

Information about the Company's pension and other benefit plans for the year ended June 30, 2026 is as follows:

	Registered Pension Plans	Non-registered Pension Plans	Other Benefit Plan	Total
				2026
Fair value of plan assets				
Fair value of plan assets, beginning of year	**$ 19,609**	**$ 13,937**	**$ -**	**$ 33,546**
Interest income	**942**	**675**	**-**	**1,617**
Actuarial gains (losses)	**201**	**(252)**	**-**	**(51)**
Change in the asset ceiling impact	**419**	**-**	**-**	**419**
Company contributions	**113**	**-**	**-**	**113**
Plan participants' contributions	**25**	**-**	**-**	**25**
Benefits paid	**(725)**	**(549)**	**-**	**(1,274)**
Administrative costs	**(165)**	**(60)**	**-**	**(225)**
Fair value of plan assets, end of year	**$ 20,419**	**$ 13,751**	**$ -**	**$ 34,170**
Present value of defined benefit obligation				
Defined benefit obligation, beginning of year	**$ 17,877**	**$ 8,611**	**$ 6,037**	**$ 32,525**
Current service cost	**400**	**162**	**33**	**595**
Interest cost	**867**	**412**	**297**	**1,576**
Plan participants' contributions	**25**	**-**	**-**	**25**
Actuarial losses (gains):				
Experience losses and (gains)	**857**	**4**	**(62)**	**799**
(Gains) and losses due to financial assumption changes	**(149)**	**(49)**	**154**	**(44)**
Losses due to demographic assumption changes	**1,167**	**677**	**329**	**2,173**
Benefits paid	**(720)**	**(570)**	**(412)**	**(1,702)**
Present value of the defined benefit obligations, end of year	**$ 20,324**	**$ 9,247**	**$ 6,376**	**$ 35,947**
Net defined benefit asset (liability)	**$ 95**	**$ 4,504**	**$ (6,376)**	**$ (1,777)**

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

	Registered Pension Plans	Non-registered Pension Plans	Other Benefit Plan	Total
				2026
Other assets	**$ 1,422**	**$ 4,574**	**$ -**	**$ 5,996**
Employee benefit obligation	**(1,327)**	**(70)**	**(6,376)**	**(7,773)**

The actual return on plan assets for the financial year ended June 30, 2026 was $1,566, which was composed of interest income and actuarial gains included in the reconciliation of the fair value of plan assets above.

Information about the Company's pension and other benefit plans for the year ended June 30, 2025 is as follows:

	Registered Pension Plans		Non-registered Pension Plans		Other Benefit Plan		Total 2025
Fair value of plan assets							
Fair value of plan assets, beginning of year	$	18,474	$	13,782	$	-	$ 32,256
Interest income		933		690		-	1,623
Actuarial gains		2,783		56		-	2,839
Change in the asset ceiling impact		(1,733)		-		-	(1,733)
Company contributions		192		-		-	192
Plan participants' contributions		82		-		-	82
Benefits paid		(621)		(535)		-	(1,156)
Administrative costs		(169)		(56)		-	(225)
Transfer out of participants		(332)		-		-	(332)
Fair value of plan assets, end of year	$	19,609	$	13,937	$	-	$ 33,546
Present value of defined benefit obligation							
Defined benefit obligation, beginning of year	$	17,065	$	7,814	$	6,186	$ 31,065
Current service cost		438		111		39	588
Interest cost		856		385		307	1,548
Plan participants' contributions		82		-		-	82
Actuarial losses (gains):							
Experience losses and (gains)		9		728		(143)	594
Losses due to financial assumption changes		384		130		98	612
Benefits paid		(625)		(557)		(450)	(1,632)
Transfer out of participants		(332)		-		-	(332)
Present value of the defined benefit obligations, end of year	$	17,877	$	8,611	$	6,037	$ 32,525
Net defined benefit asset (liability)	$	1,732	$	5,326	$	(6,037)	$ 1,021

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

	Registered Pension Plans		Non-registered Pension Plans		Other Benefit Plan		Total 2025
Other assets	$	1,732	$	5,411	$	-	$ 7,143
Employee benefit obligation		-		(85)		(6,037)	(6,122)

The actual return on plan assets for the financial year ended June 30, 2025 was $4,462, which was composed of interest income and actuarial gains included in the reconciliation of the fair value of plan assets above.

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

	2026	2025
Current service costs	**$ 595**	$ 588
Net Interest costs	**184**	150
Net expense recognized in Net Earnings	**779**	738
Net actuarial losses recognized in Other Comprehensive Income	**2,560**	100
Total net expense recognized in Total Comprehensive Income	**$ 3,339**	$ 838

The assets of the registered pension plans consist of cash, contributions receivable and investments held in the Hiram Walker & Corby Canadian Pooled Fund Trust. As at June 30, 2026, the fair value of the Trust's assets totaled $188,445, of which the Company's registered pension plans hold approximately 14% of the total Trust assets.

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

	June 30, 2026	June 30, 2025
Cash and Canadian equities - level 1	**$ 612**	$ 273
Canadian equities - level 2	**5,188**	3,938
Bond funds - level 2	**4,786**	4,650
Foreign equities and foreign equity funds - level 2	**11,900**	12,708
Infrastructure and real estate funds - level 3	**3,424**	4,082
	25,910	25,651
Reduction in asset due to surplus cap	**(5,491)**	(6,042)
	$ 20,419	$ 19,609

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

	June 30, 2026	June 30, 2025
Bond funds	**$ 8,287**	$ 8,533
Refundable tax on account with Canada Revenue Agency	**5,464**	5,404
	$ 13,751	$ 13,937

The fair values of the investments held by the non-registered plan as at June 30, 2026 and 2025 are categorized as Level 2 in the fair value hierarchy.

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

12. LEASES

The following table is a continuity of right-of-use assets as at and for the years ended June 30, 2026 and 2025:

			June 30, 2026
	Building	Other	Total
Balance, beginning of the year	$ 1,311	$ 2,221	$ 3,532
Lease additions	6,689	1,497	8,186
Depreciation	(1,226)	(1,099)	(2,325)
Balance, end of the year	$ 6,774	$ 2,619	$ 9,393

			June 30, 2025
	Building	Vehicles	Total
Balance, beginning of the year	$ 1,482	$ 1,460	$ 2,942
Lease additions	891	1,665	2,556
Depreciation	(1,062)	(904)	(1,966)
Balance, end of the year	$ 1,311	$ 2,221	$ 3,532

The following is a continuity of lease liabilities as at and for the years ended June 30, 2026 and 2025:

	June 30 2026	June 30 2025
Balance, beginning of the year	$ 3,606	$ 3,019
Lease additions	7,820	2,530
Lease payments	(2,388)	(2,087)
Interest expense on lease liabilities	228	144
Balance, end of the year	$ 9,266	$ 3,606
Lease liabilities due within one year	$ 2,178	$ 1,688
Lease liabilities	7,088	1,918
Total lease liabilities	$ 9,266	$ 3,606

The expense related to leases with variable consideration, short-term lease and low value leases amounted to $80 (2025 - $168) and is recorded within marketing, sales and administration expenses.

13. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2025	Additions	Depreciation	Transfers to Assets held for sale (Note 10)	Disposals	June 30, 2026
Land	$ 1,367	$ -	$ -	$ -	$ -	$ 1,367
Vines	841	135	-	-	-	976
Buildings	4,304	-	-	-	-	4,304
Leasehold improvements	1,571	505	-	-	-	2,076
Machinery and equipment	15,494	1,844	-	(684)	(77)	16,577
Casks	21,963	605	-	-	-	22,568
Gross value	45,540	3,089	-	(684)	(77)	47,868
Vines	(155)	-	(30)	-	-	(185)
Buildings	(784)	-	(133)	-	-	(917)
Leasehold improvements	(1,163)	-	(195)	-	-	(1,358)
Machinery and equipment	(9,555)	-	(1,309)	384	38	(10,442)
Casks	(13,016)	-	(1,468)	-	-	(14,484)
Accum. depreciation	(24,673)	-	(3,135)	384	38	(27,386)
Property, plant and equipment	$ 20,867	3,089	(3,135)	(300)	(39)	20,482

	June 30, 2024	Additions	Depreciation	Disposals	June 30, 2025
Land	$ 1,367	$ -	$ -	$ -	$ 1,367
Vines	751	90	-	-	841
Buildings	4,304	-	-	-	4,304
Leasehold improvements	1,583	18	-	(30)	1,571
Machinery and equipment	14,517	997	-	(20)	15,494
Casks	20,839	1,124	-	-	21,963
Gross value	43,361	2,229	-	(50)	45,540
Vines	(127)	-	(28)	-	(155)
Buildings	(651)	-	(133)	-	(784)
Leasehold improvements	(890)	-	(286)	13	(1,163)
Machinery and equipment	(8,221)	-	(1,346)	12	(9,555)
Casks	(11,564)	-	(1,452)	-	(13,016)
Accum. depreciation	(21,453)	-	(3,245)	25	(24,673)
Property, plant and equipment	$ 21,908	$ 2,229	$ (3,245)	$ (25)	$ 20,867

14. GOODWILL

Changes in the carrying amount of goodwill are as follows:

	June 30, 2026	June 30, 2025
Balance, beginning of year	**$ 116,962**	$ 117,351
Transfers to Assets held for sale (Note 10)	**(741)**	-
Business combinations	**-**	(389)
Balance, end of year	**$ 116,221**	$ 116,962

There has been no impairment recognized with respect to goodwill during 2026 (2025 - $nil).

15. INTANGIBLE ASSETS

					2026
		Movements in the Year			
	Opening Book Value	Additions/ Disposals	Amortization	Transfers to assets held for sale (Note 10)	Ending Book Value
Long-term representation rights	**$ 12,966**	**$ (3,439)**	**$ (7,766)**	**$ -**	**$ 1,761**
Trademarks and licences	**65,111**	**(3,091)**	**-**	**(11,800)**	**50,220**
Distribution rights	**330**	**-**	**(330)**	**-**	**-**
IT Software	**1,688**	**115**	**(630)**	**-**	**1,173**
	$ 80,095	**$ (6,415)**	**$ (8,726)**	**$ (11,800)**	**$ 53,154**

				2025
	Movements in the Year			
	Opening Book Value	Additions	Amortization	Ending Book Value
Long-term representation rights	$ 23,337	$ -	$ (10,371)	$ 12,966
Trademarks and licences	65,111	-	-	65,111
Distribution rights	330	-	-	330
IT Software	2,174	210	(696)	1,688
	$ 90,952	$ 210	$ (11,067)	$ 80,095

Long-term representation rights disposals reflect the impact of PR's sale of certain wine brands which were included in the PR Representation Agreement. PR has reimbursed Corby for the unused portion of the up-front fee related to these brands. See Note 32 "Related Party Transactions" for further information. Trademark and licences disposals reflect the impact of the non-core brand trademarks sold on October 6, 2025, (see Note 9 "Note Receivable" for further information.)

16. IMPAIRMENT

The Company tests goodwill and indefinite-lived intangibles (trademarks and licences) for impairment on an annual basis. The carrying value of goodwill and indefinite-lived intangibles at June 30, 2026, along with the data and assumptions applied to the CGUs of the Case Goods Segment are as follows:

	Carrying Value Goodwill	Carrying Value Trademarks & Licences	Discount Rate	Terminal Growth Rate	5 Year Revenue Growth Rate
Case Goods Segment	$ 116,221	$ 50,220	9.7% to 10.7%	2%	3%

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

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

During the financial year ended June 30, 2026, the Company performed impairment testing on goodwill and indefinite-lived intangible assets in accordance with its accounting policy and identified no impairment.

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

17. CREDIT FACILITIES PAYABLE

The Company, through its subsidiary ABG, has available a revolving operating facility authorized to a maximum of $25,000 and a non-revolving facility that was due on demand. At June 30, 2026 and June 30, 2025, the balances were as follows:

	June 30, 2026	June 30, 2025
Operating line of credit (available up to $25,000)	**$ -**	$ 3,477
Non-revolving credit facility	-	1,505

During the year ended June 30, 2026, interest expense on both facilities amounted to $255 (2025 - $561). 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.

During the year ended June 30, 2026, the Company made principal repayments of $1,505 (2025- $16,311) on the non-revolving credit facility.

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 June 30, 2026. Covenants are used to determine the appropriate interest rate margin on the various credit facilities under the agreements.

18. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2026	June 30, 2025
Trade payables and accruals	**$ 60,117**	$ 46,926
Due to related parties	**14,930**	13,302
Other payables and accrued liabilities	**8,972**	3,821
	$ 84,019	$ 64,049

Other payables and accrued liabilities are comprised of payables related to employee and commodity taxes.

19. LONG-TERM DEBT

The term loan is payable to PR and bears interest at a fixed interest rate of 5.43%. Interest is payable on a quarterly basis at the end of each quarter. The term loan 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 year ended June 30, 2026, the Company made principal repayments of $6,000 (2025- $18,000) and incurred interest of $5,364 (2025 - $5,981).

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

	Maturity Date	Rate	**June 30, 2026**	June 30, 2025
Term loan payable	June 20, 2033	5.43%	**$ 96,000**	$ 102,000

The term loan payable is a related party transaction, please see Note 32 “Related Party Transactions” for further information.

20. INCOME TAXES

	2026	2025
Current income tax expense		
Current period	**$ 13,166**	$ 10,514
Adjustments with respect to prior period tax estimates	**172**	795
	$ 13,338	$ 11,309
Deferred income tax (recovery) expense		
Origination and reversal of temporary differences	**$ (516)**	$ 191
Adjustments with respect to prior period tax estimates	**(61)**	(812)
	(577)	(621)
Total income tax expense	**$ 12,761**	$ 10,688

At June 30, 2026, the Company had capital loss carry-forwards for tax purposes in the amount of $66 (2025 - $61).

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

	2026		2025	
Net earnings for the financial year		**$ 33,416**		$ 27,427
Total income tax expense		**12,761**		10,688
Earnings before income tax expense		**$ 46,177**		$ 38,115
Income tax using the combined Federal and Provincial statutory tax rates	**$ 12,187**	**26.4%**	$ 10,051	26.4%
Non-deductible expenses	**444**	**1.0%**	638	1.6%
Adjustments with respect to prior period tax estimates	**110**	**0.2%**	(16)	0.0%
Other	**20**	**0.0%**	15	0.0%
Effective income tax rate	**$ 12,761**	**27.6%**	$ 10,688	28.0%

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

	June 30, 2025	**Recognized in Earnings**	**Recognized in OCI**	**June 30, 2026**
Employee benefit obligation	**$ (218)**	**$ 54**	**$ 541**	**$ 377**
Property, plant and equipment	**(4,045)**	**964**	**-**	**(3,081)**
Losses	**672**	**(338)**	**-**	**334**
Intangibles	**(14,432)**	**77**	**-**	**(14,355)**
Other	**1,099**	**(181)**	**-**	**918**
	$ (16,924)	**$ 576**	**$ 541**	**$ (15,807)**
Deferred income tax assets	**$ 1,158**			**$ 514**
Deferred income tax liabilities	**(18,082)**			**(16,321)**

	June 30, 2024	Recognized in Earnings	Recognized in OCI	June 30, 2025
Employee benefit obligation	$ (255)	$ 11	$ 26	$ (218)
Property, plant and equipment	(4,455)	410	-	(4,045)
Losses	975	(303)	-	672
Intangibles	(14,547)	115	-	(14,432)
Other	711	388	-	1,099
	$ (17,571)	$ 621	$ 26	$ (16,924)

Income taxes payable includes a provision for uncertain tax positions in the amount of $411 at June 30, 2026 (2025 - $391).

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

21. NON-CONTROLLING INTEREST OBLIGATION

On September 26, 2025, Corby exercised the first of the two call options provided for in the shareholder agreement between Corby, Ace Beverage Holdco Inc. ("ABHI"), the founders and the minority shareholders of ABHI dated July 4, 2023, to purchase an additional 5% of shares of ABHI, increasing its ownership stake to 95% of the issued and outstanding shares. The call option was paid to the founders and minority shareholders in the amount of $9,285 on October 10, 2025, and resulted in a true-up adjustment of $530 which was recorded as a reduction in Corby's net earnings.

The Non-controlling interest obligation as at June 30, 2026 and 2025 is as follows:

		June 30, 2026		June 30, 2025
Non-controlling interest obligation, beginning of year	**$**	**18,232**	$	16,206
Settlement due to exercise of option		**(9,285)**		-
Adjustment of obligation due to exercise of option		**530**		-
	$	**9,477**	$	16,206
Accretion of obligation		**1,185**		2,026
Non-controlling interest obligation, end of year	**$**	**10,662**	$	18,232

22. SHARE CAPITAL

		June 30, 2026		June 30, 2025
Number of shares authorized:				
Voting Class A Common Shares - no par value		**Unlimited**		Unlimited
Non-voting Class B Common Shares - no par value		**Unlimited**		Unlimited
Number of shares issued and fully paid:				
Voting Class A Common Shares		**24,274,320**		24,274,320
Non-voting Class B Common Shares		**4,194,536**		4,194,536
		28,468,856		28,468,856
Stated value	**$**	**14,304**	$	14,304

23. ACCUMULATED OTHER COMPREHENSIVE INCOME

		June 30, 2026		June 30, 2025
Actuarial gains on pension obligations	**$**	**8,564**	$	11,124
less: income taxes		**(2,209)**		(2,750)
Accumulated other comprehensive income	**$**	**6,355**	$	8,374

24. REVENUE

The Company's revenue consists of the following streams:

		2026		2025
Case goods sales	**$**	**238,870**	$	212,281
Commissions, net		**29,376**		30,591
Other services		**3,400**		3,914
	$	**271,646**	$	246,786

Commissions for the year are shown net of amortization of long-term representation rights of $7,766 (2025 - $10,371). Other services include revenues incidental to the manufacture of case goods, such as logistics fees and miscellaneous bulk spirit sales.

25. OTHER INCOME AND EXPENSE

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

		2026		2025
Foreign exchange (loss) gain	**$**	**(363)**	$	91
Loss on disposal of property and equipment		**-**		(25)
Gain on sale of brand trademarks (see Note 9)		**393**		-
Change in estimate of provision for contingency (see Note 34)		**858**		-
Licensing fees		**-**		219
Other		**(90)**		(118)
	$	**798**	$	167

26. FINANCIAL INCOME AND EXPENSE

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

		2026		2025
Interest income on deposits in cash management pools	**$**	**432**	$	949
Other interest income		**150**		46
	$	**582**	$	995
Interest expense on bank indebtedness, loans and lease liabilities	**$**	**(5,978)**		(6,685)
Accretion of non-controlling interest obligation		**(1,185)**		(2,026)
Net financial impact of pensions		**(184)**		(150)
Other interest expense		**(190)**		(155)
	$	**(7,537)**	$	(9,016)
Adjustment of obligation due to exercise of option		**(530)**		-
	$	**(530)**	**$**	**-**

27. EARNINGS PER SHARE

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

	2026	2025
Numerator:		
Net earnings	$ 33,416	$ 27,427
Denominator:		
Weighted average shares outstanding	28,468,856	28,468,856

28. EXPENSES BY NATURE

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

	2026	2025
Depreciation of property and equipment	$ 3,135	$ 3,245
Depreciation of right-of-use assets	2,325	1,966
Amortization of intangible assets	8,726	11,067
Salary and payroll costs	38,105	36,664
Expenses related to pensions and benefits	595	588

29. RESTRICTED SHARE UNITS PLAN

	2026		2025	
	Restricted Share Units	Weighted Average Fair Value	Restricted Share Units	Weighted Average Fair Value
Non-vested, beginning of year	85,540	$ 14.07	68,080	$ 12.97
Granted	30,449	13.65	31,648	12.55
Reinvested dividend equivalent units	6,257	14.45	5,279	13.50
Performance adjustments	657	14.07	(370)	12.97
Vested	(20,317)	14.18	(19,097)	12.42
Non-vested, end of year	102,586	$ 15.82	85,540	$ 14.07

Compensation expense related to this plan for the year ended June 30, 2026 was $600 (2025 - $401).

30. NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES

	2026	2025
Accounts receivable	$ (22,346)	$ (6,456)
Inventories	(9,838)	(6,340)
Prepaid expenses	(286)	487
Accounts payable and accrued liabilities	20,034	6,583
	$ (12,436)	$ (5,726)

31. DIVIDENDS

On August 26, 2026 subsequent to the year ended June 30, 2026, the Board of Directors declared its regular quarterly dividend of $0.25 per common share, payable on September 25, 2026, to shareholders of record as at the close of business on September 11, 2026.

32. 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.

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"). 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 $54,450 which was paid September 28, 2021, which Corby funded through its deposits in cash management pools. Since the 2021 Agreement was 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 September 24, 2025, the 2021 Agreement was amended to provide for continued discussion and negotiation concerning renewal.

On August 26, 2026, Corby entered into a new Canadian representation agreement with PR (the "2026 Representation Agreement"), for a term of three years commencing October 1, 2026 and expiring September 29, 2029, with the potential for automatic renewal for a further two years thereafter, subject to the achievement of performance criteria and other terms of the agreement. The 2026 Representation Agreement renews the Company's exclusive rights to represent PR's brands in Canada. The 2026 Representation Agreement provides for the payment of an upfront fee of $18,663 to be paid on October 1, 2026 from its deposits in cash management pools. Since the 2026 Representation Agreement was 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. The Company and the Corby Board of Directors continue to be actively engaged in discussions with PR related to the renewal of the distillate, co-pack, and administrative services agreements with HWSL, each scheduled to expire September 30, 2026.

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. The agreement with PRUK ended, following the sale of the Lamb's rum brand by Corby on August 5, 2026. Refer to Note 35 "Subsequent Event" for further details.

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 continued to represent these brands during a transition period until August 31, 2025 under the same terms of the PR Representation agreement. The affected brands contributed $4,250 to Net Earnings during the year ended June 30, 2025.

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

		2026		2025
Sales to related parties				
Commissions - parent, ultimate parent and affiliated companies	**$**	**32,577**	$	40,463
Products for resale at an export level - affiliated companies		**13,527**		11,410
	$	**46,104**	$	51,873
Cost of goods sold, purchased from related parties				
Distilling, blending, and production services - parent	**$**	**29,197**	$	27,840
Administrative services purchased from related parties				
Marketing, sales and administration services - parent, ultimate parent and affiliated companies	**$**	**4,881**	$	4,682

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

During the year ended June 30, 2026, the Company paid interest of $5,364 (2025 - $5,981) 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 August 26, 2026, 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%. During the year ended June 30, 2026, Corby earned interest income of $432 from PR (2025 – $949). Corby has the right to terminate its participation in the Mirror Netting Services Agreement at any time, subject to five days' written notice.

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

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

Key management personnel compensation comprises:

		2026		2025
Wages, salaries and short term employee benefits	**$**	**4,732**	$	4,055
Other long-term benefits		**177**		306
Share-based payment transactions		**260**		315
	$	**5,169**	$	4,676

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

33. 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, 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 scotches, Jameson Irish whiskey, Beefeater gin, Malibu rum, Kahlúa liqueur, Mumm champagne, and Jacob's Creek and Wyndham Estate wines.

The Commissions segment's financial results are fully reported as "Commissions" in Note 24 of the consolidated financial statements. Commission revenue is reported net of the amortization of the Long-term Representation Rights which are included in Intangible assets. Amortization for the year ended June 30, 2026 was $7,766 (2025 – $10,371). Therefore, a table detailing operational results by segment has not been provided as no additional meaningful information would result.

Geographic information regarding the Company is as follows:

	Canada	United States of America	United Kingdom	Rest of World	Total
2026					
Revenue	**$ 253,490**	**$ 2,650**	**$ 8,395**	**$ 7,111**	**$ 271,646**
Property, plant and equipment	**20,482**	**-**	**-**	**-**	**20,482**
Goodwill and intangible assets	**168,790**	**585**	**-**	**-**	**169,375**

	Canada	United States of America	United Kingdom	Rest of World	Total
2025					
Revenue	$ 231,628	$ 2,053	$ 7,440	$ 5,665	$ 246,786
Property, plant and equipment	20,867	-	-	-	20,867
Goodwill and intangible assets [(1)]	183,931	585	12,541	-	197,057

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

In 2026, revenue to three major customers accounted for 51%, 12% and 11%, respectively (2025 – 47%, 10% and 10%). These major customers are located in Canada and revenues are derived from the Case Goods segment.

34. 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, and levied chargebacks on suppliers for sales beginning April 2023. For the fiscal year ended June 30, 2024, Corby recorded expected chargebacks related to the period April 2023 through June 30, 2024. Subsequently, the LCBO advised it will not levy further retroactive chargebacks; thus, during the year-ending June 30, 2026, Corby updated its estimate of the Company's exposure related to this matter and accordingly adjusted the associated provision. The adjustment was recorded in Other Income in the consolidated statements of earnings (refer to Note 25 –"Other Income" for details).

35. SUBSEQUENT EVENTS

Sale of Lambs Rum Brands

On August 5 2026, subsequent to the year ended June 30, 2026, Corby signed a definitive agreement and sold the Lamb's rum brand and certain related assets to Maison des Futailles, L.P., a subsidiary of Phildan Inc., and Glen Turner Company Limited, a subsidiary of COFEPP SAS. The associated assets have been classified as held for sale as at June 30, 2026 (please refer to Note 10 for further details).

As a result of the transaction, the Company received gross cash proceeds of $39,223. The sale is subject to customary closing conditions and is expected to be finalized in fiscal 2027. During fiscal 2026, the disposed brands represented approximately 7% of volumes associated with Corby's Case Good segment and contributed $5,105 of net earnings.

Renewal of Representation Agreement with Pernod Ricard

On August 26, 2026, subsequent to the year-ended June 30, 2026, the Company and PR entered into a new Canadian representation agreement (the "2026 Representation Agreement"), for a term of three years commencing October 1, 2026 and expiring September 29, 2029, with the potential for automatic renewal for a further two years thereafter, subject to the achievement of performance criteria and other terms of the agreement. The 2026 Representation Agreement renews the Company's exclusive right to represent PR's brands in Canada, including Absolut vodka, Jameson Irish whiskey and The Glenlivet Scotch whisky, and extends such rights under the prior Canadian Representation Agreement dated September 24, 2020, which was effective July 1, 2021 and expires September 29, 2026.

As PR is the Company's ultimate parent, the 2026 Representation Agreement constitutes a related party transaction and was reviewed and approved by the Independent Committee of the Board of Directors, in accordance with the Company's related party transaction policy, following an extensive review of the agreement with external financial and legal advice prior to execution. The 2026 Representation Agreement provides for payment on October 1, 2026 of an upfront fee of $18,663 to PR by the Company, financed through Corby's deposits in cash management pools.

Affiliated with Pernod Ricard

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