ANDREW PELLER LIMITED REPORTS SOLID OPERATING PERFORMANCE IN FISCAL 2020

GRIMSBY, Ontario – June 10, 2020 – Andrew Peller Limited ADW.A/ADW.B ("APL" or the "Company") announced solid operating performance for the three months and year ended March 31, 2020.

FISCAL 2020 HIGHLIGHTS:
- Sales are consistent with last year at $382 million; 2.9% increase in the fourth quarter;
- Gross margin strengthens to 43.5% from 41.6% last year;
- Adjusted EBITA rises to $63.2 million from $58.3 million last year;
- Net earnings increase to $23.5 million from $22.0 million last year;
- Company continues to perform well during COVID-19 pandemic.

"We were pleased with our results in fiscal 2020 as the launch of new products and product categories, combined with our emphasis on higher margin sales and operating cost controls, generated another year of increased earnings for our shareholders," commented John Peller, Chief Executive Officer.

"While the COVID-19 pandemic is impacting certain of our trade channels, we believe we will see compensating sales through our largest customers, including provincial liquor stores, grocery stores and our retail outlets. Overall, we have the experience and the financial resources to work through this challenging time," added Randy Powell, President.

Solid Operating Performance
Sales were $82.1 million and $382.3 million for the three months and year ended March 31, 2020, respectively, up from $79.8 million and $381.8 million in the prior year. The Company experienced solid sales growth through the majority of its well-established bottled wine trade channels due to the introduction of new products and new product categories, and new and innovative sales and marketing programs. This growth was partially offset by reduced sales in the personal winemaking market, increased competition from subsidized lower priced imported wines, and lower duty-free export sales due to trade and political disputes between Canada and China.

Gross margin as a percentage of sales strengthened for the three months and year ended March 31, 2020, rising to 43.5% in the fourth quarter and 43.3% for the year compared to 41.6% and 39.2%, respectively, last year. Gross margin is benefitting from an increased focus on higher margin products and the positive impact of the Company's cost control initiatives. On the acquisition of three wineries in October 2017, the Company recorded an increase of $10.4 million to inventory to represent the fair value of goods acquired from the new wineries. This increase is being expensed over time to the consolidated statement of earnings as finished goods are sold. For the year ended March 31, 2020 the Company recorded a charge of $1.7 million to cost of goods sold as a result of this adjustment compared to $5.5 million in fiscal 2019. Management is continually focused on enhancing production efficiency and productivity and believes gross margin will remain strong for the foreseeable future.

Selling and administrative expenses were lower in fiscal 2020 compared to the prior year. Included in fiscal 2020 is the reduction of lease expenses of $3.2 million due to the accounting treatment for lease obligations in accordance with IFRS 16, adopted on April 1, 2019. Partially offsetting these reductions are expenditures related to the Company's implementation of a new Enterprise Resource Planning (ERP) solution, and an increase in the allowance for doubtful accounts due to the potential impact of the COVID-19 pandemic on certain customers. As a percentage of sales, selling and administrative expenses improved to 27.4% in fiscal 2020 compared to 27.8% in the prior year.

Earnings before interest, amortization, net unrealized gains and losses on derivative financial instruments, other (income) expenses, and income taxes ("EBITA") were $9.7 million and $61.5 million for the three months and year ended March 31, 2020, respectively, up from $6.6 million and $52.9 million in the prior year. EBITA strengthened due primarily to the improved gross margin and the lower selling and administrative costs in fiscal 2020. Adjusted EBITA, which excludes from EBITA one-time acquisition related charges, was $9.9 million and $63.2 million for three months and year ended March 31, 2020, up from $6.5 million and $58.3 million in the prior year.

Interest and amortization expense increased in fiscal 2020 compared to the prior year due primarily to the lease obligations as mentioned above. Other expenses in fiscal 2020 include $1.7 million in restructuring costs.

The Company recorded a net unrealized non-cash loss in fiscal 2020 of $1.4 million related to mark-to-market adjustments on interest rate swaps and foreign exchange contracts compared to a net unrealized loss of $1.7 million in the prior year.

Net earnings for the year ended March 31, 2020 increased to $23.5 million ($0.55 per Class A Share) from $22.0 million ($0.51 per Class A Share) in the prior year. The Company generated a net loss of $1.0 million ($0.02 per Class A Share) in the fourth quarter of fiscal 2020 compared to net earnings of $0.8 million ($0.00 per Class A Share) in the fourth quarter of fiscal 2019. Adjusted earnings, defined as net earnings not including net unrealized gains and losses on derivative financial instruments, other (income) expenses, non-recurring, non-operating (gains) and losses, and the related income tax effect were $1.2 million and $27.6 million for the three months and year ended March 31, 2020, respectively, compared to $1.5 million and $29.4 million, respectively, in the prior year.

COVID-19 Pandemic

On March 11, 2020, the World Health Organization characterized the outbreak of COVID-19 as a global pandemic. Management continues to closely monitor and assess developments regarding the pandemic, including industry, market and internal factors, as well as regulations enacted by governments across Canada. Businesses selling beer, wine and other alcohol products have been deemed essential services, as well as those businesses that supply them. As a result, all of the Company's production facilities remain open, as do the Company's retail locations and retail estate locations. New protocols related to cleanliness and social distancing have been deployed at all locations. In late March 2020, the Company introduced a temporary wage increase for front line staff to recognize their efforts during the COVID-19 pandemic. Management believes its export, estate property hospitality and personal winemaking sales will be affected by the pandemic. However, consumption of alcohol beverages remain stable in Canada with consumers purchasing products through alternative trade channels available during the pandemic, benefiting the Company's sales through provincial liquor stores and its other retail channels. The Company has enhanced its capabilities to support increased demand for direct-to-home purchases. In response to COVID-19, the Company has implemented working practices to address potential impacts to its operations, employees and customers and will take further measures, if required. These practices have been permanently established to enhance the ability for the Company to respond in the future. The outbreak may also have an effect on the future collectability of certain receivables, recoverability of property plant and equipment, goodwill and intangible assets, as well as the fair value of derivatives. At present, the Company has not identified any material continuity-risks specifically associated with COVID-19. The Company believes it has the management experience and the financial resources and flexibility to meet the liquidity needs presented by the pandemic. The Company continues to review all capital allocations to ensure it remains financially stable and well capitalized going forward.

Maintaining a Strong Financial Position

Overall bank debt increased to $165.2 million at March 31, 2020 from $154.8 million at March 31, 2019. The increase is due to cash flows from operations in fiscal 2020 offset by regularly scheduled debt repayments. With the increase in debt, the Company's debt to equity ratio was 0.67:1 at March 31, 2020 compared to 0.66:1 at March 31, 2019. At March 31, 2020, the Company had unutilized debt capacity in the amount of $24.2 million on its operating facility and $112.4 million on its investment facility.

Shareholders' equity as at March 31, 2020 was $245.5 million or $5.63 per common share compared to $234.8 million or $5.31 per common share as at March 31, 2019. The increase in shareholders' equity was due to the net earnings in fiscal 2020, partially offset by the payment of dividends.

For the year ended March 31, 2020, the Company generated cash from operating activities, after changes in non-cash working capital items, of $31.5 million compared to $49.0 million in the prior year. Investing activities of $23.3 million in fiscal 2020 relate primarily to capital expenditures to improve operations and to implement the new ERP system.

On June 10, 2020, the Company's Board of Directors approved a common share dividend with no increase to preserve capital as a result of COVID-19. The annual dividend on Class A Shares is $0.215 per share and the dividend on Class B Shares is $0.187 will be paid quarterly to shareholders. The Company has consistently paid common share dividends since 1979.

Financial Highlights

(Financial Statements and the Company's Management Discussion and Analysis for the period can be obtained on the Company's web site at www.andrewpeller.com)

For the three and year ended March 31,	Three Months		Fiscal Year	
(in $000)	**2020**	2019	**2020**	2019
Sales	**82,118**	79,780	**382,306**	381,796
Gross margin	**35,550**	31,310	**166,250**	159,008
Gross margin (% of sales)	**43.3%**	39.2%	**43.5%**	41.6%
Selling and administrative expenses	**25,882**	24,756	**104,749**	106,133
EBITA	**9,668**	6,554	**61,501**	52,875
Adjusted EBITA	**9,924**	6,548	**63,233**	58,287
Interest	**1,839**	1,055	**8,107**	6,872
Net unrealized loss on derivative financial instruments	**1,984**	1,168	**1,406**	1,679
Other expenses	**634**	669	**1,769**	1,063
Adjusted net earnings	**1,196**	1,477	**27,575**	29,408
Net earnings (loss)	**(996)**	84	**23,494**	21,958
Earnings per share – Class A	**$(0.02)**	$0.00	**$ 0.55**	$0.51
Earnings per share – Class B	**$(0.02)**	$0.00	**$ 0.48**	$0.44
Adjusted earnings per share – Class A	**$ 0.03**	$0.03	**$ 0.64**	$0.68
Adjusted earnings per share – Class B	**$ 0.03**	$0.03	**$ 0.56**	$0.59
Dividend per share – Class A (annual)			**$0.215**	$0.205
Dividend per share – Class B (annual)			**$0.187**	$0.178
Cash provided by operations (after changes in non-cash working capital items)			**31,543**	49,044
Shareholders' equity per share			**$5.63**	$5.31

Investor Conference Call

An investor conference call hosted by John Peller, Chief Executive Officer, Randy Powell, President, and Steve Attridge, CFO, will be held Thursday, June 11, 2020 at 9:30 a.m. ET. The telephone numbers for the conference call are Local/International: (416) 406-0743, North American Toll Free: (800) 806-5484. The telephone numbers to listen to the call after it is completed (Instant Replay) are local/international (905) 694-9451 or North American toll free (800) 408-3053. The Passcode for the Instant Replay is 3162957#. The Instant Replay will be available until midnight, July 13, 2020. The call will also be archived on the Company's website at www.andrewpeller.com.

About Andrew Peller Limited

Andrew Peller Limited is one of Canada's leading producers and marketers of quality wines and craft beverage alcohol products. The Company's award-winning premium and ultra-premium VQA brands include *Peller Estates, Trius, Thirty Bench*, *Wayne Gretzky, Sandhill, Red Rooster, Black Hills Estate Winery, Tinhorn Creek Vineyards, Gray Monk Estate Winery, Raven Conspiracy,* and *Conviction*. Complementing these premium brands are a number of popularly priced varietal offerings, wine based liqueurs, craft ciders, beer and craft spirits. The Company owns and operates 101 well-positioned independent retail locations in Ontario under The Wine Shop, Wine Country Vintners, and Wine Country Merchants store names. The Company also operates Andrew Peller Import Agency and The Small Winemaker's Collection Inc., importers and marketing agents of premium wines from around the world. With a focus on serving the needs of all wine consumers, the Company produces and markets premium personal winemaking products through its wholly-owned subsidiary, Global Vintners Inc. ("GVI"), the recognized leader in personal winemaking products. More information about the Company can be found at www.andrewpeller.com.

The Company utilizes EBITA (defined as earnings before interest, amortization, net unrealized gains and losses on derivative financial instruments, other (income) expenses, and income taxes) and Adjusted EBITA (defined as EBITA before non-recurring expenses such as acquisition transaction and transition costs) to measure its financial performance. EBITA and Adjusted EBITA are not recognized measures under IFRS. Management believes that EBITA and Adjusted EBITA are useful supplemental measures to net earnings, as these measures provide readers with an indication of earnings available for investment prior to debt service, capital expenditures, and income taxes, as well as provide an indication of recurring earnings compared to prior periods. Readers are cautioned that EBITA and Adjusted EBITA should not be construed as an alternative to net earnings determined in accordance with IFRS as indicators of the Company's performance or to cash flows from operating, investing, and financing activities as a measure of liquidity and cash flows. The Company also utilizes gross margin (defined as sales less cost of goods sold, excluding amortization) and adjusted earnings. The Company's method of calculating EBITA, Adjusted EBITA, gross margin, and adjusted earnings may differ from the methods used by other companies and, accordingly, may not be comparable to measures used by other companies.

Andrew Peller Limited common shares trade on the Toronto Stock Exchange (symbols ADW.A and ADW.B).

FORWARD-LOOKING INFORMATION

Certain statements in this news release may contain "forward-looking statements" within the meaning of applicable securities laws including the "safe harbour provisions" of the Securities Act (Ontario) with respect to APL and its subsidiaries. Such statements include, but are not limited to, statements about the growth of the business in light of the Company's acquisitions; its launch of new premium wines and craft beverage alcohol products; sales trends in foreign markets; its supply of domestically grown grapes; and current economic conditions. These statements are subject to certain risks, assumptions, and uncertainties that could cause actual results to differ materially from those included in the forward-looking statements. The words "believe", "plan", "intend", "estimate", "expect", or "anticipate", and similar expressions, as well as future or conditional verbs such as "will", "should", "would", "could", and similar verbs often identify forward-looking statements. We have based these forward-looking statements on our current views with respect to future events and financial performance. With respect to forward-looking statements contained in this news release, the Company has made assumptions and applied certain factors regarding, among other things: future grape, glass bottle, and wine and spirit prices; its ability to obtain grapes, imported wine, glass, and other raw materials; fluctuations in foreign currency exchange rates; its ability to market products successfully to its anticipated customers; the trade balance within the domestic Canadian and international wine markets; market trends; reliance on key personnel; protection of its intellectual property rights; the economic environment; the regulatory requirements regarding producing, marketing, advertising, and labelling of its products; the regulation of liquor distribution and retailing in Ontario; the application of federal and provincial environmental laws; and the impact of increasing competition.

These forward-looking statements are also subject to the risks and uncertainties discussed in this news release, in the "Risks and Uncertainties" section and elsewhere in the Company's MD&A and other risks detailed from time to time in the publicly filed disclosure documents of Andrew Peller Limited which are available at www.sedar.com. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties, and assumptions which could cause actual results to differ materially from those conclusions, forecasts, or projections anticipated in these forward-looking statements. Because of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements. The Company's forward-looking statements are made only as of the date of this news release, and except as required by applicable law, the Company undertakes no obligation to update or revise these forward-looking statements to reflect new information, future events or circumstances or otherwise.

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