***ANDREW PELLER LIMITED REPORTS STRONG REVENUE AND EARNINGS IN FISCAL 2021***

**GRIMSBY, Ontario** – June 16, 2021 – Andrew Peller Limited ADW.A/ADW.B ("APL" or the "Company") announced strong revenue and earnings for the year ended March 31, 2021.

## FISCAL 2021 HIGHLIGHTS:

- Sales up 2.8% from last year on resiliency of diversified trade channel network and launch of new e-commerce platform;
- Gross margin impacted by change in sales mix due to COVID-19 pandemic;
- Selling and administration expenses decreased due to reduced spending as a result of the pandemic;
- EBITA increased to $63.0 million from $61.5 million last year;
- Net earnings increased to $27.8 million from $23.5 million last year;
- Acquired the assets of the Riverbend Inn and Vineyard in Niagara-on-the-Lake for $10.0 million; and
- Increased common share dividends by 10%.

"We performed well operating through a full year of the COVID-19 pandemic with sales growth despite the restrictions imposed by lockdowns and restricted travel and, most importantly, increased net earnings for our shareholders," commented John Peller, President and Chief Executive Officer. "Looking ahead, as vaccine programs continue to accelerate across the country, we are confident we will soon be seeing more markets opening and a return to our traditional track record of delivering quality and value across all of our well-developed trade channels."

**Strong Operating Performance**

Sales for the year ended March 31, 2021 increased 2.8% to $393.0 million compared to the prior year. Due to the COVID-19 pandemic consumer purchasing patterns changed, resulting in an increase in sales through the Company's new e-commerce platform, at provincial liquor stores and other retail channels. Partially offsetting this increase was a reduction in hospitality and licensee sales due to COVID-19 closures and lower duty-free export sales due to restricted travel. When the pandemic was announced in March 2020, the Company saw an increase in sales as a result of higher consumer purchases due to uncertainty around trade channels for alcoholic beverages remaining open. Furthermore, given the pandemic was not announced until March 2020, it had minimal impact on the Company's sales channels during fiscal 2020. In the fourth quarter of fiscal 2021, sales in hospitality and licensee channels decreased, due to COVID-19 closures and duty-free export sales decreased due to restricted travel when compared to the fourth quarter of fiscal 2020. These decreases were partially offset by an increase in sales from the Company's new e-commerce platform, at provincial liquor stores and other retail channels. As a result of these factors, sales for the three months ended March 31, 2021 declined to $79.1 million from $82.1 million in the fourth quarter of fiscal 2020. Management believes the diversified nature of its well-established network of trade channels will generate a return to sustained sales growth as the pandemic eases.

Gross margin as a percentage of sales was 35.5% and 39.8% for the three months and year ended March 31, 2021, respectively, compared to 43.3% and 43.5% in the prior year. Gross margin in fiscal 2021 has declined as a result of higher imported wine costs, an increase in consumption of lower margin products, revenue declines in higher margin trade channels, increased distribution costs resulting from the new e-commerce platform, and increased co-packing costs related to the Company's growing refreshment beverage categories. The Company expects margins to improve in post COVID-19 periods.

Selling and administrative expenses were lower in fiscal 2021 compared to the prior year due to a deliberate effort to conserve cash resources by temporarily reducing advertising and promotional spending and staffing levels during the COVID-19 pandemic. As a percentage of sales, selling and administrative expenses were reduced to 23.8% compared to 27.4% in the prior year. Going forward, as the pandemic eases and activity in the hospitality and licensee channels increases, and the Company invests in growth opportunities, selling and administrative expenses will increase as a percentage of sales compared to the fiscal year ended 2021. During the fourth quarter of fiscal 2021 the Company began to increase staffing and marketing expenses in preparation for the return to more normal markets as the impact of the COVID-19 pandemic eases. As these expenses were incurred before the majority of government-mandated closures were lifted, the Company is expecting selling and administrative expenses as a percentage of sales to decrease in future quarters when compared to the fourth quarter of 2021.

Earnings before interest, amortization, net unrealized gains and losses on derivative financial instruments, gain on debt modification and deferred financing fees, other (income) expenses, and income taxes ("EBITA") for the three months and year ended March 31, 2021 were $1.8 million and $63.0 million compared to $9.7 million and $61.5 million in the prior year.

Net earnings for the year ended March 31, 2021 were $27.8 million ($0.65 per Class A Share), up from $23.5 million ($0.55 per Class A Share) in the prior year. Included in net earnings in fiscal 2021 was a one-time non-cash gain of $2.3 million on the amendment and restatement of the Company's debt (see below). For the three months ended March 31, 2021 the Company incurred a loss of $6.3 million ($0.15 per Class A Share) compared to a loss of $1.0 million ($0.02 per Class A Share) in the prior year's fourth quarter.

**COVID-19 Pandemic**

After the announcement of the COVID-19 pandemic, Canadian businesses selling beer, wine and other alcohol products were deemed essential services, as well as those businesses that supply them. Under this provision, all of the Company's production facilities, retail locations and retail estate locations remained open throughout fiscal 2021 with enhanced protocols relating to cleanliness and physical distancing. As a result, the pandemic has not negatively impacted the Company's operations or demand for its products and as a result, has also not negatively impacted the Company's liquidity position. However, uncertainty resulting from the on-going pandemic could result in an unforeseen disruption to the supply chain or continued government-mandated closures of restaurant and hospitality businesses that could impact the Company's operations and results.

**Maintaining a Strong Financial Position**

On December 8, 2020 the Company amended and restated its debt facilities. Amendments include a revised maturity date of December 8, 2024, revised financial covenants and additional tiers to the applicable margins based on the Company's leverage. Additionally, the total borrowing limit was increased to $350 million and combined into one revolving, interest only facility to be used for acquisitions, day-to-day operations, distributions, and capital expenditures. The bank indebtedness was transferred to this facility and repayment of the facility is due on maturity. As at March 31, 2021, the applicable margin was 1.90% (2020 - 1.90%). Management has assessed the above amendments and has determined these amendments constitute a modification of long-term debt, which has resulted in the debt being valued at present values of future cash flows. As a result, the Company has recorded a gain on debt modification of $2.9 million offset by financing costs of $0.6 million during the third quarter of fiscal 2021.

Overall bank debt increased to $174.5 million at March 31, 2021 from $165.2 million at March 31, 2020, due primarily to the acquisition of The Riverbend Inn and Vineyard. The Company's debt to equity ratio was 0.66:1 at March 31, 2021 compared to 0.67:1 at March 31, 2020. At March 31, 2021, the Company had unutilized debt capacity in the amount of $175.5 million on its operating facility.

Working capital as at March 31, 2021 was $170.7 million compared to $83.7 million at March 31, 2020. The increase is primarily attributed to the refinancing of the Company's long-term debt as discussed above.

Property, plant and equipment increased during the year due to additions of $20.7 million, which includes additions to land, vineyards and building as a result of the acquisition of the Riverbend Inn & Vineyard assets as described below, partially offset by amortization.

Intangible assets increased at March 31, 2021 compared to the prior year-end due primarily to the investment in the Company's new Enterprise Resource Planning (ERP) solution. The new ERP system successfully went live on February 2, 2021 and management expects further investments in the new system to reduce going forward.

Shareholders' equity as at March 31, 2021 was $265.6 million or $6.08 per common share compared to $245.5 million or $5.63 per common share as at March 31, 2020. The increase in shareholders' equity was due to the increased net earnings in the period partially offset by the payment of dividends.

**Common Share Dividends**

On June 16, 2021, the Company's Board of Directors approved a 10% increase in common share dividends. The annual dividend on Class A Shares was increased to $0.246 per share and the dividend on Class B Shares was increased to $0.214. The Company has consistently paid common share dividends since 1979. APL currently designates all dividends paid as "eligible dividends" for purposes of the Income Tax Act (Canada) unless indicated otherwise.

**Acquisition of The Riverbend Inn and Vineyard**

On February 26, 2021 the Company announced it had acquired the assets and properties of The Riverbend Inn and Vineyard in Niagara-on-the-Lake, Ontario for $10.0 million. This historic and well-located property, containing 17 acres of prime vineyards and a 21-room hotel and restaurant, is situated directly adjacent to the Company's Peller Estates Winery. Due to the COVID-19 pandemic, the Inn has been closed since 2020, and management expects it will reopen once the current lockdown in Ontario has been lifted.

**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 months and year ended March 31,** | **Three Months** | | **Year** | |
|---|---|---|---|---|
| **(in $000 )** | **2021** | 2020 | **2021** | 2020 |
| Sales | **$ 79,126** | $ 82,118 | **$393,036** | $382,306 |
| Gross margin | **28,089** | 35,550 | **156,518** | 166,250 |
| Gross margin (% of sales) | **35.5%** | 43.3% | **39.8%** | 43.5% |
| Selling and administrative expenses | **26,274** | 25,882 | **93,472** | 104,749 |
| EBITA | **1,815** | 9,668 | **63,046** | 61,501 |
| Interest | **2,619** | 1,839 | **8,108** | 8,107 |
| Gain on debt modification and financing fees | **-** | - | **(2,312)** | - |
| Net unrealized (gain) loss on derivative financial instruments | **(495)** | 1,984 | **(135)** | 1,406 |
| Other expenses | **742** | 634 | **1,770** | 1,769 |
| Adjusted earnings (loss) | **(6,145)** | 1,196 | **26,986** | 27,575 |
| Net earnings (loss) | **(6,328)** | (996) | **27,786** | 23,494 |
| Earnings (loss) per share – Class A | **$(0.15)** | $(0.02) | **$0.65** | $0.55 |
| Earnings (loss) per share – Class B | **$(0.13)** | $(0.02) | **$0.57** | $0.48 |
| Dividend per share – Class A (annual) | | | **$0.218** | $0.215 |
| Dividend per share – Class B (annual) | | | **$0.190** | $0.187 |
| Cash provided by operations (after changes in non-cash working capital items) | | | **41,119** | 31,543 |
| Shareholders' equity per share | | | **$6.08** | $5.63 |

**Investor Conference Call**

An investor conference call hosted by John Peller, President and Chief Executive Officer, and Steve Attridge, CFO, will be held Thursday June 17, 2021 at 10:00 a.m. ET. The telephone numbers for the conference call are Local/International: (416) 764-8659, North American Toll Free: (888) 664-6392. The call will 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 Vintners' Quality Alliance 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., 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, gain on debt modification and deferred financing fees, other (income) expenses, and income taxes) to measure its financial performance. EBITA is not a recognized measure under IFRS. Management believes that EBITA is a useful supplemental measure to net earnings, as it provides readers with an indication of earnings available for investment prior to debt service, capital expenditures, and income taxes, as well as provides an indication of recurring earnings compared to prior periods. Readers are cautioned that 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 (loss). The Company's method of calculating EBITA, gross margin, and adjusted earnings (loss) 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; 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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