

ANDREW PELLER LIMITED
ANDREW PELLER LIMITÉE

ANNUAL INFORMATION FORM

JUNE 16, 2026

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FORWARD-LOOKING INFORMATION

Certain statements in this Annual Information Form (“AIF”) 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 Andrew Peller Limited (the Company or 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 AIF, 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 the “Risks and Uncertainties” section and elsewhere in this AIF and other risks detailed from time to time in the publicly filed disclosure documents of the Company which are available at www.sedarplus.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 the 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 AIF, and except as required by applicable law, Andrew Peller Limited undertakes no obligation to update or revise these forward-looking statements to reflect new information, future events, or circumstances.

All information contained in this document is given as at March 31, 2026 unless otherwise indicated.

CORPORATE STRUCTURE

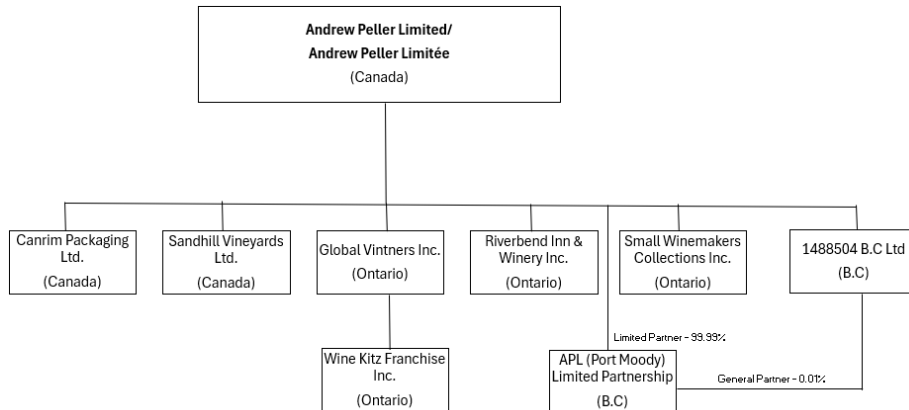
Incorporation

Andrew Peller Limited was incorporated under the laws of Canada by Letters Patent dated the 7th day of April 1965 and as amended from time to time by Supplementary Letters Patent. The Company was continued under a Certificate of Continuance dated the 30th day of October 1978, pursuant to Sections 181 and 261 of the *Canada Business Corporations Act*. On June 30, 1994, the Company amalgamated with Hillebrand Estates Winery Limited under Section 185 of the *Canada Business Corporations Act*. On April 1, 2003, the Company amalgamated with Andrés Wines (B.C.) Ltd. and Andrés Wines Atlantic Ltd. under Section 185 of the *Canada Business Corporations Act*. On April 1, 2006, the Company amalgamated with its wholly-owned subsidiary, Cascadia Brands Inc. (“Cascadia”), and Cascadia’s wholly-owned subsidiaries Calona Wines Limited, 3126854 Canada Ltd. (formerly, International Potter Distilling Corporation), and 4309693 Canada Inc. (formerly, Arctica Distilling Corporation) under Section 185 of the *Canada Business Corporations Act* under the name Andrés Wines Ltd./Les Vins Andrés Ltée. On April 1, 2007, the Company amalgamated with its wholly owned subsidiaries, 4384792 Canada Inc. (formerly, 1639199 Ontario Inc.), Grady Wine Marketing Inc., and Forbes Fraser Wines Ltd. under Section 185 of the *Canada Business Corporations Act*. On April 1, 2007, Winexpert Inc., 4384806 Canada Inc. (formerly, Wine Not Inc.), and Vineco International Products Ltd., amalgamated under Section 185 of the *Canada Business Corporations Act* to form 4384814 Canada Inc., a new wholly owned subsidiary of the Company. On March 31, 2009, 4384814 Canada Inc. changed its name to Global Vintners Inc. On April 1, 2012, the Company amalgamated with Rocky Ridge Vineyards Inc. under Section 185 of the *Canada Business Corporations Act*. On March 18, 2014, Wine Kitz Franchise Inc. purchased Wine Kitz Atlantic Limited, which operated a Wine Kitz master franchise in Atlantic Canada. On October 1, 2017, Andrew Peller Limited purchased 100% of the issued and outstanding shares of Gray Monk Cellars Ltd. and Tinhorn Creek Vineyards Ltd. Both companies were amalgamated with Andrew Peller Limited on April 1, 2018. On October 10, 2017, the Company also acquired 100% of the operating assets of Black Hills Estate Winery. On February 26, 2021, the Company acquired the assets and property of Riverbend Inn and Vineyard. These assets are held by Riverbend Inn & Winery Inc., a wholly owned subsidiary. On June 21, 2024, the Company incorporated 1488504 B.C. Ltd., a wholly owned subsidiary of the Company. On June 24, 2024, the Company set up APL (Port Moody) Limited Partnership. Andrew Peller Limited is the limited partner and 1488504 B.C. Ltd. is the general partner.

The Company operates under the name Andrew Peller Limited/Andrew Peller Limitée. The authorized capital of the Company consists of an unlimited number of Preference Shares, issuable in one or more series, of which 33,315 are designated as Preference Shares, Series A, an unlimited number of Class A Shares (non-voting) and an unlimited number of Class B Shares (voting). The Company’s head and registered office is located at 697 South Service Road, Grimsby, Ontario, L3M 4E8.

Subsidiaries

The following is APL's structure, including its significant subsidiaries as of the fiscal year ended March 31, 2026, and their jurisdiction of incorporation. All subsidiaries are wholly owned.



GENERAL DEVELOPMENT OF THE BUSINESS

The Company is engaged in the production, bottling and marketing of quality wines and craft beverage alcohol products in Canada. The Company imports bottled premium wines from around the world and markets them through Andrew Peller Import Agency (API), and The Small Winemakers Collection Inc. (SWC). Vineco International Products, Winexpert, and Wine Kitz divisions of Global Vintners Inc. (GVI) are producers of wine kits and related accessories for the personal winemaking market.

Canada has joined other leading wine-producing countries in the development of a body of regulations and standards for 100% Canadian content wines known as the Vintners Quality Alliance (VQA) system. The VQA system oversees the regulation of the premium wine industry in Canada and has become recognized throughout the world as the appellation system for Canadian wines that meet strict standards of excellence.

The Company has focused its product development and sales and marketing initiatives by capitalizing on alcohol consumption trends and believes sales will grow over the long term due to strong positioning of key brands, the continued launch of new and innovative products, potential strategic acquisitions, as well as overall growth in the Canadian beverage alcohol market. The Company will continue to closely monitor its costs and will respond to changes in risks and opportunities in the marketplace.

The Company will continue to expand product offerings outside the traditional table wine segment into other alcoholic beverages where it is able to leverage its detailed knowledge of growth opportunities and operational advantages in the Canadian market. The Company will also make packaging design changes that are more appealing to its target markets and are consistent with its initiative to be more environmentally friendly. New product launches and key brands through all of the Company's distribution channels will continue to receive increased marketing and sales support to enhance customer awareness of the Company's broad portfolio.

The Company is focused on initiatives to drive production efficiencies and realize cost savings through a continual review of its operations and cost structure with a view to improving profitability. The Company continues to expand and strengthen its distribution to all customers and consumers through its extensive distribution network, which is supported by enhanced sales, marketing, and promotional programs. From time to time the Company also evaluates the potential for acquisitions and partnerships, both in Canada and internationally, to further complement its product portfolio and market presence.

NARRATIVE DESCRIPTION OF THE BUSINESS

General

The Company is a leading producer and marketer of quality wines and craft beverage alcohol products in Canada. With wineries in British Columbia, Ontario, and Nova Scotia, the Company markets wines produced from grapes grown in Ontario's Niagara Peninsula, British Columbia's Okanagan and Similkameen Valleys, and from vineyards around the world. 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, and Gray Monk Estate Winery. Complementing these premium brands are a number of popularly priced varietal brands including Peller Family Vineyards, Copper Moon, Honest Lot and XOXO. Hochtaler, Domaine D'Or, Schloss Laderheim, Royal, and Sommet are the Company's key value priced brands. The Company imports wines from major wine regions around the world to blend with domestic wine to craft these products. 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, GVI, the recognized leader in personal winemaking products. GVI distributes products through over 100 authorized retailers and more than 300 independent retailers across Canada, with additional distributors in the United States, the United Kingdom, New Zealand, Australia, and China. GVI's award-winning premium and ultra-premium winemaking brands include Winexpert, Vine Co., Apres, Limited Edition, Passport Series, On the House, Wild Grapes, Island Mist and Niagara Mist. 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 API and SWC, importers and marketing agents for premium wines from around the world. As part of its innovation efforts and expansion into other beverage alcohol categories, the Company also produces various spirits and cream whisky products under the Wayne Gretzky No. 99 brand as well as craft ciders under the No Boats on Sunday brand.

Business Strategy

The Company's vision is to Pour Extraordinary into Everyday Life. The Company achieves this objective by delivering to its customers and consumers the highest quality branded wines, spirits, and experiences. To meet this goal, the Company invests in improvements in the quality of grapes, wines, and other raw materials, its winemaking and distillation capabilities, sales and marketing initiatives, tourism and hospitality experiences, and its quality management programs. The Company's wine portfolio covers the complete spectrum of price levels within the Canadian wine market. Over the long term the Company believes higher-priced premium wine and spirits sales will continue to grow in Canada, generating higher margins and increased profitability compared to its lower-priced products. The Company has focused its innovation and sales and marketing initiatives to capitalize on category trends, such as healthier-for-you, sparkling and sustainable offerings. The Company has also entered the spirits category, through its strategic alliance with Wayne Gretzky, and has introduced ciders and seltzers through its own brand labels.

Revenue

The Company's revenue for the year ended March 31, 2026 was \$393.0 million (2025 - \$389.6). Included within revenue is product revenue of \$376.1 million (2025 - \$375.5 million) and other revenue associated with various provincial wine support programs of \$16.9 million (2025 - \$14.1 million). The second and third quarters of the Company's fiscal year are historically the largest due to increased activity at the Company's estate properties and increased consumer purchasing of the Company's products during the holiday season. Revenue and percentage of revenue by quarter were as follows:

Quarter	2026		2025	
	\$ millions	%	\$ millions	%
First	99.2	25.2	99.5	25.5
Second	105.5	26.9	109.2	28.0
Third	108.8	27.7	105.4	27.1
Fourth	79.5	20.2	75.5	19.4
Total	393.0	100.0	389.6	100.0

Principal Products

The company manufactures products in the beverage alcohol industry including wine and spirits, with wine driving the vast majority of revenue. The Company's products cross several segments of the wine market including VQA, International Domestic Blends (IDB), import wines and personal winemaking, with a variety of brands designed to meet consumer needs across demographics, product types, and quality levels. The Company also offers products that cross many price points. For the value priced end of the market, the Company sources bulk international wine and blends it with lower priced domestic wine, where the viticulture and harvesting of the grapes is managed at a lower cost than for the domestic premium VQA wine portfolio. The Company also makes a wide range of premium priced VQA wines, made from 100% domestic high-quality grapes grown in both Ontario and British Columbia. This strategy allows the company to expand and maximize market coverage and scale to grow market share. In keeping with our vision, the Company has carefully expanded its portfolio beyond wine by introducing spirits and ciders over the past several years.

The Company's largest business segment is IDB, anchored by Peller Family Vineyards as the leading national brand with strong consumer loyalty and the broadest portfolio spanning multiple varieties, blends, and packaging formats, most notably the top-selling 4L bag-in-box. Copper Moon, the leading IDB brand in Western Canada, is the Company's second largest brand overall. Honest Lot has emerged as the fastest-growing brand, delivering a full-flavoured, zero-sugar better-for-you proposition and rapidly becoming a top 10 brand within just a few years. Complementing these products, the Company has recently launched Laylow, a new better-for-you brand focused on delivering full-flavoured wine with low calories, low alcohol, and low sugar, aligned with evolving consumer trends among new wine drinkers. Legacy brands Domaine D'or and Hochtaler continue to play an important role in the value blended segment and also rank within the Company's top 10 brand list.

The Company's second largest segment is VQA wines led by flagship brand Peller Estates and supported by a strong portfolio of premium brands including Trius, Wayne Gretzky, Gray Monk and Sandhill, each supported by distinctive estate properties and tourism experiences, with Gray Monk recently recognized as the top BC-based VQA brand in Canada. The Company has also expanded its portfolio with the introduction of Zero State, Ontario's first 0-gram sugar VQA wine at an accessible, entry-level price point, broadening appeal to more health-conscious consumers. The Company also participates in the uniquely Canadian VQA Icewine category, sold both domestically and internationally. The Company's overall VQA portfolio is designed to maximize national market coverage across a range of product types, price tiers, and distribution channels.

The Company also participates in the owned-imports wine segment to capture a share of the international market in Canada. The Company's largest brands in this segment are Vivo (from Chile), Ama Bene (Italy), Rewild (Australia), Kapua (New Zealand) and Avenue (France). The Company sources quality wines from the countries of origin and bottles them in market, to be sold across Canada in the imported wine section.

The Company competes in the craft space across cider, whisky, vodka, ready-to-serve cocktails, and cream liqueurs, including PJ's, a craft cream brand that focuses on large-format offerings and unique, differentiated flavours to drive standout appeal. No Boats on Sunday cider, launched in 2016 in Eastern Canada and expanded nationally in 2019, offers a range of flavours and packaging options. Wayne Gretzky Estates further strengthens the portfolio with four premium traditional whiskies, several cream-based whisky offerings, a premium vodka, and a growing lineup of ready-to-serve cocktails, supporting the Company's presence across premium and accessible craft beverage categories.

The Company's two import agencies, API and SWC sell and distribute premium import wines from suppliers from around the world. Both agencies capitalize on their premium import wine portfolios to gain placement for company-owned brands on restaurant wine lists.

Global Vintners Inc. is the world's leading manufacturer and distributor of personal winemaking products. For over 50 years, GVI has distributed wine kits under the brand names Winexpert, Vineco, and Wine Kitz through a network of independent retailers throughout Canada, the United States, the U.K., Australia, New Zealand, and a number of other countries. Global Vintners recently transformed its product portfolio to attract new consumers, drive brand recognition, improve product quality and reduce its carbon footprint.

Trademarks

The Company uses several significant trademarks which are owned by the Company or its subsidiaries or used under exclusive license. Significant trademarks include Andrés, Andrew Peller Estates, Peller, Trius, Thirty Bench, Red Rooster, Sandhill, Wayne Gretzky Estates, No. 99, Black Hills Estate Winery, Gray Monk Cellars, Tinhorn Creek, Oldfield Reserve, Innovation Series, The Creek, Crush Club, Creek Design, Calona Vineyards, Raven Conspiracy, Conviction Wines, Peller Family Vineyards, Domaine D'Or, Hochtaler, Royal Red, XO XO, Black Cellar, Copper Moon, Rebellion, The Diplomat, Panama Jack's, PJs Craft Cream Liquor, No Boats on Sunday, Schloss Laderheim, Honest Lot, Vivo, Baby Duck, and Wine Country Vintners. For the personal winemaking business, key trademarks include Vintners Reserve, Atmosphere, Cheeky Monkey, Niagara Mist, Cellar Craft, World Vineyard, Selection, Island Mist, Winexpert, LE, Après, On The House, and Vineco Estate Series. Trademarks are important in the marketing and sale of wine, and it is the Company's policy to vigorously protect its trademarks.

Competition

The wine industry in Canada is intensely competitive based on quality, price, brand recognition, and distribution. The Company competes with many domestic and international wine producers, as well as other beverage alcohol companies. The Company held 10.1% share of the wine market in total English Canada for the 12-month rolling period ended March 2026, increasing 1.2% compared to prior year. The Company's largest competitor is Arterra Wines with 13.2% share of the English Canada market, an increase of 1.9% compared to prior year. The Company's competitors range in size from large, well established national and multi-national corporations to small "farm gate" wineries that are limited to selling only wine produced from vineyards that they own or control. The Company also competes with large spirit companies like Diageo (Crown Royal), Pernod Ricard (Jameson/ Glenlivet/ Chivas Regal), William Grant & Son/Hiram Walker (Gibson), Gruppo Compari (Forty Creek), Corby Spirit and Wine (J.P. Wiser) as well as smaller craft producers like Collingwood and Virginia Black. The Company competes on the basis of providing value through a balance of quality and price, promotion, brand recognition, and distribution.

Properties

The following table sets forth information regarding the Company's principal properties and wineries as at March 31, 2026.

<u>Location</u>	<u>Size</u>	<u>Use</u>	<u>Nature of Interest</u>	<u>Capacity</u> ⁽²⁾
Lake Country, British Columbia	43 acres	Winery, Vineyard, Tour Centre, Retail, Offices, Warehouse	Owned ⁽¹⁾	9,000
Oliver, British Columbia	49 acres	Winery, Vineyard, Tour Centre, Retail, Offices	Owned ⁽¹⁾	3,600
Oliver, British Columbia	49 acres	Winery, Vineyard, Tour Centre, Retail, Offices	Owned ⁽¹⁾	1,260
Osoyoos, British Columbia	100 acres	Vineyard	Owned ⁽¹⁾	N/A
Port Moody, British Columbia	4.9 acres	N/A	Owned ⁽¹⁾	N/A
Vancouver, British Columbia	6,700 sq. ft.	Office	Leased	N/A
Oliver, British Columbia	117 acres	Vineyard	Owned ⁽¹⁾	N/A
Oliver, British Columbia	72 acres	Vineyard	Leased	N/A
Oliver, British Columbia	307 acres	Vineyard	Leased	N/A
Kelowna, British Columbia	180,000 sq. ft.	Winery & Office	Owned ⁽¹⁾	250,000
Penticton, British Columbia	16,000 sq. ft. on 5 acres	Winery	Owned ⁽¹⁾	3,000
Cawston, British Columbia	75 acres	Vineyard	Owned ⁽¹⁾	N/A
Stoney Creek, Ontario	112,987 sq. ft.	Warehouse	Leased	N/A
Grimsby, Ontario	154,000 sq. ft. on 26 acres	Winery & Offices	Owned ⁽¹⁾	240,000
Ontario – 101 retail stores, various locations	Each retail store ranges from 180 sq. ft. to 2,800 sq. ft.	Retail	Leased	N/A
Oakville, Ontario	4,471 sq. ft.	Offices	Leased	N/A
Beamsville, Ontario	28 acres	Vineyard	Leased	N/A
Beamsville, Ontario	4,996 sq. ft. 58 acres	Winery, Retail Vineyard	Owned ⁽¹⁾	550
St. Catharines, Ontario	30,800 sq. ft.	Wine Kit Production	Owned ⁽¹⁾	150,000
St. Catharines, Ontario	63,000 sq. ft.	Warehouse	Leased	N/A
Niagara-on-the-Lake, Ontario (Peller Estates)	40,000 sq. ft. on 39 acres	Winery, Tour Centre, Retail, Vineyards, Offices	Owned ⁽¹⁾	8,000
Niagara-on-the-Lake, Ontario (Trius Winery at Hillebrand)	53,000 sq. ft. on 13 acres	Winery, Tour Centre, Retail, Offices	Owned ⁽¹⁾	8,000
Niagara-on-the-Lake, Ontario (Wayne Gretzky Winery and Distillery)	15,000 sq. ft. on 5 acres	Winery, Distillery, Tour Centre, Retail, Offices	Owned ⁽¹⁾	2,000
Niagara-on-the-Lake, Ontario (Riverbend Inn & Winery)	8 acres	Boutique Inn and Vineyard	Owned ⁽¹⁾	200
Niagara-on-the-Lake, Ontario	13 acres	Vineyard	Leased	N/A
Niagara-on-the-Lake, Ontario	21 acres	Vineyard	Owned ⁽¹⁾	N/A
Niagara-on-the-Lake, Ontario	70 acres	Vineyard	Owned ⁽¹⁾	N/A
Niagara-on-the-Lake, Ontario	100 acres	Vineyard	Owned ⁽¹⁾	N/A

(1) Company owned properties have been provided as security for the Company's loan facilities.

(2) All production capacities reflect hectolitres per year.

Other Intangible Properties

The Company has approximately 125 authorized retailer agreements in place relating to the distribution of personal winemaking products across Canada.

Raw Materials

The Company purchases its raw materials, including grapes, wine, juice, grains, spirits, concentrate, glass bottles, and other packaging materials from a wide range of suppliers around the world.

The production process involves the preparation of product, packaging, and shipping to customers. The nature of the process and the production inputs required vary by brand. The required liquid production inputs include purchased domestic grapes from local grape growers, grapes harvested from APL owned and leased vineyards, and bulk wine purchased both in Canada and on international markets. Apples and apple juice for national cider products are contracted domestically by region. Finished products are packaged in glass or plastic bottles, cans, and bag in box format in the Company's Grimsby, Kelowna, and Truro facilities. Co-packers are used to package wine in glass, tetra pak format as well as cider in aluminium can formats in Ontario and British Columbia.

In Ontario and British Columbia, grapes are purchased from several third-party growers under supply contracts with the Company. Grape prices are negotiated annually between Ontario-based producers and the Grape Growers' of Ontario, while in British Columbia, grape prices are negotiated between the Company and individual growers. In British Columbia, APL uses the industry weighted average from the previous vintage as the basis for these negotiations.

The Company's investment in vineyards has helped to ensure it has a high-quality supply of grapes grown in Canada. Niagara-on-the-Lake and the Beamsville Bench in Ontario and the Okanagan and Similkameen Valleys in British Columbia, are premium appellations known to produce world class vinifera grapes. To secure its supply of high-quality grapes, the Company has invested in these regions and owns 621 acres and leases 400 acres of vineyard property.

The Company has entered into contracts with over 80 grape growers in Ontario and British Columbia to ensure that a reliable supply of grapes is available. The contract terms vary from one to ten years in duration and mature at varying times up to and including the 2035 harvest. The commitment to purchase grapes grown in Canada in 2026 is estimated to be \$45 million.

Through the Vintage Replacement Program announced by the British Columbia Government for vintages 2024 and 2025, the Company was permitted to secure out of province fruit from Ontario, Washington and Oregon to ensure stable production of our renowned British Columbia brands.

To complement grapes purchased in Ontario and British Columbia and to meet consumer demand in all regions of the country, the Company purchases wine, juice, and concentrate from suppliers around the world, primarily in Chile, Argentina, Australia, New Zealand, France, Spain, Italy, and the U.S. The Company has entered into advance purchase contracts with foreign suppliers to purchase bulk wine through July 2027.

The Company utilizes various packaging materials, including glass bottles, aluminium cans, bag in box, barrels, tetra pak, PET bottles, kegs, corks, screw caps, capsules, labels, and corrugated boxes in the bottling and packaging of its wines. The Company utilizes glass and aluminium cans in the bottling and packaging of its cider products and ready-to-drink portfolio. Glass bottles and bag in box represent a significant component of the total cost of goods sold. The Company has supply agreements for light weight and premium imported glass from Asia. Supply risk is mitigated by carrying increased inventories of select core bottles and by securing access to supplier-held safety stock of selected bottles.

The Company considers its sources of supply to be adequate.

Other Principal Contracts

Credit Facilities

The Company's credit facility is comprised of an asset backed revolving facility maturing on June 13, 2028 with a borrowing limit based on certain percentages of the fair value of accounts receivable, inventory and real property. The facility is an interest-only facility with principal repayment due upon maturity, unless the borrowing limit is reduced below the amount borrowed, at which time, the excess amount borrowed must be repaid immediately. The facility is to be used to fund day-to-day operations, distributions, capital expenditures and acquisitions.

On June 30, 2023, the Company entered into an interest rate swap agreement with a notional amount of \$65 million. Until June 13, 2027, the interest rate on this portion of the facility is fixed at 4.46%, plus the applicable margin. The interest rate on the balance of the facility had a variable interest rate of CDOR, plus the applicable margin. In response to the cessation of CDOR on June 28, 2024, and the benchmark being replaced by the Canadian Overnight Repo Rate Average ("CORRA"), the Company amended its credit facility and associated interest rate swap agreements on June 21, 2024 in which the interest rate on the balance of the facility has been updated to a variable interest rate of CORRA, plus the applicable margin.

The Company and its subsidiaries have provided their assets as security for these loans. The amended credit facility is subject to a minimum fixed charge coverage ratio covenant when excess availability as a percentage of the facility limit is below a certain level. As at March 31, 2026 and 2025, the Company was in compliance with the excess availability covenant.*Foreign Exchange Contracts*

As at March 31, 2026, the Company had forward foreign currency contracts to buy \$7.8 million US dollars at rates averaging \$1.36 and \$0.6 million Euros at a rate of \$1.60.

Retail Store Leases

The Company has lease agreements in place for the majority of its network of 101 *The Wine Shop*, *Wine Country Vintners*, and *Wine Country Merchants* retail store locations. These leases have terms that range from one year to ten years in length and are included in lease obligations in the consolidated annual financial statements for the year ended March 31, 2026. The remaining locations operate under month-to-month tenancy arrangements.

Okanagan Valley Lease

On November 1, 2006, the Company entered into a 30 year lease with Covert Farms Ltd. for 307 acres of land in the Okanagan Valley in British Columbia. The lease expires on October 31, 2036, and is included in lease obligations in the consolidated annual financial statements for the year ended March 31, 2026.

Employees

As at March 31, 2026, the Company had a total of 1,370 employees, of whom 44 full and part-time employees were covered by a union contract and approximately 405 were full or part-time employees of *The Wine Shop*, *Wine Country Vintners*, and *Wine Country Merchants* chain of retail stores.

The union in Kelowna, British Columbia is covered by a contract with the Service Employees International Union Local 2, Branch Local 300. The collective agreement was ratified in June 2023 and expired on May 31, 2026. On May 19, 2026, a new agreement was ratified which took effect June 1, 2026 and expires May 31, 2029.

Regulation

The business of the Company is extensively regulated by provincial legislation which governs the manufacture and sale of beverage alcohol. Provincial liquor authorities issue licences for the manufacture and sale of beverage alcohol in each province and govern the pricing, packaging, labelling, advertising, production, and distribution of products manufactured by licensed wineries, breweries, and distilleries. The Company is in compliance in all material respects with provincial legislation that regulates the manufacture and sale of beverage alcohol.

The Company is subject to environmental regulation at the federal, provincial, and municipal levels. The Company is committed to addressing environmental matters and to continually improving its environmental performance. Environmental highlights are presented annually to the executive leadership team and environmental improvements are incorporated into the business planning cycle. The Company is in material compliance with all provincial and federal legislation relating to environmental regulations.

Environmental performance is monitored internally with a focus on reducing waste, improving processes, and sourcing new recycling streams while meeting environmental laws and regulation.

In fiscal 2020, several sites conducted third-party sustainability audits achieving Gold and Silver status. In fiscal 2021, all of the Company's Ontario wineries and associated vineyards achieved Sustainable Winegrowing Ontario Certification (SWO). Annual re-certification of SWO has been maintained. Sustainable Winegrowing British Columbia Certification (SWBC) for the Company's Okanagan vineyards was achieved, and has been maintained, for both Tinhorn Creek Vineyards and Gray Monk Estate Vineyards. The Company is pursuing certification of additional vineyards in the Okanagan, and is targeting full certification of all vineyards by 2029. In addition, Tinhorn Creek Vineyards maintained its carbon neutral status for the past two years. In 2025, this certification was achieved through Carbonhound. The Company completed a three-year biodiversity project in the Okanagan to improve vineyard soil health and increase native plant species and beneficial organisms in 2024.

The Company is also subject to local by-laws with respect to wastewater discharge at each of its production facilities and works in partnership with various levels of government to obtain all required environmental permits. Environmental Activity and Sector Registry ("EASR") assessment and registration was completed for the Company's Ontario winery and estate properties in fiscal 2018. EASR assessments and registrations are also complete for the GVI production facility. APL has implemented measures to reduce wastewater at the source and is actively experimenting with innovative and sustainable ways to reduce biological oxygen demand. The Company continues to invest in environmental infrastructure related to water, air, utilities and waste to ensure that regulations and environmental standards are met and that the Company's targeted reduction in environmental impact is achieved.

Risks and Uncertainties

The Company's sales of wine and craft beverage alcohol products are affected by general economic conditions and social trends such as changes in discretionary consumer spending and consumer confidence, future economic conditions, changes to inter-provincial trade laws, tax laws, the prices of its products and health trends. The Company is actively managing raw materials costs, foreign exchange, and freight surcharges and shipment delays associated with international conflicts. The impact on the financial results of the Company

will depend on management's continued ability to successfully mitigate against these risks.

The Province of Ontario has modernized the rules for selling beverage alcohol in Ontario by expanding retail distribution in the province. As of the third quarter of fiscal 2025, licensed convenience stores, gas stations, grocery and big box stores in Ontario can sell beer, cider, wine and ready-to-drink alcoholic beverages. This represents a significant change to the retail landscape in Ontario with the goal of providing more convenience and choice to consumers. The Company restructured its commercial team to align with the changing retail landscape including the addition of grocery merchandisers. The Company is working closely with its partners to manage any risks and opportunities that this transition may have on its financial results.

The Canadian wine market continues to be the target of low-priced imported wines from regions and countries that subsidize wine production and grape growing as well as providing sizeable export incentives on subsidies. Many of these countries and regions prohibit or restrict the sale of imported wine in their own domestic markets. The Company, along with other members of the Canadian wine industry, are working with the Canadian government to improve support for the domestic industry. No assurance can be given regarding the renewal or amendment of these programs, and any material change to the programs could result in a material impact on the financial statements.

The Company operates in a highly competitive industry and the dollar amount and unit volume of sales could be negatively impacted by its inability to maintain or increase prices, changes in geographic or product mix, a general decline in beverage alcohol consumption, or the decision of retailers or consumers to purchase competitor's products. Retailer and consumer purchasing decisions are influenced by, among other things, the perceived absolute or relative overall value of the Company's products including their quality or pricing compared to competitive products. Sales could also be affected by purchasing, financing, operational, advertising, or promotional decisions made by provincial agencies and retailers which could affect supply of or consumer demand for the Company's products. APL could also experience higher than expected selling and administrative expenses if it finds it necessary to increase the number of its personnel, advertising, or promotional expenditures to maintain its competitive position.

VQA wines are a key driver of APL's growth strategy, and as a result, the Company is dependent on the quality and supply of domestically grown premium quality grapes. If any of the Company's vineyards or the vineyards of our grape suppliers experience adverse weather variations, natural disasters, pestilence, or other severe environmental problems, APL may not be able to secure a sufficient supply of grapes, a situation which could result in a decrease in production of certain products from those regions and/or result in an increase in costs. The inability to secure premium quality grapes could impair the ability of the Company to supply certain wines to its customers. When environmental risks such as wildfires or extreme cold weather events occur, the Company's viticultural teams have internal processes to ensure the Company's vineyards are protected. This may include the use of technology and fire suppression activities. APL has also developed internal strategies to maintain access to a consistent supply of premium quality grapes and wine, such as, contracting additional supply from other regions. The price of grapes is determined through negotiations with the Ontario Grape Growers Marketing Board in Ontario and with independent growers in British Columbia.

The Company is exposed to interest rate risk as a result of cash balances and floating rate debt. Of these risks, the Company's principal exposure is that increases in the floating interest rates on its debt, if unmitigated, could lead to decreases in cash flow and earnings. The Company's objective in managing interest rate risk is to achieve a balance between minimizing borrowing costs over the long term, ensuring it meets borrowing covenants, and ensuring it meets other expectations and requirements of investors. To meet these objectives, the Company's policy is to effectively fix the rates on long-term debt to match the duration of investments in long-lived assets and to use floating rate funding for short-term borrowing. On June 30, 2023, the Company entered into an interest rate swap agreement with a notional amount of \$65 million. Until June 13, 2027, the interest rate is fixed at 4.46%. For the year ended March 31, 2026, the Company recorded a net unrealized non-cash gain of \$1.3 million related to mark-to-market adjustments on interest rate swaps. A 1% increase or decrease to the variable interest rate would result in a \$0.5 million change in net earnings.

Foreign exchange risk exists on the purchases of bulk wine and other components that are primarily made in United States dollars, Euros, and Australian dollars. Fluctuating foreign currencies may have a positive or negative impact on gross margins (see "Non-IFRS Measures" section of this MD&A), however, the Company believes the impact on gross margin will be largely offset by its continued ability to leverage scale and successful cost control initiatives to reduce other cost of goods sold. The Company's strategy is to hedge approximately 50% - 80% of its foreign exchange requirements throughout the fiscal year and to regularly review its on-going requirements. The Company does not enter into foreign exchange contracts for trading or speculative purposes and contracts are reviewed periodically. As at March 31, 2026, the Company had forward currency contracts to buy \$7.8 million US at rates averaging \$1.36 and \$0.6 million EUR at rates averaging \$1.60. The Company has no AUD forward currency contracts as at March 31, 2026. A 1% increase or decrease to the exchange rate of the US dollar, Australian dollar or Euro would not have a material impact on the Company's net earnings.

The Company is exposed to risks and uncertainty associated with tariffs imposed under international trade policies, namely increased costs of direct materials. The Company is also exposed to a reduction in import agency revenue due to the removal of U.S products from provincial liquor stores, and licensed retail stores. As of June 16, 2026, the Company has not experienced a material impact on its operating results or cash flows due to tariffs. Management continues to assess the exposure as part of its risk management practices.

The Company purchases glass, bag in box, tetra paks, and other components used for bottling and packaging. The largest component of packaging is glass, of which there are few domestic or international suppliers and any interruption in supply could have an adverse impact on the Company's ability to supply its markets. APL has taken steps to reduce its dependence on key suppliers through the development of relationships with several international producers of glass and by securing access to supplier-held safety stock of selected bottles.

The Company operates in a highly regulated industry with requirements regarding the production, distribution, marketing, advertising, and labelling of wine and spirits. Certain federal and provincial regulations also require warning labels and signage. These regulatory requirements may inhibit or restrict the Company's ability to maintain or increase consumer support and brand recognition and may adversely affect APL's business strategies and results of operations.

Federal and provincial governments impose excise, other taxes, and mark-ups on beverage alcohol products which have been subject to change. Significant increases in excise and other taxes on beverage alcohol products could materially and adversely affect the Company's financial condition or results of operations. New or revised regulations, increased licensing fees, requirements, taxes, or mark-ups could also have a material adverse effect on the Company's financial condition or results of operations.

The wine industry and the domestic and international markets in which the Company operates are consolidating. This has resulted in fewer, but larger, competitors who have increased their resources and scale. The increased competition from these larger market participants may affect the Company's pricing strategies and create margin pressures. Competition also exerts pressure on existing customer relationships which may affect APL's ability to retain existing customers and increase the number of new customers. The Company has worked to improve production efficiencies, selectively increase pricing to increase gross margin (see "Non-IFRS Measures" section of this MD&A) and implement a higher level of promotion and advertising activity to remain competitive. APL and other wine industry participants also generally compete with other alcoholic beverages for consumer acceptance, loyalty, and shelf space. No assurance can be given that consumer demand for wine and premium wine products will continue at current levels in the future.

The Company uses information technology and the internet, including online banking, to streamline business operations and to improve customer experience. The Company's information systems, and those of its third-party service providers, creditors, and vendors, are vulnerable to an increasing threat of continually evolving cybersecurity risks. These risks may take the form of malware, computer viruses, cyber threats, extortion, employee error, malfeasance, system errors or other types of risks, and may occur from inside or outside of the organization. Cybersecurity risk is increasingly difficult to identify and quantify and cannot be fully mitigated because of the rapidly evolving nature of the threats, targets, and consequences. Additionally, unauthorized parties may attempt to gain access to these systems or the Company's information through fraud or other means of deceiving the Company's third-party service providers, employees, creditors or vendors. As the threat landscape is ever-changing, the Company must make continuous mitigation efforts. The Company employs third-party information technology services and continually monitors and improves its internal controls to protect against known and emerging threats. However, there can be no assurance that the Company's ability to monitor for or mitigate cybersecurity risks will be fully effective, and it may fail to identify cybersecurity breaches or discover them in a timely manner.

The Company's future operating results also depend on the ability of its officers and other key employees to continue to implement and improve its operating and financial systems and manage the Company's significant relationships with its suppliers and customers. The Company is also dependent upon the performance of its key senior management personnel. The Company's success is linked to its ability to identify, hire, train, motivate, promote, and retain highly qualified management. Competition for such employees is intense and there can be no assurances that the Company will be able to retain current key employees or attract new key employees.

The Company has certain defined benefit pension plans. The expense and cash contributions related to these plans depend on the discount rate used to measure the liability to pay future benefits and the market performance of the plan assets set aside to pay these benefits. The Company's Pension Committee reviews the performance of plan assets on a regular basis and has a policy to hold diversified investments. Nevertheless, a decline in long-term interest rates or in asset values could increase the Company's costs related to funding the deficit in these plans.

The competitive nature of the wine industry internationally has resulted in the discounting of retail prices of wine in key markets such as the United States and the United Kingdom. Although significant price discounting may occur in Canada beyond current levels, the Company believes that its product quality, advertising, and promotional support along with its competitive pricing strategies will effectively mitigate the impact on the Company.

The Company considers its trademarks, particularly certain brand names and product packaging, advertising and promotion design, and artwork to be of significant importance to its business and ascribes a significant value to these intangible assets. APL relies on trademark laws and other arrangements to protect its proprietary rights. There can be no assurance that the steps taken by APL to protect its intellectual property rights will preclude competitors from developing confusingly similar brand names or promotional materials. The Company believes that its proprietary rights do not infringe upon the proprietary rights of third parties, but there can be no assurance in

this regard.

As an owner and lessee of property the Company is subject to various federal and provincial laws relating to environmental matters. Such laws provide that the Company could be held liable for the cost of removal and remediation of hazardous substances on its properties. The failure to remedy any situation that might arise could lead to claims against the Company. A perceived failure to maintain high ethical, social, and environmental standards could have an adverse effect on the Company's reputation.

The success of the Company's brands depends upon the positive image that consumers have of those brands. Contamination of APL's products, whether arising accidentally or through deliberate third-party action, or other events that harm the integrity or consumer support for those brands could adversely affect sales. Contaminants in raw materials purchased from third parties and used in the production of the Company's products or defects in the fermentation process could lead to low product quality as well as illness among, or injury to, consumers of the products and may result in reduced sales of the affected brand or all of the Company's brands.

DIVIDEND POLICY

The Company's Class A Shares (non-voting) ("Class A Shares") are entitled to a dividend in an amount equal to 115% of any dividends paid or declared on Class B Shares (voting) ("Class B Shares"). On June 16, 2026, the Company's Board of Directors approved a common share dividend of \$0.0615 per Class A Share and \$0.0535 per Class B Share, to be paid on July 10, 2026. 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.

On June 2, 2016, the Company's Board of Directors approved a Dividend Reinvestment Plan (DRIP) for Class A Shares effective on September 9, 2016. Under the DRIP, registered Class A shareholders can elect to have 100% of their dividends reinvested to purchase additional Class A Shares. The Board of Directors believes the DRIP provides Class A shareholders with a cost-effective method to increase their investment in the Company.

DESCRIPTION OF CAPITAL STRUCTURE

The authorized share capital of the Company consists of an unlimited number of Preference Shares, issuable in one or more series, of which 33,315 are designated as Preference Shares, Series A, an unlimited number of Class A Shares and an unlimited number of Class B Shares. The only classes of shares of APL that are issued and outstanding are Class A Shares and Class B Shares. The only shares of the Company which are entitled to vote on matters set out in the notice of meeting of security holders are the Class B Shares. Neither the Class A Shares nor the Class B Shares may be subdivided, consolidated, reclassified, or otherwise changed unless contemporaneously therewith the other class of shares is subdivided, consolidated, reclassified, or otherwise changed in the same manner and in the same proportion. In the event of liquidation, dissolution, or a winding-up of the Company, all of the Company's property and assets available for distribution to the holders of Class A Shares and Class B Shares shall be paid or distributed equally, share for share, to the holders of Class A Shares and Class B Shares, respectively. In the event a takeover bid is made for Class B Shares, the holders of Class A Shares have no right to participate on such takeover bid.

During the year ended March 31, 2026, no Class B Shares were converted into Class A Shares. On July 15, 2024, the Company announced its normal course issuer bid had been approved by the Toronto Stock Exchange. Under the issuer bid, the Company was authorized to purchase for cancellation up to 1,000,000 of its outstanding Class A Shares representing 2.8% of the Class A Shares outstanding at that time, over the ensuing twelve months. The total number of Class A Shares repurchased for cancellation under the NCIB during the year ended March 31, 2026 amounted to 26,700 common shares, at a weighted average price of \$4.41 per Class A Share.

MARKET FOR SECURITIES

The Class A Shares (stock symbol “ADW.A”) and Class B Shares (stock symbol “ADW.B”) are listed and posted for trading on the Toronto Stock Exchange. The monthly volume of trading and price ranges of the Class A Shares and Class B Shares on the Toronto Stock Exchange over fiscal 2026 are as follows.

Class A Shares (non-voting)

Class B Shares (voting)

<u>Period</u>	<u>High</u>	<u>Low</u>	<u>Close</u>	<u>Volume</u>	<u>Period</u>	<u>High</u>	<u>Low</u>	<u>Close</u>	<u>Volume</u>
2025	\$	\$	\$		2025	\$	\$	\$	
April	4.81	4.16	4.47	483,200	April	6.45	5.75	5.75	9,600
May	4.68	4.31	4.58	345,300	May	6.00	5.65	6.00	3,200
June	5.51	4.56	5.26	691,400	June	6.60	5.77	6.60	11,000
July	5.55	5.11	5.40	372,300	July	6.75	6.16	6.16	4,200
August	5.58	5.06	5.09	610,400	August	7.95	6.17	7.20	15,200
September	5.40	5.02	5.10	462,200	September	7.23	6.38	6.75	6,600
October	5.15	4.91	4.98	446,600	October	6.85	6.33	6.37	6,000
November	5.31	4.91	5.06	699,200	November	6.99	6.37	6.70	14,400
December	5.33	5.05	5.30	410,200	December	8.32	6.47	6.53	6,800
2026					2026				
January	5.45	5.09	5.23	795,300	January	7.50	6.65	7.44	16,100
February	5.43	5.12	5.25	468,100	February	8.15	6.51	7.32	8,200
March	5.41	5.08	5.21	622,500	March	7.32	6.00	6.00	14,800

DIRECTORS AND OFFICERS

The names, locations of residence, and principal occupation of the directors of the Company and the period during which each director has served on the Board of Directors are as follows:

<u>Name and Location of Residence</u>	<u>Principal Occupation</u>	<u>Director Since</u>
R. BRUCE MCDONALD ⁽¹⁾ Florida, United States of America <i>Dana Incorporated supplies engineered solutions that improve the efficiency, performance, and sustainability of powered vehicles and machinery around the world.</i>	Chairman and CEO Dana Incorporated	2024
BRIAN J. BIDULKA Ontario, Canada	Corporate Director	2024
DANIEL J. CICERCHI ⁽²⁾ New York, United States of America <i>Descartes Systems Group Inc. is a Canadian multinational technology company specializing in logistics software, supply chain management, and cloud-based services for logistics companies.</i>	General Manager and VP, Transportation Management Solutions Descartes Systems Group, Inc.	2024
PAUL DUBKOWSKI Ontario, Canada	Chief Executive Officer Andrew Peller Limited	2024
SUSAN O'BRIEN ⁽³⁾ Ontario, Canada <i>Canadian Tire Corporation is a Canadian retail corporation operating a network of department stores, gas stations, and financial services, including Canadian Tire Bank.</i>	Executive Vice President and Chief Transformation Officer Canadian Tire Corporation	2025
CHRIS TSIOFAS ⁽⁴⁾ Ontario, Canada <i>MTN Chartered Professional Accountant Corporation is a public accountancy firm located in Toronto, Ontario</i>	President MTN Chartered Professional Accountant Corporation	2024

- (1) Chair of the Board of Directors
- (2) Chair of the Governance and Human Resources Committee
- (3) Ms. O'Brien was elected to the Board effective November 4, 2025
- (4) Chair of the Audit, Finance and Risk Management Committee

Each non-management director shall not stand for re-election at the first annual meeting of shareholders after 12 years following the date on which the director first began serving on the Board. At its discretion, the Board may extend the limit beyond the maximum if circumstances warrant.

Officers Who Are Not Directors

The names and provinces of residence of the executive officers of the Company who are not directors and the position and principal occupation of each of them with the Company as of March 31, 2026 are as follows:

<u>Name and Location of Residence</u>	<u>Principal Occupation</u>
PATRICK O'BRIEN Ontario, Canada	President and Chief Commercial Officer
RENEE CAUCHI Ontario, Canada	Chief Financial Officer
RAMIT BORDIA Ontario, Canada	Senior Vice-President, Sales
CRAIG MCDONALD Ontario, Canada	Executive Vice-President, Operations

There are no existing or potential conflicts of interest between any director or officer of the Company or its subsidiaries and the Company and its subsidiaries. There are no cease trade orders (or similar orders) involving any director or officer and there are no other penalties, sanctions, insolvency, or bankruptcy proceedings outstanding. During the past five years, each of the officers of the Company has had the same or similar principal occupation with the Company, except Mr. Dubkowski who, prior to July 2022, was Senior Vice President of Finance at Indigo Books & Music Inc.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Company's Class A Shares (non-voting) and Class B Shares (voting) is Computershare Investor Services Inc. with its head office in Toronto where the registers of transfers for the Company's securities are located.

INTERESTS OF EXPERTS

The audited financial statements of the Company for the year ended March 31, 2026 filed with the Canadian securities administrators are audited by PricewaterhouseCoopers LLP, Chartered Professional Accountants. PricewaterhouseCoopers LLP has reported that they are independent of the Company in accordance with the rules of professional conduct of the Chartered Professional Accountants of Ontario.

REPORT OF THE AUDIT COMMITTEE

The text of the Audit, Finance, and Risk committee's charter is attached as Schedule A to this AIF.

The Audit, Finance, and Risk Committee (the "Audit Committee") is composed entirely of independent directors. The three members of the Audit Committee during the year ended March 31, 2026 were Chris Tsiofas (Chair), R. Bruce McDonald and Brian J. Bidulka. All members of the Audit Committee for the year ended March 31, 2026 are considered by the Board to be financially literate by way of their business experience and educational background. The following is a brief summary of the education and experience that is relevant to the performance of the responsibilities as Audit Committee members:

Audit Committee Member	Relevant Education and Experience
Chris Tsiofas	Chris Tsiofas, CPA, CA, is the president of MTN Chartered Professional Accountant Professional Corporation, a public accountancy firm. Mr. Tsiofas previously served as Director, Chair of the Audit Committee, and member of the Compensation Committee of Poet Technologies Inc. (PTK – TSX.V POET: NASDAQ-CM) until June 2025. He also currently serves on private entity advisory boards and as a trustee for various private trusts, assisting in the oversight of significant passive and active assets. Mr. Tsiofas has held roles as a principal in many successful private entrepreneurial ventures.
R. Bruce McDonald	R. Bruce McDonald, CPA, CA, is the Chairman and CEO of Dana Incorporated. Mr. McDonald has previously served as Chair and Chief Executive Officer of Adient plc, a manufacturer of automotive parts, and Vice Chairman and Chief Financial Officer of Johnson Controls, Inc. He has also served his community as Chair of Columbia St. Mary's Hospital, Director of United Way of Greater Milwaukee and Trustee of Milwaukee Art Museum.
Brian J. Bidulka	Brian J. Bidulka, CPA, CA, is a Chartered Professional Accountant and business consultant with significant expertise in financial and business analytics. Mr. Bidulka has previously served as Chief Financial Officer and other senior executive roles of several public companies including Postmedia, George Weston Limited, BlackBerry Ltd. and Molson Coors, as well as Porter Airlines. He is also currently a board member and treasurer of Canada Basketball.

Pre-Approval Policies

The Audit Committee has adopted the following policies and procedures for the engagement of non-audit services. The Audit Committee will pre-approve all audit and non-audit services provided by the auditors. This is accomplished through the Audit Committee's recommendation to the holders of Class B Shares on the approval of the appointment of the auditors at the Company's annual meeting and through the Audit Committee's review of the auditors' annual audit plan. Periodically the Audit Committee will update an agreed list of pre-approved services that are recurring or otherwise reasonably expected to be provided. Any additional requests for pre-approval will be addressed on a case-by-case basis to the Audit Committee. The engagement may commence upon approval by a quorum of the full Audit Committee.

External Auditor Service Fees

The table below provides disclosure of the services provided and fees earned by the Company's external auditors over the Company's two most recently completed fiscal years:

Type of Services	Fees – Fiscal 2026	Fees – Fiscal 2025
Audit fees	\$ 497,499	\$ 481,055
Tax consulting	-	32,100
Other services	1,610,651	-
Total	<u>\$ 2,108,150</u>	<u>\$ 513,155</u>

All recommendations of the Audit Committee to compensate the external auditor in fiscal 2026 and fiscal 2025 have been approved.

Audit Fees

Audit fees were paid for professional services rendered by the auditors for the audit of the Company's annual financial statements as well as services provided in connection with statutory and regulatory filings.

Other Services

Other services were paid for professional services rendered in connection with the evaluation of potential strategic opportunities, including acquisition-related activities.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and principal holders of the Company's securities is contained in the Company's Management Information Circular which will be dated July 31, 2026. None of the directors, officers, 10% (or more) shareholders of the Company, or any of their respective associates or affiliates have had within the past three most recently completed financial years, or during the current fiscal year, a material interest, direct or indirect, in any transaction that has materially affected or is reasonably expected to materially affect the Company. Additional financial information, including audited comparative consolidated financial statements for the year ended March 31, 2026 and related Management's Discussion and Analysis ("MD&A") is provided in the Annual Report to Shareholders. This and other information related to the Company can be accessed through SEDAR+ at www.sedarplus.com.

SCHEDULE A

CHARTER OF THE AUDIT, FINANCE, AND RISK COMMITTEE OF THE BOARD OF DIRECTORS OF ANDREW PELLER LIMITED

PURPOSE

The Audit, Finance and Risk Committee (the “Committee”) is a standing committee appointed by the board of directors (the “Board”) of Andrew Peller Limited and its subsidiaries (collectively, the “Company”). The Committee is established to assist the Board in fulfilling its oversight of the overall quality of the financial reporting, auditing, accounting, and internal accounting and control matters of the Company and the related required disclosures.

The Committee’s principal responsibilities including overseeing:

- the external audit process including reviewing and assessing the qualifications, independence, and performance of the Company’s auditors;
- the accounting, accounting controls and finance processes, including the work and performance of the internal finance and accounting functions;
- the integrity of the Company’s financial statements and financial reporting processes, including the Company’s internal control over financial reporting and disclosure controls and procedures, and reviewing and approving or recommending to the Board for approval, as applicable, the interim and annual financial statements, management’s discussion and analysis and earnings releases prior to their release;
- the adequacy and effectiveness of programs and processes for identifying, assessing and managing or mitigating the Company’s principal risks and ensuring that primary responsibility for each of the key risks identified in the Company’s risk management framework is assigned to a member of the executive leadership team.
- the Company’s processes and approach relating to insurance coverage, foreign exchange and interest rate hedging.

The Committee will prepare, if required, an audit committee report for inclusion in the Company’s annual information form and/or management information circular, in accordance with applicable rules and regulations.

The function of the Committee is oversight. It is not the duty or responsibility of the Committee or its members to: (a) plan or conduct audits; (b) determine that the Company’s financial statements are complete and accurate and are in accordance with generally accepted accounting principles; or (c) conduct other types of auditing or accounting reviews, or similar procedures or investigations. The members of the Committee are directors of the Board. They are appointed to the Committee to provide broad oversight of the financial, risk and control-related activities of the Company, and are specifically not accountable or responsible for the day-to-day operation or performance of these activities. In particular, any member of the Committee identified as a financial expert is not accountable for giving professional opinions on the external audit of the Company’s financial information.

Management is responsible for the preparation, presentation and integrity of the Company’s financial statements and for maintaining appropriate accounting and financial reporting principles and policies to assure the reliability of financial reporting and compliance with accounting standards and applicable laws and regulations. Management is also responsible for establishing systems of risk assessment and internal controls and procedures designed to provide reasonable assurance that assets are safeguarded and transactions are properly authorized, recorded and reported. It is also management’s responsibility to monitor and report on the adequacy and effectiveness of the system of internal controls over financial reporting and disclosure controls and procedures. The external auditors are responsible for planning and carrying out audits of the Company’s annual financial statements in accordance with generally accepted auditing standards to provide reasonable assurance that, among other things, such financial statements present fairly, in all material respects, the Company’s financial position and its performance and cash flows in accordance with generally accepted accounting principles.

RESPONSIBILITIES AND DUTIES

The primary responsibilities of the Committee are set out below.

Selection and Oversight of the Independent External Auditor

1. The external auditors are ultimately accountable to the Committee and the Board as the representatives of the shareholders of the Company and will report directly to the Committee and the Committee will so instruct the external auditors.
2. The Committee will evaluate the performance of the external auditors and make recommendations to the Board on the reappointment or appointment of the external auditors of the Company to be proposed in the Company's management information circular for shareholder approval.
3. If a change in external auditors is proposed, the Committee will review the reasons for the change and any other significant issues related to the change, including the response of the incumbent auditors, and enquire on the qualifications of the proposed auditors before making its recommendation to the Board.
4. The Committee will be directly responsible for the retention and oversight of the work of any registered public accounting firm engaged, including resolution of disagreements between management and the external auditor regarding financial reporting, for the purposes of preparing or issuing an audit report or performing other audit, review or attest services for the Company, and each such registered public accounting firm must report directly to the Committee.
5. The Committee will adopt the following procedures for the pre-approval of non-audit services to be rendered by the external auditors:
 - (a) All permissible non-audit services to be provided to the Company by the external auditors or any of their affiliates will require pre-approval by the Committee;
 - (b) The Committee will have the sole discretion regarding the prohibition of the external auditor providing certain non-audit services to the Company and its affiliates; and
 - (c) The Committee will also review and approve disclosures with respect to permissible non-audit services.
6. At least once per fiscal year, the Committee will review the independence of the external auditors and if necessary, will take appropriate actions deemed necessary to protect and enhance the independence of the external auditors. In connection with such review, the Committee will:
 - (a) actively engage in a dialogue with the external auditors about all relationships or services that may impact the objectivity and independence of the external auditors;
 - (b) require that the external auditors submit to the Committee on a periodic basis, and at least annually, a formal written statement delineating all relationships between the Company and the external auditors and their affiliates and to the extent there are relationships, monitor and investigate them;
 - (c) ensure the rotation of the lead (and concurring) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by applicable law;
 - (d) consider whether there should be a regular rotation of the external audit firm itself; and
 - (e) consider the auditor independence standards promulgated by applicable auditing regulatory and professional bodies.
7. The Committee will annually review the experience and qualifications of the independent audit team and review the performance of the independent auditors, including assessing their professional skepticism, effectiveness and quality of service.
8. The Committee will establish and monitor clear policies for the hiring by the Company of employees and partners or former employees and partners of the current and former external auditors.
9. The Committee will require the external auditors to provide to the Committee, and the Committee will review and discuss with the external auditors, all reports which the external auditors are required to provide to the Committee under rules, policies or practices of professional or regulatory bodies applicable to the external auditors, and any other reports which the Committee may require. Such reports will include:
 - (a) a description of the external auditors' internal quality-control procedures, any material issues raised by the most recent internal quality-control review, peer review or Canadian Public Accountability Board inspection of the external

auditors, or by any inquiry or investigation by governmental or professional authorities, in each case within the preceding five years, respecting one or more independent audits carried out by the external auditors and any steps taken to deal with any such issues; and

- (b) before an audit commences, a report describing: (i) the proposed audit scope, approach, fees, timing, process used to identify risks and reporting such risk to the Committee and independence of all critical accounting policies and practices to be used in the annual audit; (ii) all alternative treatments of financial information within generally accepted accounting principles related to material items that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditors; and (iii) other material written communication between the external auditors and management, such as any management letter or schedule of unadjusted differences.

Oversight and Monitoring of Audits

- 10. The Committee will review with the external auditors and management the audit function generally, including the objectives, coordination, and effective use of audit resources, reliance upon management and general audit approach and scope of proposed audits of the financial statements of the Company.
- 11. The Committee will review with management the results of external audits.
- 12. The Committee will provide an open avenue of communication between the external auditors, the Board and management and take such other reasonable steps as it may deem necessary to satisfy itself that the audit was conducted in a manner consistent with all applicable legal requirements and auditing standards of applicable professional or regulatory bodies.

Oversight and Review of Accounting Principles and Practices

- 13. The Committee will oversee, review and discuss with management and the external auditors (together and separately as it deems necessary), among other items and matters:
 - (a) the quality, appropriateness and acceptability of the Company's accounting principles, practices and policies used in its financial reporting, its consistency from period to period, changes in the Company's accounting principles or practices and the application of particular accounting principles and disclosure practices by management to new or unusual transactions or events;
 - (b) all significant financial reporting issues, estimations and judgments made in connection with the preparation of the financial statements, including the effects of alternative methods within generally accepted accounting principles and any "second opinions" sought by management from an independent auditor with respect to the accounting treatment of a particular item;
 - (c) any material change to the Company's accounting principles and practices as recommended by management or the external auditors or which may result from proposed changes to applicable generally accepted accounting principles;
 - (d) the extent to which any changes or improvements in accounting or financial practices, as approved by the Committee, have been implemented; and
 - (e) the effect of regulatory and accounting initiatives on the Company's financial statements and other financial disclosures.
- 14. The Committee will review and resolve disagreements between management and the external auditors regarding financial reporting or the application of any accounting principles or practices.

Oversight and Monitoring of Internal Controls Over Financial Reporting

- 15. The Committee will, as it deems necessary or appropriate, exercise oversight of, review and discuss with management and the external auditors (together and separately, as it deems necessary):
 - (a) the adequacy and effectiveness of the Company's internal control over financial reporting and disclosure controls and procedures designed to ensure compliance with applicable laws and regulations;

- (b) any significant deficiencies or material weaknesses in internal control over financial reporting or disclosure controls and procedures;
 - (c) the risk of management's ability to override the Company's internal controls;
 - (d) any fraud, of any amount or type, that involves management or other employees who have a significant role in the internal control over financial reporting;
 - (e) the adequacy of the Company's internal controls and any related significant findings and recommendations of the external auditor together with management's responses thereto; and
 - (f) management's compliance with the Company's processes, procedures and internal controls.
16. The Committee will establish, oversee and maintain procedures for: (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Oversight and Monitoring of Financial Reporting and Disclosure

17. The Committee will:
- (a) review with the external auditors and management and recommend to the Board for approval the audited annual financial statements and the notes and management's discussion and analysis and earnings release accompanying such financial statements, the Company's annual report and any financial information of the Company contained in any prospectus, information circular or any other disclosure document or regulatory filing of the Company;
 - (b) review with the external auditors and management each set of interim period financial statements and the notes and management's discussion and analysis and earnings release accompanying such financial statements and any other disclosure documents or regulatory filings of the Company containing or accompanying financial information of the Company and approve such filings; and
 - (c) review the disclosure regarding the Committee required to be included in any publicly filed or available document by applicable securities laws or regulations or stock exchange rules or requirements.

Such reviews will be conducted prior to the release of any summary of the financial results or the filing of such reports with applicable regulators.

18. The Committee will oversee compliance with the requirements of applicable securities laws or rules for disclosure of auditors' services, engagements and independence of external auditors and audit committee member qualifications and activities.
19. The Committee will meet with management to review the processes and systems in place for ensuring the reliability of public disclosure documents that contain audited and unaudited financial information and their effectiveness.

Oversight of Finance Matters

20. The Committee will:
- (a) review periodically the capital structure of the Company, and, when necessary, recommend to the Board transactions or alterations to the Company's capital structure;
 - (b) review and make recommendations to the Board concerning the financial structure, condition and strategy of the Company, including with respect to corporate borrowings, investments, capital expenditures, long-term commitments and the issuance and/or repurchase of securities;
 - (c) review and discuss with management, and ultimately approve and oversee, as applicable, the Company's investment and asset allocation policies and guidelines, as well as the Company's compliance with any such investment and asset allocation policies and guidelines, including past and expected future performance, both in the context of financial returns (e.g., capital appreciation or preservation) and risk mitigation;

- (d) periodically review matters pertaining to the Company's material policies and practices respecting cash management and material financing strategies or policies or proposed financing arrangements and objectives of the Company;
- (e) periodically review the Company's major financial risk exposures (including foreign exchange and interest rate) and management's initiatives to control such exposures, including the use of financial derivatives and hedging activities;
- (f) review and approve special transactions or expenditures as specifically delegated by the Board or to one or more Company directors, officers or other employees;
- (g) review and discuss with management all material off-balance sheet transactions, arrangements, obligations (including contingent obligations), leases and other relationships of the Company with unconsolidated entities, other persons, or related parties (subject to section 24), that may have a material current or future effect on the Company's financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves, or significant components of revenues or expenses;
- (h) review and discuss with management any equity investments, acquisitions and divestitures that may have a material current or future effect on the Company's financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves, or significant components of revenues or expenses;
- (i) review and discuss with management the Company's effective tax rate, adequacy of tax reserves, tax payments and reporting of any pending tax audits or assessments, and material tax policies and tax planning initiatives; and
- (j) review the Company's pension or similar retirement arrangements, management and obligations, as applicable, including the audited financial statements of the Company's pension plans and the costs and obligations of such plans.

Risk Oversight, Privacy and Cybersecurity

21. The Committee will annually (or as more frequently as the Committee deems necessary or appropriate):

- (a) review and discuss with management and monitor the adequacy and effectiveness of: (i) management's program, including policies and guidelines, to identify, assess, manage, and monitor major enterprise risks of the Company, including financial, operational, privacy, security, business continuity, sustainability, legal and regulatory, and reputational risks, as well as those risks that would threaten the Company's business, current or potential future licenses, future performance, solvency or liquidity; (ii) management's risk management decisions, practices and activities; (iii) reports from management and others regarding compliance with item (i) above; and (iv) the adequacy and appropriateness of management's response to, including the implementation thereof, the matters and findings, if any, in the reports referenced in item (iii) above; and
- (b) review, discuss with management and assess (including Board recommendations, as necessary) the Company's privacy and cybersecurity risk exposures, including, but not limited to: (i) the potential impact of those exposures on the Company's business, operations and reputation; (ii) the steps management has taken to monitor and mitigate such exposures across all functions and Company connections with third parties and the Company's cybersecurity insurance coverage; (iii) the Company's information governance and cybersecurity policies and programs and management's efforts to build a culture of sensitivity to cybersecurity concerns; (iv) security breach incidence reports and incident response protocols, including crisis management and disaster recovery plans; (v) Company disclosures regarding cybersecurity risks, (vi) the Company's cybersecurity strategy, including the allocation of Company resources to management of cybersecurity risks; and (vii) major legislative and regulatory developments that could materially impact the Company's privacy and cybersecurity risk exposure;
- (c) review and discuss with management the Company's use of and strategy with respect to artificial intelligence in its business and operations, including associated risks, opportunities and policies, procedures and other oversight mechanisms to help ensure responsible and effective use of such technology; and
- (d) review and discuss with management the adequacy of the Company's insurance coverage.

Whistleblower and Related Procedures

22. The Committee will oversee the establishment, management and periodic review of procedures for the receipt, retention, and treatment of complaints received by the Company pursuant to its Whistleblower Policy, including complaints or concerns relating to accounting, internal accounting controls or auditing matters.
23. The Committee will review on a periodic basis not exceeding two years the Company's Whistleblower Policy and report to the Board with respect to any amendments resulting from such review.

Related Party Transactions

24. The Committee will review and approve in advance any proposed material related-party transactions that are not in the normal course of business and the required disclosures of such in accordance with applicable securities laws and regulations and report to the Board on any approved transactions.

Disclosure Policy

25. The Committee is responsible for reviewing and overseeing the Company's Disclosure Policy.

Committee Reporting

26. If required by applicable laws or regulations or stock exchange requirements, the Committee will prepare, review and approve a report to shareholders and others (the "Report"). In the Report, the Committee will state, among other things, whether it has:
 - (a) reviewed and discussed the audited financial statements with management and the external auditors;
 - (b) received from the external auditors all reports and disclosures required under legal, stock exchange and regulatory requirements and this Charter and have discussed such reports with the external auditors, including reports with respect to the independence of the external auditors; and
 - (c) based on the reviews and discussions referred to in clauses (a) and (b) above, recommended to the Board that the audited financial statements be included in the Company's annual report.
27. The Committee will otherwise report regularly to the Board regarding the execution of the Committee's duties, responsibilities and activities, as well as any issues encountered and related recommendations.

Access to Information and Additional Authority and Responsibilities

28. The Committee will be granted unrestricted access to all information regarding the Company that is necessary or desirable to fulfill its duties and all directors, officers and employees of the Company will be directed to cooperate as requested by members.
29. The Committee will have the authority to retain, at the Company's expense, independent legal, financial or other advisors to assist the Committee as it determines necessary or appropriate to carry out its duties and without consulting with, or obtaining prior approval from, any officer of the Company or the Board. The Committee will also have the authority to ask the Company's external auditors to attend meetings or provide information as necessary, and the Company's external auditors will have direct access to the Committee at their own initiative.
30. The Committee will provide for and have sole discretion to approve payment of (a) compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company; (b) compensation to any advisors engaged or employed by the Committee; and (c) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
31. The Committee will review and approve any other matter specifically delegated to the Committee by the Board and undertake on behalf of the Board such other activities as may be necessary or desirable to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting and perform such other functions as assigned by law or the Company's constating documents.
32. The Committee will discharge its responsibilities and will assess the information provided by the Company's management and external advisors, in accordance with its business judgment. Members are entitled to rely, absent knowledge to the contrary, on

the integrity of the persons and organizations from whom they receive information, and on the accuracy and completeness of the information provided. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee or the Board a standard of care or diligence that is in any way more onerous or extensive than the standard to which the directors are subject under applicable law. This Charter is not intended to change or interpret the constating documents of the Company or applicable law or stock exchange rule to which the Company is subject, and this Charter should be interpreted in a manner consistent with all such applicable laws and rules.

33. The Board may, from time to time, permit departures from the terms of this Charter, either prospectively or retrospectively. This Charter is not intended to give rise to civil liability on the part of the Company or its directors or officers to shareholders, security holders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part.

COMMITTEE COMPOSITION AND PROCEDURE

Composition and Independence

34. The Committee shall consist of no fewer than three (3) members from among the Board.
35. Each member of the Committee shall be “independent” within the meaning of applicable securities laws and stock exchange requirements applicable to the Company from time to time, including National Instrument 52-110 – *Audit Committees* (“NI 52-110”), subject to any exceptions permitted by NI 52-110 and any applicable stock exchange requirements. The Governance and Human Resources Committee shall make determinations as to whether each member of the Committee satisfies this requirement.
36. All members of the Committee must be “financially literate” as such term is defined by NI 52-110. The Governance and Human Resources Committee shall make determinations as to whether each member of the Committee satisfies this requirement. The members of the Committee shall be appointed by the Board annually on the recommendations of the Governance and Human Resource Committee.
37. At least one member of the Committee must be a “financial expert”, being a person with experience as a certified public accountant, chief financial officer or corporate controller of similar experience, or demonstrably meaningful experience overseeing such functions as senior executive officers.
38. The Board will fill any vacancy if the membership of the Committee is less than three (3) directors. Subject to applicable securities law, whenever there is a vacancy on the Committee, the remaining members may exercise all of its powers if a quorum remains in office.

Chair

39. The chair of the Committee (the “Chair”) has the responsibilities outlined in the position description for committee chairs, and also has primary responsibility for monitoring developments with respect to accounting and auditing matters in general and reporting to the Committee on any related significant developments.
40. The Board shall normally designate the Chair of the Committee. In the event that a Board designation is not made, the members of the Committee shall elect a temporary Chair for such meeting by majority vote of the members in attendance at the meeting. The Chair will be responsible for carrying out the duties and responsibilities prescribed for the Company’s Position Description for Committee Chairs.

Committee Meetings

41. The Committee shall meet at least quarterly and more frequently as it determines is necessary or advisable. An *in camera* meeting with the external auditors shall be held in conjunction with each Committee meeting.
42. A majority of Committee members are required for meeting quorum. In the event that the number of Committee members is an even number, one half of the number of members shall constitute a quorum.
43. The Committee may request any officer or employee of the Company or the Company’s outside counsel or independent auditor to attend a meeting of the Committee or to meet or provide consultations to the Committee or any member thereof.

44. The Chief Executive Officer and the Chief Financial Officer of the Company and representatives of the external auditors shall normally attend meetings of the Committee. Others may also attend meetings as the Committee may request. Notice of all meetings of the Committee shall be sent to the auditors as well as Committee members.
45. The Committee shall prepare written minutes of all meetings.

REVIEW OF CHARTER

46. The Committee will review, and may recommend changes to, this charter on a periodic basis not exceeding two years. This charter forms part of a flexible governance framework designed to support the Board and its committees in performing its duties to the Company in compliance with applicable law. It creates no legally binding obligations other than those required by applicable law and are not intended to create liability for the Company, its Directors, or its officers to any other person.