ALCOOL · NB · LIQUOR

BEER SPIRITS WINE

BIÈRES SPIRITUEUX VINS

2025-2026

ANNUAL REPORT



TABLE OF CONTENTS

01 LETTER FROM THE CHAIR

02 PRESIDENT'S MESSAGE

04 TRACKING YOUR INVESTMENT

06 STRATEGIC PLAN

07 2025 – 2026 YEAR IN REVIEW

10 OPERATIONAL IMPROVEMENT HIGHLIGHTS

11 CHANNEL SALES

11 STORE SCORECARD AWARDS

13 HIGH-PERFORMANCE CULTURE

14 PRODUCT HIGHLIGHTS

15 SPOTLIGHT ON LOCAL PRODUCERS

16 LIST OF LOCAL PRODUCERS

18 CORPORATE SOCIAL RESPONSIBILITY

20 GOVERNANCE

23 STORE LOCATIONS

24 SALES BY LOCATION

26 MANAGEMENT AND AUDITOR'S REPORT

30 FINANCIAL STATEMENTS

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BUILT ON TRUST DRIVEN BY RESULTS



Honourable Luke Randall
Minister responsible for ANBL
Province of New Brunswick
Fredericton, NB

Minister Randall,

As Chairman of the Board, and in accordance with the *New Brunswick Liquor Control Act* and the *Accountability and Continuous Improvement Act*, I am very pleased to deliver to you the 2025-2026 annual report for Alcool NB Liquor (ANBL). The Board of Directors and I are accountable for achieving the specific goals and objectives outlined in this report and this accountability is one in which we take great pride.

This past year, ANBL once again delivered strong financial results, with sales of $545.9 million and net income of $183.5 million.

In addition to delivering on our financial results, ANBL has also made great progress in its business transformation ERP project, which is set to go live in fiscal year 2026-2027. As we prepare to cross the finish line of this multi-year undertaking, I want to recognize the team's hard work on this project, while continuing to focus on day-to-day operations, to enable ANBL to continue delivering millions of dollars to the province of New Brunswick to help fund important infrastructure and social programs.

ANBL also continues to champion food security efforts as part of its corporate social responsibility strategy, partnering with Feed NB, its member food banks, public libraries, community gardens, and post-secondary institutions. In the fiscal year ended March 29, 2026, ANBL customers and team members raised over $420,000 for food security, a new record, at a time when these supports are needed more than ever across the province.

Finally, ANBL has been named one of Atlantic Canada's Top Employers for the second year in a row, a distinction which reflects ANBL's continuing commitment to fostering a people-centric workplace where employee feedback shapes initiatives that support wellbeing, robust benefits, financial security, mental health support, and community impact.

Respectfully submitted,

L. PAUL ELLIOTT, K.C.
Chair, Board of Directors

BOARD OF DIRECTORS

ANBL BOARD MEMBERS

**As of March 29, 2026*

PAUL ELLIOTT, K.C.
Chair

BRUCE WOOD
Vice-Chair

KEVIN BERRY
Director

KATHRYN CRAIG
Director

JOANNE BÉRUBÉ GAGNÉ
Director

CÉDRIC LAVERDURE
Director

LINDA SCHOFIELD
Director

LORI STICKLES
President and CEO



LOOKING BACK. MOVING FORWARD.

REFLECTING ON THIS past fiscal year, I am so proud of the accomplishments of the ANBL team to successfully deliver consistent results and operational stability for New Brunswickers in a time of great change and disruption. As a retailer and wholesaler, ANBL continued to experience many of the same financial pressures that the broader retail community faced during the past year.

We successfully surpassed our 2025-2026 net income target of $180 million; sales of $545.9 million allowed us to return $183.5 million in net income to New Brunswick to help fund valuable programs and initiatives in communities across the province.

As our environment changes, the way our business operates must evolve as well. To support that, we've made great strides in our multi-year business transformation Enterprise Resource Planning (ERP) project, Project Galileo. The project's design and build phase is complete, and we are now in the testing phase. Project Galileo will not only provide ANBL with new tools and technology to improve the accuracy and visibility of inventory and enable e-commerce, but will also focus on the way we work and interact with our supply partners, agency partners, and our customers. The investment we are making into the business now will ensure our stability and success for years to come, allowing us to continue to drive positive results for the province of New Brunswick.

As Canada navigates its trade dispute with the U.S., ANBL continues to sell through existing inventory of U.S. products across all channels to recover our investment and limit product waste, while also adapting our portfolio to best meet our customers' needs. At a time when Canadians are making the conscious choice to buy local, we have seen a banner year of growth in local products, accounting for $35 million in revenue in fiscal year 2025-2026, up 12% from the previous year. ANBL supports the success of our New Brunswick local producers through benefits offered in our Local Producer Strategy, fulfilling our mandate to participate in the development of the beverage alcohol industry in the province.

Social responsibility continues to be an important focus for ANBL, through community engagement, promoting responsible consumption, and responsible retailing. Since 2022, ANBL and its customers have raised more than $1.35 million for food security efforts. This fiscal year was the most successful for food security to date, with $421,350 raised in total. Our Safe Ride program provided a safe drive home for approximately 25,000 patrons at 23 different community/industry festivals throughout the province. In addition, we continued to focus on responsible retailing through training and education of our ANBL team members and channel partners with our Check 30 and mystery shop programs.

Being able to deliver these results, despite this being an economically challenging year, is a testament to the hard work and dedication of our retail, warehouse, and Retail Operations Centre team members, and to the amazing support of our partners and customers.

Thank you for all that has been accomplished this year, as we continue our focus on our purpose of giving back to New Brunswickers by responsibly enhancing occasions.

LORI STICKLES
President and CEO

THE INVESTMENT WE ARE MAKING INTO THE BUSINESS NOW WILL ENSURE OUR STABILITY AND SUCCESS FOR YEARS TO COME

EXECUTIVE MANAGEMENT

*As of March 29, 2026

LORI STICKLES
President & CEO

CRAIG CLARK
Senior Vice-President of People, Process & Technology

JAMIE LEBLANC
Senior Vice-President & Chief Financial Officer

ALAN SULLIVAN
Senior Vice-President of Channels & Supply Chain

LARA WOOD
Senior Vice-President of Marketing, Category & Communications

ERIN FULLERTON
Vice-President of Human Resources

MIKE HARTY
Vice-President of Operations





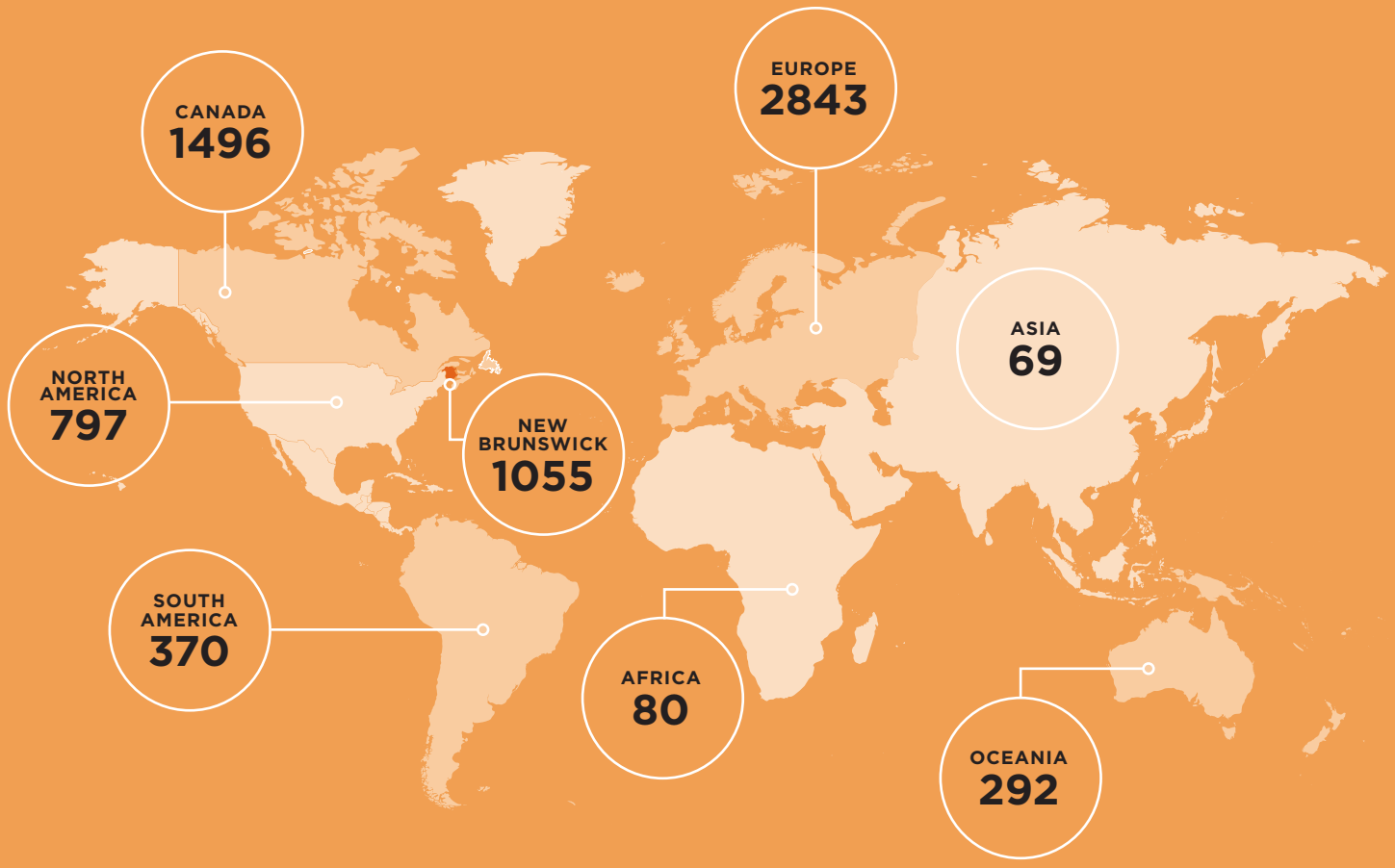






TRACKING YOUR INVESTMENTS

 # OF PRODUCTS FROM



EMPLOYMENT #S

29
WAREHOUSE

+

239
RETAIL OPERATIONS CENTRE (ROC)

+

305
CORPORATE STORES

=

TOTAL
573

SALE FROM

38
CORPORATE STORES IN 28 COMMUNITIES

93
AGENT LOCATIONS

68
GROCERY STORES

+7.2M
PUBLIC TRANSACTIONS

+1K
ACTIVE LICENSEES

SUPPORT TO THE PRIVATE SECTOR

$13.8M + **$11.8M** + **$1.6M** = **$27.2M**

$13.8M — IN SUPPORT TO LOCAL PRODUCERS

$11.8M — RECEIVED BY AGENTS IN COMMISSIONS

$1.6M — PROVIDED TO LICENSEES VIA THE REBATE PROGRAM

$27.2M — TOTAL ESTIMATED SUPPORT TO PRIVATE SECTOR

RETURN TO NEW BRUNSWICKERS

100% of ANBL profits are returned to the province to be used for the benefit of New Brunswickers.

$179.1M

**Payments returned to the Province of NB differ from net income, as payments made are based on net cash available from operations during the fiscal year.*



STRATEGIC PLAN

ANBL'S PURPOSE, VISION AND VALUES PROVIDE A CLEAR FOUNDATION FOR HOW WE MOVE FORWARD, WITH A FOCUS ON OPERATIONAL EXCELLENCE, CUSTOMER CENTRICITY AND GIVING BACK TO NEW BRUNSWICKERS

THE 2025-2026 fiscal year was the second year of ANBL's three-year strategic plan (2025-27). Our plan helps to guide and focus the organization's work as we strive to implement our vision.

ANBL sells products that bring people together to mark life's occasions. It does so with a commitment to responsibility and giving back to the communities in which we work and live across New Brunswick.

Accordingly, ANBL's corporate purpose is: "Giving back to New Brunswickers by responsibly enhancing occasions."

While our purpose clearly shares why ANBL exists, our vision is where we want to take the organization. Over the life of the strategic plan, ANBL will continue to build on key foundational priorities and strive towards greater operational excellence and customer centricity. Our vision is: "To deliver exceptional experiences to our friends and neighbours in every interaction."

ANBL's values are the principles and beliefs that guide our actions. These values are: Trust, Integrity, Celebration, Caring, Community. Our team strives to live those values in day-to-day actions as part of ANBL.

FOCUS AREAS

We have identified strategic focus areas to guide our work over the life of this plan:

01 **PEOPLE**

02 **FINANCIAL**

03 **OPERATIONAL EXCELLENCE**

04 **CUSTOMER**

05 **RESPONSIBILITY**

OBJECTIVES

Each of those areas has specific objectives and priorities we seek to accomplish over the life of the plan. Specifically in fiscal year 2025-2026 our focus has been on the following high-priority initiatives within those focus areas:

- Project Galileo implementation
- Augmentation of cyber awareness and protections across the organization
- Business continuity planning
- Developing a new Pricing Strategy
- Completing exploratory work on ESG

The ANBL team is confident our strategic plan will ensure that corporate objectives are achieved and evolve the business responsibly to ensure the best results for all stakeholders.

2025–2026 FINANCIAL YEAR IN REVIEW

THE INFORMATION BELOW provides an overview of ANBL's financial position for the year ended March 29, 2026, and should be read in conjunction with ANBL's audited financial statements and accompanying note disclosures.

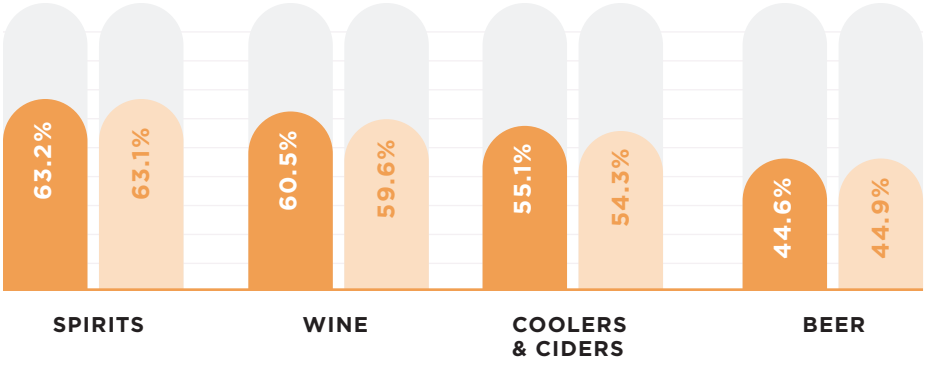
Following an accounting convention common to the retail industry, ANBL follows a 52-week reporting cycle that periodically necessitates a 53-week fiscal year due to the floating year-end date. The fiscal years ended March 29, 2026 and March 30, 2025 were both 52-week years.

ANBL remained committed to its strategic goals, including responsible revenue generation, disciplined cost management, continued support for local producers, and the modernization of its operations to better serve customers and partners across New Brunswick. The organization generated net income of $183.5 million for the year, while continuing to advance Project Galileo, a multi-year transformation initiative focused on modernizing ANBL's technology environment and supporting long-term operational effectiveness.

Total sales reached $545.9 million, an increase of $1.6 million over the prior year. Sales performance varied across categories, with Beer and Coolers & Ciders continuing to show growth, supported by demand for ready-to-drink formats, convenience, and evolving consumer preferences. Channel performance reflected the continued evolution of how customers access ANBL products across the province. While Corporate store transaction volumes declined, growth in Agent, Grocery, and Licensee channels reflect ANBL's focus on diversifying its retail network to meet customers where and how they choose to shop, while supporting convenience, accessibility, and responsible service across all channels.

Gross profit percentages remained aligned with expectations across product categories, reflecting consistent and balanced performance throughout the year.

GROSS PROFIT %









OPERATING EXPENSES

Operating expenses increased year-over-year, reflecting planned investment in ANBL's operating model and continued advancement of its business transformation project to better support having the right product, in the right place, at the right time, to meet customer expectations across all sales channels.

2025–2026
PERFORMANCE MEASURES

Throughout fiscal 2025-2026, ANBL remained committed to its mission to responsibly manage a successful business for the people of New Brunswick. With a continued focus on its goals of Financial, People, Customer, Operational Excellence, and Responsibility, ANBL tracked performance against a series of annual measures established at the beginning of the year. The results below highlight performance across these priorities and will help inform future target-setting, measurement practices, and continuous improvement.

MEASURE	F25 ACTUAL	F26 TARGET	F26 ACTUAL
# of weeks	52	52	52
FINANCIAL			
Net income ($ millions)*	$191.5	$180.0	$183.5
PEOPLE			
Completed quarterly reviews (non-bargaining)	100%	100%	94%
Quality of quarterly review conversations	N/A	100%	93%
Wellness, Health & Safety Balanced Scorecard	N/A	4.5/5	4.3/5
CUSTOMER			
Top Line Sales $ by Channel	$544.3	$544.0	$545.9
OPERATIONAL EXCELLENCE			
ERP Project: Overall Project Status	On Track	On Track	At Risk
Cyber Training: onboarding	60%	100%	84.8%
Cyber Training: annual refresher		100%	100%
RESPONSIBILITY			
Corporate Brand Score	75%	73%	73%

** F26 Net income reflects Project Galileo expenses of $18.4M (F25: $12.1M)*

The ERP project status reflects the scale and complexity of ANBL's business transformation work. While project timeline risk increased during the year, the initiative remains a key strategic priority and continues to advance toward supporting implementation in fiscal 2026-2027.



REMITTANCES TO GOVERNMENTS (000s)

PROVINCE OF NEW BRUNSWICK	2025 – 2026	2024 – 2025
* Payments from net income	$179,117	$195,089
Environmental Trust Fund	-	-
Property taxes	272	265
	179,388	195,354
Government of Canada		
Harmonized Sales Tax	45,806	40,089
Excise tax and customs duties	21,749	22,947
	$246,944	**$258,390**

**Distributions to the Province of New Brunswick differ from net income as payments made are based on net cash available from operations during the fiscal year.*

OPERATIONAL IMPROVEMENT HIGHLIGHTS

PROPERTY MANAGEMENT

Brand and design work continued in fiscal year 2025-2026 with a store renovation at ANBL's Woodstock location. The design updates bring a more consistent, modern, relevant, and welcoming experience for customers. ANBL also invested in store cold room refrigeration maintenance and upgrade projects, as well as Retail Operations Centre and warehouse structural building maintenance. With these capital investments, ANBL remained active in NB Power's Business Rebate Program, an initiative funded by the provincial and federal governments to upgrade with energy-efficient equipment. ANBL also participated in the NB Power Peak Rebate program.

SUPPLY CHAIN ACT

During fiscal year 2025-2026, ANBL continued work in support of the *Fighting Against Forced Labour and Child Labor in Supply Chains Act*, raising industry awareness and transparency and improving business practices. ANBL continued collaboration with neighbouring jurisdictions on plans moving forward and filed an annual public report on the steps it has taken to prevent the use of forced labour and child labour in its supply chains. A copy of the report can be found on the ANBL website.

ENVIRONMENT, SOCIAL AND GOVERNANCE

ANBL continued efforts to better understand how its current strategies correlate to an Environmental, Social and Governance (ESG) framework: looking at how the business treats the environment, treats people, and makes decisions. As part of this initial work, ANBL used the information gathered to produce appropriate ESG metrics and KPIs to be measured and built upon.

SUPPLY CHAIN & WAREHOUSE

SUPPLY CHAIN: Supply Chain has continued to focus on customer centric KPIs and activities throughout fiscal year 2025-2026 to maintain alignment with corporate strategy. During the last year, each of the three departments realigned KPIs and targeted activities to ensure the overall strategy of "Right Product, Right Place, Right Time" is achieved. Improvements on key measurements were made throughout the last year.



The beginning of 2026 was marked by a significant increase in Fuel Surcharge (FSC). In 2024-2025 ANBL saw an average FSC of 51%. In fiscal year 2025-2026 this increased to an average FSC of 85%. ANBL will focus on minimizing this impact going forward.

SUPPLY MANAGEMENT: The Supply Management team has worked diligently in the last year to improve on two key measurements used in this pillar of ANBL's supply chain. Warehouse in stock position saw an improvement from 93% to 96%. An increase in 3% ensured product was more readily available for store orders. The store in stock position improved from 94% to 97%. Focused activities resulted in these improvements in both measurements.

WAREHOUSE: In fiscal year 2025-2026 the warehouse team remained focused on having outbound loads ready on time for delivery to all ANBL channels. The goal of having these loads ready for departure on time ensures timely delivery to customers daily. Loads ready on time for departure now exceed 98%.

TRANSPORTATION: The transportation industry is seeing significant challenges with the global impact of oil and gas prices. The cost of fuel has increased dramatically due to global unrest in certain areas. ANBL has been focused on ensuring all loads are as full as possible when leaving its facility and doing its best to be as efficient as possible. Recent transportation agreements have focused on addressing the excessive cost of fuel surcharge ANBL is experiencing. Supply Chain will continue to collaborate with carriers to minimize this impact where possible in the upcoming fiscal year.

CHANNEL SALES

FISCAL YEAR 2025–2026 was defined by strong execution, continuous improvement, and an unwavering commitment to delivering exceptional customer experiences across all channels.

CORPORATE CHANNEL

One of ANBL's most notable achievements was the significant improvement in its customer service mystery shop score within the Corporate Channel, increasing from 69% to 82%, a remarkable 13-point gain. This progress reflects the dedication of store teams in consistently applying the SERVE customer service model, supported by ongoing coaching and a strong focus on creating meaningful customer interactions every day.



STORE SCORECARD AWARDS

ANBL continued its Store Scorecard Awards program this fiscal year, recognizing top-performing corporate stores within each banner. These awards celebrate excellence across key metrics, including sales performance, average transaction value, bundle execution, ID verification compliance, and overall operational effectiveness.

AWARD WINNERS

A Banner Gold *Kennebecasis Valley*

A Banner Silver *Edmundston*

B Banner Gold *Riverview*

B Banner Silver *Somerset*

C Banner Gold *Shediac*

C Banner Silver *Richibucto*

D Banner Gold *Campbellton*

CONVENIENCE AGENT CHANNEL

The agent channel has seen significant growth with sales up 5% over last year, driven by several key factors. These include a strong focus on growth drivers such as: assortment reviews to improve portfolio efficiency through the implementation of planograms; enhanced agent display execution with Tier 1 sites; adjustments to marketing programs for better execution; improved pricing labels for limited-time offers (LTOs); stronger innovation pre-orders compared to fiscal year 2024-2025; the implementation of new processes; regular periodic newsletters; and more focused account coverage to enhance customer centricity, as well as the opening of two new agent sites.

GROCERY CHANNEL

The grocery channel has also seen improved performance in fiscal year 2025-2026 (up 3% in sales), driven by several key factors, including the adoption of a new distribution model with a major banner, continued implementation of the In & Out program across grocery banners, focused account coverage at both the store level and head office, and the addition of two grocery sites.

LICENSEE CHANNEL

In fiscal year 2025–2026, ANBL continued to strengthen the licensee channel through a customer-first approach and a focus on service excellence and effective communication, aligning with ANBL's core values. Key communications, including the product release bulletin, LTO bulletin, surveys, and regular newsletters, helped keep B2B partners informed, engaged, and connected.

The introduction of scheduled market visits also had a significant positive impact. By establishing a consistent in-market presence, ANBL was able to build stronger, more meaningful relationships with licensees. This initiative generated overwhelmingly positive feedback, increased engagement, strengthened trust, enhanced communication, and further improved overall customer relationships.

LOCAL PRODUCER CHANNEL

ANBL plays a vital role in the support and development of the New Brunswick Local Alcohol industry. The local producer channel represents more than 100 New Brunswick-based beverage alcohol manufacturers who are part of ANBL's local craft community. These producers operate as Local Producer Agents, selling their own products directly to consumers from their production facilities. In addition, many local producers operate tap rooms throughout the province and partner with ANBL to retail their products throughout corporate stores, agency locations, and licensees across the province.

The channel includes ongoing support for producers through tailored pricing programs, regular site visits and consistent communication. It also drives internal improvements that strengthen how information is shared and how issues are addressed, helping maintain strong working relationships across the province.

Key initiatives over the past fiscal year include launching a new reporting system, expanding the mystery shop program, strengthening product testing protocols, updating the compliance framework, and introducing a more structured approach for participation in farmers' markets. Together, these efforts continue to strengthen the Local Producer Channel and support a more consistent, efficient, and well-connected experience for producers across New Brunswick.

AGENT PRESTIGE AWARDS

Agent Prestige Awards recognized outstanding performance across key metrics such as store growth, category growth, ID compliance, display execution, pricing accuracy, and effective management of breakage and defectives.

TIER 1 WINNER

MAGNETIC HILL CROSSROADS

TIER 2 WINNER

BELLEDUNE CLOVER FARMS

PROJECT GALILEO

Progress continues in ANBL's multi-year business transformation project, Project Galileo. Along with the implementation of a new Enterprise Resourcing Planning (ERP) system, Project Galileo will update and adapt the organization to better respond to and align with market trends, customer needs, and modernize the way we work.

Currently, many systems used by ANBL operations are outdated or require important upgrades. The project will launch a new platform to connect retail, finance, supply chain, inventory management, reporting, and other core business functions into one system. This business transformation project is about ensuring ANBL has the technology and systems needed to serve customers effectively today and into the future.

During fiscal year 2025-2026, ANBL and its system integration partner, Ernst & Young LLP, have been building ERP system functionality to assist with the integration of all essential business functions into a single, centralized platform (Microsoft Dynamics 365). The first phase of testing of the business processes on the system began in March 2026, with an additional two phases scheduled for the first two quarters of fiscal year 2026-2027.

Project Galileo has multiple phases and is expected to go-live in the fall of 2026.



HIGH PERFORMANCE CULTURE

TEAM MEMBERS are the foundation of success at ANBL. This past fiscal year, ANBL launched a leadership development program which offered three pathways for development: Personal Leadership, Emerging Leaders, and Manager Development. The Emerging Leaders Pathway had participants throughout the province attend weekly webinars and complete a capstone project in their workplace. Participants presented their project results to members of ANBL's executive team. The Manager Development Pathway provided both operations and leadership training to all managers at ROC and warehouse, as well as to retail managers and assistant managers. One hundred and sixty-five team members participated in these opportunities in fiscal year 2025-2026.

In January 2026, ANBL began the integration of the Human Resources teams from ANBL and Cannabis NB, marking an important step toward creating a more unified and collaborative approach to supporting both organizations. This work is focused on strengthening alignment between the teams, improving consistency in HR service delivery, and ensuring people strategies support the broader business goals of both organizations. This ongoing work will help build a more sustainable, efficient, and strategically aligned HR function that supports long-term organizational success.

A major highlight of the year was being recognized as one of Canada's Top 100 Employers, a significant achievement that reflects ANBL's commitment to creating a strong workplace culture, supporting employee wellbeing, and fostering an environment where people can succeed. This recognition reinforces the importance of investing in teams and maintaining a people-first approach across both organizations.

PRODUCT HIGHLIGHTS

SPIRITS

The Spirits category at ANBL missed target for both revenue and volume in fiscal year 2025-2026, falling short by 2.6% and 3.3% respectively. While these results were lower than anticipated, they were more comparable year over year (YOY), declining by only 0.6% in revenue and 2% in volume. Although these results were not what was targeted, they still provided a bright spot when compared to other markets in Canada which saw steeper declines in spirits revenue and volume.

The categories that delivered results closest to target were liqueurs and whiskies. These results continued a trend in recent years showing the liqueur, whisky, and tequila categories as consistent performers for ANBL.

WINE

The Wine Category at ANBL delivered under its budgeted targets in fiscal year 2025-2026, finishing behind by 1.7% in revenue and 1.3% in volume. Much like other markets nationally and internationally, this decline can largely be attributed to consumption and mediation trends as well as current economic pressures. The category also saw fluctuations based on U.S. wine being removed from store shelves at the start of the fiscal year, alongside the impacts of inflated growth in sales in the previous year as a result of the HST break. Considering US wine wasn't available for a good portion of the year, other countries of origin benefitted greatly with key exporting wine production countries such as France, Italy, Chile, Australia, and Argentina all seeing double-digit revenue growth YOY at ANBL. However, domestic wine still holds the largest share of sales for the wine category. As per style trends that emerged in the previous fiscal year, white wine sales continue to deliver growth (up 0.7%) whereas red wine sales are declining (down 3.7%).

BEER

While volume and revenue in the beer category declined YOY, both were up compared to budget. New Brunswick volume outpaced national trends throughout the year. Domestic Mainstream makes up 56% of total beer volume and saw a 6.6% decline in fiscal year 2025-2026. The Domestic Premium and Import segments continue to gain share with growth of 4.1% and 2.2% respectively.

EVOLVING TASTES ARE CHANGING THE CATEGORY MIX, FROM GROWING INTEREST IN PREMIUM AND INTERNATIONAL PRODUCTS TO CONTINUED MOMENTUM IN READY-TO-DRINK AND NON-ALCOHOLIC BEVERAGES

OTHER LIQUOR

Ready-to-Drink and Coolers had another significant year showing growth in both volume and revenue year-over-year and surpassing budget targets. Revenue was up 6.3% YOY and up 2.3% to budget, and volume was up 3.6% YOY and up 1.5% to budget. The agency channel saw the greatest increase, up 12.43% YOY and 7.6% to budget. Twelve-pack format continues to drive positive results in the category, with secondary support coming from the single serve options, which were up 4.58% YOY. Traditional coolers experienced the greatest loss in volume (down 9.98%) from a sub-category perspective. Consumers are shifting to more variety and "better-for-you" options in the other growing sub-categories like Cocktails (up 4.93%) and Seltzers & Sodas (up 10.66%).

NON-ALCOHOLIC

The Non-Alcoholic beverage category continued to see growth through fiscal year 2025-2026, up significantly YOY in revenue. ANBL expanded its assortment by 4 SKUs to a total of 24 non-alcohol products, continuing to enhance assortment and options in this category. Beer held the majority of the share throughout the year, with wine establishing a stronger position in the portfolio. Familiar brands with non-alcoholic versions outperformed standalone non-alcohol brands.









LOCAL PRODUCERS

LOCAL PRODUCERS PERFORMED exceptionally well this year, led by a surge in Canadian sentiment towards buying local. ANBL recognized this shift early and worked with suppliers to feature similar products created close to home, with a focus on strengthening partnerships, highlighting shelf presence, and driving measurable outcomes for the local category.

ANBL continued building on a solid foundation of development of the liquor industry, including structured business planning with transparent conversations, regular trade visits, tailored marketing initiatives, and enhanced merchandising support via the Proudly NB campaign. The results were clear: increased product sales, stronger shelf placement, and broader marketing reach in-store and online, which positioned ANBL's stores for great results.

Supporting local is not only good for ANBL, it develops communities, creates employment, drives tourism, and, most importantly, it's a commercially sound strategy to keep an industry growing.

LIST OF
LOCAL PRODUCERS

*AS OF MARCH 29, 2026

**Producers that hold multiple license types are listed under their main production type.*

BREWERIES

13 Barrels Brewing
A.W.O.L. Brewery
Acadie-Broue
Artisan Brewing Co.
Bagtown Brewing Company
Big Axe Alehouse and Grill
Big Axe Brewery
Big Tide Brewing Company
Bogey Free Brewhouse
Brasserie Chockpish
Brasserie Rétro Brewing
Broue du Païen
Buddha Bear Cafe
Cask and Kettle Brewing Company
Cavok Brewing
Cavok Brewing Co
Cross Creek Brewing
Drifter Brew Co.
Flying Boats Brewing Company & JALT Beverage Company
Foghorn Brewing Company
Four Rivers Brewing
Gahan House Hub City - Moncton
Gahan House Port City - Saint John
Gahan House Riverside - Fredericton
Grand Falls Brewing / Brasserie Grand-Sault
Grand Manan Brewing Company
Graystone Brewing
Gridiron Brewing
Grimross Brewing
Half Cut Brewing Company
Hampton Brewing Co.
Happy Craft Brewing / Brasserie Artisanale Happy
Heron Bay Brewing
Holy Bowly
Holy Whale Brewing
Hop To It Brewing
Johnny Jacks Micro-Brewery
Les Brasseurs du Petit-Sault
Les Brasseux d'la côte
Long Bay Brewery
Mama's Pub
Maybee Brewing Company
Microbrasserie Ateepic
Microbrasserie Houblon-Pêcheur
Microbrasserie NECTAR Microbrewery / Môtel et camping Colibri
Molson Canada
Moosehead Breweries
Mother Mushroom Farmstay
New Maritime Beer Company
Noteworthy Brewing Company
Novum Boreas Microbrasserie
O.G. Ales
O'Creek Brewing
Picaroons General Store
Pigeon Brewing
Pump House Brewery (Fill Station)
Pump House Brewpubs
Pump House Brewpubs Shediac
RustiCo Restaurant & Brewery
Saint Andrews Brewing Company
Sussex Ale Works
The Capital Complex
The Brew D'La Baie
The Roundhouse
Tide & Boar Gastro Pub / McSweeney Dinner Theatre
Tide & Boar Brewing
Timber Ship Brewing
Tire Shack Brewing Co. Tobique River Trading Co.
Trailway Brewing Company
Union House
Unit XIII
Wasted Day Brewing

DISTILLERIES

Big Fiddle Still
Black Galley Distilling
Blue Roof Distillers
Carroll's Bakery
Crooked River Distillery
Devil's Keep Distillery
Distillerie Fils Du Roy
Distillerie NB Distillery
Downriver Beverage Corporation
East Coast Collective
First Light Distillery
Gagetown Distilling & Cidery
Ole Foggy Moonshine
Snowfox Vodka
Sussex Craft Distillery
The Cove by First Light Distillery
Three Dog Distilling / The Durty Dog Bar

WINERIES

Belleisle Vineyards
Big Sky Ventures
Coopérative Forestière Du Nord Ouest Ltée
Crow and Vine
Gagetown Cider Company
Happy Knight Wines
Homestead Orchards
Kingston Creek Cider
Loose Wire Winery
Magnetic Hill Winery & Farm Market
Nethercoat Estates
Red Rover Craft Cider
Richibucto River Wine Estates
Sunset Heights Meadery
Tuddenham Farms
Verger Belliveau Orchard
Vinerie DesFruits Winery
Waterside Farms Cottage Winery
Winegarden Estate
Yip Cider
York County Cider Corporation

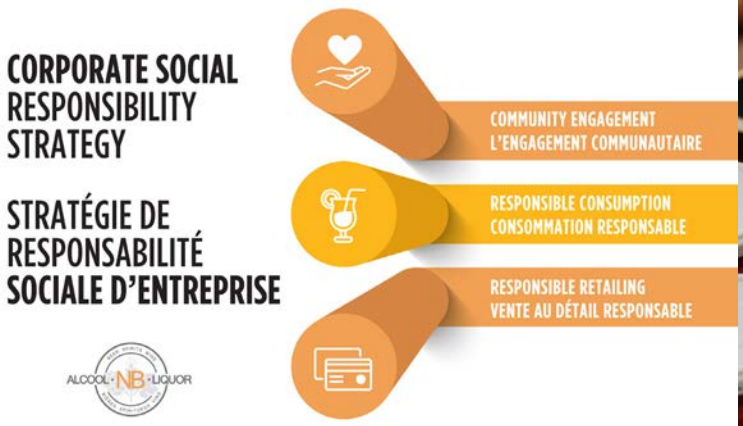


SUPPORTING LOCAL STRENGTHENS COMMUNITIES, GROWS BUSINESSES, AND KEEPS NEW BRUNSWICK'S BEVERAGE ALCOHOL INDUSTRY MOVING FORWARD

CORPORATE SOCIAL RESPONSIBILITY



ANBL HAS REMAINED focused on the Corporate Social Responsibility (CSR) strategy to advance this important aspect of the business, contributing to the betterment of the province through education, safety, and financial support of New Brunswick communities where it truly makes a difference. The CSR strategy is focused on three key pillars: Community Engagement, Responsible Consumption, and Responsible Retailing.





COMMUNITY ENGAGEMENT

ANBL's community engagement strategy is primarily focused on food security as a means of helping get more food to New Brunswickers who need it. ANBL is a champion of food security, supporting 37 food banks, 16 community gardens, and 13 library pantries in fiscal year 2025-2026.

The strong partnership with Feed NB, which supports food banks throughout New Brunswick, is key to ensuring ANBL can support many partner organizations through this one conduit. Funds collected and food donated at each store stay in the communities where they are raised, which has had a positive impact not only on donations, but also on team and customer engagement. In fiscal year 2025-2026, ANBL saw a 10% increase in total donations compared to last year.

ANBL FOOD SECURITY IMPACT REPORT

HOW ANBL IS GETTING MORE FOOD TO THOSE WHO NEED IT

FY2025-2026: DECEMBER 29, 2025 – MARCH 29, 2026

MEASUREMENT	Q1	Q2	Q3	Q4	TOTAL
# OF FOOD DONATIONS	1,008	161	1,713	1,411	4,293
$ VALUE OF FOOD DONATIONS	$2,573	$1,144	$4,183	$3,826	$11,727
$ IN CASH DONATIONS	$142,043	$100,471	$85,163	$78,697	$409,624
TOTAL VALUE OF GOODS & CASH DONATIONS	$144,617	$101,615	$89,346	$82,524	$421,351

2,147 POUNDS OF FOOD DONATED

TOTAL DOLLAR VALUE OF ANBL TEAM AND CUSTOMER DONATIONS **$421,351**

PROMOTING RESPONSIBLE CONSUMPTION

ANBL is committed to identifying key messages and event sponsorships that encourage responsible consumption. In fiscal year 2025-2026, ANBL sponsored 23 events throughout the province with the ANBL Safe Ride program. Having ANBL representatives at these events allowed them to interact with over 106,000 patrons, explaining the Safe Ride program and engaging with the community. This resulted in overwhelmingly positive feedback, and 24% of event patrons using the Safe Ride option and getting home safely.

ANBL SAFE RIDE REPORT

GETTING NEW BRUNSWICKERS HOME SAFELY AT ANBL-SPONSORED EVENTS
FY2025-2026: DECEMBER 29, 2025 – MARCH 29, 2026

MEASUREMENT	Q1	Q2	Q3	Q4	TOTAL
EVENT ATTENDANCE	5,850	80,086	12,440	8,275	106,625
# OF SAFE RIDE PASSENGERS	1,535	14,992	6,161	3,150	25,812
% TOTAL OF ATTENDEES	26%	19%	50%	38%	24%
VOLUNTEER & STAFF HOURS	126	333	122	45	626
# OF COMMUNITIES	5	11	6	2	19

25,812 SAFE RIDE PASSENGERS

TOTAL ATTENDANCE AT ANBL-SPONSORED SAFE RIDE EVENTS **106,625**

In addition to Safe Ride sponsorships, ANBL continued supporting MADD Canada's school program, sponsoring the viewing of their films in 56 schools throughout the province.

madd

No alcohol. No drugs. No victims.





RESPONSIBLE RETAILING

ANBL is focused on responsible retailing by offering the training and resources necessary to equip stores and channel partners with what they need to ensure safe selling practices. It is also intended to protect New Brunswick customers, ensuring that only those legally fit to purchase can do so any retail outlet.

CSR training is required for all ANBL employees and retail channel partners. ANBL monitors safe selling through a mystery shop program, which ensures compliance as well as a focus on assistance and additional training efforts where needed.

ANBL SAFE SELLING SCORECARD

HOW ANBL PROMOTES SAFE SELLING PRACTICES
FY2025-2026: DECEMBER 29, 2025 – MARCH 29, 2026

MYSTERY SHOPS	Q1	Q2	Q3	Q4
% ANBL CORPORATE STORES PASS	90%	90%	79.5%	85%
% AGENTS PASS	87%	61%	76.3%	74%
% GROCERY PASS	88%	67%	79.7%	78%
% LOCAL PRODUCERS PASS	54%	51%	-	49%
TRAINING				
% ROC EMPLOYEES COMPLETE	91%	92%	95%	93%
% CORPORATE STORE EMPLOYEES COMPLETE	94%	94%	93%	97%
% AGENTS COMPLETE	96%	96%	100%	100%
% LOCAL PRODUCERS COMPLETE	71%	71%	73%	86%

Currently, local producers are mystery shopped twice per fiscal year. Due to many of them being seasonal, ANBL has made the decision to complete both shops during Q1 & Q2 while their business hours are extended.

The CSR strategic plan aims to have all internal and external stakeholders recognize that ANBL balances strong retail experience and a sales mandate with a commitment to responsibility and community engagement. By focusing on these three priorities, the team aims to make a measurable impact in communities throughout New Brunswick.

GOVERNANCE

MANDATE LETTER TO THE BOARD OF DIRECTORS

The Government of New Brunswick's Mandate Letter continues to be a key component of governance of ANBL. The letter is a formal indication to the Board of Directors of the expectations the government has of ANBL. ANBL is central to the future economic platform of New Brunswick and through this letter the government reinforces its strong and constructive relationship with ANBL's Board and Management.

REPORT ON THE *OFFICIAL LANGUAGES ACT*

There were two language complaints received in fiscal year 2025-2026 at ANBL.

ANBL continues to work with the departments and the Office of the Commissioner of Official Languages for New Brunswick to implement appropriate remediations.

REPORT ON THE *PUBLIC INTEREST DISCLOSURE ACT*

As provided under section 18(1) of the *Public Interest Disclosure Act*, the chief executive shall prepare a report of any disclosures of wrongdoing that have been made to a supervisor or designated officer of the public service for which the chief executive is responsible. There were no complaints filed during fiscal year 2025-2026 pursuant to the policy.

RIGHT TO INFORMATION AND PROTECTION OF PRIVACY ACT

During fiscal year 2025-2026, there were ten requests received under the *Right to Information and Protection of Privacy Act*. Three were carried over from the previous fiscal year; in total, 12 requests were answered and closed during the fiscal year. One request received in fiscal year 2025-2026 remained in progress at the end of the fiscal year.

BOARD OF DIRECTORS SCHOLARSHIP/BURSARY PROGRAM

The ANBL Board of Directors' Scholarship and Bursary Program is open to all ANBL Employees and their families. In 2025-2026, 10 scholarships or bursaries were awarded towards an eligible education program.

2025-2026 REPORT ON THE STATUS OF AUDITOR GENERAL FINDINGS

As outlined in its fiscal year 2025-2026 mandate letter, ANBL is required to address the Auditor General of New Brunswick ("AG") recommendation to complete a comprehensive review of ANBL's pricing and mark-up structure.

In June of 2022, the AG released its Volume I Performance Audit that included *Chapter 2 – Liquor Industry Development in New Brunswick-New Brunswick Liquor Corporation* (AG Report). The purpose of the audit was to evaluate whether ANBL was effectively managing its participation in the liquor industry in the province, while providing financial revenues in line with its mandate. The audit focused on fiscal years 2019, 2020 and 2021. The report provided 19 recommendations to ANBL, for which a response and target date for implementation were provided, and published.

ANBL takes its purpose, as outlined in the *New Brunswick Liquor Corporation Act*, to participate in the development of the liquor industry in the Province seriously, and largely agreed with all recommendations. At the time of the report's issuance, many recommendations were already underway (six), or implemented (six). A summary of the status of the recommendations is outlined below, broken down by the initial target date set for implementation, and as reported in the AG Report:

RECOMMENDATION SUMMARY AG REPORT REFERENCE #	TARGET DATE FOR FULL IMPLEMENTATION	STATUS
INEFFECTIVE PLANNING AND ENGAGEMENT TO DEVELOP PROVINCE'S LIQUOR INDUSTRY		
2.35 – outcomes-based strategic plan	FY2023-24	Implemented
2.44 – local producer communications and engagement plan	FY2023-24	Implemented
2.51 – define and set clear financial targets	Implemented	Implemented
WEAKNESS IN PRODUCT LIFECYCLE MANAGEMENT		
2.59 – clearly document and retain decision rationale	Implemented	Implemented
2.65 – provide current information to all suppliers	Implemented	Implemented
2.70 – listing process improvements	FY2022-23	Implemented
2.74 – increase transparency	FY2022-23	Implemented
2.92 – complete a comprehensive review and update of pricing strategy and mark-up structure	FY2023-24	In-Progress *Delayed*
2.109– enhance pricing practices	Implemented	Implemented
2.116 – review and update the Minimum Retail Pricing policy annually	Implemented	Implemented
2.119 – actively monitor liquor prices in agency stores	FY2023-24	Implemented
2.132 – delisting process improvements	FY2022-23	Implemented
2.141 – document process used to set sales thresholds for delisting purposes	FY2023-24	Implemented
DATA & DOCUMENT RETENTION ISSUES		
2.151 – review and update Bev Hub and sales data applications	FY2022-23	Implemented
OTHER AREAS OF CONCERN		
2.156 – retain all communications with suppliers supporting prices changed during price call process	Implemented	Implemented
2.169 – develop and implement a plan to address legislative requirement to promote the responsible consumption of liquor	FY2023-24	Implemented
2.170 – Board of Directors review of performance in promoting the responsible consumption of liquor	FY2022-23	Implemented
2.174 – undertake risk assessment to ensure pricing policies comply with applicable trade agreements	FY2022-23	Implemented
2.179 – Board of Directors review and update by-laws to address potential, perceived or actual situations that increase risk to its independence from government	FY2022-23	Implemented

ANBL HAS ASSESSED all but one of the recommendations as being implemented at the end of fiscal year 2025-2026. The pricing strategy recommendation remains in progress, with completion targeted to align with the broader business transformation initiative, Project Galileo.

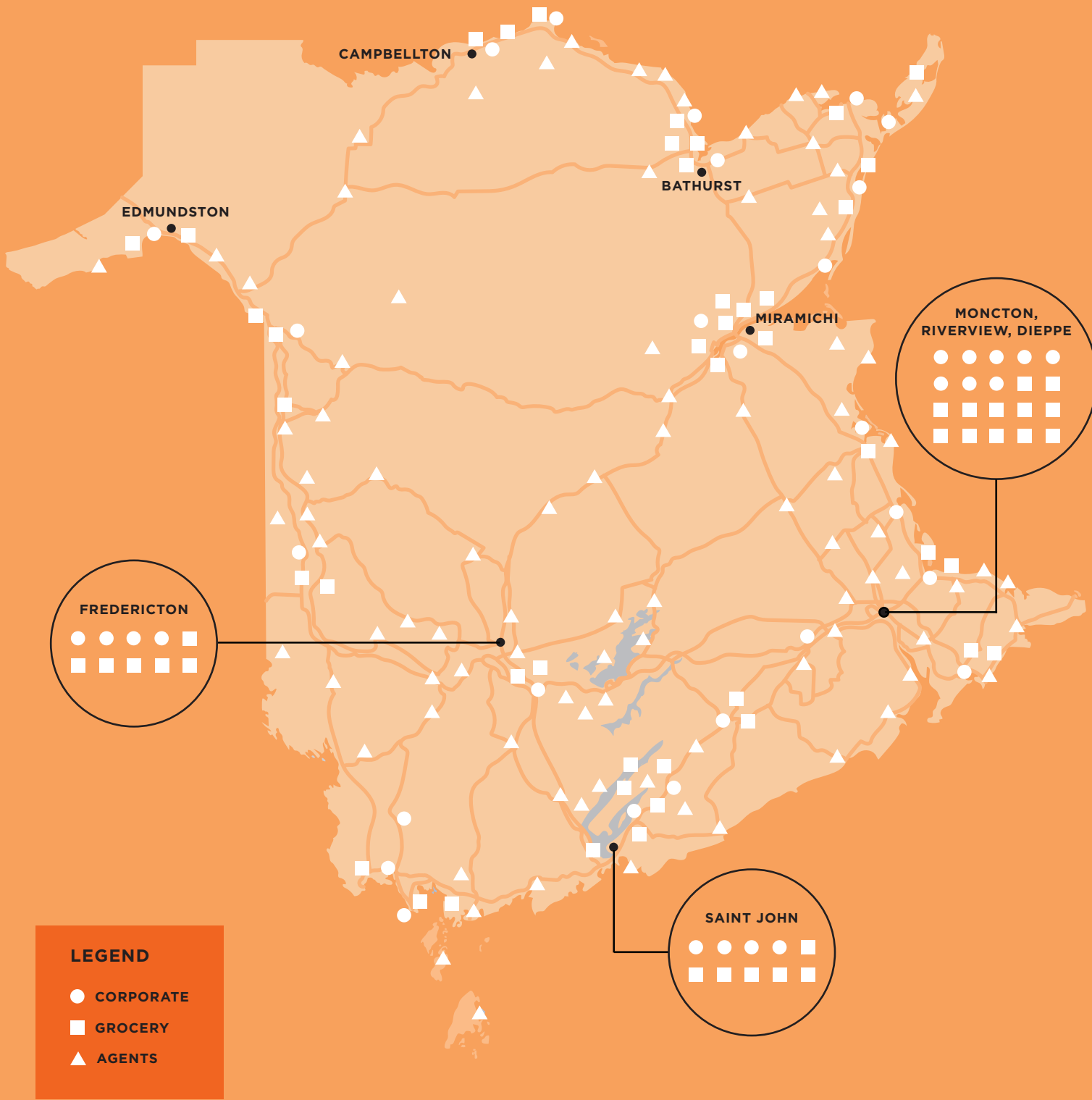
All implemented recommendations are subject to review, both internally and by the AG's office, before being confirmed as officially implemented by the AG. An update on progress is reported quarterly to ANBL's Board of Directors.

There were no other recommendations provided to the corporation in the past five years.



ACROSS THE PROVINCE, OUR LOCATIONS CONNECT NEW BRUNSWICKERS WITH A DIVERSE SELECTION OF PRODUCTS, CLOSE TO HOME

STORE LOCATIONS



SALES BY LOCATION

			2025 – 2026 $000's	2024 – 2025 $000's
LOCATION	**PUBLIC**	**LICENSEE**	**TOTAL**	**TOTAL**
Bathurst (4)	$ 9,077	$ 1,106	$ 10,183	$ 11,131
Beresford (2)	4,563	144	4,707	4,702
Bouctouche (2)	3,734	569	4,303	4,332
Campbellton (5)	3,761	805	4,566	4,067
Caraquet (3)	5,023	821	5,844	5,854
Dalhousie	276	34	310	2,284
Dieppe City				
Dieppe Blvd.	9,259	810	10,069	9,808
Regis St.	12,443	3,058	15,501	16,319
Total Dieppe Stores	**21,702**	**3,868**	**25,570**	**26,127**
Edmundston (2)	11,184	2,025	13,209	13,358
Fredericton City				
Brookside Mall (3)	9,058	1,604	10,662	10,990
Corbett Centre (3)	14,272	1,099	15,371	15,943
Devon Park (5)	9,328	755	10,083	10,184
York St. (1)	11,373	2,170	13,543	14,086
Total Fredericton Stores	**44,031**	**5,628**	**49,659**	**51,203**
Grand Falls (7)	6,898	525	7,423	7,625
Hampton	4,747	209	4,956	4,929
Kennebecasis Valley (5)	15,446	905	16,351	16,342
Miramichi City				
Chatham (2)	5,281	392	5,673	5,698
Newcastle (4)	8,121	959	9,080	9,284
Total Miramichi Stores	**13,402**	**1,351**	**14,753**	**14,982**
Moncton City				
Elmwood Drive (2)	8,391	472	8,863	8,888
Moncton North (2)	9,227	1,556	10,783	11,221
Mountain Rd.	8,019	1,350	9,369	9,550
Vaughan Harvey Blvd.	10,696	3,272	13,968	13,792
Expérience	1,200	238	1,438	2,686
Total Moncton Stores	**37,533**	**6,888**	**44,421**	**46,137**
Neguac	2,993	193	3,186	3,266
Oromocto (5)	8,262	618	8,880	9,173
Richibucto (5)	4,761	281	5,042	4,940
Riverview (3)	10,257	839	11,096	11,221
Sackville (2)	5,382	353	5,735	5,791
Saint John City				
East Point Center (2)	12,327	1,417	13,744	13,849
Fairville Blvd. (4)	10,138	1,305	11,443	11,299
Somerset St.	7,399	879	8,278	8,347
Wellington Row	7,089	1,977	9,066	9,076
Total Saint John Stores	**36,953**	**5,578**	**42,531**	**42,571**
Salisbury	14,673	126	14,799	14,170
Shediac (4)	8,253	1,282	9,535	9,275
Shippagan (1)	2,997	360	3,357	3,441
St. Andrews	2,723	997	3,720	3,670
St. Stephen (3)	7,078	292	7,370	7,515
Sussex (3)	7,799	611	8,410	8,392
Tracadie (3)	5,790	660	6,450	6,689
Woodstock (7)	7,552	767	8,319	8,459
Warehouse *	187,300	13,944	201,244	192,626
TOTAL	**$ 494,150**	**$ 51,779**	**$ 545,929**	**$ 544,272**

*(#) Indicates number of agents at this location *Includes web-based ordering for Licensees*

AGENT SALES BY LOCATION

AGENCY LOCATION	2026 $000's SALES	2025 $000's SALES
Allardville	$ 891	$ 907
Alma	626	608
Arthurette	545	542
Aulac	3,090	2,942
Baie-du-Vin	365	488
Baie-Sainte-Anne	742	715
Balmoral	1,356	1,157
Barnesville	662	649
Bath	1,436	1,423
Bathurst	1,528	0
Belledune	1,040	891
Blacks Harbour	957	1,047
Blackville	1,225	1,213
Boiestown	866	913
Brantville	1,514	1,513
Burton	1,091	1,144
Cambridge Narrows	996	946
Campobello Island	454	426
Canterbury	578	586
Cap-Pelé	3,457	3,555
Centerville	1,110	1,093
Charlo	1,131	955
Chipman	1,730	1,791
Clair	585	656
Cocagne	3,337	3,419
Dalhousie	1,232	0
Debec	706	590
Doaktown	996	963
Douglas Harbour	611	649
Elsipogtog	1,538	1,660
Florenceville-Bristol	1,639	1,611
Fredericton Junction	1,308	1,361
Gagetown	1,045	914
Grand Bay-Westfield	5,498	5,336
Grand Manan	2,149	2,216
Grand-Barachois	2,119	2,049
Grande-Anse	940	980
Hanwell	6,130	5,454
Harcourt	652	677
Hartland	2,109	2,143
Harvey Station	1,525	1,497
Hillsborough	1,372	1,399
Irishtown	$ 2,132	$ 2,258
Janeville	559	521
Juniper	414	397
Kedgwick	1,381	1,280
Kingston	$ 1,618	$ 1,617
Lake George	1,867	1,753
Lamèque	2,458	2,495
Leech	1,849	1,683
Lepreau	1,292	1,277
Lincoln	5,178	3,877
Loch Lomond	4,475	4,294
Mactaquac	2,020	2,039
Magnetic Hill	6,727	4,969
Maisonnette	681	618
McAdam	631	666
Memramcook	2,564	2,576
Minto	2,194	2,104
Nackawic	1,875	1,846
Norton	3,382	3,112
Paquetville	2,037	1,804
Penniac	1,570	1,535
Perth-Andover	4,216	4,057
Petitcodiac	3,276	2,732
Petit-Rocher	2,890	2,925
Plaster Rock	1,400	1,429
Pointe-Sapin	330	326
Port Elgin	2,896	2,844
Public Landing	835	844
Renous	1,083	1,042
Richibucto Village	889	910
Riley Brook	322	313
Riverside-Albert	653	614
Rogersville	2,178	2,008
Saint George	3,889	3,659
Saint Martins	866	882
Saint-Antoine	2,366	2,080
Saint-Arthur	390	371
Sainte-Anne-de-Madawaska	916	880
Saint-Isidore	1,091	1,150
Saint-Léonard	1,332	1,359
Saint-Louis-de-Kent	1,748	1,617
Saint-Paul-de-Kent	466	415
Saint-Quentin	2,142	2,080
Salisbury	1,230	2,522
South Tetagouche	428	459
Stanley	1,203	1,159
Sunny Corner	1,407	1,543
Welsford	801	870
Young's Cove	1,193	1,192
Zealand	1,325	1,310
Prince William	0	1,703
TOTAL	**$ 156 711**	**$ 141,064**
GROCERY		
Kredl's Corner Market (2017) Ltd.	34	55
Loblaws Distribution Centre	13,781	12,706
Sobeys Distribution Centre	17,797	18,274
Total Grocery Sales	**$ 31 612**	**$ 31 035**
Total	**$ 188 323**	**$ 179 403**

MANAGEMENT REPORT

The preparation of financial information is an integral part of management's responsibilities, and the accompanying financial statements are the responsibility of the management of the Corporation. This responsibility includes the selection of appropriate accounting policies and making judgements and estimates consistent with International Financial Reporting Standards in Canada. Financial information presented elsewhere in this Annual Report is consistent with these financial statements.

The Corporation maintains the necessary internal controls designed to provide reasonable assurance that relevant and reliable financial information is produced and that assets are properly safeguarded.

The Board of Directors is assisted in its responsibilities by its Audit Committee. This committee reviews and recommends approval of the financial statements and Annual Report, meets periodically with management, and the internal and external auditors, concerning internal controls and all other matters relating to financial reporting.

KPMG, the external auditors of the Corporation, have performed an independent audit of the financial statements of the Corporation in accordance with Canadian generally accepted auditing standards. The Auditor's Report outlines the scope of this independent audit and the opinion expressed.

[signed by]

Lori Stickles
PRESIDENT AND CEO

[signed by]

Jamie LeBlanc
SENIOR VICE PRESIDENT AND CFO

KPMG LLP
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TD Tower 77 Westmorland Street
Fredericton, NB E3B 6Z3
Canada
Tel 506 452 8000
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of New Brunswick Liquor Corporation

Opinion

We have audited the financial statements of New Brunswick Liquor Corporation (the Corporation), which comprise:

- the statement of financial position as at March 29, 2026
- the statement of operations and comprehensive income for the 52-week period then ended
- the statement of changes in equity for the 52-week period then ended
- the statement of cash flows for the 52-week period then ended
- and notes to the financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 29, 2026, and its financial performance and its cash flows for the 52-week period then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

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

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

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

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Fredericton, Canada

July 10, 2026

NEW BRUNSWICK LIQUOR CORPORATION

Statement of Financial Position
(In thousands)

March 29, 2026 with comparative information for March 30, 2025

		March 29, 2026		March 30, 2025
Assets				
Current Assets				
Cash	$	5,240	$	4,308
Trade and other receivables		15,052		15,172
Inventories		48,032		47,403
Prepaid expenses		2,296		2,191
		70,620		69,074
Non-Current Assets				
Property and equipment (note 4)		13,533		13,102
Intangible assets (note 5)		959		1,664
Right-of-use assets (note 6)		28,947		32,692
		43,439		47,458
Total Assets	**$**	**114,059**	**$**	**116,532**
Liabilities				
Current Liabilities				
Trade and other payables	$	44,663	$	47,457
Lease liabilities due within one year (note 6)		6,695		7,170
		51,358		54,627
Non-Current Liabilities				
Long-term lease liabilities (note 6)		26,355		29,990
Retiring allowances (note 7)		2,384		2,267
		28,739		32,257
Total Liabilities		80,097		86,884
Equity of the Province of New Brunswick				
Equity		33,801		29,431
Accumulated other comprehensive income		161		217
		33,962		29,648
Total Liabilities and Equity	**$**	**114,059**	**$**	**116,532**

Contingencies (note 12)

See accompanying notes to financial statements.

On behalf of the Board:

[signed by]
Paul Elliott
Chair of the Board

[signed by]
Cédric Laverdure
Chair of the Audit Committee

NEW BRUNSWICK LIQUOR CORPORATION

Statement of Operations and Comprehensive Income
(In thousands)

52 weeks ended March 29, 2026 with comparative information for the 52 weeks ended March 30, 2025

Statement of Operations		**March 29, 2026 (52 weeks)**		**March 30, 2025 (52 weeks)**
Total sales (note 9)	$	545,929	$	544,272
Less: discounts		14,901		14,252
Net sales		531,028		530,020
Cost of sales		252,184		252,435
Gross profit		278,844		277,585
Other income		3,053		5,055
		281,897		282,640
Operating expenses (note 10)		98,410		91,172
Net income	**$**	**183,487**	**$**	**191,468**

Statement of Comprehensive Income		**March 29, 2026 (52 weeks)**		**March 30, 2025 (52 weeks)**
Net income	$	183,487	$	191,468
Other comprehensive (loss)				
Change in retirement allowance actuarial assumptions (note 7)		(56)		(60)
Other comprehensive (loss)		(56)		(60)
Comprehensive income	**$**	**183,431**	**$**	**191,408**

See accompanying notes to financial statements.

NEW BRUNSWICK LIQUOR CORPORATION

Statement of Changes in Equity
(In thousands)

52 weeks ended March 29, 2026 with comparative information for the 52 weeks ended March 30, 2025

	Accumulated other comprehensive income	Retained earnings	Total equity
Balance at April 1, 2024	$ 277	$ 33,052	$ 33,329
Net income	–	191,468	191,468
Other comprehensive (loss)	(60)	–	(60)
Comprehensive income (loss)	(60)	191,468	191,408
Distributions to the Province of New Brunswick	–	(195,089)	(195,089)
Balance at March 30, 2025	**$ 217**	**$ 29,431**	**$ 29,648**
Net income	–	183,487	183,487
Other comprehensive (loss)	(56)	–	(56)
Comprehensive income (loss)	(56)	183,487	183,431
Distributions to the Province of New Brunswick	–	(179,117)	(179,117)
Balance at March 29, 2026	**$ 161**	**$ 33,801**	**$ 33,962**

See accompanying notes to financial statements.

NEW BRUNSWICK LIQUOR CORPORATION

Statement of Cash Flows
(In thousands)

52 weeks ended March 29, 2026 with comparative information for the 52 weeks ended March 30, 2025

	March 29, 2026 (52 weeks)	March 30, 2025 (52 weeks)
Operating		
Net income	$ 183,487	$ 191,468
Items not involving cash:		
Depreciation	9,352	9,274
Amortization of intangible assets (note 5)	705	768
Gain on sale of property and equipment	(15)	(24)
Increase in retiring allowances (note 7)	61	13
Lease liabilities - interest portion (note 6)	1,152	1,219
Change in non-cash working capital (note 8)	(3,408)	7,288
Cash generated from operations	191,334	210,006
Investing		
Additions to property and equipment (note 4)	(2,880)	(2,228)
Additions to intangible assets (note 5)	–	(156)
Proceeds from sale of property and equipment	23	24
Net cash used for investing activities	(2,857)	(2,360)
Financing		
Lease payments (note 6)	(8,428)	(8,467)
Distributions to the Province of New Brunswick	(179,117)	(195,089)
Net cash used for financing activities	(187,545)	(203,556)
Increase in cash	932	4,090
Cash at beginning of year	4,308	218
Cash at end of year	**$ 5,240**	**$ 4,308**

See accompanying notes to financial statements.

1. Nature of operations and reporting entity:

The New Brunswick Liquor Corporation (the “Corporation”) is a Crown Corporation incorporated under the New Brunswick Liquor Corporation Act and is a Government Business Enterprise as defined by Public Sector Accounting Standards. The immediate parent and ultimate controlling party is the Province of New Brunswick. The Corporation's main office is located in Fredericton, New Brunswick and its primary business is the purchase, distribution and sale of alcoholic beverages throughout the Province of New Brunswick. The Corporation is exempt from Income Taxes under Section 149 of the Income Tax Act.

These financial statements do not include the financial statements of the Corporation’s investee, Cannabis NB Ltd. (“CNB”), which was incorporated under the Business Corporations Act on July 3, 2018. The investment has been recorded at cost.

2. Basis of presentation:

(a) Statement of compliance:

The financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”).

The financial statements for the year ended March 29, 2026, were approved, and authorized for issue by the Board of Directors on July 10, 2026.

(b) Fiscal year:

The Corporation’s fiscal year ends on the Sunday closest to March 31. All references to 2026 and 2025 represent the fiscal years ended March 29, 2026, and March 30, 2025, respectively. Under an accounting convention common in the retail industry, the Corporation follows a 52-week reporting cycle, which periodically necessitates a fiscal year of 53 weeks. The year ended March 29, 2026 contained 52 weeks and the year ended March 30, 2025, contained 52 weeks. Typically, the inclusion of an extra week occurs every fifth or sixth fiscal year due to the Corporation’s floating year-end date. The next 53-week year will occur in fiscal 2028.

(c) Basis of measurement:

The financial statements have been prepared on the historical cost basis except for post-employment benefits, which are measured as described below. These financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

3. Summary of material accounting policies:

(a) Use of estimates and judgements:

The preparation of financial statements requires management to make certain judgements, estimations and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosures of contingent assets and liabilities. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised, and any future years affected.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Corporation that have the most material effect on the financial statements.

Consolidation

The Corporation uses judgement in determining whether CNB is controlled and therefore consolidated. The Corporation controls an entity when the Corporation has the power over the investee, has exposure, or rights, to variable returns from its involvement with the investee, and has the ability to direct the activities that significantly affect the entity's returns. Judgement is applied in determining whether the Corporation has exposure, or rights, to variable returns from its involvement with CNB. The Corporation owns 100% of the common shares of CNB, has direct control over the operational activities that significantly affect CNB's returns, however does not have direct benefit or exposure to variable returns, therefore under IFRS 10, is not required to consolidate.

Impairment of property and equipment, right-of-use, and intangible assets

Judgement is used in determining the aggregate grouping of assets identified as Cash Generating Units ("CGUs") for purposes of testing for impairment of property and equipment, right-of-use assets (ROU), and intangibles. Judgement is required in determining the lowest level at which independent cash inflows are generated. The Corporation has defined CGUs as its retail stores. In addition, judgement is used to determine whether a triggering event has occurred requiring an impairment test to be conducted.

Capitalization of internally developed software

Judgement is required in distinguishing the research and development phases of a new customized software project and determining whether the recognition requirements for the capitalization of development costs are met. After capitalization, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalized costs may be impaired.

Right-of-use assets and lease liabilities

Judgement is required to determine whether an option to extend the lease term would be reasonably certain to be exercised. Management considers all facts and circumstances, including its past practice and any cost that will be incurred to improve or modify the leased asset if an option to extend is not taken, to help it determine the lease term.

Judgement is also required where the interest rate implicit in the lease is not readily available. Management uses the lessee's incremental borrowing rate to measure the present value of the remaining lease payments. Management's determination of the Corporation's incremental borrowing rate depends on relevant facts and circumstances, geographical location, and lease term duration of the lease property.

Significant estimations and assumptions

The following are areas where estimates and assumptions have the most significant effect on recognition and measurement of the assets, liabilities, income, and expenses of the Corporation. Actual results may be substantially different.

3. Summary of material accounting policies (continued):

(a) Use of estimates and judgements (continued):

Useful lives of property and equipment and intangible assets

The Corporation is required to estimate the useful lives and depreciation method for property and equipment and intangible assets. Management determines the estimated useful lives based on historical experience and the expected pattern of consumption of the future economic benefits of the asset. As this information is based on estimates and is subject to change, estimates are reviewed at the end of each year, with the effect of any changes in estimate accounted for on a prospective basis.

Retiring allowances

The Corporation makes estimates in recording costs and liabilities associated with retiring allowances. These are based on current information regarding cost, expected plans and discount rates. The accrued retiring allowances reflect the Corporation's best estimate of salary, escalation, and the retirement ages of employees. The calculations are sensitive to changes in the actuarial and economic assumptions made regarding future outcomes.

(b) Cash:

Cash includes cash and bank deposits.

(c) Inventories:

The Corporation’s inventories, which consist of finished goods held for sale, are stated at the lower of cost and net realizable value. Cost is defined as average cost. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses. Cost includes expenditures incurred in acquiring the inventories and bringing them to their existing location and condition. The amount of inventories expensed during the year is shown as cost of sales on the statement of operations and comprehensive income.

(d) Property and equipment:

Property and equipment are carried at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition or construction of an asset, and costs directly attributable to bringing an asset to the location and condition necessary for its use in operations. When property and equipment include significant components with different useful lives, they are recorded and amortized separately. Depreciation is computed using the straight-line method based on the estimated useful life of the assets. Useful life is reviewed on an annual basis.

Derecognition

An item of property and equipment is derecognized when disposed of or when no future economic benefits are expected to arise from the continued use of the asset. A gain or loss arising on derecognition of an asset is calculated as the difference between the net disposal proceeds and the carrying amount of the asset at the date of disposal and is included in the statement of operations and comprehensive income in the year in which the item is derecognized.

Subsequent costs

The Corporation recognizes in the carrying amount of an item of property and equipment the cost of replacing part of such an item when that cost is incurred if it is possible that the future economic benefits embodied with the item will flow to the Corporation and the cost of the item can be measured reliably. All other costs are recognized in the statement of operations and comprehensive income as expenses as incurred.

Depreciation

Depreciation of an asset begins when it is available for use. This means when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

3. Summary of material accounting policies (continued):

(d) Property and equipment (continued):

Depreciation is charged to the statement of operations and comprehensive income on a straight-line basis over the assets' estimated useful lives after considering their estimated residual value using the following:

Paving	10 years
Buildings	40 years
Leasehold improvements	1 - 20 years
Furniture, fixtures, and equipment	5 - 20 years
Automotive	4 years
Retail equipment	5 years
Refrigeration equipment	5 -10 years

Leasehold improvements are depreciated on the straight-line basis over the lesser of the estimated useful life and the lease term. Property and equipment include assets purchased or under construction, all, or a portion of which may not be in use at the end of the year. As a result, no depreciation is taken on these assets. Assets not in use totaled $73 ($597 in 2025) of which $0 ($455 in 2025) is included in buildings, $0 ($132 in 2025) is included in furniture, fixtures, and equipment, and $73 ($10 in 2025) is included in leasehold improvements.

Impairment

The carrying amounts of the Corporation's non-financial assets (property and equipment, intangible assets and right of use assets) are reviewed at the end of each year to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash generating unit to which the asset belongs.

Assets are grouped based on their CGUs which is the smallest group of assets which generate cash 'inflows' from their continuing use which are independent from cash inflows of other assets. The Corporation has defined CGUs as its retail stores.

The recoverable amount of a CGU is the greater of its value in use and its fair value less estimated costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Impairment losses recognized in prior periods are reversed if the recoverable amount in a later period exceeds the carrying amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. At March 29, 2026, there were no indicators of impairment.

(e) Intangible assets:

Intangible assets include purchased and in-house developed computer software which are recorded at cost and amortized on a straight-line basis over the estimated useful life, as these assets are considered to have finite useful lives. Useful lives are reviewed at each reporting date. Computer software is amortized on a straight-line basis for 4 to 10 years. The Corporation assesses the carrying value of intangible assets for impairment on an annual basis. At March 29, 2026, there were no indicators of impairment. Included in intangible assets are assets not in use of $0 ($160 in 2025). No amortization is taken on these assets.

3. Summary of material accounting policies (continued):

(f) Leased assets:

At inception of a contract, the Corporation assesses whether a contract is, or contains, a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Corporation uses the definition of a lease in IFRS 16.

Leases are recognized as a ROU asset and a corresponding liability at the lease commencement date.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index (Consumer Price Index) or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease liability is measured at amortized cost using the effective interest method. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Corporation's incremental borrowing rate is used. The Corporation determines its incremental borrowing rate using the Province of New Brunswick's incremental borrowing rate over the lease terms.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Corporation's estimate of the amount expected to be payable under a residual value guarantee, if the Corporation changes its assessment of whether it will exercise a purchase, extension, or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

ROU assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

The ROU asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The Corporation's ROU assets are buildings which are depreciated over the lease period up to a maximum of 20 years.

The Corporation has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Corporation recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(g) Financial instruments:

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of a financial instrument. A financial asset or financial liability is measured initially at fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of financial instruments that are not classified as fair value through profit or loss.

3. Summary of material accounting policies (continued):

(h) Classification and measurement of financial assets:

The classification and measurement approach for financial assets reflect the business model in which assets are managed and their cash flow characteristics. Financial assets are classified and measured based on these categories: amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit and loss ("FVTPL").

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- The financial asset is held within a business model whose objective is to hold assets to collect contractual flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- The financial asset is held within a business model in which assets are managed to achieve a particular objective by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at FVTPL unless it is measured at amortized cost or at FVOCI.

Financial assets are not reclassified subsequent to their initial recognition unless the Corporation identifies changes in its business model in managing financial assets. The Corporation currently classifies its cash and trade and other receivables as assets measured at amortized cost.

Financial liabilities are classified and measured based on two categories: amortized cost or FVTPL. The Corporation currently classifies trade and other payables as financial liabilities measured at amortized cost.

Derecognition

The Corporation derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all risks and rewards of ownership of the financial asset are transferred or in which the Corporation neither transfers nor retains substantially all risks and rewards of ownership and does not retain control of the financial assets. The difference between the carrying amount of the financial asset and the sum of the consideration received and receivable is recognized in income.

The Corporation derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in income.

Impairment of financial assets

The Corporation recognizes loss allowances for expected credit losses ("ECL") on financial assets that are not measured at FVTPL.

The Corporation measures loss allowances at an amount equal to lifetime ECL, except for the following for which they are measured as 12-month ECL:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

3. Summary of material accounting policies (continued):

(h) Classification and measurement of financial assets (continued):

Any 12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument.

Measurement of ECL

ECL are a probability weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit impaired at the reporting date: as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Corporation expects to receive); and
- financial assets that are credit impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

At each reporting date, the Corporation assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is “credit impaired” when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amounts of the assets.

(i) Provisions:

A provision is recognized in the statement of financial position when the Corporation has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are measured at the present value of expenditures expected to be required to settle the obligation using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the obligation. The increase in provision due to the passage of time is recognized as an interest expense.

(j) Post-employment benefits:

Retiring allowances

Bargaining employees are entitled to a retirement allowance based on years of service and rate of pay in the year of retirement or death. This program is funded in the year the allowance is paid. The cost of the retirement allowance earned by employees is actuarially determined using the projected benefit method pro-rated on service and management’s best estimate of salary escalation and retirement age of employees.

Significant assumptions used in the calculation of the liability are as follows:

	March 29, 2026	March 30, 2025
Discount rate	4.90%	4.45%
Future salary increases	5.10% for 2026, 5.95% for 2027, 2.50% thereafter	2.30%
Retirement age	Varies depending on member’s current age	

3. Summary of material accounting policies (continued):

(j) Post-employment benefits (continued):

Pension plan

Employees of the Corporation are members of the New Brunswick Public Service Pension Plan, a multi-employer, shared risk pension plan. Contributions are made by both the Corporation and the employees. Since sufficient information is not readily available to account for the Corporation's participation in the plan using defined benefit pension plan accounting, these financial statements have been prepared using accounting for defined contribution pension plans. The Corporation has no direct liability to any unfunded liability, nor does it have any entitlement to any surplus, for the plan related to current or former employees. Contributions made by the Corporation during the year totaled $4,101 ($3,902 in 2025). Contributions made to the plan by the Corporation for 2026 are expected to approximate 11.25% of eligible salaries.

The Corporation also maintains a defined contribution plan for its part-time and seasonal employees. Contributions made by the Corporation during the year totaled $89 ($79 in 2025).

(k) Revenue:

Revenue is measured at the fair value of consideration received or receivable. The Corporation recognizes revenue when it transfers control over a good to a customer. For contracts that permit the customer to return an item, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The Corporation recognizes revenue at the time the point of sale is made or when goods are delivered to the customers.

(l) Vendor rebates:

The Corporation records cash consideration received from vendors as a reduction to the cost of related inventory or, if the related inventory has been sold, to the cost of producing revenue.

(m) Standards and interpretations not yet applied:

A number of new standards, amendments to standards and interpretations of standards have been issued by the IASB and the IFRIC, the application of which is effective for periods beginning on or after January 1, 2024.

The Corporation does not expect the implementation of these new accounting pronouncements to have a significant impact on its accounting policies.

Presentation and Disclosure in Financial Statements IFRS 18:

In April 2024, the IASB issued IFRS 18, Presentation and Disclosures in Financial Statements, which will replace IAS 1. The new standard introduces the following key requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit sub-total. The Entity's new profit will not change.
- Management defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and must be applied retrospectively. The Corporation is currently evaluating the impact that this standard will have on its financial statements.

3. Summary of material accounting policies (continued):

(m) Standards and interpretations not yet applied (continued):

IFRS 9 and IFRS 7 Amendments, Classification and measurement of financial instruments

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 relating to classification and measurement of financial instruments. The amendments clarify certain concepts relating to classification of financial assets, including those with contingent features. The amendments address the recognition and derecognition of financial assets and liabilities settled using an electronic payment system. The amendments also introduce certain new disclosure requirements for financial instruments measured at fair value through other comprehensive income and amortized cost. These amendments are effective for annual reporting periods beginning on or after January 1, 2026, and must be applied retrospectively. The Corporation is currently evaluating the impact that this amendment will have on its financial statements.

4. Property and equipment:

Cost	Land	Paving	Buildings	Leasehold improvements	Furniture, fixtures and equipment	Automotive	Retail equipment	Refrigeration equipment	Total
Balance at April 1, 2024	$ 23	$ 541	$ 12,334	$ 7,171	$ 29,561	$ 690	$ 1,446	$ 3,997	$ 55,763
Additions	–	36	455	394	847	230	38	228	2,228
Disposals	–	–	–	–	–	(151)	–	–	(151)
Balance at March 30, 2025	$ 23	$ 577	$ 12,789	$ 7,565	$ 30,408	$ 769	$ 1,484	$ 4,225	$ 57,840
Balance at March 31, 2025	$ 23	$ 577	$ 12,789	$ 7,565	$ 30,408	$ 769	$ 1,484	$ 4,225	$ 57,840
Additions	–	38	534	511	1,627	102	–	68	2,880
Disposals	–	–	–	(19)	(5)	(60)	–	(7)	(91)
Balance at March 29, 2026	$ 23	$ 615	$ 13,323	$ 8,057	$ 32,030	$ 811	$ 1,484	$ 4,286	$ 60,629
Accumulated depreciation									
Balance at April 1, 2024	$ –	$ 421	$ 7,279	$ 4,013	$ 25,651	$ 404	$ 1,360	$ 3,414	$ 42,542
Depreciation	–	18	211	748	1,075	111	22	162	2,347
Disposals	–	–	–	–	–	(151)	–	–	(151)
Balance at March 30, 2025	$ –	$ 439	$ 7,490	$ 4,761	$ 26,726	$ 364	$ 1,382	$ 3,576	$ 44,738
Balance at March 31, 2025	$ –	$ 439	$ 7,490	$ 4,761	$ 26,726	$ 364	$ 1,382	$ 3,576	$ 44,738
Depreciation	–	22	228	804	1,044	156	26	161	2,441
Disposals	–	–	–	(19)	(2)	(60)	–	(2)	(83)
Balance at March 29, 2026	$ –	$ 461	$ 7,718	$ 5,546	$ 27,768	$ 460	$ 1,408	$ 3,735	$ 47,096
Carrying amounts									
March 30, 2025	$ 23	$ 138	$ 5,299	$ 2,804	$ 3,682	$ 405	$ 102	$ 649	$ 13,102
March 29, 2026	$ 23	$ 154	$ 5,605	$ 2,511	$ 4,262	$ 351	$ 76	$ 551	$ 13,533

5. Intangible assets:

Software	March 29, 2026 (52 weeks)	March 30, 2025 (52 weeks)
Cost		
Opening	$ 12,753	$ 12,597
Additions	–	156
Closing	12,753	12,753
Accumulated Amortization		
Opening	11,089	10,321
Amortization	705	768
Closing	11,794	11,089
Carrying Amount	**$ 959**	**$ 1,664**

6. Right-of-use assets and lease liabilities:

The Corporation leases various retail stores and certain leases contain extension options exercisable by the Corporation. At the commencement date, the Corporation concluded that it is not reasonably certain to exercise the options to extend the leases and therefore, renewal options have not been taken into consideration for measurement of ROU assets and lease liabilities.

Right-of-use assets	March 29, 2026 (52 weeks)	March 30, 2025 (52 weeks)
Cost		
Opening	$ 73,347	$ 70,016
Additions	3,166	3,331
Closing	76,513	73,347
Accumulated Depreciation		
Opening	40,655	33,728
Depreciation	6,911	6,927
Closing	47,566	40,655
Carrying Amount	**$ 28,947**	**$ 32,692**

6. Right-of-use assets and lease liabilities (continued):

Lease liabilities		March 29, 2026 (52 weeks)		March 30, 2025 (52 weeks)
Opening	$	37,160	$	41,077
Additions		3,166		3,331
Lease payments		(8,428)		(8,467)
Interest expense on lease liabilities		1,152		1,219
Closing	**$**	**33,050**	**$**	**37,160**
Current	$	6,695	$	7,170
Long-term		26,355		29,990
	$	**33,050**	**$**	**37,160**

Maturity of lease liabilities

A maturity analysis of discounted payments are as follows:

		March 29, 2026 (52 weeks)		March 30, 2025 (52 weeks)
Due within one year or less	$	6,695	$	7,170
Between one and five years		19,805		19,845
More than five years		6,550		10,145
	$	**33,050**	**$**	**37,160**

7. Retirement allowances:

Pursuant to the direction of the Province of New Brunswick and with the approval of the Board of Directors, the accumulation of retirement allowance benefits ceased for non-bargaining employees effective June 30, 2013. The program remains in effect for bargaining employees pending direction from the Province of New Brunswick. A full actuarial evaluation of the plan was performed as of March 29, 2026.

Information relating to the plan is as follows:

		March 29, 2026 (52 weeks)		March 30, 2025 (52 weeks)
Opening	$	2,267	$	2,194
Employer current service cost		119		112
Interest cost		103		107
Benefit payments		(161)		(206)
Change in financial assumptions		56		60
Closing	**$**	**2,384**	**$**	**2,267**

7. Retirement allowances (continued):

Increase in retiring allowances:

	March 29, 2026 (52 weeks)	March 30, 2025 (52 weeks)
Change in closing balance	$ 117	$ 73
Change in financial assumptions	(56)	(60)
	$ 61	**$ 13**

8. Changes in non-cash working capital:

	March 29, 2026 (52 weeks)	March 30, 2025 (52 weeks)
Trade and other receivables	$ 120	$ 419
Inventories	(629)	(7,849)
Prepaid expenses	(105)	409
Trade and other payables	(2,794)	14,309
	$ (3,408)	**$ 7,288**

9. Sales:

	March 29, 2026 (52 weeks)	March 30, 2025 (52 weeks)
Beer	$ 223,059	$ 224,500
Spirits	126,795	127,503
Wine	114,246	115,284
Coolers and ciders	81,316	76,477
Non liquor	513	508
	$ 545,929	**$ 544,272**

10. Operating expenses:

	March 29, 2026 (52 weeks)	March 30, 2025 (52 weeks)
Employee costs	$ 48,237	$ 48,317
Projects and other	19,906	13,936
Depreciation and amortization	10,057	10,042
Financial services	6,712	6,449
Services	6,383	5,924
Occupancy costs and supplies	4,388	4,072
Technology	2,727	2,432
	$ 98,410	**$ 91,172**

11. Financial risk management objectives and policies:

(a) Liquidity risk:

Liquidity risk is the risk the Corporation will be unable to meet its financial obligations as they become due. The Corporation manages this risk through monitoring of future cash flows to ensure it will have sufficient cash from operations to meet these obligations. The Corporation's trade and other payables are due within one year. The details of the Corporation's future lease liabilities, undiscounted, are as follows:

	March 29, 2026 (52 weeks)	March 30, 2025 (52 weeks)
Due within one year	$ 7,638	$ 8,203
Between one and five years	21,788	22,270
More than five years	7,022	10,883
	$ 36,448	**$ 41,356**

(b) Foreign currency risk:

In preparing the financial statements, transactions in currencies other than the Canadian dollar are recorded at the rates of exchange prevailing on the date of the transaction. The Corporation is exposed to foreign currency risk on purchases that are denominated in a currency other than the Canadian dollar. Currencies giving rise to this risk are primarily the U.S. dollars and Euros. Management has mitigated this risk by limiting the number of purchase transactions originating in foreign currency.

(c) Credit risk:

Credit risk is the risk the Corporation will incur a loss because a customer fails to meet an obligation. The Corporation's exposure is related to the value of trade and other receivables. The Corporation has mitigated the exposure to this risk through limited extension of credit and contractual relationships with business partners. As at March 29, 2026, no customer account amounts to more than 10% of total receivables.

(d) Capital management:

The Corporation does not have share capital or long-term debt. Its definition of capital is cash and equity. The Corporation's main objectives for managing capital is to ensure sufficient liquidity in support of its financial obligations and to maximize returns to the Province of New Brunswick.

12. Contingencies:

The Corporation is involved in various legal actions and other matters arising out of the ordinary course and conduct of business. The outcome and ultimate disposition of these actions are not determinable at this time. Accordingly, no provision for these actions is reflected in the financial statements. Settlements, if any, concerning these contingencies will be accounted for in the period in which the settlement occurs. Management has mitigated this risk by maintaining insurance coverage as required.

The Corporation indemnifies its Directors and Officers against any and all claims or losses reasonably incurred in the performance of their service to the Corporation.

13. Related party transactions:

The ultimate controlling party of the Corporation is the Province of New Brunswick. Distributions to the Province of New Brunswick are disclosed in the statement of changes in equity. The Corporation is related through common ownership with all provincial departments, agencies, and Crown Corporations. Transactions with these entities occur in the normal course of business and are recorded at the exchange amount unless disclosed in these financial statements.

The Corporation provides services to CNB, which are allocated through a shared service agreement. These services include human capital in the areas of executive management; corporate governance; property management; information technology services; strategic compliance; financial services; community and stakeholder relations, as well as the associated portion of benefits. In addition, the Corporation incurred costs on behalf of CNB for the purchase of goods or services from external third parties. All transactions are recorded on a cost recovery basis and are recognized as a reduction to operating expenses. During the year ended March 29, 2026, the Corporation charged CNB $3,317 ($2,305 in 2025) for salaries-administration.

Trade and other receivables include $514 ($248 in 2025) which represents the current portion of the cost recovery allocation as described above. The total amount outstanding is non-interest bearing, unsecured, with no set term of repayment. The amounts due from CNB are considered current receivables and repayment is guaranteed under the terms of an agreement between CNB and Cannabis Management Corporation.

These transactions are recorded at the amount of consideration as established and agreed to by the related parties.

Compensation of key management personnel

Members of the Board of Directors and Executive Team are considered to be key management personnel. Total compensation and benefits amounted to $1,903 ($2,506 in 2025).

14. Comparative information:

Certain comparative information has been reclassified to conform with the current year's presentation. This includes adjustments of $3,907 related to the timing of recognition of inventory in transit and the corresponding accounts payable for the year ended March 30, 2025. These reclassifications did not impact the Corporation's net income or Equity of the Province of New Brunswick.