ALCOOL · NB · LIQUOR

BEER SPIRITS WINE

BIÈRES SPIRITUEUX VINS

2019 - 2020
ANNUAL REPORT

Table of Contents

170 Wilsey Road, PO Box 20787
Fredericton, NB, E3B 5B8

anbl.com

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Letter from the Chair

Honourable Ernie Steeves
Minister of Finance
President of Treasury Board
Province of New Brunswick
Fredericton, NB

Dear Minister Steeves,

In compliance with the *New Brunswick Liquor Corporation Act*, I am pleased to submit the annual report of the New Brunswick Liquor Corporation for the fiscal year ending March 29, 2020. On behalf of the Board of Directors, we strive to provide support and leadership to the Corporation as well as ensuring good governance.

During the past year, the board has welcomed four new members: Kathryn Craig, Paul Elliott, Kevin Berry, and Cédric Laverdure. They bring to the board a wide range of skills, competencies, and experience. Also reappointed was Joanne Bérubé Gagné from Edmundston for her second term.

I would like to thank very much the outgoing Chair Rachelle Gagnon, and the other three former board members for their hard work and dedication to ANBL over the past few years. In September 2019, Patrick Parent joined ANBL as President and CEO. Patrick has brought great leadership and experience from the industry and we are very pleased to welcome him. Given his strong management skills and team, we are proud to report that this year, ANBL recorded the best performance in its history.

The corporation has continued to focus on responsibly managing a successful business for the people of New Brunswick, while preparing a new three-year strategic plan for 2020-2023.

Like all businesses, the corporation was challenged to respond to the ongoing COVID-19 situation. Ensuring the health and safety of our team members and the customers we serve continues to be our priority. On behalf of the board of directors, we thank all ANBL team members for everything they have done for the citizens of New Brunswick and for the corporation. They are indeed our heroes and have made us very proud.

ANBL's engaged teams continue to strive to be the B.E.S.T. (Better. Every. Single. Time) every day, and the management team provides the quality leadership and direction needed to take the organization to new levels.

Respectfully submitted,

John Correia

Board of Directors

at March 29, 2020

John Correia
Director and Chair of the Board

Kathryn Craig
Director

Kevin Berry
Director

L. Paul Elliott
Director

Cédric Laverdure
Director

Joanne Bérubé-Gagné
Director

Pierre LaFrance,
Director

Patrick Parent
President and Chief Executive Officer

Andrea DeWitt
Secretary of the Board

President's Message 2019-2020

At Alcool NB Liquor (ANBL), we value the trust New Brunswickers have placed in us to ensure the responsible importation, and wholesale and retail sale of beverage alcohol in the province. We also value the relationships with our customers, stakeholders, and international, national, and local New Brunswick suppliers who have all played an important role in helping ANBL achieve its best annual performance ever.

ANBL's success is New Brunswick's success – each and every day, 100% of ANBL's profits are returned to the Province to help fund important public services and programs in health care, education, and infrastructure. Hundreds of individual New Brunswickers proudly report to work in our retail operation centre and network of ANBL stores, and hundreds of small New Brunswick businesses derive their income as our suppliers or sales partners in every region of the province. In addition, hundreds of community organizations benefit from thousands of dollars and volunteer hours donated by the teams at ANBL.

ANBL's significant contributions were never more evident or needed than during the COVID-19 pandemic that marked the end of ANBL's 2019-2020 fiscal year. ANBL rapidly responded to government's call to continue its operations through the crisis by implementing significant measures to ensure the health and safety of our customers and teams, all while maintaining well-stocked shelves and customer service excellence.

ANBL is launching its new three-year strategic plan in 2020-2021. Our mission remains to responsibly manage a successful business for the people of New Brunswick. Guided by our vision to deliver the best value for your investment in us, we will work diligently to meet our goals to continuously improve our financial results, to nurture a high-performance customer-centric culture and to ensure we uphold all of our corporate and social responsibilities.

Respectfully,

Patrick Parent

Patrick Parent
President and CEO

Executive Management

at March 29, 2020

Patrick Parent
President and Chief Executive Officer

Lori Stickles
Vice-President and Chief Financial Officer

Alan Sullivan
Vice-President, Channel Sales

Paul Henderson
Vice-President, Customer Strategy and Engagement

Nicole Picot
Vice-President, Communications and Stakeholder Relations

Lara Wood
General Manager, Cannabis NB

Patti Douglass
Chief Executive Assistant


ALCOOL NB LIQUOR
AGENT
RBC
ATM
COUNTRY
Style
SCHOLTEN'S
Chicken
& MEALS TO GO

TEQUILA
WHISKIES
SCOTCH · WHISKY ÉCOSSAIS
ALSACE
ARGENTINE
EXPERIENCE

TRACKING YOUR IN

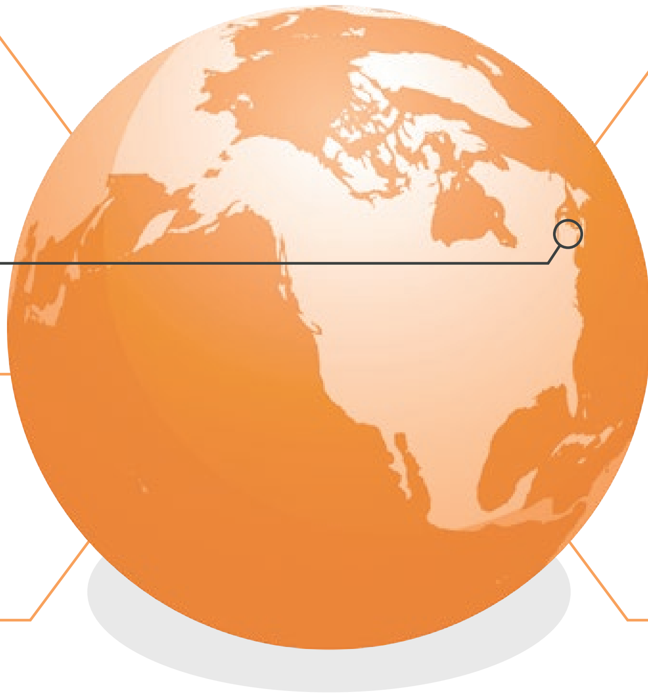
PRODUCTS FROM

CANADA
3063

NEW BRUNSWICK
956

USA
400

SOUTH AMERICA
359



EUROPE
2513

AFRICA
95

AUSTRALIA
321

EMPLOYMENT #S

WAREHOUSE
30

RETAIL
OPERATIONS CENTRE
113

STORES IN
30 COMMUNITIES
295

VESTMENT IN ANBL

SALES TO

86
AGENT LOCATIONS

66
GROCERY STORES

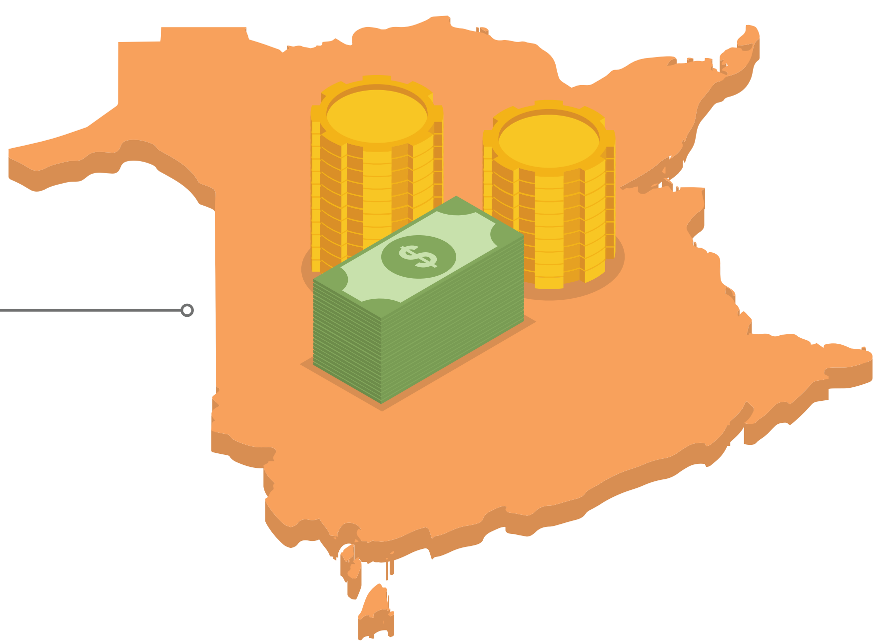
+8 MILLION
PUBLIC TRANSACTIONS

1366
LICENCEES

RETURN TO NEW BRUNSWICKERS

$162.6 MILLION

- ROADS
- SCHOOLS
- HOSPITALS
- COMMUNITIES
- HEALTH CARE

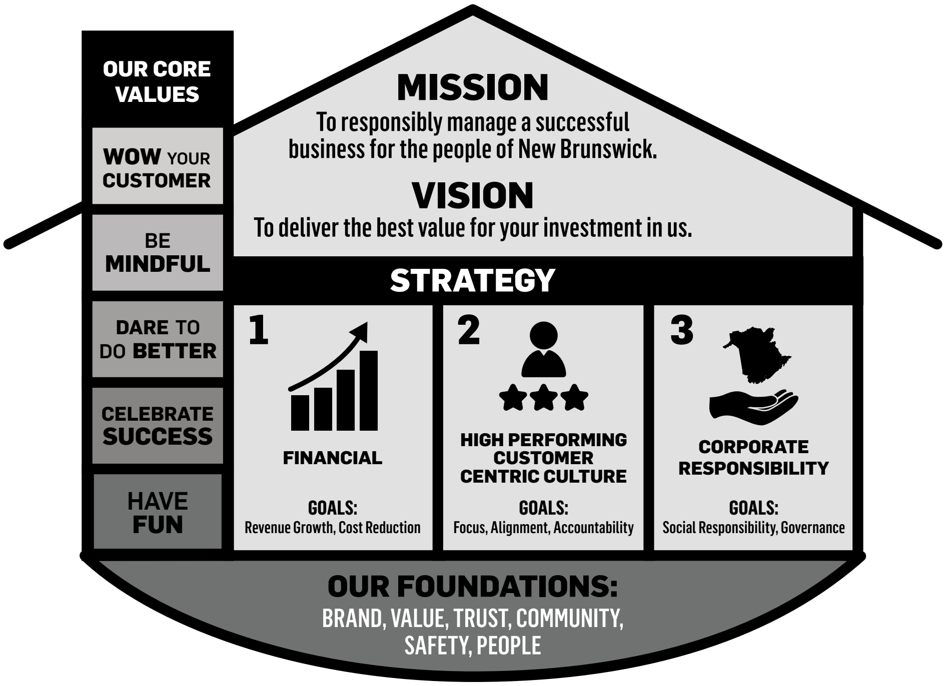


2016 – 2020 STRATEGY

Our four-year strategic plan focused on growth, eliminating waste and adding value, building a high-performance culture, enhancing our customer relevance, and improving our corporate citizenship. Fiscal 2019 – 2020 is the fourth and final year of the four-year plan.

2020 – 2023 STRATEGY

As the 2016-2020 four-year strategic plan came to an end, ANBL started planning for the future. Building on the success of the previous strategy, and keeping the vision, mission, and goals of the corporation in mind, senior management, working with their teams, went to work on building the next three-year strategic plan. It was finalized and shared with the organization in March 2020, and work continues to finalize initiatives, key performance indicators and a calendar of commitments.



2019 – 2020 Year In Review

IMPROVING PERFORMANCE

In fiscal year 2019-2020, ANBL generated $173.9 million in net income compared to a budget of $168.2 million. Overall sales for the year were $449.3 million - a 3.8% increase from last year. Volume for the year was 62.0 million litres. Transaction count was 8,271,238 and the average ticket size was $33.91.

LITRES

CATEGORY	2019-2020	2018-2019	CHANGE	%
Spirits	3,144,883	3,039,539	105,344	3.5
Wine	7,083,222	6,891,289	191,933	2.8
Beer	46,377,982	46,865,584	(487,602)	(1.0)
Coolers & Ciders	5,408,151	4,702,843	705,308	15.0
TOTALS	62,014,237	61,499,254	514,983	0.8

SALES PER LITRE

CATEGORY	2019-2020	2018-2019
Spirits	$ 33.89	$ 33.66
Wine	$ 14.49	$ 14.37
Beer	$ 4.35	$ 4.24
Coolers & Ciders	$ 7.00	$ 6.86

SALES BY PRODUCTS

SALES	2019 – 2020 ($000'S)	2018 – 2019 ($000'S)	CHANGE (%)
Spirits	106,580	102,298	4.19
Wine	102,651	99,047	3.64
Beer	201,593	198,920	1.34
Coolers & Ciders	37,863	32,242	17.44
Non-alcohol	618	479	0.43
TOTAL SALES	449,305	432,986	3.77

SALES BY SOURCE

CHANNEL	2019-2020 ($000'S)	% OF SALES	2018 – 2019 ($000'S)	% OF SALES
Public	280,465	62.4	273,789	63.2
Licensee	44,933	10.0	45,981	10.6
Agents	106,715	23.8	104,013	24.0
Grocery	15,939	3.5	8,142	1.9
Other	1,253	0.3	1,062	0.2
TOTAL	449,305	100.0	432,986	100.0

REMITTANCES TO GOVERNMENTS

	2019-2020	2018-2019
PROVINCE OF NEW BRUNSWICK		
* Payments from net income	$ 162,556,356	$ 147,941,170
Environmental Trust Fund	3,407,683	3,020,213
Property taxes	278,851	285,695
	$ 166,242,891	$ 151,247,078
GOVERNMENT OF CANADA		
Harmonized Sales Tax	$ 38,116,464	$ 36,316,774
Excise tax and customs duties	19,455,531	21,072,549
	$ 57,571,995	$ 57,389,323
TOTAL	$ 223,814,886	$ 208,636,401

* *Payments to the Province from net income represent net cash available from operations for the fiscal year, and fluctuate year over year based on cash available.*

ELIMINATING WASTE AND ADDING VALUE

Supply Chain & Warehouse

NB Power Demand Response Pilot Program

In 2019-2020, ANBL continued to participate in the NB Power Demand Response pilot program. In the pilot, ANBL utilized their backup generator to remove electrical demand (approximately 180KW) from the NB Power grid during peak times allowing NB Power to assess the need for delivering excess power to the grid.

ROC Improvements To Increase Performance

ANBL made significant improvements to its Retail Operations Centre, by upgrading mechanical equipment and general lighting to be more energy efficient, and renovating office space to increase occupancy.

Store Improvements To Increase Performance

The ANBL brand continued to expand throughout the province with renovations to the Fairville Blvd, Saint John store. This updated store focused on providing customers with a modern, relevant, and exciting experience. This location offers customers several enhancements, as well as portfolio expansion.

Supply Chain

In fiscal 2018-2019, the team participated in the product lifecycle management project and took part in bringing it to life this fiscal year. The benefits realized from this project were full distributions of one-time orders from the warehouse, increased accuracy in forecasting for promotions and delisted products moving out to stores on a consistent basis.

The team also began a project to optimize supply chain. For fiscal 2019-2020, the analysis phase was completed to understand the space utilization of the Fredericton warehouse, the current process steps of the ANBL supply chain network and inventory costs. This has resulted in a recommendation of projects for the fiscal year 2020-2021. The goal of this project is to streamline processes, reduce inventory costs and increase inventory turns.

Warehouse operations continued their focus on lean outbound transportation. Costs were reduced 9.5% ($102,362 versus budget) thereby eliminating waste and contributing to an improved bottom line.

ESTABLISHING A HIGH-PERFORMANCE CULTURE

Employee Engagement

The 2019-2020 Employee Engagement Survey was scheduled to be launched in March 2020, however it has been deferred to the fall of 2020 due to COVID-19.

ANBL's last Employee Engagement Survey was conducted in March 2019. Almost all team members responded, achieving a 99% participation rate. Engagement results increased from 4.10 to 4.13 (out of a possible score of 5.00). Action plans included:

- Providing coaching and training on increasing team engagement to all managers.
- Creating team goals to drive engagement.
- Prioritizing engagement goals and focusing on team commitments.
- Continuing to change conversations by focusing on successful outcomes.
- Celebrating success!

Board of Directors' Scholarship/ Bursary Program

In 2019-2020 this program, which was open to all ANBL employees and their families, resulted in 10 individuals receiving $2,500 towards an education program of their choice.

Professional Development

Accelerated Leadership Development Program

Since its inception in 2007, the Accelerated Leadership Development Program (ALDP) has been developing leadership from within ANBL, and after seven completed phases, 137 employees have completed the program. This year, 16 new participants began their personal leadership development journey with a focus on Retail Store leadership development in the Core Program, and an additional twelve in the Intro ALDP program. The ALDP program has developed participants who have been promoted to leadership roles in which they experience professional success and exceptional performance/business results. An impressive 43% of participants have been promoted to new role as part of this development program.

Organizational Excellence

Safety Leadership

ANBL continues to focus on occupational health and safety. ANBL believes that consistent, ongoing safety coaching by leaders and team members will help shape teams and ensure a culture of safety throughout the organization. Action plans include compliance, targeting deeper safety awareness, and continuous improvement efforts for best safety practices. ANBL operates on the basis of continuous improvement and strives for a zero-injury environment.

Customer Service

Coaching

Coaching was taken to a new level in fiscal 2019-2020. Three dedicated Retail Sales Coaches (RSCs) provided quarterly coaching-the-coach training sessions for each store coach which contributed to improving the overall quality and consistency of personalized feedback in operations across the province. In addition to supporting store coaches, RSCs focused on conducting impactful one-on-one coaching sessions with other store team members in their respective districts.

Store Managers and Assistant Managers account for the store coaches that are required to complete an annual coaching recertification evaluation. Notwithstanding a handful of coaches (16.5% of total) that required postponement of evaluations in Q4 due to COVID-19, 97.4% of all coaches evaluated were recertified – up from 84.5% the previous year.

Intensive Selling

ANBL launched its fifth phase of the Intensive Sellers Program. An initial group of 45 participants was narrowed down to 13 by achieving a minimum of 80% on all three ANBL Product Knowledge Courses (Wine Levels 1 & 2 and Beer & Spirit Level 1) and passing a selling competency phone interview.

COVID-19 impacted the timing of the rollout of this new group. However, their certification process will continue once business returns to the “new normal”. The program consists of training sessions concentrating on selling skills, merchandising standards, business acumen, and product knowledge. This is followed by regular testing and one-on-one coaching sessions. After a six-month period, participants complete a written final test and a customer interaction roleplay assessment to test their level of customer service and selling abilities. A minimum average of 80% on all weekly quizzes and the final test must be achieved for certification.

This program continues to positively impact the selling culture in stores and has seen increased interest among team members.

STORE AWARDS

Top Score Award - Salisbury

SERVICE EXCELLENCE AWARDS

Customer Service Award

Neguac - Gold

Newcastle - Silver

Above and Beyond

Mary Beth Cormier – Kennebecasis Valley

Stewart Robertson - Devon

Joanne Trites - Sackville

STORE SCORECARD AWARDS

Awarded to stores in each banner with the highest scores on their balanced scorecard.

A-Banner

Vaughan Harvey - Gold

Kennebecasis Valley - Silver

B-Banner

Bathurst - Gold

Mountain Road, Moncton - Silver

C-Banner

Tracadie - Gold

Woodstock - Silver

D-Banner

Bouctouche - Gold

Beresford - Silver

OPTIMIZING OUR RELEVANCE TO OUR CUSTOMER

2019-2020 A Year Of Leadership & Teamwork

ANBL teams were focused on core values and bringing them to market everyday.

ANBL's core values:

Wow our customers

Be mindful

Dare to do better

Celebrate success

Have fun

WOW OUR CUSTOMERS

When listing products, planning in-store merchandising, and consulting with partners, the end goal is focused on providing New Brunswick customers with the optimal range of products and promotions to ensure the B.E.S.T. experience with ANBL at every interaction. The key to achieving this goal is always tightly tied to the performance of the team.

BE MINDFUL

Coordination and planning between Category Management, Supply Chain and Retail Operations leads to the best possible results. Outperforming national trends in several categories supports the focus and evolution of ANBL's programming and portfolio.

DARE TO DO BETTER

ANBL continued to focus on becoming more streamlined, and on implementing processes that would improve efficiency. Not only do these efforts save time and resources for support departments, but they allow store teams to spend more time with customers.

The Customer Strategy and Engagement team, working closely with Supply Chain and Retail Teams, continued to evolve the in-store merchandising program and the Experience Wine and Spirits program to ensure they accomplished the goal of enticing customers to either try something new or stock up on their favourites. This program now generates more than $2.8 million in revenue.

ANBL built on the results of last year's research to better focus on where the New Brunswick customer wishes to travel in their ANBL experience. Whether it is through ANBL stores, the ANBL agency network or the emerging grocery channel, the customers' opinions and experiences are the guide to ANBL's evolution.

CELEBRATE SUCCESS

Outperforming several category trends nationally has contributed to the results achieved by ANBL as a team. Beer, spirts, wine and coolers/ciders all had their time "in the sun" from a national standpoint. The team worked together to provide relevant programming focused on New Brunswick customers' needs resulting in great performance.

HAVE FUN

Customer research, social media feedback, anecdotal feedback from stores and ANBL teams have all supported ANBL's core value "Have Fun!" Whether it is an in-store experience, an online interaction, an ANBL Town Hall or a team BBQ, the ability to have fun at work translates into the offerings and partnerships developed at ANBL.

MARKETING AND MERCHANDISING

In 2019-2020, ANBL expanded the use of targeted digital advertising to increase store traffic and awareness of in-store merchandising programs and offers. The team expanded marketing efforts into new advertising mediums including Spotify, Outstream and YouTube pre-roll videos, out of home advertising and digital flyer apps. In addition, they focused on building and increasing engagement with the ANBL online community.

ANBL continues the path towards a "total retail" experience for customers both in store and online. As ANBL continues to enhance customer research, data, and analytical capabilities, customers will receive a relevant and personalized experience, regardless of how they visit.

BEER: Growth in a declining market

Although nationally beer saw an average decline of 3% in 2019, New Brunswick managed to stay ahead of the decline and ended the fiscal year up 2.0% ($4.0 million) to budget, representing growth of 1.3% ($2.7 million) over the previous year's results. The beer category focused on three key opportunities in 2019-2020:

- to optimize portfolio and pack size assortment by channel - a key driver being the launch of beer in grocery.
- to maximize the premium beer trend and focus on brands with a purpose - supported with the introduction of a 24 pack of premium beer.
- to maximize updated merchandising programs to include large scale promotional opportunities - cross category promotions and shorter, deeper offers.

In addition to the expansion into the grocery channel, a selection of domestic specialty and import products were added to the Experience store portfolio in Moncton. Targeting customer relevance, this was a great complement to the craft beer destination space in Fredericton.

WINE: Make wine a part of everyday

The wine category at ANBL has enjoyed steady growth for most of the recent past, however with growth slowing nationally in 2019-2020, ANBL was no exception to the trend. The year included some very interesting ups and downs. The category missed by less than 1%, with sales being $102.7 million on a budget of $103.6 million. However, there was year-over-year growth of 3.6% when comparing to prior year sales which, according to recent data from the Association of Canadian Distillers, suggests that New Brunswick is the number one province for wine sales growth in the country.

Broken down by sub-category, red and white wines were the main drivers with sales of $91.3 million accounting for roughly 89% of overall sales. The trend in rosé and sparkling wines is beginning to slow nationally and provincially but still saw solid growth in 2019-2020. The rosé category at ANBL saw growth of 12% this year, with sparkling seeing similar growth at close to 9%.

Promotional activity was a strong driver for the category with bundles and hot deals accounting for a large portion of overall sales. Also, with a switch to re-focusing on domestic brands and initiatives, there was solid growth for the International / Canadian Blend category. Moving forward, there will be a focus on continued bundle promotions and hot deals to offer customers everyday quality and value, while also not losing sight on growth in premium wines, which is largely due to the consistent evolution of ANBL's EXPÉRIENCE program.

The EXPÉRIENCE program grew by 9% in sales and 24% in volume. This accounted for an additional $255,670 in sales and an increase in volume of 111,729 litres. There has been a continued focus on curated releases based on specific themes for the year with 320 SKU's being released over eight periods. This year also saw the opening of the boutique store in Moncton, offering a unique retail experience. Sales were $1.7 million with an average ticket of $81.95 for the year.

SPIRITS: Maximizing sales growth with variety and premiumization

The spirits category in New Brunswick has enjoyed steady growth in recent years and 2019-2020 was no exception. Spirits sales at ANBL grew 4.2% or $4.3 million year over year and surpassed the budget target of $103.3 million by $3.3 million for a final sales result of $106.6 million.

The growth in spirits was driven by three of the top four categories. Vodka, which represented 23.7% of total spirits sales, became the second largest subcategory in spirits (previously ranked third) while delivering an additional $1.5 million in sales year over year. Whiskies continued to be ANBL's largest category, representing 28.3% of total spirits sales, and delivering an additional $1.0 million in revenue year over year. Liqueurs were ANBL's third largest category in terms of growth year over year (fourth in terms of overall sales) delivering additional sales of $1.0 million and representing 16.2% of overall spirits sales. The three fastest growing spirit categories at ANBL were gin (10.6%), vodka (6.6%) and liqueurs (6.1%) showing that the market is becoming more diverse each year.

Consumer relevance through assortment and programming was a continued focus for the spirits category in 2019-2020. The merchandising strategy was focused on two key initiatives: "stock up" and "trade up". Many of ANBL's largest merchandising programs provided a discount opportunity on popular brand families encouraging customers to commit to a short-term purchase pattern change by "stocking up" on their favourite brands. These initiatives were balanced by smaller, more frequent promotions where the focus was on driving consumer trial of more premium alternatives encouraging a longer-term purchase pattern change toward premiumization.

COOLERS/CIDERS: A National Leader

ANBL has been a national leader in this category since 2015-2016, and this past fiscal year was no different. The coolers/ciders category ended the year 14.1% ($4.7M) over budget. Representing growth of 17.4% ($5.6M) over the previous year results.

While staying true to the vision to "deliver the best refreshment experience year-round to all customers through innovation, assortment and programming", success in 2019-2020 for the coolers/ciders category was driven by three key opportunities:

- Optimize the portfolio - shape the portfolio through lifecycle management to support core products and highlight innovation that is aligned with evolving consumer trends, i.e. better for you.
- Maximize updated merchandising programs. Minimum limited time offer amounts being a vital component.
- Grow the shoulder seasons. Drive category growth with off season innovation, promotion and value add opportunities.

The top win for the coolers/ciders categories in 2019-2020 was the expansion of coolers into the grocery channel which contributed to 3% of overall sales. Coolers/Ciders sales in grocery are forecast to outpace the licensee channel in 2020-2021.

PARTNERSHIPS WITH LOCAL CRAFT ALCOHOL PRODUCERS

ANBL continues to value its partnership with the growing number of craft beverage alcohol producers in the province.

ANBL's support of the industry includes one of the lowest mark-up structures in Canada, increased access to sales channels such as grocery, as well as dedicated shelf space and identification of locally produced products in ANBL stores. In fiscal 2020-2021, ANBL will make available over 128 additional points of distribution. As an addition to the work completed with local producers, ANBL hired a Local Business Development Specialist to assist and educate local producers on developing and maximizing their business opportunities both within the province and from an export perspective. ANBL engages regularly with local producers on matters related to policy, pricing, distribution, and access to channels. Locally produced craft spirits, wine, cider and beer represent 679 SKUs, or 27.6% of ANBL's total portfolio. Sales of these products total $19.0 million, or 4.2% of total sales:

- **7.7 % of total beer sales**
- **3.8% of total cooler/cider sales**
- **1.6% of total spirit sales**
- **0.4% of total wine sales**

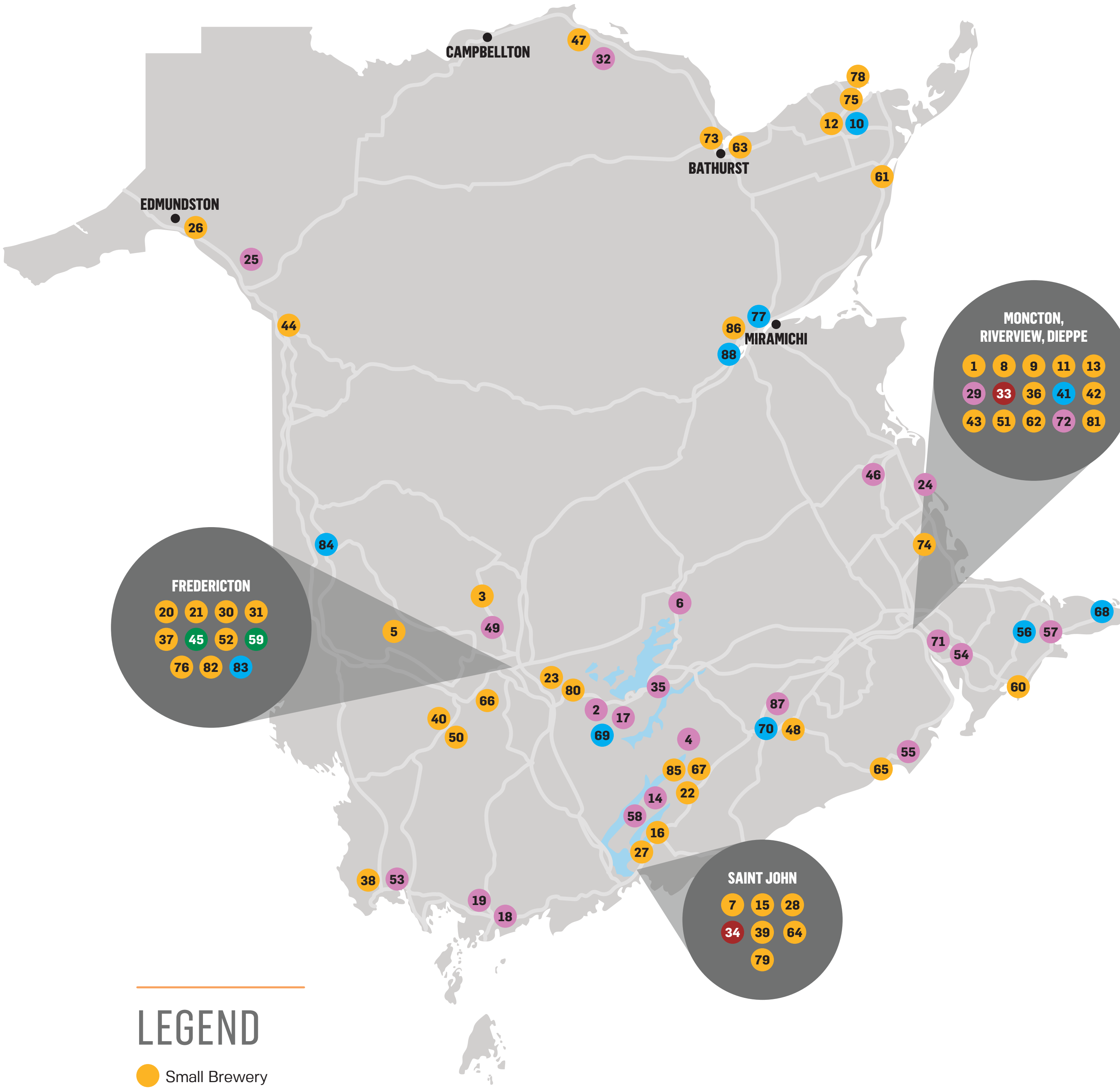
New Brunswick's craft industry consists of 52 brewers, 2 cider producers, 22 cottage wineries and 7 distillers.


PUMP HOUSE
Premium
PILSNER
MÄRZEN
6 Bottles / bouteilles
PUMP HOUSE
BLUEBERRY ALE
RED ALE
PUMP HOUSE
IPA
India Pale Ale
PORTER

LIST OF PRODUCERS

- 3 3Flip Brewing
- 73 13 Barrels Brewing
- 1 Acadie-Broue Inc.
- 60 Bagtown Brewing Company
- 5 Big Axe Brewery Inc.
- 7 Big Tide Brewing
- 9 Bore City Brewing
- 75 Brasserie Retro Brewing
- 8 Brasserie Chockpish
- 61 Brasseux d'la Côte
- 74 Broue Du Paien
- 13 Brule Brewing Company (Flying Boats)
- 62 Cavok Brewing
- 11 Celtic Knot
- 12 Distillerie Fils du Roy Inc.
- 15 First City Brewing
- 16 Foghorn Brewing Company
- 63 Four Rivers Brewing
- 36 Gahan House Hub City
- 64 Gahan House Port City
- 76 Gahan House Riverside
- 44 Grand Falls Brewing
- 20 Graystone Brewing
- 67 Gridiron Brewing
- 21 Grimross Brewing Corp.
- 22 Hammond River
- 85 Hampton Brewing
- 65 Holy Whale Brewing
- 23 Johnny Jacks
- 26 Les Brasseurs de Petit-Sault
- 27 Long Bay Brewing
- 28 Loyalist City Brewing Co.
- 30 Mama's Brew Pub
- 31 Maybee Brewing Company
- 78 Microbrasserie Houblon-Pecheur
- 79 Moosehead Small Batch
- 80 MorALE Brewsters
- 86 New Maritime Brewing
- 66 Niche Brewing
- 39 Northampton Brewing (Picaroons - Saint John)
- 38 Northampton Brewing (Picaroons - St. Stephen)
- 37 Northampton Brewing (Picaroons - Union Street, Fredericton)
- 81 O'Creek Brewing Company
- 40 Off Grid Ales
- 43 Pump House (Mill Street, Moncton)
- 42 Pump House (Orange Lane, Moncton)
- 82 Rustico/King West Brewing
- 47 Savoie's Brewhouse
- 48 Sussex Ale Works
- 50 Think Brewing Co.
- 51 Tide & Boar
- 52 TrailWay Brewing
- 33 Molson-Coors Brewing
- 34 Moosehead Breweries Limited
- 68 Blue Roof Distillers
- 77 Carrol's Distillery
- 83 Devil's Keep Distillery- Hanwell
- 10 Distillerie Fils du Roy Inc
- 69 Gagetown Food & Fermentation
- 84 Moonshine Creek Craft Distillery
- 41 Port Royal Distillers (Snow Fox)
- 88 Three Dog Distilling
- 70 Sussex Craft Distillery
- 56 Winegarden Estate Ltd. Distillery
- 45 Red Rover Craft Cider
- 59 York County Cider
- 2 Appleman Farms Ltd.
- 4 Belleisle Vineyards
- 6 Big Sky Ventures
- 14 Dunham's Run Estate Winery
- 17 Gagetown Fruit Farms
- 18 Gordon McKay & Sons 1996 Ltd.
- 19 Granite Town Farms
- 35 La Framboise Francoeur
- 71 Latitude 46 Estate Winery
- 24 Le Ferme Maury
- 29 Magnetic Hill Winery
- 32 Miel-N-Bee Honey
- 35 Motts Landing Vineyards
- 72 Pioneer Mountain Estates
- 46 Richibucto River Wine Estates
- 49 Sunset Heights Meadery
- 87 Sussex Cider Company
- 53 Tuddenham Farms
- 54 Verger Belliveau Orchard
- 55 Waterside Farms Cottage Winery
- 57 Winegarden Estate Ltd. Winery
- 58 Yip Cider

NB MANUFACTURERS OF BEVERAGE ALCOHOL



LEGEND

- Small Brewery
- Distillery
- Large Brewery
- Cottage Winery
- Cider Agency Store

CORPORATE RESPONSIBILITY

ANBL Community Foundation

The ANBL Community Foundation is an important contributor to community organizations and efforts across the province. Through the Foundation's quarterly lottery program, ANBL donated $2,000 awards for each of the seven zones, each quarter - a total of $56,000. This program assists local registered charitable organizations throughout the province with their important work.

COVID-19 Response

In response to the overwhelming need in communities as a result of COVID-19, so far in fiscal 2020-2021, ANBL has donated $110,000 to various domestic violence outreach groups across the province, as well as the United Ways of New Brunswick.

Community :

NATURE TRUST OF NB - From April 7-12, ANBL ran a prompt-at-cash campaign in support of the first "Passport to Nature" program. Thanks to customers and the ANBL Community Foundation, $40,000 was donated to the Nature Trust of NB.

CANADIAN MENTAL HEALTH ASSOCIATION OF NB - From May 5-9, ANBL held a prompt-at-cash campaign for the Canadian Mental Health Association of New Brunswick that raised $33,930. With an additional donation made by the ANBL Community Foundation, a total of $48,853 was donated to this tremendous organization. These funds were put to use in building and launching a new "Dependency to Recovery" program.

CANADIAN RED CROSS, NB CHAPTER - The ANBL Community Foundation made a $20,000 donation in response to the NB Flood appeal on April 29, 2019.

ANBL PINK MARTINIS - For the 10th year, ANBL participated in the annual CIBC Run for the Cure. The employee-driven "Pink Martinis" raised $7,165 for this year's event. This brings the overall contribution to the Canadian Breast Cancer Foundation to over $32,000. In recognition of these efforts ANBL was awarded the "Corporate Spirit Award".

PROSTATE CANCER ATLANTIC - ANBL team members raised $3,773 and the ANBL Community Foundation donated $2,500 towards prostate cancer. This combined total of $6,273, up 57% over 2018 and positioned ANBL as a top 15 company in Canada. ANBL was also recognized as Canada's "Most Creative Workplace".

UNITED WAY/CENTRAIDE - In addition to hosting a three-day prompt-at-cash in stores, ANBL employees participated in the United Way National Day of Caring, contributed through payroll deductions and Government of New Brunswick campaign fundraisers. On behalf of ANBL employees and customers, ANBL donated over $39,000 in 2019-2020. This is a continued effort and dedication to supporting the United Ways of New Brunswick. In tandem with the United Way prompt-at-cash campaign, ANBL also raised $2,417 during a prompt-at-cash campaign for the Centre Bénévolat de la Péninsule Acadienne.

Festivals

ANBL supports a number of festivals around New Brunswick. FestiVin kicked off the Acadian Peninsula tourism season in Caraquet June 1 - 2. The ANBL pop-up wine shop generated total sales of $141,674 (taxes and bottle deposit not included).

Over 1,000 people attended the 24th annual NB Spirit Festival November 19 - 23. The ANBL pop-up spirits shop was open over the course of two days, generating total sales of $342,037 (taxes and bottle deposit not included). In total, the NB Spirit Festival hosted over 40 classes and seminars and helped educate guests about spirits.

The 29th annual World Wine and Food Expo (WWFE) hosted over 5,000 attendees during the November 1 - 2 shows in Moncton. Total sales for the week were $500,351. The ANBL pop-up wine shop at the WWFE remains the largest in the province.

The 14th annual Atlantic Beer Festival took place in Moncton May 24 - 25. Patrons sampled beers from 50 breweries which included an array of different styles of brews, which makes this show one of the largest beer events in Atlantic Canada.

At the 7th annual Fredericton Craft Beer show, patrons enjoyed two full days of beer tasting in the province's capital.

At the annual Saint John Beer Fest, hundreds of people gathered for a jam-packed day of beer tasting. The festival also featured food pairings and visual art.

Social Responsibility

ANBL is a motivating partner behind social responsibility programs in New Brunswick. They encourage responsible use of beverage alcohol by initiating a continued conversation around making educated decisions, responsible consumption and hosting, and ending impaired driving.

MODERATION CAMPAIGNS - ANBL executed three promotional campaigns in the second half of the fiscal year. "Celebrate Safe" was a campaign promoting a flipbook on the social responsibility page of the ANBL website: anbl.com/celebratesafe. Promotions included social media, print media, in-store collateral and a 30 second ad on Cineplex screens across the province. The "Know When ZERO's the Limit" campaign used social media, print and digital ads to educate customers on health Canada's recommendations of when to abstain from alcohol. And finally, the "Make it Right" campaign used social media, print and digital ads to explain the low risk drinking guidelines to New Brunswickers. For all campaigns, in-store collateral was also provided to the agency channel stores.

EDUCATION - ANBL continued to partner with MADD Canada to help educate middle school students on responsible consumption of alcohol through their sponsorship of 56 presentations to students around the province. The film presented at 56 student assemblies, "Over the Edge" brought a high-energy and impactful message of drug and alcohol awareness and risk reduction to students. ANBL also offered a Safe Grad initiative to all New Brunswick high schools. Sanctioned by the Department of Education and Early Childhood Development, high school students were invited to develop a video to deliver a message on making responsible choices about beverage alcohol. A total of $7,000 was awarded to seven graduating classes in New Brunswick.

RESPONSIBLE SELLING - In the 2019-2020 fiscal year, ANBL served a total of 8,275,582 customers and 898,724 were asked for ID because they looked under the age of 30. Service was refused to 12,767 because they did not have ID. The challenges rose from 10.12% (of total transactions challenged) to 10.86%.

Environmental Initiatives

ANBL remains focused on corporate responsibility, including measures to improve its environmental footprint, and has taken several steps to do so in day-to-day operations, such as:

- completely eliminating plastic bags from ANBL stores , removing 5.5 million plastic bags from entering New Brunswick landfills
- using 100% recyclable cardboard for all in-store merchandising signage
- replacing plastic tasting cups with those made from 100% biodegradable corn lycra
- reducing plastic use when it comes to pallet wrapping
- using only LED lighting in new stores, and when renovating older stores
- recycling cardboard and plastic at the retail operations centre, warehouse and all stores
- using cold winter air to cool cold rooms and reduce the need for mechanical cooling in winter months
- participating in the NB Power peak demand program, shifting the head office power demand off the grid when prompted on cold mornings in the winter.

Free ANBL Safe Ride Program

In an effort to eliminate impaired driving, ANBL sponsored transportation at 14 major events held throughout the province:

- Atlantic Beer Festival - Moncton
- FestiVin - Caraquet
- Shediac Lobster Festival - Shediac
- Congres Mondial Acadian - Dieppe
- Frichti Festival - Moncton
- Area506 Festival - Saint John
- OktoberFest des Acadians - Bertrand
- OktoberFest - Moncton
- Harvest Jazz and Blues Festival - Fredericton
- World Wine and Food Expo - Moncton
- NB Spirits Festival - Fredericton
- World Pond Hockey Championship - Plaster Rock
- Saint John Beer Festival - Saint John
- Fredericton Craft Beer Festival - Fredericton

A partnership was also created with Festival organizers promoting social responsibility by marketing in prime locations to influence attendees to make safe choices, and encourage them to use the free ANBL Safe Ride.

The Water Bar: Free water by ANBL

The water bar kept festival patrons hydrated by providing water free of charge.

For the 2019 – 2020 fiscal year, ANBL eliminated plastic waste by introducing a refillable water station at a number of events throughout the province;

- Atlantic Beer Festival - Moncton
- FestiVin - Caraquet
- Shediac Lobster Festival - Shediac
- Congres Mondial Acadian - Dieppe
- Area506 Festival - Saint John
- Harvest Jazz and Blues Festival - Fredericton
- World Wine and Food Expo - Moncton
- NB Spirits Festival - Fredericton
- Saint John Beer Festival - Saint John
- Fredericton Craft Beer Festival - Fredericton

GOVERNANCE

Board Of Directors Mandate Letter

Each year a mandate letter is formalized by the Government of New Brunswick. The Board of Directors of the New Brunswick Liquor Corporation uses the mandate letter to clearly understand the government's current intentions and expectations. 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.

Notices Of Motion – Legislative Assembly

There were no motions involving ANBL during the 2019-2020 fiscal year.

Right To Information And Protection Of Privacy Act Requests

During the fiscal 2019-2020 year, there were two requests received under the *Right to Information and Protection of Privacy Act*. The two requests were answered, no requests were withdrawn.

Official Languages

There were three language complaints received in 2019-2020. ANBL is working with the Office of the Commissioner of Official Languages for New Brunswick to determine and incorporate the appropriate training.

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 portion of the public service for which the Chief Executive Officer is responsible. There were no disclosures made during the 2019-2020 fiscal year pursuant to the policy.

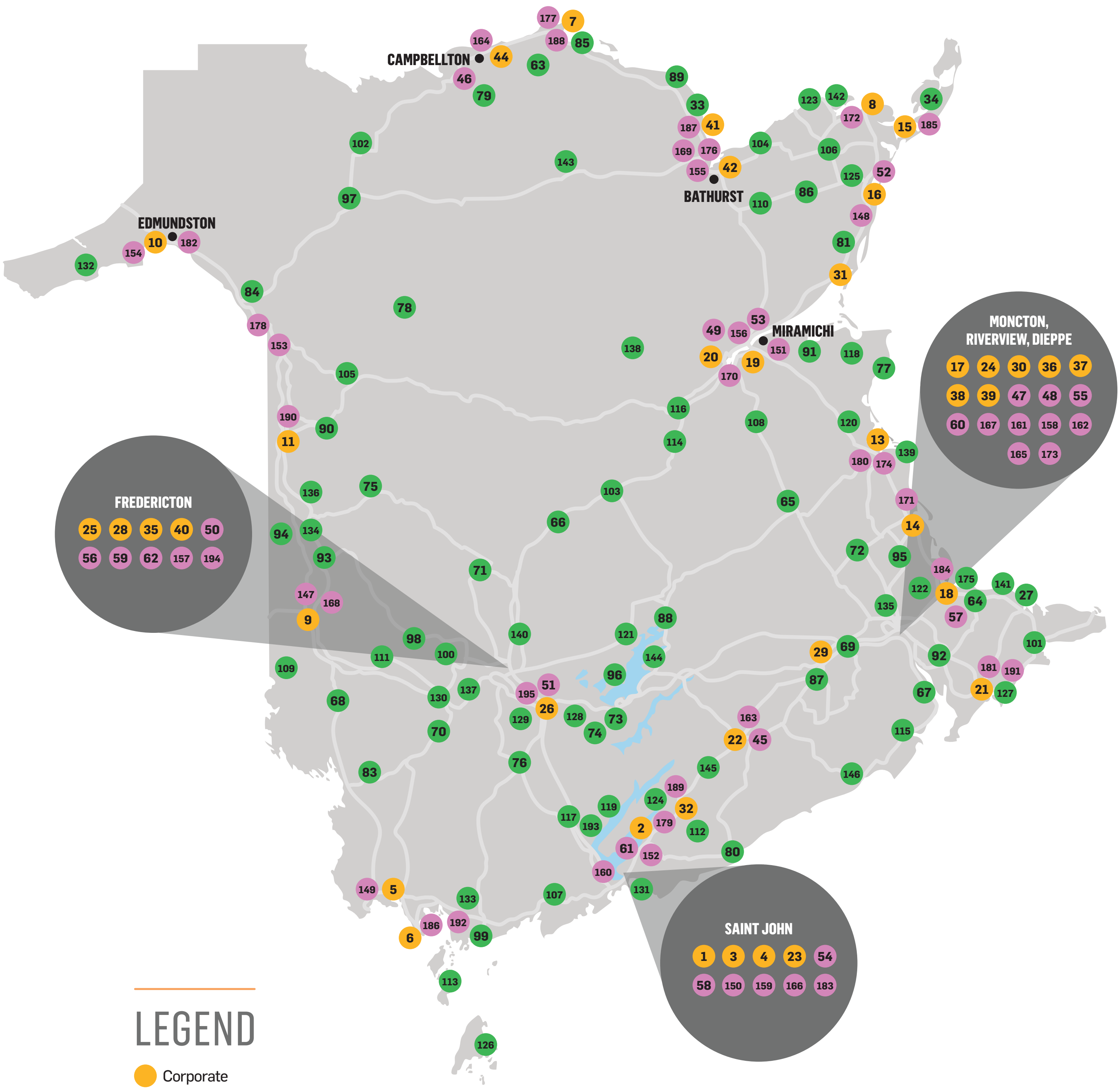
- 42 Bathurst
- 41 Beresford
- 14 Bouctouche
- 40 Brookside Mall, Fredericton
- 44 Campbellton
- 8 Caraquet
- 19 Chatham
- 7 Dalhousie
- 25 Devon Park, Fredericton
- 36 Dieppe Blvd., Dieppe
- 23 East Point, Saint John
- 10 Edmundston
- 38 Elmwood Dr., Moncton
- 1 Fairville Blvd., Saint John
- 32 Hampton
- 2 Kennebecasis Valley
- 30 Moncton North
- 24 Mountain Rd., Moncton
- 31 Neguac
- 20 Newcastle
- 26 Oromocto
- 11 Perth-Andover
- 35 Corbett Centre, Fredericton
- 39 Regis St., Dieppe
- 13 Richibucto
- 37 Riverview
- 21 Sackville
- 29 Salisbury
- 18 Shediac
- 15 Shippagan
- 3 Somerset St., Saint John
- 6 St. Andrews
- 5 St. Stephen
- 22 Sussex
- 16 Tracadie-Sheila
- 17 Vaughan Harvey Blvd., Moncton
- 4 Wellington Row, Saint John
- 9 Woodstock
- 28 York St., Fredericton
- 46 Atlantic Superstore Atholville
- 155 Atlantic Superstore Bathurst
- 151 Atlantic Superstore Chatham
- 154 Atlantic Superstore Edmundston
- 153 Atlantic Superstore Grand Falls
- 152 Atlantic Superstore Kennebecasis
- 48 Atlantic Superstore Main St., Moncton
- 150 Atlantic Superstore Millidgeville, Saint John
- 49 Atlantic Superstore Miramichi
- 50 Atlantic Superstore Nashwaaksis, Fredericton

- 51 Atlantic Superstore Oromocto
- 47 Atlantic Superstore Riverview
- 54 Atlantic Superstore Rothesay Ave., Saint John
- 56 Atlantic Superstore Smythe St., Fredericton
- 149 Atlantic Superstore St. Stephen
- 45 Atlantic Superstore Sussex
- 148 Atlantic Superstore Tracadie
- 55 Atlantic Superstore Trinity Dr., Moncton
- 147 Atlantic Superstore Woodstock
- 170 Beaubear Co-Op - Miramichi
- 171 Co-Op IGA - Bouctouche
- 172 Co-Op IGA Extra - Caraquet
- 173 Co-Op IGA - Dieppe
- 174 Co-Op Tradition - Richibucto
- 175 Co-Op IGA - Shediac
- 176 Foodland - Bathurst
- 177 Foodland - Dalhousie
- 178 Foodland - Grand Falls
- 179 Foodland - Quispamsis
- 180 Foodland - Rexton
- 181 Foodland - Sackville
- 62 Fredericton Co-op
- 182 IGA Extra - Edmundston
- 183 No Frills - Saint John
- 184 No Frills - Shediac
- 185 Save Easy - Shippagan
- 186 Save Easy - St. Andrews
- 169 Sobeys Bathurst
- 157 Sobeys Brookside Mall, Fredericton
- 164 Sobeys Campbellton
- 53 Sobeys Douglastown
- 159 Sobeys East Point, Saint John
- 167 Sobeys Elmwood Dr., Moncton
- 160 Sobeys Grand Bay
- 58 Sobeys Lansdowne Ave., Saint John
- 156 Sobeys Miramichi
- 60 Sobeys Mountain Rd., Moncton
- 195 Sobeys Oromocto
- 161 Sobeys Paul St., Dieppe
- 59 Sobeys Prospect St., Fredericton
- 194 Sobeys Regent Fredericton
- 158 Sobeys Regis St., Dieppe
- 162 Sobeys Riverview
- 61 Sobeys Rothesay
- 166 Sobeys Saint John West
- 57 Sobeys Shediac
- 163 Sobeys Sussex
- 165 Sobeys Vaughan Harvey Blvd., Moncton
- 168 Sobeys Woodstock

- 52 Tracadie Co-op
- 187 Your Independent Grocer - Beresford
- 188 Your Independent Grocer - Dalhousie
- 189 Your Independent Grocer - Hampton
- 190 Your Independent Grocer - Perth Andover
- 191 Your Independent Grocer - Sackville
- 192 Your Independent Grocer - St. George
- 110 Allardville
- 146 Alma
- 90 Arthurette
- 127 Aulac
- 118 Baie-Ste-Anne
- 63 Balmoral
- 112 Barnesville
- 136 Bath
- 91 Bay du Vin
- 89 Belledune
- 99 Blacks Harbour
- 114 Blackville
- 66 Boiestown
- 81 Brantville
- 128 Burton
- 73 Cambridge Narrows
- 113 Campobello
- 68 Canterbury
- 27 Cap-Pelé
- 94 Centerville
- 85 Charlo
- 88 Chipman
- 132 Clair
- 122 Cocagne
- 109 Debec
- 103 Doaktown
- 96 Douglas Harbour
- 134 Florenceville
- 76 Fredericton Junction
- 74 Gagetown
- 193 Grand Bay
- 126 Grand Manan
- 141 Grand-Barachois
- 123 Grande-Anse
- 137 Hanwell
- 65 Harcourt
- 93 Hartland
- 70 Harvey
- 67 Hillsborough
- 135 Irishtown
- 104 Janeville
- 75 Juniper

- 102 Kedgwick
- 124 Kingston
- 34 Lamèque
- 107 Lepreau
- 131 Loch Lomond
- 100 Mactaquac
- 142 Maisonnette
- 83 McAdam
- 92 Memramcook
- 121 Minto
- 111 Nackawic
- 145 Norton
- 106 Paquetville
- 140 Penniac
- 87 Petitcodiac
- 33 Petit-Rocher
- 105 Plaster Rock
- 77 Pointe-Sapin
- 101 Port Elgin
- 130 Prince William
- 119 Public Landing
- 116 Renous
- 139 Richibucto-Village
- 78 Riley Brook
- 115 Riverside-Albert
- 108 Rogersville
- 95 Saint-Antoine
- 79 Saint-Arthur
- 125 Saint-Isidore
- 84 Saint-Léonard
- 120 Saint-Louis-de-Kent
- 72 Saint-Paul-de-Kent
- 97 Saint-Quentin
- 86 Saint-Sauveur
- 69 Salisbury
- 64 Shediac
- 143 South Tetagouche
- 133 St. George
- 80 St. Martins
- 71 Stanley
- 138 Sunny Corner
- 129 Waasis
- 117 Welsford
- 144 Youngs Cove
- 98 Zealand

STORE LOCATIONS



LEGEND

- Corporate
- Grocery
- Agents

SALES BY LOCATION

TOTAL OF **86 AGENTS** IN 2019-2020
TOTAL OF **87 AGENTS** IN 2018-2019

LOCATION	PUBLIC 2019 - 2020 ($000'S)	LICENSEE 2019 - 2020 ($000'S)	TOTAL 2019 - 2020 ($000'S)	TOTAL 2018 - 2019 ($000'S)
Bathurst (3)	$ 8,750	$ 1,093	$ 9,843	$ 9,780
Beresford (2)	4,018	232	4,250	4,143
Bouctouche (2)	2,967	194	3,161	3,038
Campbellton (2)	2,625	673	3,298	3,430
Caraquet (3)	4,277	616	4,893	4,876
Dalhousie (2)	1,789	171	1,961	1,909
Dieppe City				
Dieppe Blvd.	7,513	496	8,009	7,637
Regis St.	12,097	2,158	14,255	14,974
Total Dieppe Stores	19,610	2,654	22,264	22,611
Edmundston (1)	8,821	1,686	10,507	10,473
Fredericton City				
Brookside Mall (3)	8,121	1,371	9,492	9,480
Corbett Centre (3)	13,687	940	14,627	14,535
Devon Park (5)	8,648	584	9,232	9,214
York St.	12,116	1,559	13,675	13,617
Total Fredericton Stores	42,572	4,453	47,025	46,846
Grand Bay-Westfield ***	2,493	388	2,881	3,279
Grand Falls (3)	6,230	95	6,325	5,947
Hampton (1)	3,571	596	4,167	4,133
Kennebecasis Valley (3)	14,624	-	14,624	13,915
Miramichi City				
Chatham (3)	4,842	744	5,586	5,767
Newcastle (3)	7,900	-	7,900	7,845
Total Miramichi Stores	12,742	744	13,486	13,611
Moncton City				
Elmwood Drive (2)	$ 7,636	$ 384	$ 8,021	$ 8,097
Moncton North	10,286	1,354	11,639	11,397
Mountain Rd. (1)	8,098	1,547	9,644	9,784
Vaughan Harvey Blvd.	11,660	2,889	14,549	13,225
Expérience**	1,438	243	1,681	-
Total Moncton Stores	39,117	6,417	45,534	42,503
Neguac	2,355	227	2,583	2,622
Oromocto (5)	8,029	702	8,731	8,664
Perth Andover (4)	3,481	172	3,653	3,666
Richibucto (4)	4,476	364	4,840	4,778
Riverview (3)	7,282	740	8,023	10,226
Sackville (2)	5,405	317	5,722	5,775
Saint John City				
East Point Center (4)	12,279	891	13,170	12,957
Fairville Blvd. (4)	8,403	976	9,379	11,660
Somerset St.	7,763	1,372	9,135	8,753
Wellington Row	7,302	1,745	9,047	9,594
Total Saint John Stores	35,747	4,984	40,731	42,964
Salisbury	9,670	7	9,677	8,609
Shediac (4)	6,892	902	7,795	7,585
Shippagan (1)	2,886	385	3,271	3,306
St. Andrews	2,415	759	3,174	3,343
St. Stephen (2)	6,167	231	6,398	6,104
Sussex (3)	6,702	537	7,239	7,135
Tracadie (2)	5,655	566	6,221	5,970
Woodstock (6)	6,731	418	7,149	6,993
Warehouse *	116,813	13,067	129,880	114,753
TOTAL	**$ 404,915**	**$ 44,390**	**$ 449,305**	**$ 432,986**

(#) Indicates number of agents at this location *Includes web-based ordering for Licensees ** opened in the year *** closed during the year

AGENT STORE SALES BY LOCATION

AGENT STORE LOCATION	ANBL LOCATION	2019 - 2020 ($000'S) TOTAL	2018 - 2019 ($000'S) TOTAL
Allardville	Bathurst	$ 590	$ 608
Alma	Riverview	554	515
Arthurette	Perth-Andover	694	422
Aulac	Sackville	3,044	2,784
Baie-Sainte-Anne	Chatham	843	836
Balmoral	Dalhousie	775	784
Barnesville	Kennebecasis Valley	527	559
Bath	Perth-Andover	993	967
Bay du Vin	Chatham	475	460
Belledune	Beresford	696	688
Black's Harbour	Fairville Blvd., Saint John	796	761
Blackville	Newcastle	979	950
Boisetown	Devon Park, Fredericton	717	690
Brantville	Tracadie	1,407	1,374
Burton	Oromocto	1,028	965
Cambridge Narrows	Sussex	861	887
Campobello Island	St. Stephen	343	350
Canterbury	Woodstock	502	482
Cape Pele	Shediac	2,825	2,706
Centerville	Woodstock	857	883
Charlo	Dalhousie	803	782
Chipman	Devon Park, Fredericton	1,239	1,215
Clair	Edmundston	502	521
Cocagne	Shediac	2,684	2,594
Debec	Woodstock	431	406
Doaktown	Devon Park, Fredericton	691	686
Douglas Harbour	Oromocto	491	469
Florenceville	Perth-Andover	1,899	1,867
Fredericton Junction	Oromocto	1,023	1,006
Gagetown	Oromocto	538	512
Grand Barachois	Shediac	1,493	1,381
Grand Bay*	Grand Bay	1,015	-
Grand Manan	East Point, Saint John	1,893	1,823
Grande-Anse	Caraquet	826	891
Hanwell	Corbett Centre, Fredericton	4,305	4,257
Harcourt	Richibucto	592	600
Hartland	Woodstock	1,502	1,519
Harvey Station	Devon Park, Fredericton	1,290	1,272
Hillsborough	Riverview	1,183	1,114
Irishtown	Elmwood Dr., Moncton	1,862	1,718
Janeville	Bathurst	411	392
Juniper	Woodstock	266	272
Kedgwick	Campbellton	1,040	1,056
Kingston	Kennebecasis Valley	1,315	1,207
Lameque	Shippagan	1,894	1,897
Lepreau	Fairville Blvd., Saint John	1,102	1,120
Loch Lomond	Kennebecasis Valley	3,676	3,628
Mactaquac	Brookside Mall, Fredericton	1,622	1,648
Maissonnette	Caraquet	454	408
McAdam	St. Stephen	550	569

*opened during the year ** closed during the year

AGENT STORE LOCATION	ANBL LOCATION	2019 - 2020 ($000'S) TOTAL	2018 - 2019 ($000'S) TOTAL
Memramcook	Elmwood Drive, Moncton	$ 2,129	$ 2,109
Minto	Devon Park, Fredericton	1,713	1,661
Nackawic	Woodstock	1,517	1,459
Norton	Sussex	2,431	2,333
Paquetville	Caraquet	1,828	1,864
Penniac	Devon Park, Fredericton	1,132	1,027
Petit Rocher	Beresford	2,159	2,164
Petitcodiac	Sussex	2,070	2,055
Plaster Rock**	Perth-Andover	284	937
Pointe-Sapin	Richibucto	278	270
Port Elgin	Sackville	2,066	1,977
Prince William	York Str, Fredericton	1,489	1,407
Public Landing	Grand Bay	758	725
Renous	Newcastle	851	867
Richibouctou Village	Richibucto	604	597
Riley Brook	Grand Falls	312	278
Riverside-Albert	Riverview	419	380
Rogersville	Chatham	1,542	1,528
Saint-Arthur	Campbellton	244	224
Saint-Louis-de-Kent	Richibucto	1,570	1,465
Saint-Paul-de-Kent	Bouctouche	320	328
Saint-Sauveur	Tracadie	213	202
Salisbury	Mountain Road, Moncton	2,423	2,348
Shediac	Shediac	2,341	2,331
South Tetagouche	Bathurst	425	389
St. George	Fairville Blvd., Saint John	3,247	3,158
St. Isidore	Tracadie	781	807
St. Leonard	Grand falls	1,197	1,238
St. Martins	East Point, Saint John	633	625
Stanley	Brookside Mall, Fredericton	899	851
St-Antoine	Bouctouche	1,798	1,761
St-Quentin	Grand Falls	1,693	1,706
Sunny Corner	Newcastle	1,137	1,200
Waasis	Oromocto	3,077	3,043
Welsford	Grand Bay	735	709
Youngs Cove	Kennebecasis Valley	891	832
Zealand	Brookside Mall, Fredericton	974	952
Manufacturer Agents	Retail Operations Centre, Fredericton	435	706
TOTAL AGENT SALES		**$ 106,715**	**$ 104,013**

GROCERY SALES BY LOCATION

Fredericton Coop Limited		$ 63	$ 135
La Co-Op Regionale de la Baie Ltee		-	13
Loblaws Distribution Centre		7,826	3,902
Sobeys Distribution Centre		8,050	4,091
TOTAL GROCERY SALES		**$ 15,939**	**$ 8,142**

MANAGEMENT AND AUDITOR'S REPORT

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 Internal Audit department performs audits designed to test the adequacy and consistency of the Corporation's internal controls, practices and procedures.

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, the Director of Strategic Compliance and Audit and the 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.

Patrick Parent
PRESIDENT AND CHIEF EXECUTIVE OFFICER
July 10, 2020

Lori Stickles
VICE PRESIDENT AND CHIEF FINANCIAL OFFICER
July 10, 2020

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of New Brunswick Liquor Corporation

Opinion

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

- the statement of financial position as at March 29, 2020
- the statement of operations and comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(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, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' 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 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.

Emphasis of Matter – Change in Accounting Policy

We draw attention to Note 3 to the financial statements which indicates that the Corporation has changed its accounting policy for leases, as a result of the adoption of IFRS 16, Leases, and has applied that change using the modified retrospective method.

Our opinion is not modified in respect of this matter.

Independent Auditors' Report (continued)

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 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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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 30, 2020

STATEMENT OF FINANCIAL POSITION (in 000's)

As at		March 29, 2020		March 31, 2019*
Assets				
Current Assets				
Cash	$	162	$	4,172
Trade and other receivables		9,726		7,813
Due from Cannabis NB Ltd. (note 13)		34,671		18,982
Inventories		37,053		34,970
Prepaid expenses		1,761		1,093
		83,373		67,030
Non Current Assets				
Property and equipment (note 4)		13,802		13,460
Intangible assets (note 5)		5,608		4,809
Right-of-use assets (note 6)		56,419		-
		75,829		18,269
Total Assets	**$**	**159,202**	**$**	**85,299**
Liabilities				
Current Liabilities				
Trade and other payables	$	28,229	$	21,865
Lease liabilities due within one year (note 6)		6,320		-
Beverage container redemptions		-		529
		34,549		22,394
Non Current Liabilities				
Retiring allowances (note 7)		2,223		2,341
Long-term lease liabilities (note 6)		54,753		-
		56,976		2,341
Total Liabilities		91,525		24,735
Equity of the Province of New Brunswick				
Equity		67,677		60,564
Total Liabilities and Equity	**$**	**159,202**	**$**	**85,299**

Contingencies (note 12)

* *The Corporation applied IFRS 16 "Leases" using the modified retrospective method. Under this method the comparative information is not restated.*

See accompanying notes to the financial statements

APPROVED ON BEHALF OF THE BOARD:

Director Director

STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (in 000's)

Year ended		March 29, 2020 (52 weeks)		March 31, 2019 (52 weeks)*
Total sales (note 9)	$	449,305	$	432,986
Less: discounts		8,221		8,019
Net sales		441,084		424,967
Cost of sales		202,327		195,028
Gross profit		238,757		229,939
Other income		3,029		4,980
		241,786		234,919
Operating expenses (note 10)		67,865		65,910
Net income and comprehensive income	**$**	**173,921**	**$**	**169,009**

** The Corporation applied IFRS 16 "Leases" using the modified retrospective method. Under this method the comparative information is not restated.*

See accompanying notes to the financial statements

STATEMENT OF CHANGES IN EQUITY (in 000'S)

Year ended		March 29, 2020 (52 weeks)		March 31, 2019 (52 weeks)*
Balance at beginning of year	$	60,564	$	39,496
Impact of change in accounting policy (note 3)		(4,252)		-
Adjusted balance at beginning of year		56,312		39,496
Net income and comprehensive income		173,921		169,009
Distributions to the Province of New Brunswick		(162,556)		(147,941)
Balance at end of the year	**$**	**67,677**	**$**	**60,564**

** The Corporation applied IFRS 16 "Leases" using the modified retrospective method. Under this method the comparative information is not restated.*

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS (in 000'S)

Year ended		March 29, 2020 (52 weeks)		March 31, 2019 (52 weeks)*
Operating				
Net income and comprehensive income	$	173,921	$	169,009
Items not involving cash:				
Depreciation		8,961		2,097
Amortization of intangible assets		741		694
Loss on sale of property and equipment		150		79
Decrease in retiring allowances		(118)		(9)
Lease liabilities - interest portion (note 6)		2,002		-
Change in non-cash working capital (note 8)		1,700		(1,570)
Cash available from operations		187,357		170,300
Investing				
Advances to Cannabis NB Ltd.		(15,689)		(17,045)
Additions to property and equipment		(2,774)		(3,464)
Additions to intangible assets		(1,540)		(754)
Proceeds from sale of property and equipment		10		65
Net cash used for capital investments		(19,993)		(21,198)
Financing				
Decrease in beverage container redemptions		(529)		(532)
Payment of lease liabilities (note 6)		(8,289)		-
Distributions to the Province of New Brunswick		(162,556)		(147,941)
Net cash available from financing activities		(171,374)		(148,473)
Increase (decrease) in cash		(4,010)		629
Cash at beginning of year		4,172		3,543
Cash at end of year	**$**	**162**	**$**	**4,172**

** The Corporation applied IFRS 16 "Leases" using the modified retrospective method. Under this method the comparative information is not restated.*

See accompanying notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS (000'S)

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 separate 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.

Impact of Coronavirus COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the Coronavirus COVID-19 (COVID-19) outbreak a pandemic. The pandemic has resulted in significant financial, market and societal impacts in Canada and around the world.

From the declaration of the pandemic to the date of approval of these financial statements, the Corporation implemented the following actions in relation to the COVID-19 pandemic:

- Revisions to cash lane setups, enhanced cleaning protocols, screening of customers prior to entrance to stores, and revised hours of operation at the Corporation's retail stores;
- The implementation of working from home requirements for certain employees.

As a result of these actions, the Corporation experienced increases in operating revenues and increases in operating costs.

a) Current year transactions:

For the year ended March 29, 2020, the Corporation incurred COVID-19 related expenses of $446 and the Corporation has experienced an increase in sales over this period which a portion of the increase can be attributed to the COVID-19 pandemic. These amounts have been recorded in the statement of operations and comprehensive income.

b) Subsequent events related to COVID-19:

The ultimate duration and magnitude of the COVID-19 pandemic's impact on the Corporation's operations and financial position are not known at this time. The Corporation has remained fully operational to this point in time and is expected to remain so even if the COVID-19 state of emergency measures were to revert to previous levels within the Province of New Brunswick. An estimate of the financial effect of the pandemic on the Corporation is not practicable at this time.

c) Impact of COVID-19 on financial risks:

The COVID-19 pandemic has not impacted the financial risks of the Corporation.

2. Basis of Presentation

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. Certain comparative figures have been reclassified to conform to the current year's presentation.

The financial statements for the year ended March 29, 2020 were approved and authorized for issue by the Board of Directors on July 10, 2020.

Fiscal year

The Corporation's fiscal year ends on the Sunday closest to March 31. All references to 2020 and 2019 represent the fiscal years ended March 29, 2020 and March 31, 2019 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. Both the year ended March 29, 2020 and the year ended March 31, 2019 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 2022.

Basis of measurement

The financial statements have been prepared on the historical cost basis except for post-employment benefits and financial instruments, which are measured

NOTES TO THE FINANCIAL STATEMENTS (000'S)

2. Basis of Presentation (continued)

Basis of measurement (continued)

as described below. These financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

3. Summary of Significant Accounting Policies

Changes in Significant Accounting Policies

Effective April 1, 2019, the Corporation adopted IFRS 16, which replaces IAS (International Accounting Standards) 17, "Leases" ("IAS 17") and related interpretations.

IFRS 16 introduces a financial position recognition and measurement model for lessees, eliminating the distinction between operating and finance leases except for short-term and low-value asset leases. Lessors continue to classify leases as operating or finance leases. The adoption of IFRS 16 has resulted in the recognition of right-of-use (ROU) assets and lease liabilities for all leases where the Corporation is a lessee. The vast majority of ROU assets are property related, pertaining to the use of buildings. The Corporation transitioned to IFRS 16 using the modified retrospective approach with the cumulative impact of initially applying the new standard recognized in equity on April 1, 2019. Prior period comparatives have not been restated.

On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Corporation's incremental borrowing rate as at April 1, 2019 (see note 6).

ROU assets were measured at their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the Corporation's incremental borrowing rate at the date of initial application.

The Corporation has applied the following practical expedients, as permitted by IFRS 16:

- applying a single discount rate to a portfolio of leases with similar characteristics;
- relying on previous assessment of whether a lease is onerous;
- accounting for leases which end within 12 months of the date of initial application as short-term leases
- excluding ROU assets and liabilities for leases of low-value assets;
- excluding initial direct costs from the measurement of the ROU asset; and using hindsight (for example, in determining the lease term where the contract includes extension or termination options).

Transition

On transition to IFRS 16, the Corporation recognized additional right-of-use assets and additional lease liabilities, recognizing the difference in retained earnings. The impact on transition is summarized below:

		April 1, 2019
ROU assets	$	63,108
Lease liabilities		67,360
Net impact on equity	$	4,252

When measuring lease liabilities for leases that were classified as operating leases, the Corporation discounted lease payments using its incremental borrowing rate at April 1, 2019. The weighted average rate applied is 3.16%.

Operating lease commitments at April 1, 2019 as disclosed under IAS 17 in the Corporation's financial statements	$	70,860
Discounted using the incremental borrowing rate at April 1, 2019		67,364
Recognition exemption for leases of low-value assets		(4)
Recognition exemption for leases with less than 12 months of lease term at transition		-
Lease liabilities recognized at April 1, 2019	$	67,360

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.

3. Summary of Significant Accounting Policies (continued)

Use of estimates and judgements (continued)

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Corporation that have the most significant 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 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 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

Estimates and judgements relating to the adoption of IFRS 16, including the measurement of lease liabilities, right-of-use assets, discount rates and lease term expectations are outlined in the Leased Assets section in note 3 below. Judgement is used in determining the likelihood that lease extension terms will be utilized when such lease extension terms are provided. In addition, judgement is used to determine the discounted interest rate used.

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.

Net realizable value of inventories

Estimates are required in the determination of the net realizable value of inventories, taking into account the most reliable evidence available at each reporting date. Future selling prices may be impacted by changes in the market and vendor rebates on costs.

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, they 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.

NOTES TO THE FINANCIAL STATEMENTS (000'S)

3. Summary of Significant Accounting Policies (continued)

Cash

Cash includes cash and bank deposits.

Inventories

Inventories 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 statements of operations and comprehensive income.

Property and equipment

Property and equipment are carried at historical cost less any accumulated depreciation and impairment losses. Historical cost includes the acquisition or construction cost as well as the costs directly attributable to bringing the 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 an expense 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. Depreciation is charged to the statement of operations and comprehensive income on a straight-line basis over their estimated useful lives after considering their estimated residual value using the following rates per annum:

Paving	10 years
Buildings	40 years
Furniture, fixtures and equipment	5 years
Automotive	4 years
Retail equipment	5 years
Refrigeration equipment	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 $1,554 ($958 in 2019) of which $Nil ($71 in 2019) is included in buildings, $53 ($382 in 2019) is included in leasehold improvements, $268 ($315 in 2019) is included in furniture, fixtures and equipment, $1 ($19 in 2019) is included in refrigeration and $1,232 ($171 in 2019) is included in intangible assets.

Impairment

The carrying amounts of the Corporation's non-financial assets (property and equipment and intangible 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 in order 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 cash generating units (CGU) 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

3. Summary of Significant Accounting Policies (continued)

Property and equipment (continued)

are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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, 2020 there were no indications of impairment.

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. The Corporation assesses the carrying value of the intangible assets for impairment on an annual basis. At March 29, 2020 there were no indicators of impairment. Computer software is amortized on a straight-line basis over 10 years.

Leased assets

Policy applicable from April 1, 2019

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.

Corporation as lessee

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

The Corporation has elected not to separate non-lease components and to account for the lease and associated non-lease components as a single lease component.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as 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 15-year incremental borrowing rate.

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

3. Summary of Significant Accounting Policies (continued)

Leased assets (continued)

The right-of-use 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 15 to 20 years depending on the lease period.

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.

Policy applicable prior to April 1, 2019

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Corporation as Lessee

Assets held under finance leases are initially recognized at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included on the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Corporation's accounting policy on borrowing costs. Finance leased assets are depreciated on a straight-line basis over the estimated useful life of the asset. Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

Lease Incentives

Lease incentives received to enter into operating leases are recognized as liabilities. The aggregate benefits of incentives are recognized as a reduction of rental expense on a straight-line basis over the term of the lease.

Financial instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the 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.

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 in order to collect contractual cash 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 and due from Cannabis NB Ltd. as assets measured at amortized cost.

3. Summary of Significant Accounting Policies (continued)

Classification and measurement of financial assets (continued)

Financial liabilities are classified and measured based on two categories: amortized cost or FVTPL. The Corporation currently classifies trade and other payables and beverage container redemptions 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 it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Corporation neither transfers nor retains substantially all of the risks and rewards of ownership and it 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.

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.

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 the 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.

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

NOTES TO THE FINANCIAL STATEMENTS (000'S)

3. Summary of Significant Accounting Policies (continued)

Post-employment benefits (continued)

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, 2020	March 31, 2019
Discount rate	3.6%	3.1%
Future salary increases	2.3%	2.3%
Retirement age	Varies depending on member's current age	

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. Contributions made by the Corporation during the year totaled $2,889 ($2,974 in 2019).

Revenue

Revenue is measured at the fair value of the 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (000'S)

4. Property and Equipment

Cost		Land		Paving		Buildings		Leasehold Improvements		Furniture, Fixtures & Equipment		Automotive		Retail Equipment		Refrigeration Equipment		Total
Balance at April 1, 2018	$	98	$	394	$	11,076	$	5,871	$	23,011	$	432	$	1,570	$	3,704	$	46,156
Additions		-		81		367		964		1,876		51		-		125		3,464
Disposals		75		25		450		231		334		44		191		112		1,462
Balance at March 31, 2019	$	23	$	450	$	10,993	$	6,604	$	24,553	$	439	$	1,379	$	3,717	$	48,158
Balance at March 31, 2019	$	23	$	450	$	10,993	$	6,604	$	24,553	$	439	$	1,379	$	3,717	$	48,158
Additions		-		-		-		839		1,791		44		-		100		2,774
Disposals		-		-		-		1,229		339		22		29		50		1,669
Balance at March 29, 2020	$	23	$	450	$	10,993	$	6,214	$	26,005	$	461	$	1,350	$	3,767	$	49,263
Accumulated Depreciation																		
Balance at April 1, 2018	$	-	$	382	$	6,528	$	3,322	$	19,457	$	268	$	1,331	$	2,430	$	33,718
Depreciation		-		9		176		247		1,354		75		17		219		2,097
Disposals		-		25		381		232		333		34		-		112		1,117
Balance at March 31, 2019	$	-	$	366	$	6,323	$	3,337	$	20,478	$	309	$	1,348	$	2,537	$	34,698
Balance at March 31, 2019	$	-	$	366	$	6,323	$	3,337	$	20,478	$	309	$	1,348	$	2,537	$	34,698
Depreciation		-		13		176		297		1,481		71		16		218		2,272
Disposals		-		-		4		1,069		335		22		29		50		1,509
Balance at March 29, 2020	$	-	$	379	$	6,495	$	2,565	$	21,624	$	358	$	1,335	$	2,705	$	35,461
Carrying Amounts																		
At March 31, 2019	$	23	$	84	$	4,670	$	3,267	$	4,075	$	130	$	31	$	1,180	$	13,460
At March 29, 2020	$	23	$	71	$	4,498	$	3,649	$	4,381	$	103	$	15	$	1,062	$	13,802

NOTES TO THE FINANCIAL STATEMENTS (000'S)

5. Intangible Assets

Software	March 29, 2020 (52 weeks)	March 31, 2019 (52 weeks)
Cost		
Opening	$ 11,440	$ 12,003
Additions	1,540	754
Disposals	-	(1,317)
Closing	12,980	11,440
Accumulated Amortization		
Opening	6,631	5,937
Amortization	741	694
Closing	7,372	6,631
Carrying Amount	**$ 5,608**	**$ 4,809**

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, 2020 (52 weeks)
Cost	
Opening	$ -
Transitional adjustment	63,108
Additions	-
Disposals	-
Closing	63,108
Accumulated Depreciation	
Opening	-
Depreciation	6,689
Closing	6,689
Carrying Amount	**$ 56,419**

NOTES TO THE FINANCIAL STATEMENTS (000'S)

6. Right-of-Use Assets and Lease Liabilities (continued)

Lease liabilities

		March 29, 2020 (52 weeks)
Cost		
Opening	$	-
Transitional adjustment		67,360
Lease payments		(8,289)
Interest expense on lease liabilities		2,002
Closing balance	**$**	**61,073**

Current	$	6,320
Non-Current		54,753
	$	**61,073**

Maturity of lease liabilities

A maturity analysis of discounted payments are as follows:

		March 29, 2020 (52 weeks)
Due within one year or less	$	6,320
Between one and five years		28,116
More than five years		26,637
	$	**61,073**

NOTES TO THE FINANCIAL STATEMENTS (000'S)

7. Post-Employment Benefits

Retiring 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. The last full actuarial valuation of the plan was completed as at March 31, 2019. An extrapolation of the plan was performed as of March 29, 2020.

Information relating to the plan is as follows:

	March 29, 2020 (52 weeks)	March 31, 2019 (52 weeks)
Opening balance	$ 2,341	$ 2,350
Employer current service cost	130	134
Interest cost	73	75
Benefit payments	(228)	(443)
Change in financial assumptions	(93)	225
Closing balance	**$ 2,223**	**$ 2,341**

8. Changes in Non-Cash Operating Working Capital

	March 29, 2020 (52 weeks)	March 31, 2019 (52 weeks)
Trade and other receivables	$ (1,913)	$ (515)
Inventories	(2,083)	1 633
Prepaid expenses	(668)	(222)
Trade and other payables	6,364	(2,466)
	$ 1,700	**$ (1,570)**

9. Sales

	March 29, 2020 (52 weeks)	March 31, 2019 (52 weeks)
Beer	$ 201,593	$ 198,920
Spirits	106,580	102,298
Wine	102,651	99,047
Coolers and ciders	37,863	32,242
Non Liquor	618	479
	$ 449,305	**$ 432,986**

NOTES TO THE FINANCIAL STATEMENTS (000'S)

10. Operating Expenses

		March 29, 2020 (52 weeks)		March 31, 2019 (52 weeks)
Salaries - stores	$	19,781	$	19,451
Employee benefits		8,251		7,346
Salaries - administration		6,996		6,491
Depreciation on ROU assets		6,689		-
Beverage container redemption		3,318		3,895
Bank charges and fees		3,039		2,852
Depreciation on property and equipment		2,272		2,097
Interest on lease liabilities		2,002		-
Electricity, heating fuel and telecommunications		1,881		1,810
Other		1,527		931
Professional fees		1,482		1,666
Salaries - warehouse		1,234		1,110
Advertising and publications		1,135		1,162
Executory costs		1,088		699
Trucking		995		953
Information systems		882		1,058
Supplies and minor equipment		850		798
Repairs and maintenance		846		772
Shortages		811		805
Amortization of intangible assets		741		694
Travel		327		521
Salaries - maintenance		281		281
Property taxes		279		286
Training and development		278		256
System maintenance		267		904
Security		205		160
Other bonuses		174		104
Insurance		116		117
Tastings		91		148
Directors' remuneration		27		31
Rent		-		8,260
Sales incentive plan payments		-		252
	$	**67,865**	**$**	**65,910**

NOTES TO THE FINANCIAL STATEMENTS (000'S)

11. Financial Risk Management Objectives and Policies

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 that they will have sufficient cash from operations to meeting these obligations. The Corporation's accounts payable and accrued liabilities are due within one year. The details of the Corporation's future lease liabilities, undiscounted, are as follows:

	March 29, 2020 (52 weeks)
Due within one year or less	$ 8,146
Between one and five years	34,477
More than five years	29,618
	$ 72,241

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. and Euro dollars. Management has mitigated this risk by limiting the number of purchase transactions originating in foreign currency.

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, 2020 there are no significant financial receivables greater than 30 days, and no customer accounts amount to more than 10% of total receivables.

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. Transactions with the Province of New Brunswick are deemed to be collectively insignificant to 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; human resources; community and stakeholder relations; and customer strategy and engagement, as well as the associated portion of benefits. In addition, the Corporation allocates occupancy costs to CNB for a share of space for CNB's employees. These transactions are recorded on a cost recovery basis and are recognized as a reduction to

13. Related Party Transactions (continued)

salaries-administration, employee benefits and rent expenses. During the year ended March 29, 2020 the Corporation charged CNB $2,252 ($1,691 in 2019) (comprised of $1,969 ($1,514 in 2019) for salaries-administration and $283 ($177 in 2019) in rent for occupancy costs). In addition, the Corporation charged CNB $Nil ($1,760 in 2019) in fees (recognized in other income) for initial startup work prior to July 3, 2018 and transferred property, plant and equipment $6 ($201 in 2019), other assets $Nil ($419 in 2019) and intangibles $Nil ($1,317 in 2019) at cost.

During the year, the Corporation also provided funds to CNB to fund its operations. At March 29, 2020, CNB owed the Corporation $34,671 ($18,982 in 2019). Trade and other receivables include $169 ($523 in 2019) which represents the current portion of the shared service allocation as described above. The total amount outstanding is non-interest bearing, unsecured, with no set term of repayment. The amount owing to ANBL from CNB is considered a current receivable 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 $1,108 ($1,009 in 2019).

NOTES