



2024 – 2025

ANNUAL REPORT



TABLE OF CONTENTS

| | |
|----|------------------------------------|
| 01 | Letter from the Chair |
| 02 | President's Message |
| 04 | Tracking your Investment in ANBL |
| 06 | Strategic Plan |
| 07 | 2024 – 2025 Year in Review |
| 10 | Operational Improvement Highlights |
| 11 | High-Performance Culture |
| 12 | Channel Sales/Project Galileo |
| 13 | Store Scorecard Awards |
| 14 | Product Highlights |
| 15 | Spotlight on Local Producers |
| 16 | List of Local Producers |
| 18 | Corporate Social Responsibility |
| 20 | Governance |
| 22 | Store Locations |
| 24 | Sales by Location |
| 26 | Management and Auditor's Report |
| 30 | Financial Statements |

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ISSN 978-1-4605-4084-8
ISBN ANBL English pdf online version 978-1-4605-4355-9



LETTER FROM THE CHAIR

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

Minister Randall,

As the new Chair of the Board, and in accordance with the *New Brunswick Liquor Control Act* and the *Accountability and Continuous Improvement Act*, I am very pleased to deliver to you the 2024-2025 annual report for Alcool NB Liquor (ANBL). The Board of Directors is accountable for achieving the specific goals and objectives outlined in this report and this accountability is one that we take great pride in.

For the year in question and the five years preceding it, John Correia held the position of Chair at ANBL and did so very commendably. I, along with the Board of Directors, recognize John's strong commitment to ANBL and wish him the very best.

This past year, ANBL once again delivered strong financial results, with sales of over \$544.3 million and net income of \$191.5 million.

In addition to the organization's financial success, ANBL has been recognized as one of Atlantic Canada's Top Employers, a testament to the culture that offers a welcoming, inclusive workplace that fosters wellbeing and professional fulfillment. In 2024, ANBL was also named a Top 3 finalist in the Workplace Benefits Awards through Benefits Canada, which recognizes Canadian employers that support employees' physical, mental, and financial wellbeing.

On behalf of the Board of Directors, I hope that you will join me in extending congratulations to the ANBL team for achieving the record-breaking results and great customer service!

Respectfully submitted,

L. Paul Elliott, K.C.
Chair, Board of Directors



BOARD OF DIRECTORS

*As of March 30, 2025

John Correia, Chair

Cédric Laverdure, Director

Joanne Bérubé Gagné, Director

Kathryn Craig, Director

Paul Elliott, Director

Kevin Berry, Director

Bruce Wood, Director

Lori Stickles, President and CEO

Andrea Dewitt, Secretary



PRESIDENT'S MESSAGE

For three consecutive years, ANBL has achieved strong sales results while continuing its focus on customer experience, community impact, and operational excellence.

In 2024-2025, ANBL recorded \$544.3 million in sales, allowing us to return \$195.1 million to New Brunswick to help fund schools, hospitals, roads, and other valuable programs and initiatives in communities across New Brunswick. This is a great achievement in itself, but in a year with a great deal of disruption, it is truly incredible.

Three outside forces – the federal HST holiday, a cyber incident, and the U.S. tariff response – impacted ANBL in 2024-2025. Each of these required a fast pivot, and a very collaborative effort across the organization. I am extremely proud of the way our teams came together quickly and with so much flexibility to address these unexpected events, while minimizing the disruption to our day-to-day operations, and to our customers.

Throughout 2024-2025, ANBL continued its work of supporting the development of the beverage alcohol industry in New Brunswick, with a focus on supporting New Brunswick local alcohol producers. We sponsored world-class industry festivals and events and created a new Local Producer Guidebook to help new and emerging local producers navigate the many processes and business requirements.

Our multi-year business transformation Enterprise Resource Planning (ERP) project, Project Galileo, continued in 2024-2025 with the build and test phase, which is ongoing. Project Galileo will provide ANBL with not only new tools and technology to improve the accuracy and visibility of inventory and enable e-commerce, but also will focus on the way we work and interact with our supply partners, agency partners, and our customers.

Social responsibility continues to be a very important focus for ANBL, through community engagement, promoting responsible consumption, and responsible retailing. ANBL's focus on food security resulted in excess of \$380,000 in combined food and cash donations to help New Brunswickers in need over the course of 2024-2025. Our Safe Ride program provided a safe drive home for more than 26,000 patrons at 22 different community/industry festivals – one in every four festival attendees! In addition, we continue to focus on responsible retailing through training and education of our ANBL team members and channel partners.

None of these accomplishments would be possible without a dedicated and hardworking team. Our retail and warehouse teams, along with those working from the Retail Operations Centre, deserve a lot of credit for all that has been accomplished this year, as we continue our focus on our purpose of giving back to New Brunswickers by responsibly enhancing occasions.

Lori Stickles

President and CEO



EXECUTIVE MANAGEMENT

*As of March 30, 2025

Lori Stickles, President & CEO

Craig Clark, Senior Vice President of People, Process & Technology

Jamie Leblanc, Senior Vice President & Chief Financial Officer

Alan Sullivan, Senior Vice President of Channels & Supply Chain

Lara Wood, Senior Vice President of Marketing, Category & Communications

Erin Fullerton, Vice President of Human Resources

Mike Harty, Vice President of Operations

Paul Henderson, Vice President of Special Projects and Initiatives

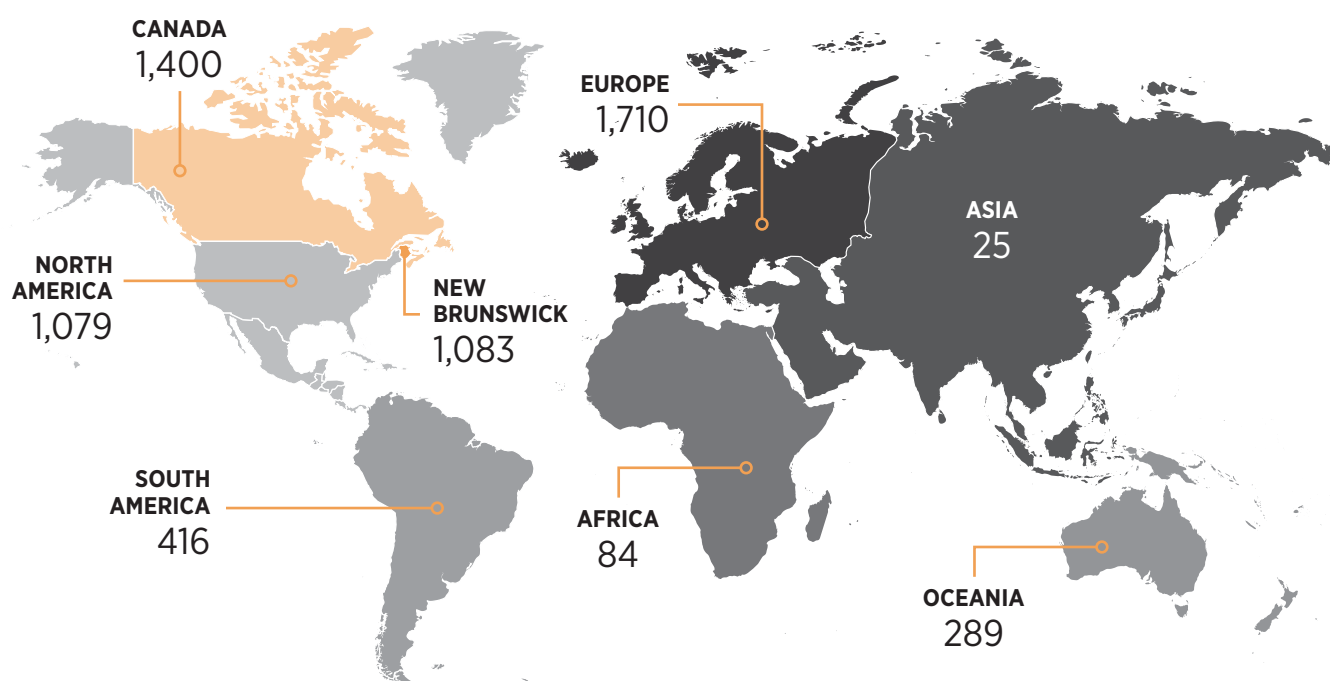


TRACKING YOUR INVESTMENTS

ANBL is responsible for the purchase, importation, distribution, and retailing of all beverage alcohol in New Brunswick. As a Provincial Crown Corporation, we serve the public and licensee community through a network of retail stores, private agency outlets, and grocery stores.

HERE ARE SOME OF THE KEY NUMBERS THAT SUPPORT THOSE ACCOUNTABILITIES AND EFFORTS.

OF PRODUCTS FROM



EMPLOYMENT #'S



WAREHOUSE

29



RETAIL OPERATIONS CENTRE

203



CORPORATE STORES

312

** Employment #'s reflect active employees and employees on leave as of March 30, 2025. Casual employees are excluded from these totals.*

SALE TO



40 CORPORATE STORES IN
29 COMMUNITIES



AGENT LOCATIONS
91



GROCERY STORES
65



PUBLIC TRANSACTIONS
+7.3 MILLION



ACTIVE LICENSEES
+1,000



RETURN TO NEW BRUNSWICKERS

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

\$195.1M

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



STRATEGIC PLAN

The 2024-25 fiscal year represented the first year of ANBL's new three-year strategic plan (2025-2027), developed through engagement with internal and external stakeholders. Through this process, ANBL has clearly defined our corporate purpose, vision and values to guide our work over the next three years.



PURPOSE

Giving back to New Brunswickers by responsibly enhancing occasions.



VISION

To deliver exceptional experiences to our friends and neighbours in every interaction.



VALUES

Trust-Integrity-Celebration-
Caring-Community

ANBL has identified five strategic focus areas to guide our work over the life of our plan.

- People
- Financial
- Operational excellence
- Customer
- Responsibility

Each area has specific objectives to accomplish over the life of the plan. In 2024-25, focus was placed on the following high priority initiatives within those focus areas:

- Augment cyber awareness and protections across the organization
- Implementation of enterprise resource planning project
- Negotiate a new collective agreement
- Leadership development program launched
- Performance appraisal reviews (PARs) aligned to our strategy

ANBL is excited and confident the new strategic plan sets the organization up to achieve its goals and evolve the business responsibly, ensuring the best results for all stakeholders.

2024 – 2025 FINANCIAL YEAR IN REVIEW

The below provides an overview of ANBL's financial position for the year ended March 30, 2025, and should be read in conjunction with ANBL's audited financial statements and note disclosures.

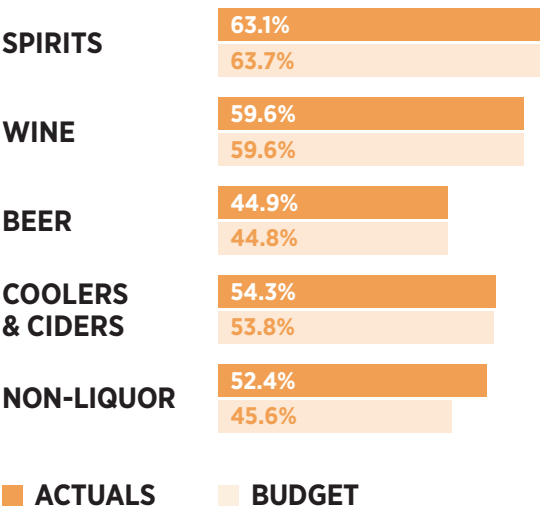
Following an accounting convention common to the retail industry, ANBL follows a 52-week reporting cycle that periodically necessitates a 53-week fiscal year due to the floating year-end date. The fiscal year ended March 30, 2025, was a 52-week year.

ANBL remained committed to its strategic goal of revenue growth and maintenance of normal operating costs, generating \$191.5 million in net income.

Total sales exceeded prior year by \$11.2 million and reached record levels delivering \$544.3 million. With strong performance realized across all product categories, the biggest year-over-year growth, at 8.2%, was driven by the Coolers and Ciders category from a continued focus on eliminating category seasonality through new occasions. While year-over-year traffic in ANBL's Corporate stores was down, the average consumer transaction increased by \$0.76 to \$42.61 over the prior year.

Strong top line sales translated into strong gross profit %, approximating targets across all categories.

GROSS PROFIT %



Operating expenses, while 6% under budget, saw a 17% year-over-year increase, driven by employee costs from cost-of-living adjustments, and ANBL's business transformation project. The launch of the project will result in incremental spend for the organization for the duration of the project. The transformation will modernize the aging technological environment, and better support having the right product, in the right place, at the right time, to meet customer expectations across all sales channels.



2024 – 2025

PERFORMANCE MEASURES

Throughout fiscal 2024-2025, ANBL remained committed to its mission to responsibly manage a successful business for the people of New Brunswick. With a continued focus on its goals of Revenue Growth & Cost Reduction; Focus, Alignment & Governance; and Corporate Social Responsibility, the ANBL team is either on track or was successfully able to meet or exceed seven of its annual target measures. ANBL will continue its focus on elevating productivity, while committing to providing stable jobs and competitive wages in an environment that aligns investment in people, process, and technology.

| MEASURE | F24 Actual | F25 Target | F25 Actual |
|---|------------------|-----------------------------|------------------|
| # of weeks | 52 | 52 | 52 |
| Revenue Growth & Cost Reduction | | | |
| Net income (\$ millions) | \$200.8 | \$178.8 | \$191.5 |
| Total sales (\$ millions) | \$533.0 | \$531.3 | \$544.3 |
| Net income as % sales | 37.7% | 33.7% | 35.2% |
| Operating expense as % of sales | 14.6% | 18.3% | 16.8% |
| Labour costs as a % of sales | 8.6% | 9.1% | 9.2% |
| Focus, Alignment & Accountability | | | |
| Average Transaction Value | \$41.85 | \$41.60 | \$42.61 |
| Employee Engagement score | 4.03/5 | Maintain or Higher than F24 | 4.04/5 |
| Corporate Social Responsibility & Governance | | | |
| Achieve framework/program milestones on time | Progressing Well | On Track | Progressing Well |



REMITTANCES TO GOVERNMENTS (\$000'S)

| REMITTANCES TO GOVERNMENTS | 2024 – 2025 (\$000's) | 2023 – 2024 (\$000's) |
|----------------------------------|--------------------------|--------------------------|
| <i>Province of New Brunswick</i> | | |
| *Payments from net income | \$195,089 | \$203,846 |
| Environmental Trust Fund | - | 3,472 |
| Property taxes | 265 | 256 |
| | <u>195,354</u> | <u>207,754</u> |
| <i>Government of Canada</i> | | |
| Harmonized Sales Tax | 40,089 | 46,567 |
| Excise tax and customs duties | 22,947 | 22,669 |
| | <u>\$258,390</u> | <u>\$276,810</u> |

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



OPERATIONAL IMPROVEMENT HIGHLIGHTS

PROPERTY MANAGEMENT

Brand and design work continued in 2024-2025 with store renovations at three corporate locations: Northside Fredericton (Devon), Shippagan and Sackville. The design updates bring a more consistent, modern, relevant, and welcoming experience for customers. ANBL also invested in store cold room refrigeration maintenance and upgrade projects, as well as Retail Operations Centre and warehouse structural building maintenance. With these capital investments, ANBL remained active in NB Power's Business Rebate Program, an initiative funded by the provincial and federal governments to upgrade with energy-efficient equipment. ANBL also participated in the NB Power Peak Rebate program.

SUPPLY CHAIN ACT

During 2024-2025, ANBL continued work in support of the *Fighting Against Forced Labour and Child Labor in Supply Chains Act*, raising industry awareness and transparency and improving business practices. ANBL continued collaboration with neighbouring jurisdictions on plans moving forward and filed an annual public report on the steps it has taken to prevent the use of forced labour and child labour in its supply chains. A copy of the report can be found on the ANBL website.

ENVIRONMENT, SOCIAL AND GOVERNANCE

ANBL continued efforts to better understand how its current strategies correlate to an Environmental, Social and Governance (ESG) framework: looking at how we treat the environment, treat people and make decisions. As part of this initial work, ANBL performed a materiality assessment to determine what needs to be done in our retail (beverage alcohol) and general retail (grocery and mixed retail) fields, with internal and external insights.

SUPPLY CHAIN & WAREHOUSE

Significant progress on ANBL's Supply Chain goals was made in 2024-2025, in the areas of alignment with the corporate strategy and customer-focused activities. The department has adopted a customer-first focus to put the customer first in all tasks and activities, with three pillars:

Supply Management: Several challenges presented this year, with events such as the HST holiday, cyber incident and U.S. tariff response that significantly impacted supply management forecasting. Despite these challenges, the team adapted as necessary to keep its in-stock position for the year high, ensuring ample availability of product for customers.

Warehouse: With a focus on timeliness, loads were ready for departure early in the day, enabling trucks to make deliveries at reasonable times. The warehouse pick rate at the end of the fiscal year was an average of 137 cases per person-hour.

Transportation: Inbound product transportation remained stable and consistent as the team managed to avoid overstocking while also adequately supplying channels. On-time delivery to agents and corporate stores was improved by working with the local carrier. New Key Performance Indicators focused on customer-centric decision-making resulted in more dependable and timely deliveries to our customers.

HIGH PERFORMANCE CULTURE

TOP 100 EMPLOYERS

In March 2025, ANBL was named one of Atlantic Canada's Top Employers, a recognition that highlights our commitment to fostering a supportive and well-balanced workplace culture. This annual award celebrates organizations that lead their industries in offering an exceptional place to work. ANBL's recognition reflects our people-first culture and our ongoing efforts to support our team members and contribute positively to the community.

EMPLOYEE RECOGNITION

At ANBL, recognizing and celebrating people reflects one of its core values, Celebration. In 2024-2025, this was accomplished through several meaningful programs, such as the Years of Service program, recognizing employees reaching milestone anniversaries, honoring their dedication and long-standing contributions. ANBL also held its first annual Employee Appreciation Day, bringing teams together to thank them for their dedication and commitment to ANBL. A new Peer-to-Peer recognition program empowers employees to recognize each other's efforts and impact in real time.

LEARNING AND DEVELOPMENT

The ANBL Leadership Development Program, providing leadership development opportunities to all team members, was launched in 2024-2025. Curriculum is based on the ANBL Leadership Competencies developed by the executive team.

During 2024-2025, retail team members completed over 5,000 hours of online courses in general competency training, the ANBL Language of Service Policy, and best practices for responsible retailing. Retail team members also received instruction on verbal de-escalation techniques.

Last year also marked the launch of a revamped onboarding program for retail teams as well as an improved onboarding program for Retail Operations Centre team members. Both programs include increased communication with new team members to ensure they are set up for success, as well as additional resources for hiring managers. ANBL also hosted Business Knowledge Sessions, held quarterly for all new team members.

EMPLOYEE ENGAGEMENT

ANBL had an 84% response rate in its employee engagement survey, surpassing the Gallup average of 82%. In 2024-25 the Engagement Index was 6:1, meaning that there are about 6 engaged team members for every disengaged team member. This reflects a healthy work culture where most employees are involved in and enthusiastic about their work, drive performance, innovation, and move the organization forward. Additionally, 79% of employees rated their work environment as excellent or good, with the strongest results in employee development and employee progress.

HEALTH AND SAFETY

In 2024-2025, ANBL continued to strengthen compliance and improve safety across the organization. A key focus was the Health & Safety Index, which served as a tool for evaluating the effectiveness of our safety practices. There was a strong upward trend over the year, starting at 55% mid-year and reaching 82.1% by the end of the fiscal year.

WELLNESS

ANBL's Wellness program continues to play a key role in supporting the health and wellbeing of the team. With Wellness Champions representing all departments and retail stores across the organization, attention and engagement is increased around monthly wellness initiatives throughout the year. From physical and mental health to financial wellbeing, these initiatives are designed to encourage participation and create a positive, supportive environment.



CHANNEL SALES

In 2024-2025, ANBL revitalized the Product Advisor position and training program, reaffirming its commitment to delivering exceptional customer experiences in corporate stores. These key team members are positioned as trusted specialists, offering the highest level of service and expert product knowledge to help customers explore and discover the right products to responsibly enhance their occasions.

This reinvestment began with a comprehensive training program designed to elevate both confidence and capability. Product Advisors completed advanced product knowledge training, sales training, and participated in immersive sessions hosted in partnership with local wineries, breweries, distilleries and supplier partners.

The revitalized role has quickly made an impact—driving customer engagement, building trust, and contributing to increased overall team engagement. Product Advisors are recognized as leaders on the sales floor, setting the tone for what personalized, knowledgeable service looks like in ANBL stores.

This aligns with ANBL's broader goal of creating meaningful connections with customers and differentiating corporate store experience from other channels.

PROJECT GALILEO: ANBL'S BUSINESS TRANSFORMATION PROJECT

ANBL continued to progress in its multi-year business transformation project, Project Galileo, which will implement a new Enterprise Resource Planning (ERP) system, update and adapt the organization to better respond to and align with market trends, customer needs, and competitive advantages.

Project Galileo will unlock the potential of ANBL through adjusting, streamlining, and automating business processes based on best practices, improving our ability to source, supply, and sell beverage alcohol. This will ensure that ANBL has the right product in the right place at the right time to meet customer expectations across New Brunswick.

During fiscal 2024–2025, ANBL and its System Integration partner, Ernst & Young LLP, built ERP system functionality to aid the integration of all essential business functions into a single, centralized platform (Microsoft Dynamics 365).

Project Galileo has multiple phases and is expected to continue into fiscal 2027.



STORE SCORECARD AWARDS

Awarded to corporate stores in each banner with the highest scores on their Balanced Scorecard.

ANBL continued with its Scorecard Awards this past fiscal year. These accolades celebrate outstanding performance across various critical metrics, including key performance indicators, sales, average ticket value, value-added, bundle offerings, and ID check verification practices.

A-BANNER

Gold - Fredericton
Corbett Centre

Silver - Dieppe
- TIE -

Silver - Kennebecasis
Valley

B-BANNER

Gold - Oromocto
Silver - Fredericton Devon

C-BANNER

Gold - Dieppe Blvd
- TIE -
Gold - Tracadie

D-BANNER

Gold - St. Andrews
- TIE -
Gold - Bouctouche

AGENT PRESTIGE AWARDS

The Prestige Award to recognize outstanding performance in the Agent Channel was introduced in 2024-2025. Performance is evaluated throughout the year using key performance indicators, including:

- Store Growth
- Category Growth
- Check ID Compliance
- Agency Display Execution
- Pricing Audit Accuracy
- Management of Breakage and Defective Items

WINNERS WERE:

TIER 1

Crossroads, Hanwell

TIER 2

Magasin chez Bernard, Leech



PRODUCT HIGHLIGHTS

The Spirits category at ANBL provided slight revenue growth year over year (0.7%) in 2024-2025, encouraging results when compared to most Canadian markets but short of the goal presented in the budget for the year. The positive revenue growth was driven by the Whisky category primarily, with some additional growth coming from the Tequila Category. Volume declined again (-1.49%) for the third straight year, which has been the trend across Canada. There were new entrants in the market that capitalized on some consumer trends towards smaller formats and innovation brands. This growth somewhat offset decline in other areas.

The Beer category also saw a reduction in volume, however, New Brunswick volume outpaced national trends throughout the year, which was positive. Volume loss in the beer category continues to come from the domestic mainstream beer sub-category, but both premium and import categories grew for the fifth straight year in volume and revenue resulting in the achievement of revenue targets.

The Cider & Cooler category exceeded sales budget and volume targets. New Brunswick avoided regional fluctuations in sales building momentum as the year progressed. Twelve-packs continue to drive positive results in the category, with secondary support coming from the single serve options. ANBL continues to work to drive consumer interest through a

robust portfolio, utilizing a variety of pack sizes, alcohol bases and flavour assortments to remain relevant and drive with innovation in this category.

In wine sales by revenue, ANBL ended the year with steady results. Volume outpaced the national trend and ended the year slightly higher than budget. Some interesting trends emerged with red wine sales declining while white wine sales had significant growth from a revenue perspective. Volume declined in Rose and Sparkling wines. Domestic wine options continued to account for most sales by revenue and volume with solid growth in wines from Italy and New Zealand.

The Non-Alc Category saw some strong results in year one of featuring this option as a stand-alone category. ANBL expanded its assortment from three SKUs to 20 and achieved results far over our year one assumptions of the category from both a volume and revenue perspective. Beer held the majority of the share through year one, with wine establishing a stronger position in the portfolio. Familiar brands with non-alcoholic versions performed well. Coolers and Spirits have room to grow, as they were slightly under-indexed versus national trends in this space.



LOCAL PRODUCERS

ANBL continues to maintain a diverse portfolio of local products to meet customers' needs. Local craft sectors continued to grow over the past year, with a number of innovative products entering the market.

Part of ANBL's mandate under the *New Brunswick Liquor Corporation Act* is to "participate in the development of the liquor industry" in the province. ANBL fulfills that aspect of its mandate through financial support to industry and marketing and promotional programs. With that development in mind, ANBL launched the first edition of its Local Producer Guidebook, providing in-depth information about to support local partners operating a craft beverage alcohol business in the province.

To amplify its role and support of the local industry, ANBL has encouraged regular engagement, annual joint business planning, regular trade visits, and external working groups. This enables ANBL to share best industry practices, collaborate on new opportunities, identify trends, and share strategies for sustainability.

ANBL has added a third dedicated resource within the channel team (Local Producer Channel Lead) focused on conducting regular site visits, ensuring contracts and agreements are current, supporting regular audit functions, providing education, sharing mystery shop results, and acting as a resource for questions and concerns.



LIST OF LOCAL PRODUCERS

*As of March 30, 2025

Moosehead Breweries

Snowfox Vodka

Carroll's Bakery

Culinary Wines/Vins Culinaire

Big Fiddle Still

Distillerie NB Distillery

Black Galley Distilling

Blue Roof Distillers

Crooked River Distillery

Devil's Keep Distillery

Distillerie Fils Du Roy

East Coast Collective

The Cove by First Light Distillery

First Light Distillery

Gagetown Distilling & Cidery

Ole Foggy Moonshine

Pump House Brewery (Fill Station)

Sussex Craft Distillery

Three Dog Distilling

Trailway Brewing Company

Winegarden Estate

Molson Canada

13 Barrels Brewing

Mama's Pub

The Capital Complex

Cloud Convenience

Les Brasseux d'la côte

Loyalist City Brewing Company

RustiCo Restaurant & Brewery

Tire Shack Brewing Co.

Microbrasserie Ateepic

Artisan Brewing Co.

Pump House Brewpubs Shediac

O'Creek Brewing

The Brew D'La Baie

Big Axe Alehouse and Grill

A.W.O.L. Brewery

Acadie-Broue

Bagtown Brewing Company

Big Axe Brewery

Big Tide Brewing Company

Bogey Free Brewhouse

Brasserie Rétro Brewing

Broue du Païen

Celtic Knot Brewing

Flying Boats Brewing Company & JALT Beverage Company

Brasserie Chockpish

Cask and Kettle Brewing Company

Cavok Brewing Co

Twin Harbour Brewing

Cross Creek Brewing

Drifter Brew Co.

Foghorn Brewing Company



Four Rivers Brewing

Gahan House

Grand Falls Brewing / Brasserie
Grand-Sault

Graystone Brewing

Grimross Brewing

Half Cut Brewing Company

Hampton Brewing Co.

Happy Craft Brewing / Brasserie
Artisanale Happy

Heron Bay Brewing

Buddha Bear Cafe

Holy Bowly

Holy Whale Brewing

Hop To It Brewing

Microbrasserie Houblon-Pêcheur

Les Brasseurs du Petit-Sault

Gridiron Brewing

Maybee Brewing Company

Microbrasserie NECTAR Microbrewery

New Maritime Beer Company

Picaroons General Store

The Roundhouse

Novum Boreas Microbrasserie

O.G. Ales

Pump House Brewpubs

Saint Andrews Brewing Company

Sussex Ale Works

Johnny Jacks Micro-Brewery

The 5 Kings Restaurant & Picaroons
Brewhouse

Tide & Boar Brewing

Tide & Boar Gastro Pub

Timber Ship Brewing

Tobique River Trading Co.

The Drome

Union House

Wasted Day Brewing

Long Bay Brewery

Richibucto River Wine Estates

Pioneer Estate Winery

Sunset Heights Meadery

Kingston Creek Cider

Belleisle Vineyards

ExlPure

Happy Knight Wines

Crow and Vine

Waterside Farms Cottage Winery

Big Sky Ventures

Domaine des petits fruits

Homestead Orchards

Vinerie DesFruits Winery

Magnetic Hill Winery & Farm Market

Nethercoat Estates

Red Rover Craft Cider

Verger Belliveau Orchard

Yip Cider

York County Cider

Moonshine Creek

Tragically Hopped Brewing

moreALEbrooster

Union Brewing

Tuddenham Farms

Mother Mushroom Farmstay

CORPORATE SOCIAL RESPONSIBILITY

ANBL has developed a comprehensive, measurable Corporate Social Responsibility (CSR) strategy to focus the organization and advance this important aspect of the business. The goal is to ensure that every element of the aligned CSR strategy is effectively contributing to the betterment of New Brunswick through education, safety, and financial support of New Brunswick communities where it makes a difference. The CSR strategy focuses on three pillars: Community Engagement, Responsible Consumption and Responsible Retailing.

CORPORATE SOCIAL RESPONSIBILITY STRATEGY

STRATÉGIE DE RESPONSABILITÉ SOCIALE D'ENTREPRISE



COMMUNITY ENGAGEMENT

ANBL's goal in community engagement is to be a champion of food security. The bulk of community engagement efforts are focused on supporting food security as a means of poverty reduction. Through a strong partnership with Food Depot Alimentaire, ANBL supports numerous partner organizations. Food and funds collected in stores stay in local communities, positively impacting donations and team engagement. For the community engagement pillar, success is measured by calculating the total dollar value of ANBL and customer donations. In 2024-2025, an increase in total donations of 21% over the previous year was recorded.

ANBL FOOD SECURITY IMPACT REPORT

HOW ANBL IS GETTING MORE FOOD TO THOSE WHO NEED IT
FY2024-2025: APRIL 1, 2024 - MARCH 31, 2025



| MEASUREMENT | Q1 | Q2 | Q3 | Q4 | TOTAL |
|---------------------------------------|-----------|----------|----------|----------|-----------|
| # OF FOOD DONATIONS | 2080 | 204 | 2719 | 1188 | 6191 |
| \$ VALUE OF FOOD DONATIONS | \$3,863 | \$387 | \$3,264 | \$2,618 | \$10,132 |
| \$ IN CASH DONATIONS | \$124,816 | \$84,839 | \$76,530 | \$79,757 | \$365,942 |
| TOTAL VALUE OF GOODS & CASH DONATIONS | \$128,679 | \$85,156 | \$86,565 | \$82,375 | \$382,775 |



TOTAL DOLLAR VALUE OF
ANBL TEAM AND
CUSTOMER DONATIONS

\$382,775

ANBL SAFE RIDE REPORT

GETTING NEW BRUNSWICKERS HOME SAFELY AT ANBL-SPONSORED EVENTS
FY2024-2025: APRIL 1, 2024 - MARCH 31, 2025



| MEASUREMENT | Q1 | Q2 | Q3 | Q4 | TOTAL |
|---------------------------|-------|--------|--------|-------|---------|
| EVENT ATTENDANCE | 7,441 | 79,961 | 12,429 | 7,251 | 107,082 |
| # OF SAFE RIDE PASSENGERS | 1,752 | 16,530 | 4,474 | 3,643 | 26,399 |
| % TOTAL OF ATTENDEES | 24% | 21% | 36% | 50% | 25% |
| VOLUNTEER & STAFF HOURS | 88.5 | 458 | 116 | 35 | 697 |
| # OF COMMUNITIES | 5 | 9 | 6 | 2 | 17 |



TOTAL ATTENDANCE AT
ANBL-SPONSORED
SAFE RIDE EVENTS

107,082

OBJECTIVES FOR FISCAL 24-25: TOTAL ATTENDANCE EXPOSURE OF 100,000+ PEOPLE | 17,000 SAFE RIDE PASSENGERS

PROMOTING RESPONSIBLE CONSUMPTION

ANBL is committed to activities and sponsorships that help promote responsible consumption and community engagement. In 2024-2025, ANBL sponsored 22 events across the province, promoting responsible consumption through the ANBL Safe Ride program. This program provides free transportation from events for where alcohol is served. ANBL representatives at these events interacted with more than 100,000 patrons this year, resulting in overwhelmingly positive feedback.



ANBL SAFE SELLING SCORECARD

HOW ANBL PROMOTES SAFE SELLING PRACTICES
FY2024-2025: APRIL 1, 2024 - MARCH 31, 2025



| MYSTERY SHOPS | Q1 | Q2 | Q3 | Q4 |
|--------------------------------------|-------|-------|---------|-------|
| % ANBL CORPORATE STORES PASS | 90% | 84.2% | 94% | 87.4% |
| % AGENTS PASS | 81% | 75.6% | 77% | 78.8% |
| % GROCERY PASS | 75.4% | 68.3% | 75% | 74.4% |
| % LOCAL PRODUCERS PASS | - | 37.7% | 37.7% | 38.3% |
| TRAINING | | | | |
| % ROC EMPLOYEES COMPLETE | 97% | 95.6% | 29.38%* | 78%* |
| % CORPORATE STORE EMPLOYEES COMPLETE | 95% | 94.4% | 28.07%* | 90%* |
| % AGENTS COMPLETE | 87.4% | 91.2% | - | 88% |
| % LOCAL PRODUCERS COMPLETE | - | 80.4% | - | 32% |

* Results represent the completion of the newly launched Safe Selling course on SmarteLL and not reflecting the completion rate of the older course that is reported on in Q1 & Q2.
. results not available as course is only launching in Q4.

RESPONSIBLE RETAILING

ANBL is committed to responsible retailing offering the training and resources necessary to ensure safe selling practices. By equipping ANBL team members and channel partners with the resources they need to ensure safe selling practices, ANBL can ensure that only those legally fit to purchase have access to alcohol at any retail outlet. CSR training is required for all ANBL employees and all retail channel partners and is a part of onboarding for all new hires at ANBL. By monitoring the results of mystery shops, ANBL can focus efforts where assistance and additional training may be needed.

GOVERNANCE

MANDATE LETTER TO THE BOARD OF DIRECTORS

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

REPORT ON THE *OFFICIAL LANGUAGES ACT*

There were three language complaints received in the 2024-2025 fiscal year at ANBL. ANBL continues to work with the departments and the Office of the Commissioner of Official Languages for New Brunswick to implement appropriate remediating actions.

REPORT ON THE *PUBLIC INTEREST DISCLOSURE ACT*

As provided under section 18(1) of the *Public Interest Disclosure Act*, the chief executive shall prepare a report of any disclosures of wrongdoing that have been made to a supervisor or designated officer of the public service for which the chief executive is responsible. There were no complaints filed during the 2024-2025 fiscal year pursuant to the policy. There was one concern filed via the Clearview Connect Portal, which was resolved.

RIGHT TO INFORMATION AND PROTECTION OF PRIVACY ACT

During the 2024-2025 fiscal year, there were seven requests received under the *Right to Information and Protection of Privacy Act*. Five requests were answered and closed during the fiscal year, including one carried over from the previous fiscal year. Three requests received in 2024-2025 remained in progress at the end of the fiscal year.

BOARD OF DIRECTORS SCHOLARSHIP/BURSARY PROGRAM

The ANBL Board of Directors' Scholarship and Bursary Program is open to all ANBL Employees and their families. In 2024-2025, 10 scholarships or bursaries were awarded towards an eligible education program.

2024-2025 REPORT ON THE STATUS OF AUDITOR GENERAL FINDINGS

As outlined in its 2024-2025 mandate letter, ANBL is required to provide an update on the status of Auditor General of New Brunswick ("AG") recommendations provided to the corporation in the past five years.

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

ANBL takes its purpose, as outlined in the *New Brunswick Liquor Corporation Act*, to participate in the development of the liquor industry in the Province seriously and largely agreed with all recommendations. At the time of the report's issuance, many recommendations were already underway (6) or implemented (6). A summary of the status of the recommendations is outlined below, broken down by the initial target date set for implementation, and as reported in the AG Report:

| Recommendation Summary AG Report Reference # | Target Date for Full Implementation | Status |
|--|---|-------------------------------|
| Ineffective Planning and Engagement to Develop Province's Liquor Industry | | |
| 2.35 – outcomes-based strategic plan | 2023-24 | Implemented |
| 2.44 – local producer communications and engagement plan | 2023-24 | In-Progress <i>Delayed</i> |
| 2.51 – define and set clear financial targets | Implemented | Implemented |
| Weakness in Product Lifecycle Management | | |
| 2.59 – clearly document and retain decision rationale | Implemented | Implemented |
| 2.65 – provide current information to all suppliers | Implemented | Implemented |
| 2.70 – listing process improvements | 2022-23 | Implemented |
| 2.74 – increase transparency | 2022-23 | Implemented |
| 2.92 – complete a comprehensive review and update of pricing strategy and mark-up structure | 2023-24 | In-Progress <i>Delayed</i> |
| 2.109 – enhance pricing practices | Implemented | Implemented |
| 2.116 – review and update the Minimum Retail Pricing policy annually | Implemented | Implemented |
| 2.119 – actively monitor liquor prices in agency stores | 2023-24 | Implemented |
| 2.132 – delisting process improvements | 2022-23 | Implemented |
| 2.141 – document process used to set sales thresholds for delisting purposes | 2023-24 | Implemented |
| Data & Document Retention Issues | | |
| 2.151 – review and update Bev Hub and sales data applications | 2022-23 | Implemented |
| Other Areas of Concern | | |
| 2.156 – retain all communications with suppliers supporting prices changed during price call process | 2023-24 | Implemented |
| 2.169 – develop and implement a plan to address legislative requirement to promote the responsible consumption of liquor | 2022-23 | Implemented |
| 2.170 – Board of Directors review of performance in promoting the responsible consumption of liquor | 2022-23 | Implemented |
| 2.174 – undertake risk assessment to ensure pricing policies comply with applicable trade agreements | 2022-23 | Implemented |
| 2.179 – Board of Directors review and update by-laws to address potential, perceived or actual situations that increase risk to its independence from government | 2022 – 23 | Implemented |

ANBL has assessed all but two of the recommendations as being implemented at the end of fiscal year 2024-2025. Advancement has been made for recommendation 2.44, and full implementation remains in-progress, with a survey of local producers planned for 2025-2026. In its new 3-year plan, ANBL is developing a new pricing strategy, that will address recommendation 2.92.

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

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

STORE LOCATIONS

LEGEND

Corporate Grocery Agents

| | | | | | |
|----|--|----|---------------------------------|----|--------------------------|
| 1 | Bathurst | 27 | Foodland Grand Falls | 28 | Elsipogtog |
| 2 | Beresford | 28 | Foodland Quispamsis | 29 | Florenceville |
| 3 | Bouctouche | 29 | Foodland Rexton | 30 | Fredericton Junction |
| 4 | Brookside Mall, Fredericton | 30 | Foodland Sackville | 31 | Gagetown |
| 5 | Campbellton | 31 | IGA Campbellton | 32 | Grand Bay |
| 6 | Caraquet | 32 | IGA Co-Op Bouctouche | 33 | Grand Manan |
| 7 | Chatham | 33 | IGA Co-Op Caraquet | 34 | Grand-Barachois |
| 8 | Corbett Centre, Fredericton | 34 | IGA Co-Op Dieppe | 35 | Grande-Anse |
| 9 | Dalhousie | 35 | IGA Co-Op Shediac | 36 | Hanwell |
| 10 | Devon Park, Fredericton | 36 | IGA Extra Edmundston | 37 | Harcourt |
| 11 | Dieppe | 37 | Kredl's Corner Market Ltd. | 38 | Hartland |
| 12 | Dieppe Blvd | 38 | No Frills Saint John | 39 | Harvey Station |
| 13 | East Point, Saint John | 39 | Sobeys Bathurst | 40 | Hillsborough |
| 14 | Edmundston | 40 | Sobeys Brookside | 41 | Irishtown |
| 15 | Elmwood Drive, Moncton | 41 | Sobeys Douglastown | 42 | Janeville |
| 16 | Experience by ANBL | 42 | Sobeys Eastpoint Saint John | 43 | Juniper |
| 17 | Fairville Blvd, Saint John | 43 | Sobeys Elmwood Moncton | 44 | Kedgwick |
| 18 | Grand Falls | 44 | Sobeys Fredericton Prospect St | 45 | Kingston |
| 19 | Hampton | 45 | Sobeys Miramichi | 46 | Lameque |
| 20 | Kennebecasis Valley | 46 | Sobeys Moncton NW Center | 47 | Leech |
| 21 | Moncton North | 47 | Sobeys Oromocto | 48 | Lepreau |
| 22 | Mountain Road, Moncton | 48 | Sobeys Paul Dieppe | 49 | Lincoln |
| 23 | Neguac | 49 | Sobeys Regent Fredericton | 50 | Loch Lomond |
| 24 | Newcastle | 50 | Sobeys Regis Dieppe | 51 | Mactaquac |
| 25 | Oromocto | 51 | Sobeys Riverview | 52 | Magnetic Hill |
| 26 | Richibucto | 52 | Sobeys Rothesay Hampton Road | 53 | Maissonnette |
| 27 | Riverview | 53 | Sobeys Saint John Lansdowne Ave | 54 | McAdam |
| 28 | Sackville | 54 | Sobeys Saint John West | 55 | Memramcook |
| 29 | Salisbury Depot | 55 | Sobeys Shediac | 56 | Minto |
| 30 | Shediac | 56 | Sobeys Sussex | 57 | Nackawic |
| 31 | Shippagan | 57 | Sobeys Vaughn Harvey Moncton | 58 | Norton |
| 32 | Somerset | 58 | Sobeys Woodstock | 59 | Paquetville |
| 33 | St. Andrews | 59 | YIG Beresford | 60 | Penniac |
| 34 | St. Stephen | 60 | YIG Hampton | 61 | Perth-Andover |
| 35 | Sussex | 61 | YIG Perth-Andover | 62 | Petit Rocher |
| 36 | Tracadie-Sheila | 62 | YIG Sackville | 63 | Petitcodiac |
| 37 | Vaughan Harvey Blvd, Moncton | 63 | YIG Save Easy Shippagan | 64 | Plaster Rock |
| 38 | Wellington Row, Saint John | 64 | YIG Save Easy St. Andrews | 65 | Pointe-Sapin |
| 39 | Woodstock | 65 | YIG St. George | 66 | Port Elgin |
| 40 | York Street, Fredericton | 1 | Allardville | 67 | Prince William |
| 1 | Atlantic Superstore Fredericton | 2 | Alma | 68 | Public Landing |
| 2 | Atlantic Superstore Moncton Trinity | 3 | Arthurette | 69 | Renous |
| 3 | Atlantic Superstore Saint John | 4 | Aulac | 70 | Richiboucto Village |
| 4 | Atlantic Superstore Atholville | 5 | Baie-Ste-Anne | 71 | Riley Brook |
| 5 | Atlantic Superstore Bathurst | 6 | Balmoral | 72 | Riverside-Albert |
| 6 | Atlantic Superstore Chatham | 7 | Barnesville | 73 | Rogersville |
| 7 | Atlantic Superstore Dieppe | 8 | Bath | 74 | Saint-Antoine |
| 8 | Atlantic Superstore Edmundston | 9 | Bay du Vin | 75 | Saint-Arthur |
| 9 | Atlantic Superstore Grand Falls | 10 | Belledune | 76 | Sainte-Anne-de-Madawaska |
| 10 | Atlantic Superstore Kennebecasis | 11 | Black's Harbour | 77 | Saint-Louis-de-Kent |
| 11 | Atlantic Superstore Millidgeville Saint John | 12 | Blackville | 78 | Saint-Paul-de-Kent |
| 12 | Atlantic Superstore Moncton Main St | 13 | Boiestown | 79 | Salisbury |
| 13 | Atlantic Superstore Nashwaaksis | 14 | Brantville | 80 | Shediac |
| 14 | Atlantic Superstore Newcastle | 15 | Burton | 81 | South Tetagouche |
| 15 | Atlantic Superstore Oromocto | 16 | Cambridge Narrows | 82 | St-Quentin |
| 16 | Atlantic Superstore Riverview | 17 | Campobello Island | 83 | St. George |
| 17 | Atlantic Superstore St. Stephen | 18 | Canterbury | 84 | St. Isidore |
| 18 | Atlantic Superstore Sussex | 19 | Cap Pele | 85 | St. Leonard |
| 19 | Atlantic Superstore Tracadie | 20 | Centreville | 86 | St. Martins |
| 20 | Atlantic Superstore Woodstock | 21 | Charlo | 87 | Stanley |
| 21 | Co-Op Fredericton Doak Road | 22 | Chipman | 88 | Sunny Corner |
| 22 | Co-Op Miramichi Beaubear | 23 | Clair | 89 | Welsford |
| 23 | Co-Op Trad Richibucto | 24 | Cocagne | 90 | Youngs Cove |
| 24 | Coopérative Régionale de la Baie (Tracadie) | 25 | Debec | 91 | Zealand |
| 25 | Foodland Dalhousie | 26 | Doaktown | | |
| 26 | Foodland Grand Bay-Westfield | 27 | Douglas Harbour | | |

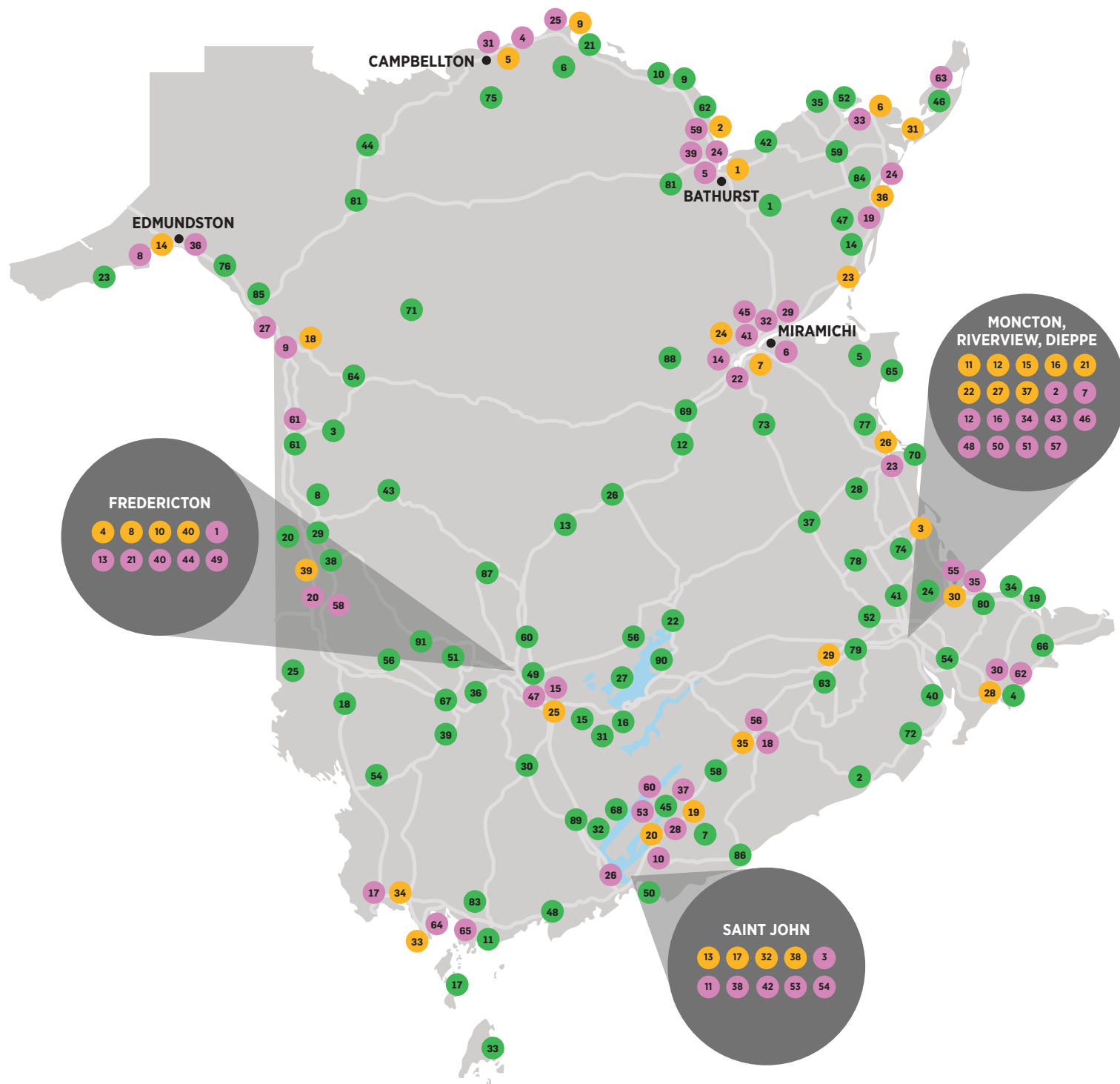
STORE LOCATIONS

LEGEND

Corporate

Grocery

Agents



SALES BY LOCATION

| LOCATION | PUBLIC | LICENSEE | 2024 – 2025 | 2023 – 2024 |
|----------------------------------|-------------------|------------------|-------------------|-------------------|
| | | | \$000's | \$000's |
| | | | TOTAL | TOTAL |
| Bathurst (3) | \$ 9,845 | \$ 1,286 | \$ 11,131 | \$ 10,936 |
| Beresford (2) | 4,556 | 146 | 4,702 | 4,775 |
| Bouctouche (2) | 3,760 | 572 | 4,332 | 4,124 |
| Campbellton (2) | 3,442 | 624 | 4,066 | 3,992 |
| Caraquet (3) | 5,104 | 750 | 5,854 | 5,737 |
| Dalhousie (2) | 2,060 | 224 | 2,284 | 2,373 |
| Dieppe Blvd. | 9,100 | 707 | 9,807 | 9,159 |
| Regis St. Dieppe | 13,123 | 3,196 | 16,319 | 16,435 |
| Edmundston (2) | 11,307 | 2,051 | 13,358 | 13,222 |
| Elmwood Drive Moncton (2) | 8,461 | 427 | 8,888 | 9,090 |
| Moncton North (1) | 9,701 | 1,521 | 11,222 | 13,104 |
| Mountain Rd. Moncton (1) | 8,146 | 1,404 | 9,550 | 9,783 |
| Vaughan Harvey Blvd. Moncton | 10,785 | 3,007 | 13,792 | 14,251 |
| Expérience | 2,161 | 525 | 2,686 | 2,886 |
| Neguac | 2,995 | 272 | 3,267 | 3,089 |
| Oromocto (5) | 8,485 | 688 | 9,173 | 9,225 |
| Richibucto (5) | 4,686 | 254 | 4,940 | 5,009 |
| Riverview (3) | 10,336 | 886 | 11,222 | 11,043 |
| Sackville (2) | 5,462 | 330 | 5,792 | 5,717 |
| Brookside Mall Fredericton (3) | 9,335 | 1,654 | 10,989 | 10,628 |
| Corbett Centre Fredericton (1) | 14,911 | 1,032 | 15,943 | 16,191 |
| Devon Park Fredericton (2) | 9,603 | 580 | 10,183 | 10,017 |
| York St. Fredericton (1) | 11,912 | 2,174 | 14,086 | 14,267 |
| Grand Falls (6) | 7,066 | 559 | 7,625 | 7,377 |
| Hampton | 4,718 | 210 | 4,928 | 4,781 |
| Kennebecasis Valley (4) | 15,474 | 868 | 16,342 | 16,074 |
| Chatham (3) | 5,304 | 394 | 5,698 | 5,605 |
| Newcastle (3) | 8,326 | 958 | 9,284 | 9,155 |
| East Point Center Saint John (2) | 12,610 | 1,239 | 13,849 | 14,003 |
| Fairville Blvd. Saint John (3) | 10,006 | 1,293 | 11,299 | 11,180 |
| Somerset St. Saint John(3) | 7,375 | 972 | 8,347 | 8,398 |
| Wellington Row Saint John | 7,141 | 1,934 | 9,075 | 9,076 |
| Salisbury | 14,076 | 93 | 14,169 | 13,711 |
| Shediac (4) | 8,089 | 1,186 | 9,275 | 9,304 |
| Shippagan (1) | 3,093 | 348 | 3,441 | 3,523 |
| St. Andrews | 2,695 | 975 | 3,670 | 3,604 |
| St. Stephen (2) | 7,267 | 247 | 7,514 | 7,197 |
| Sussex (3) | 7,792 | 600 | 8,392 | 8,152 |
| Tracadie (3) | 5,993 | 696 | 6,689 | 6,549 |
| Woodstock (8) | 7,737 | 722 | 8,459 | 8,237 |
| Warehouse * | 178,861 | 13,767 | 192,630 | 182,050 |
| TOTAL | \$ 492,899 | \$ 51,371 | \$ 544,272 | \$ 533,028 |

(#) Indicates number of agents at this location

*Includes web-based ordering for Licensees

AGENT SALES BY LOCATION

| AGENCY LOCATION | 2025 \$000's | 2024 \$000's | AGENCY LOCATION | 2025 \$000's | 2024 \$000's | AGENCY LOCATION | 2025 \$000's | 2024 \$000's | |
|----------------------|-----------------|-----------------|----------------------|-----------------|-----------------|---------------------|-----------------------------|-----------------|-----------|
| | SALES | SALES | | SALES | SALES | | SALES | SALES | |
| Hanwell | \$ 5,454 | \$ 4,996 | Stanley | \$ 1,159 | \$ 1,122 | GROCERY | | | |
| Grand Bay | 5,336 | 5,284 | Balmoral | 1,157 | 1,118 | | | | |
| Magnetic Hill | 4,969 | 651 | St. Isidore | 1,150 | 1,100 | | Sobeys Distribution Centre | \$ 18,274 | \$ 16,580 |
| Loch Lomond | 4,294 | 4,154 | Burton | 1,144 | 1,184 | | | | |
| Perth Andover | 4,057 | 3,943 | Centerville | 1,093 | 1,082 | | Loblaws Distribution Centre | 12,706 | 12,476 |
| St. George | 3,659 | 3,767 | Black's Harbour | 1,047 | 1,018 | | | | |
| Cape Pele | 3,555 | 3,430 | Renous | 1,042 | 1,005 | | Kredl's Corner | 55 | 83 |
| Cocagne | 3,419 | 3,263 | Grande-Anse | 980 | 957 | | Market (2017) Ltd. | | |
| Norton | 3,112 | 3,130 | Doaktown | 963 | 808 | | | | |
| Shediac | 2,977 | 2,890 | Charlo | 955 | 969 | | | | |
| Aulac | 2,942 | 3,034 | Cambridge Narrows | 946 | 1,006 | | | | |
| Petit Rocher | 2,925 | 2,807 | Gagetown | 914 | 592 | Total Grocery Sales | \$ 31,036 | \$ 29,139 | |
| Port Elgin | 2,844 | 2,787 | Boisestown | 913 | 921 | | | | |
| Petitcodiac | 2,732 | 2,611 | Richibouctou Village | 910 | 863 | | | | |
| Lincoln | 2,622 | 0 | Allardville | 907 | 850 | | | | |
| Memramcook | 2,576 | 2,540 | Belledune | 891 | 822 | | | | |
| Salisbury | 2,522 | 2,983 | St. Martins | 882 | 792 | | | | |
| Lameque | 2,495 | 2,395 | Ste Anne De | 880 | 897 | | | | |
| Irishtown | 2,258 | 2,556 | Madawaska | | | | | | |
| Grand Manan | 2,216 | 2,194 | Welsford | 870 | 803 | | | | |
| Hartland | 2,143 | 2,018 | Public Landing | 844 | 763 | | | | |
| Minto | 2,104 | 2,069 | Baie-Sainte-Anne | 715 | 686 | | | | |
| St-Antoine | 2,080 | 1,974 | Harcourt | 677 | 791 | | | | |
| St-Quentin | 2,080 | 2,090 | McAdam | 666 | 639 | | | | |
| Grand Barachois | 2,049 | 1,984 | Clair | 656 | 722 | | | | |
| Mactaquac | 2,039 | 1,903 | Barnesville | 649 | 687 | | | | |
| Rogersville | 2,008 | 2,062 | Douglas Harbour | 649 | 669 | | | | |
| Nackawic | 1,846 | 1,846 | Maissonnette | 618 | 560 | | | | |
| Paquetville | 1,804 | 2,150 | Riverside-Albert | 614 | 567 | | | | |
| Chipman | 1,791 | 1,676 | Alma | 608 | 604 | | | | |
| Lake George | 1,753 | 0 | Debec | 590 | 588 | | | | |
| Leech | 1,683 | 1,371 | Canterbury | 586 | 598 | | | | |
| Elsipogtog | 1,660 | 1,557 | Arthurette | 542 | 470 | | | | |
| Kingston | 1,617 | 1,594 | Janeville | 521 | 545 | | | | |
| Saint-Louis-de-Kent | 1,617 | 1,754 | Bay du Vin | 488 | 520 | | | | |
| Florenceville | 1,611 | 1,788 | South Tetagouche | 459 | 458 | | | | |
| Sunny Corner | 1,543 | 1,453 | Campobello Island | 426 | 407 | | | | |
| Penniac | 1,535 | 1,479 | Saint-Paul-de-Kent | 415 | 416 | | | | |
| Brantville | 1,513 | 1,557 | Juniper | 397 | 283 | | | | |
| Harvey Station | 1,497 | 1,512 | Saint-Arthur | 371 | 405 | | | | |
| Plaster Rock | 1,429 | 1,383 | Pointe-Sapin | 326 | 295 | | | | |
| Bath | 1,423 | 1,254 | Riley Brook | 313 | 294 | | | | |
| Hillsborough | 1,399 | 1,391 | Manufacturer Agents | 0 | 99 | | | | |
| Fredericton Junction | 1,361 | 1,318 | Prince William | 0 | 1,703 | | | | |
| St. Leonard | 1,359 | 1,322 | | | | | | | |
| Zealand | 1,310 | 1,227 | | | | | | | |
| Kedgwick | 1,280 | 1,235 | | | | | | | |
| Lepreau | 1,277 | 1,239 | | | | | | | |
| Waasis | 1,255 | 3,369 | | | | | | | |
| Blackville | 1,213 | 1,226 | | | | | | | |
| Youngs Cove | 1,192 | 1,170 | | | | | | | |
| | | | TOTAL | \$ 148,359 | \$ 141,064 | | | | |

| | | |
|----------------------------|------------------|------------------|
| Total Grocery Sales | \$ 31,036 | \$ 29,139 |
|----------------------------|------------------|------------------|

MANAGEMENT REPORT

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

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

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

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

[signed by]

Lori Stickles
PRESIDENT AND CEO

[signed by]

Jamie LeBlanc
SENIOR VICE PRESIDENT AND CFO

**KPMG LLP**

Frederick Square
77 Westmorland Street, Suite 700
Fredericton, NB E3B 6Z3
Canada
Telephone 506 452 8000
Fax 506 450 0072

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of New Brunswick Liquor Corporation

Opinion

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

- the statement of financial position as at March 30, 2025
- the statement of operations for the 52-week period then ended
- the statement of changes in equity for the 52-week period then ended
- the statement of cash flows for the 52-week period then ended
- and notes to the financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 30, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

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

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

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



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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

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



Page 3

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

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants

Fredericton, Canada

July 21, 2025

NEW BRUNSWICK LIQUOR CORPORATION

Statement of Financial Position
(In thousands)

March 30, 2025, with comparative information for March 31, 2024

| | March 30 2025 | March 31 2024 |
|--|--------------------------|--------------------------|
| Assets | | |
| <i>Current Assets</i> | | |
| Cash | \$ 4,308 | \$ 218 |
| Trade and other receivables | 15,172 | 15,591 |
| Inventories | 43,496 | 39,554 |
| Prepaid expenses | 2,191 | 2,600 |
| | <u>65,167</u> | <u>57,963</u> |
| <i>Non Current Assets</i> | | |
| Property and equipment (note 4) | 13,102 | 13,221 |
| Intangible assets (note 5) | 1,664 | 2,276 |
| Right-of-use assets (note 6) | 32,692 | 36,288 |
| | <u>47,458</u> | <u>51,785</u> |
| <i>Total Assets</i> | <u>\$ 112,625</u> | <u>\$ 109,748</u> |
| Liabilities | | |
| <i>Current Liabilities</i> | | |
| Trade and other payables | \$ 43,550 | \$ 33,148 |
| Lease liabilities due within one year (note 6) | 7,170 | 6,905 |
| | <u>50,720</u> | <u>40,053</u> |
| <i>Non Current Liabilities</i> | | |
| Long-term lease liabilities (note 6) | 29,990 | 34,172 |
| Retiring allowances (note 7) | 2,267 | 2,194 |
| | <u>32,257</u> | <u>36,366</u> |
| <i>Total Liabilities</i> | <u>82,977</u> | <u>76,419</u> |
| Equity of the Province of New Brunswick | | |
| Equity | 29,431 | 33,052 |
| Accumulated other comprehensive income | 217 | 277 |
| | <u>29,648</u> | <u>33,329</u> |
| <i>Total Liabilities and Equity</i> | <u>\$ 112,625</u> | <u>\$ 109,748</u> |

Contingencies (note 12)

See accompanying notes to financial statements.

On behalf of the Board:

[signed by]
Paul Elliott
Chair of the Board

[signed by]
Cédric Laverdure
Chair of the Audit Committee

NEW BRUNSWICK LIQUOR CORPORATION

Statement of Operations and Comprehensive Income
(In thousands)

52 weeks ended March 30, 2025, with comparative information for the 52 weeks ended March 31, 2024

Statement of Operations

| | March 30 2025 (52 weeks) | March 31 2024 (52 weeks) |
|------------------------------|--------------------------------|--------------------------------|
| Total sales (note 9) | \$ 544,272 | \$ 533,028 |
| Less: discounts | 14,252 | 12,252 |
| Net sales | 530,020 | 520,776 |
| Cost of sales | 252,435 | 246,454 |
| Gross profit | 277,585 | 274,322 |
| Other income | 5,055 | 4,342 |
| | 282,640 | 278,664 |
| Operating expenses (note 10) | 91,172 | 77,845 |
| Net income | <u>\$ 191,468</u> | <u>\$ 200,819</u> |

Statement of Comprehensive Income

| | March 30 2025 (52 weeks) | March 31 2024 (52 weeks) |
|---|--------------------------------|--------------------------------|
| Net income | <u>\$ 191,468</u> | <u>\$ 200,819</u> |
| Other comprehensive income (loss) | | |
| Change in retirement allowance actuarial assumptions (note 7) | <u>(60)</u> | <u>(7)</u> |
| Other comprehensive income (loss) | <u>(60)</u> | <u>(7)</u> |
| Comprehensive income | <u>\$ 191,408</u> | <u>\$ 200,812</u> |

See accompanying notes to financial statements.

NEW BRUNSWICK LIQUOR CORPORATION

Statement of Changes in Equity (In thousands)

52 weeks ended March 30, 2025, with comparative information for the 52 weeks ended March 31, 2024

| | Accumulated other comprehensive income | Retained earnings | Total equity |
|--|---|----------------------|------------------|
| <i>Balance at April 2, 2023</i> | \$ 284 | \$ 36,079 | \$ 36,363 |
| Net income | - | 200,819 | 200,819 |
| Other comprehensive income (loss) | (7) | - | (7) |
| Comprehensive income (loss) | (7) | 200,819 | 200,812 |
| Distributions to the Province of New Brunswick | - | (203,846) | (203,846) |
| <i>Balance at March 31, 2024</i> | <u>\$ 277</u> | <u>\$ 33,052</u> | <u>\$ 33,329</u> |
| Net income | - | 191,468 | 191,468 |
| Other comprehensive income (loss) | (60) | - | (60) |
| Comprehensive income (loss) | (60) | 191,468 | 191,408 |
| Distributions to the Province of New Brunswick | - | (195,089) | (195,089) |
| <i>Balance at March 30, 2025</i> | <u>\$ 217</u> | <u>\$ 29,431</u> | <u>\$ 29,648</u> |

See accompanying notes to financial statements.

NEW BRUNSWICK LIQUOR CORPORATION

Statement of Cash Flows (In thousands)

52 weeks ended March 30, 2025, with comparative information for the 52 weeks ended March 31, 2024

| | March 30 2025 (52 weeks) | March 31 2024 (52 weeks) |
|--|--------------------------------|--------------------------------|
| Operating | | |
| Net income | \$ 191,468 | \$ 200,819 |
| Items not involving cash: | | |
| Depreciation | 9,274 | 8,822 |
| Amortization of intangible assets (note 5) | 768 | 746 |
| Gain on sale of property and equipment | (24) | (6) |
| Increase in retiring allowances (note 7) | 13 | 52 |
| Lease liabilities - interest portion (note 6) | 1,219 | 1,380 |
| Change in non-cash working capital (note 8) | 7,288 | 3,625 |
| Cash generated from operations | 210,006 | 215,438 |
| Investing | | |
| Additions to property and equipment (note 4) | (2,228) | (2,925) |
| Additions to intangible assets (note 5) | (156) | (278) |
| Proceeds from sale of property and equipment | 24 | 31 |
| Net cash used for investing activities | (2,360) | (3,172) |
| Financing | | |
| Lease payments (note 6) | (8,467) | (8,400) |
| Distributions to the Province of New Brunswick | (195,089) | (203,846) |
| Net cash used for financing activities | (203,556) | (212,246) |
| Increase in cash | 4,090 | 20 |
| Cash at beginning of year | 218 | 198 |
| Cash at end of year | <u>\$ 4,308</u> | <u>\$ 218</u> |

See accompanying notes to financial statements.

NEW BRUNSWICK LIQUOR CORPORATION

Notes to Financial Statements
(In thousands)

52 weeks ended March 30, 2025

1. Nature of operations and reporting entity:

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

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

2. Basis of presentation:

(a) Statement of compliance:

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

The financial statements for the year ended March 30, 2025, were approved, and authorized for issue by the Board of Directors on July 21, 2025.

(b) Fiscal year:

The Corporation's fiscal year ends on the Sunday closest to March 31. All references to 2025 and 2024 represent the fiscal years ended March 30, 2025, and March 31, 2024, respectively. Under an accounting convention common in the retail industry, the Corporation follows a 52-week reporting cycle, which periodically necessitates a fiscal year of 53 weeks. The year ended March 30, 2025 contained 52 weeks and the year ended March 31, 2024, contained 52 weeks. Typically, the inclusion of an extra week occurs every fifth or sixth fiscal year due to the Corporation's floating year-end date. The next 53-week year will occur in fiscal 2028.

(c) Basis of measurement:

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

NEW BRUNSWICK LIQUOR CORPORATION

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 30, 2025

3. Summary of material accounting policies:

(a) Use of estimates and judgements:

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

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

Significant management judgements

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

Consolidation

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

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

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

NEW BRUNSWICK LIQUOR CORPORATION

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 30, 2025

3. Summary of material accounting policies (continued):

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

Capitalization of internally developed software

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

Right-of-use assets and lease liabilities

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

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

Significant estimations and assumptions

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

Useful lives of property and equipment and intangible assets

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

Retiring allowances

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

(b) Cash:

Cash includes cash and bank deposits.

NEW BRUNSWICK LIQUOR CORPORATION

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 30, 2025

3. Summary of material accounting policies (continued):

(c) Inventories:

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

(d) Property and equipment:

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

Derecognition

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

Subsequent costs

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

Depreciation

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

NEW BRUNSWICK LIQUOR CORPORATION

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 30, 2025

3. Summary of material accounting policies (continued):

(d) Property and equipment (continued):

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

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

Leasehold improvements are depreciated on the straight-line basis over the lesser of the estimated useful life and the lease term. Property and equipment include assets purchased or under construction, all, or a portion of which may not be in use at the end of the year. As a result, no depreciation is taken on these assets. Assets not in use totaled \$597 (\$154 in 2024) of which \$455 (\$154 in 2024) is included in buildings, \$132 (nil in 2024) is included in furniture, fixtures, and equipment, and \$10 (nil in 2024) is included in leasehold improvements.

Impairment

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

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

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

Impairment losses recognized in prior periods are reversed if the recoverable amount in a later period exceeds the carrying amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. At March 30, 2025, there were no indicators of impairment.

NEW BRUNSWICK LIQUOR CORPORATION

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 30, 2025

3. Summary of material accounting policies (continued):

(e) Intangible assets:

Intangible assets include purchased and in-house developed computer software which are recorded at cost and amortized on a straight-line basis over the estimated useful life, as these assets are considered to have finite useful lives. Useful lives are reviewed at each reporting date. Computer software is amortized on a straight-line basis for 4 to 10 years. The Corporation assesses the carrying value of intangible assets for impairment on an annual basis. At March 30, 2025, there were no indicators of impairment. Included in intangible assets are assets not in use of \$160 (\$167 in 2024). No amortization is taken on these assets.

(f) Leased assets:

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

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

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

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

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

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

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

NEW BRUNSWICK LIQUOR CORPORATION

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 30, 2025

3. Summary of material accounting policies (continued):

(f) Leased assets (continued):

ROU assets are measured at cost comprising the following:

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

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

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

(g) Financial instruments:

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

(h) Classification and measurement of financial assets:

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

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

- The financial asset is held within a business model whose objective is to hold assets to collect contractual 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.

NEW BRUNSWICK LIQUOR CORPORATION

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 30, 2025

3. Summary of material accounting policies (continued):

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

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

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

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

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

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

Derecognition

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

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

Impairment of financial assets

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

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

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

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

NEW BRUNSWICK LIQUOR CORPORATION

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 30, 2025

3. Summary of material accounting policies (continued):

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

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

Measurement of ECL

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

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

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

Presentation of allowance for ECL in the statement of financial position

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

(i) Provisions:

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

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

(j) Post-employment benefits:

Retiring allowances

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

NEW BRUNSWICK LIQUOR CORPORATION

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 30, 2025

3. Summary of material accounting policies (continued):

(j) Post-employment benefits (continued):

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

| | March 30 2025 | March 31 2024 |
|-------------------------|--|------------------|
| Discount rate | 4.45% | 4.85% |
| Future salary increases | 2.30% | 2.30% |
| 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. The Corporation has no direct liability to any unfunded liability, nor does it have any entitlement to any surplus, for the plan related to current or former employees. Contributions made by the Corporation during the year totaled \$3,902 (\$3,586 in 2024). Contributions made to the plan by the Corporation for 2025 are expected to approximate 11.25% of eligible salaries.

The Corporation also maintains a defined contribution plan for its part-time and seasonal employees. Contributions made by the Corporation during the year totaled \$79 (\$78 in 2024).

(k) Revenue:

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

(l) Vendor rebates:

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

NEW BRUNSWICK LIQUOR CORPORATION

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 30, 2025

3. Summary of material accounting policies (continued):

(m) Standards and interpretations not yet applied:

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

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

Presentation and Disclosure in Financial Statements IFRS 18:

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

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

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

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

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

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

NEW BRUNSWICK LIQUOR CORPORATION

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 30, 2025

4. Property and equipment:

| Cost | Land | Paving | Buildings | Leasehold Improvements | Furniture Fixtures and Equipment | Automotive | Retail Equipment | Refrigeration Equipment | Total |
|----------------------------------|-------|--------|-----------|------------------------|----------------------------------|------------|------------------|-------------------------|-----------|
| Balance at April 2, 2023 | \$ 23 | \$ 491 | \$ 12,122 | \$ 6,661 | \$ 27,951 | \$ 438 | \$ 1,343 | \$ 3,848 | \$ 52,877 |
| Additions | - | 50 | 212 | 510 | 1,614 | 287 | 103 | 149 | 2,925 |
| Disposals | - | - | - | - | (4) | (35) | - | - | (39) |
| Balance at March 31, 2024 | \$ 23 | \$ 541 | \$ 12,334 | \$ 7,171 | \$ 29,561 | \$ 690 | \$ 1,446 | \$ 3,997 | \$ 55,763 |
| Balance at April 1, 2024 | \$ 23 | \$ 541 | \$ 12,334 | \$ 7,171 | \$ 29,561 | \$ 690 | \$ 1,446 | \$ 3,997 | \$ 55,763 |
| Additions | - | 36 | 455 | 394 | 847 | 230 | 38 | 228 | 2,228 |
| Disposals | - | - | - | - | - | (151) | - | - | (151) |
| Balance at March 30, 2025 | \$ 23 | \$ 577 | \$ 12,789 | \$ 7,565 | \$ 30,408 | \$ 769 | \$ 1,484 | \$ 4,225 | \$ 57,840 |
| Accumulated Depreciation | | | | | | | | | |
| Balance at April 2, 2023 | \$ - | \$ 406 | \$ 7,072 | \$ 3,511 | \$ 24,575 | \$ 395 | \$ 1,343 | \$ 3,242 | \$ 40,544 |
| Depreciation | - | 15 | 207 | 502 | 1,080 | 19 | 17 | 172 | 2,012 |
| Disposals | - | - | - | - | (4) | (10) | - | - | (14) |
| Balance at March 31, 2024 | \$ - | \$ 421 | \$ 7,279 | \$ 4,013 | \$ 25,651 | \$ 404 | \$ 1,360 | \$ 3,414 | \$ 42,542 |
| Balance at April 1, 2024 | \$ - | \$ 421 | \$ 7,279 | \$ 4,013 | \$ 25,651 | \$ 404 | \$ 1,360 | \$ 3,414 | \$ 42,542 |
| Depreciation | - | 18 | 211 | 748 | 1,075 | 111 | 22 | 162 | 2,347 |
| Disposals | - | - | - | - | - | (151) | - | - | (151) |
| Balance at March 30, 2025 | \$ - | \$ 439 | \$ 7,490 | \$ 4,761 | \$ 26,726 | \$ 364 | \$ 1,382 | \$ 3,576 | \$ 44,738 |
| Carrying Amounts | | | | | | | | | |
| At March 31, 2024 | \$ 23 | \$ 120 | \$ 5,055 | \$ 3,158 | \$ 3,910 | \$ 286 | \$ 86 | \$ 583 | \$ 13,221 |
| At March 30, 2025 | \$ 23 | \$ 138 | \$ 5,299 | \$ 2,804 | \$ 3,682 | \$ 405 | \$ 102 | \$ 649 | \$ 13,102 |

NEW BRUNSWICK LIQUOR CORPORATION

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 30, 2025

5. Intangible assets:

| | March 30 2025 (52 weeks) | March 31 2024 (52 weeks) |
|---------------------------------|--------------------------------|--------------------------------|
| Software | | |
| Cost | | |
| Opening | \$ 12,597 | \$ 12,319 |
| Additions | 156 | 278 |
| Closing | 12,753 | 12,597 |
| Accumulated Amortization | | |
| Opening | 10,321 | 9,575 |
| Amortization | 768 | 746 |
| Closing | 11,089 | 10,321 |
| Carrying Amount | \$ 1,664 | \$ 2,276 |

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 30 2025 (52 weeks) | March 31 2024 (52 weeks) |
|---------------------------------|--------------------------------|--------------------------------|
| Cost | | |
| Opening | \$ 70,016 | \$ 68,517 |
| Additions | 3,331 | 1,499 |
| Closing | 73,347 | 70,016 |
| Accumulated Depreciation | | |
| Opening | 33,728 | 26,918 |
| Depreciation | 6,927 | 6,810 |
| Closing | 40,655 | 33,728 |
| Carrying Amount | \$ 32,692 | \$ 36,288 |

NEW BRUNSWICK LIQUOR CORPORATION

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 30, 2025

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

Lease liabilities

| | March 30 2025 (52 weeks) | March 31 2024 (52 weeks) |
|---------------------------------------|--------------------------------|--------------------------------|
| Opening | \$ 41,077 | \$ 46,598 |
| Additions | 3,331 | 1,499 |
| Lease payments | (8,467) | (8,400) |
| Interest expense on lease liabilities | 1,219 | 1,380 |
| Closing | <u>\$ 37,160</u> | <u>\$ 41,077</u> |
| Current | \$ 7,170 | \$ 6,905 |
| Long-term | 29,990 | 34,172 |
| | <u>\$ 37,160</u> | <u>\$ 41,077</u> |

Maturity of lease liabilities

A maturity analysis of discounted payments are as follows:

| | March 30 2025 (52 weeks) | March 31 2024 (52 weeks) |
|-----------------------------|--------------------------------|--------------------------------|
| Due within one year or less | \$ 7,170 | \$ 6,905 |
| Between one and five years | 19,845 | 20,633 |
| More than five years | 10,145 | 13,539 |
| | <u>\$ 37,160</u> | <u>\$ 41,077</u> |

NEW BRUNSWICK LIQUOR CORPORATION

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 30, 2025

7. Retirement allowances:

Pursuant to the direction of the Province of New Brunswick and with the approval of the Board of Directors, the accumulation of retirement allowance benefits ceased for non-bargaining employees effective June 30, 2013. The program remains in effect for bargaining employees pending direction from the Province of New Brunswick. A full actuarial evaluation of the plan was performed as of March 30, 2025.

Information relating to the plan is as follows:

| | March 30 2025 (52 weeks) | March 31 2024 (52 weeks) |
|---------------------------------|---|---|
| Opening | \$ 2,194 | \$ 2,135 |
| Employer current service cost | 112 | 109 |
| Interest cost | 107 | 106 |
| Benefit payments | (206) | (163) |
| Change in financial assumptions | 60 | 7 |
| Closing | <u>\$ 2,267</u> | <u>\$ 2,194</u> |

8. Changes in non-cash working capital:

| | March 30 2025 (52 weeks) | March 31 2024 (52 weeks) |
|-----------------------------|---|---|
| Trade and other receivables | \$ 419 | \$ (2,582) |
| Inventories | (3,942) | (2,012) |
| Prepaid expenses | 409 | (202) |
| Trade and other payables | 10,402 | 8,421 |
| | <u>\$ 7,288</u> | <u>\$ 3,625</u> |

NEW BRUNSWICK LIQUOR CORPORATION

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 30, 2025

9. Sales:

| | March 30 2025 (52 weeks) | March 31 2024 (52 weeks) |
|--------------------|--------------------------------|--------------------------------|
| Beer | \$ 224,500 | \$ 219,921 |
| Spirits | 127,503 | 126,638 |
| Wine | 115,284 | 115,356 |
| Coolers and ciders | 76,477 | 70,670 |
| Non Liquor | 508 | 443 |
| | <u>\$ 544,272</u> | <u>\$ 533,028</u> |

10. Operating expenses:

| | March 30 2025 (52 weeks) | March 31 2024 (52 weeks) |
|-------------------------------|--------------------------------|--------------------------------|
| Employee costs | \$ 48,317 | \$ 44,720 |
| Projects and other | 13,936 | 6,267 |
| Depreciation and amortization | 10,042 | 9,568 |
| Financial services | 6,449 | 6,490 |
| Services | 5,924 | 5,000 |
| Occupancy costs and supplies | 4,072 | 3,582 |
| Technology | 2,432 | 2,218 |
| | <u>\$ 91,172</u> | <u>\$ 77,845</u> |

NEW BRUNSWICK LIQUOR CORPORATION

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 30, 2025

11. Financial risk management objectives and policies:

(a) Liquidity risk:

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

| | March 30 2025 (52 weeks) | March 31 2024 (52 weeks) |
|-----------------------------|--------------------------------|--------------------------------|
| Due within one year or less | \$ 8,203 | \$ 8,098 |
| Between one and five years | 22,270 | 23,530 |
| More than five years | 10,883 | 14,647 |
| | <u>\$ 41,356</u> | <u>\$ 46,275</u> |

(b) Foreign currency risk:

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

(c) Credit risk:

Credit risk is the risk the Corporation will incur a loss because a customer fails to meet an obligation. The Corporation's exposure is related to the value of trade and other receivables. The Corporation has mitigated the exposure to this risk through limited extension of credit and contractual relationships with business partners. As at March 30, 2025, no customer account amounts to more than 10% of total receivables.

(d) Capital management:

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

NEW BRUNSWICK LIQUOR CORPORATION

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 30, 2025

12. Contingencies:

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

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

13. Related party transactions:

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

The Corporation provides services to CNB, which are allocated through a shared service agreement. These services include human capital in the areas of executive management; corporate governance; property management; information technology services; strategic compliance; financial services; community and stakeholder relations, as well as the associated portion of benefits. In addition, the Corporation incurred costs on behalf of CNB for the purchase of goods or services from external third parties. All transactions are recorded on a cost recovery basis and are recognized as a reduction to operating expenses. During the year ended March 30, 2025, the Corporation charged CNB \$2,305 (\$2,070 in 2024) for salaries-administration.

Trade and other receivables include \$248 (\$398 in 2024) which represents the current portion of the cost recovery allocation as described above. The total amount outstanding is non-interest bearing, unsecured, with no set term of repayment. The amounts due from CNB are considered current receivables and repayment is guaranteed under the terms of an agreement between CNB and Cannabis Management Corporation.

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

Compensation of key management personnel

Members of the Board of Directors and Executive Team are considered to be key management personnel. Total compensation and benefits amounted to \$2,506 (\$1,870 in 2024).

14. Comparative information:

Certain comparative information has been reclassified to conform with the current year's presentation. These reclassifications did not impact the Corporation's net income or Equity of the Province of New Brunswick.