ANDREW PELLER LIMITED REPORTS RESULTS FOR THIRD QUARTER FISCAL 2022

GRIMSBY, Ontario – February 9, 2022 – Andrew Peller Limited ADW.A/ADW.B ("APL" or the "Company") announced today its results for the three and nine months ended December 31, 2021.

FISCAL 2022 HIGHLIGHTS:

- Year-to-date sales decreased by 6.0% as retail consumers return to pre-pandemic purchasing patterns and restaurant, hospitality and travel channels remain under various government restriction;
- Market share has decreased to its pre-pandemic level;
- Gross margin decreased to 39.3% for the nine months ended December 31, 2021 compared to 40.9% in prior year due to an increase in import wine and other global supply chain costs;
- Selling and administration expenses increased as previously furloughed staff returned to work and marketing costs have increased compared to fiscal 2021;
- Sale of Port Coquitlam property generates realized gain of $7.5 million ($0.21 per Class A Share); and
- 10% increase in common share dividends announced in June 2021.

"We have performed well so far this year given all the challenges and uncertainties created by the pandemic. Although our market share has decreased to its pre-pandemic level, we have reacted well to the cycle of numerous openings and closings experienced through the year, and we continue to prudently invest in our properties, our facilities, our trade channels, our operating platform and our people. As a result, we will emerge from the pandemic stronger and more efficient than ever before," commented John Peller, President and Chief Executive Officer.

"Looking ahead, we expect the pandemic will continue to negatively impact our business through the balance of the year and into fiscal 2023," Mr. Peller continued. "However, over the longer term, our vision and strategy remain the same – to capitalize on our robust and scalable operating platform and well-established network of trade channels to grow our business through the introduction new products, new brands and new market categories while leveraging our strong reputation for quality."

Sales for the nine months ended December 31, 2021 were $295.1 million, down 6.0% from the prior year. When the pandemic was announced, the Company saw an increase in sales through the first months of fiscal 2021 as a result of changes in consumer purchasing patterns and uncertainty around trade channels for alcoholic beverages remaining open. Additionally, provincial liquor stores in Ontario were closed on Mondays for the majority of fiscal 2021, resulting in an increase in sales at the Company's retail locations. Government-mandated closures of restaurants and hospitality businesses were lifted in June 2021 with restrictions on capacity remaining in place. As a result, the recovery in the restaurant and hospitality industries continues to lag when compared to the retail industry. The Company expect sales in the previously closed and restricted trade channels to gradually increase as the pandemic eases and consumers return to pre-pandemic activities. For the three months ended December 31, 2021 sales were $103.5 million compared to $111.1 million in the prior year.

Gross margin as a percentage of sales was 39.3% for the nine months ended December 31, 2021 compared to 40.9% in the prior year. Gross margin has declined in fiscal 2022 due to higher imported wine costs and raw material costs, increased global supply chain costs due to the COVID-19 pandemic, and increased co-packing costs related to the Company's new refreshment beverage categories. For the three months ended December 31, 2021 gross margin was 35.1% of sales compared to 37.4% in the same quarter last year.

Selling and administrative expenses have increased for the first nine months ended December 31, 2021 compared to the prior year as the Company increases staffing and marketing expenses in preparation for more normal markets returning as the impact of the COVID-19 pandemic eases. During the first six months of fiscal 2021, the Company laid off a significant part of its workforce due to government-mandated closures and reduced advertising and promotional spending to conserve cash in response to the pandemic. In addition, certain start-up costs were incurred in fiscal 2022 related to the recently acquired Riverbend Inn and Vineyard which opened on June 19, 2021. As a percentage of sales, selling and administrative expenses were 25.8% through the nine months ended December 31, 2021 compared to 21.4% in the prior year. As the pandemic eases and activity in the hospitality, licensee and export channels increases, the Company expects selling and administrative expenses will trend to pre-pandemic levels as a percentage of sales.

Earnings before interest, amortization, gain on sale of land and property, net unrealized gains and losses on derivative financial instruments and deferred financing fees, other (income) expenses, and income taxes ("EBITA") were $39.8 million for the nine months ended December 31, 2021 compared to $61.2 million in the prior year. The decline in EBITA in fiscal 2022 is due to lower sales, reduced gross margin and higher administrative and selling expenses compared to the prior year.

On September 28, 2021 the Company completed the previously-announced sale of its Port Coquitlam, British Columbia property and related assets for total proceeds of approximately $8.8 million, net of transaction costs, and generated a realized gain on the sale of $7.5 million or $0.21 per Class A share.

Net earnings for the three and nine months ended December 31, 2021 were $3.1 million ($0.07 per Class A Share) and $19.5 million ($0.46 per Class A Share), respectively, compared to $10.2 million ($0.24 per Class A Share) and $34.1 million ($0.80 per Class A Share) in the prior year. Adjusted earnings, defined as net earnings not including the realized gain on sale of land and property, net unrealized gains and losses on derivative financial instruments, other (income) expenses, and the related income tax effect were $11.8 million for the nine months ended December 31, 2021 compared to $33.1 million in the prior year.

The COVID-19 pandemic continues to impact the financial results of the Company as government-mandated restrictions of restaurants and hospitality businesses remain in place. The pandemic has also continued to impact consumer purchasing and travel patterns resulting in fluctuations in the Company's results. Uncertainty resulting from the ongoing pandemic will continue to depend on future developments, including the duration of the pandemic and its impact on the overall economy and related advisories and restrictions.

Overall bank debt increased to $180.4 million at December 31, 2021 from $174.5 million at March 31, 2021, due to a reduction in cash from operations and increased investment in the Company's properties and operations. The Company's debt to equity ratio was 0.66:1 at December 31, 2021, which is consistent with March 31, 2021. At December 31, 2021, the Company had unutilized debt capacity in the amount of $167.3 million on its operating facility. Working capital at December 31, 2021 was $181.9 million compared to $170.7 million at March 31, 2021. Shareholders' equity at December 31, 2021 was $273.9 million or $6.35 per common share compared to $265.6 million or $6.08 per common share at March 31, 2021.

On December 22, 2021, the Company obtained a waiver from its lenders in connection with the financial covenants of its credit agreement for the fiscal quarter ending December 31, 2021. Furthermore, on February 9, 2022, the Company amended its credit agreement to amend financial covenants for reporting periods subsequent to December 31, 2021.

On March 4, 2021, the Company announced its notice of intention to make a normal course issuer bid had been approved by the Toronto Stock Exchange. Under the bid the Company can purchase for cancellation up to 1,773,896 of its outstanding Class A non-voting shares, representing 5% of the Class A shares outstanding, over the ensuing twelve months. As of February 9, 2022, the Company has purchased 598,600 Class A shares in fiscal 2022 at a weighted average price of $8.70 per share for a total of $5.2 million.

Common Share Dividends

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

Financial Highlights

(Financial Statements and the Company's Management Discussion and Analysis for the period can be obtained on the Company's web site at www.andrewpeller.com)

For the three and nine months ended December 31,	Three Months		Nine Months	
(in $000)	**2021**	2020	**2021**	2020
Sales	**103,485**	111,060	**295,106**	313,911
Gross margin	**36,294**	41,537	**115,963**	128,430
Gross margin (% of sales)	**35.1%**	37.4%	**39.3%**	40.9%
Selling and administrative expenses	**24,210**	25,314	**76,145**	67,198
EBITA	**12,084**	16,223	**39,818**	61,232
Interest	**2,424**	1,637	**7,175**	5,489
Net unrealized loss (gains) on derivative financial instruments	**(359)**	170	**(1,784)**	361
Gain on sale of land and property	**-**	-	**(7,518)**	-
Gain on debt modification and financing fees	**-**	(2,312)	**-**	(2,312)
Other expenses (income)	**(103)**	148	**264**	1,029
Adjusted net earnings	**2,765**	8,159	**11,821**	33,133
Net earnings	**3,107**	10,236	**19,487**	34,114
Earnings per share – Class A	**$0.07**	$0.24	**$0.46**	$0.80
Earnings per share – Class B	**$0.06**	$0.21	**$0.40**	$0.70
Dividend per share – Class A (annual)			**$0.246**	$0.215
Dividend per share – Class B (annual)			**$0.214**	$0.187
Cash provided by operations (after changes in non-cash working capital items)			**21,870**	41,579
Shareholders' equity per share			**$6.35**	$6.08

Investor Conference Call

An investor conference call hosted by John Peller, President and Chief Executive Officer, and Steve Attridge, CFO, will be held Thursday February 10, 2022 at 10:00 a.m. ET. The telephone numbers for the conference call are Local/International: (416) 764-8659, North American Toll Free: (888) 664-6392. The confirmation number for the call is 45276098. The call will be archived on the Company's website at www.andrewpeller.com.

About Andrew Peller Limited

Andrew Peller Limited is one of Canada's leading producers and marketers of quality wines and craft beverage alcohol products. The Company's award-winning premium and ultra-premium Vintners' Quality Alliance brands include *Peller Estates, Trius, Thirty Bench*, *Wayne Gretzky, Sandhill, Red Rooster, Black Hills Estate Winery, Tinhorn Creek Vineyards, Gray Monk Estate Winery, Raven Conspiracy,* and *Conviction*. Complementing these premium brands are a number of popularly priced varietal offerings, wine-based liqueurs, craft ciders, beer and craft spirits. The Company owns and operates 101 well-positioned independent retail locations in Ontario under The Wine Shop, Wine Country Vintners, and Wine Country Merchants store names. The Company also operates Andrew Peller Import Agency and The Small Winemaker's Collection Inc., importers and marketing agents of premium wines from around the world. With a focus on serving the needs of all wine consumers, the Company produces and markets premium personal winemaking products through its wholly-owned subsidiary, Global Vintners Inc., the recognized leader in personal winemaking products. More information about the Company can be found at www.andrewpeller.com.

The Company utilizes EBITA (defined as earnings before interest, amortization, gain on sale of land and property, net unrealized gains and losses on derivative financial instruments, other (income) expenses, and income taxes) to measure its financial performance. EBITA is not a recognized measure under IFRS. Management believes that EBITA is a useful supplemental measure to net earnings, as it provides readers with an indication of earnings available for investment prior to debt service, capital expenditures, and income taxes, as well as provides an indication of recurring earnings compared to prior periods. Readers are cautioned that EBITA should not be construed as an alternative to net earnings determined in accordance with IFRS as indicators of the Company's performance or to cash flows from operating, investing, and financing activities as a measure of liquidity and cash flows. The Company also utilizes gross margin (defined as sales less cost of goods sold, excluding amortization) and adjusted earnings (loss). The Company's method of calculating EBITA, gross margin, and adjusted earnings (loss) may differ from the methods used by other companies and, accordingly, may not be comparable to measures used by other companies.

Andrew Peller Limited common shares trade on the Toronto Stock Exchange (symbols ADW.A and ADW.B).

FORWARD-LOOKING INFORMATION

Certain statements in this news release may contain "forward-looking statements" within the meaning of applicable securities laws including the "safe harbour provisions" of the Securities Act (Ontario) with respect to APL and its subsidiaries. Such statements include, but are not limited to, statements about the growth of the business; its launch of new premium wines and craft beverage alcohol products; sales trends in foreign markets; its supply of domestically grown grapes; and current economic conditions. These statements are subject to certain risks, assumptions, and uncertainties that could cause actual results to differ materially from those included in the forward-looking statements. The words "believe", "plan", "intend", "estimate", "expect", or "anticipate", and similar expressions, as well as future or conditional verbs such as "will", "should", "would", "could", and similar verbs often identify forward-looking statements. We have based these forward-looking statements on our current views with respect to future events and financial performance. With respect to forward-looking statements contained in this news release, the Company has made assumptions and applied certain factors regarding, among other things: future grape, glass bottle, and wine and spirit prices; its ability to obtain grapes, imported wine, glass, and other raw materials; fluctuations in foreign currency exchange rates; its ability to market products successfully to its anticipated customers; the trade balance within the domestic Canadian and international wine markets; market trends; reliance on key personnel; protection of its intellectual property rights; the economic environment; the regulatory requirements regarding producing, marketing, advertising, and labelling of its products; the regulation of liquor distribution and retailing in Ontario; the application of federal and provincial environmental laws; and the impact of increasing competition.

These forward-looking statements are also subject to the risks and uncertainties discussed in this news release, in the "Risks and Uncertainties" section and elsewhere in the Company's MD&A and other risks detailed from time to time in the publicly filed disclosure documents of Andrew Peller Limited which are available at www.sedar.com. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties, and assumptions which could cause actual results to differ materially from those conclusions, forecasts, or projections anticipated in these forward-looking statements. Because of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements. The Company's forward-looking statements are made only as of the date of this news release, and except as required by applicable law, the Company undertakes no obligation to update or revise these forward-looking statements to reflect new information, future events or circumstances or otherwise.

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