ANDREW PELLER LIMITED REPORTS RECORD SALES AND EARNINGS IN FIRST NINE MONTHS OF FISCAL 2021

GRIMSBY, Ontario – February 10, 2021 – Andrew Peller Limited ADW.A/ADW.B ("APL" or the "Company") announced strong growth in sales and net earnings for the nine months ended December 31, 2020.

NINE MONTHS FISCAL 2021 HIGHLIGHTS:

- Sales up 9.3% in third quarter and 4.6% year to date on resiliency of diversified trade channel network;
- Launch of new e-commerce portal contributes to sales growth;
- Gross margin impacted by change in sales mix due to COVID-19 pandemic;
- Selling and administration expenses decrease due to reduced spending as a result of pandemic;
- EBITA increases 18.1% year to date; and
- Net earnings rise to $34.1 million or $0.80 per Class A share, including a one time non-cash gain on debt modification of $2.3 million ($0.05 per Class A share).

"We are pleased with our sales growth and increase in net earnings through the first nine months of the year, a testament to the experience of our people and the resiliency of our diversified and well-established network of trade channels," commented John Peller, President and Chief Executive Officer. "Looking ahead, we are confident we will see strong operating performance through the balance of our fiscal year, however we remain cautious as to the possible impacts the pandemic may have on our results."

Solid Operating Performance

Sales for the three and nine months ended December 31, 2020 were $111.0 million and $313.9 million, respectively, up from $101.6 million and $300.2 million in the same prior year periods. Due to the COVID-19 pandemic, consumer purchasing patterns changed resulting in an increase in sales on the Company's new e-commerce platform, at provincial liquor stores and other retail channels. Partially offsetting the increase was the reduction in hospitality and licensee sales due to COVID-19 closures and lower duty-free export sales due to restricted travel. Management believes the highly diversified nature of its well-established network of trade channels will continue to mitigate the impact on sales of the COVID-19 pandemic.

Gross margin as a percentage of sales was 37.4% and 40.9% for the three and nine months ended December 31, 2020, respectively, compared to 41.3% and 43.5% in the prior year. Gross margin in fiscal 2021 has declined as a result of higher imported wine costs, an increase in consumption of lower margin products, revenue decline in high margin trade channels and increased distribution costs resulting from the new e-commerce platform. The Company expects margin to improve in post COVID-19 periods.

Selling and administrative expenses were lower in fiscal 2021 due to a deliberate effort to conserve cash resources by temporarily reducing advertising and promotional spending and staffing levels due to restrictions related to the COVID-19 pandemic. As a percentage of sales, selling and administrative expenses reduced to 22.8% and 21.4% for the three and nine months ended December 31, 2020, respectively, compared to 25.4% and 26.3% in the same prior year periods.

Earnings before interest, amortization, net unrealized gains and losses on derivative financial instruments, other (income) expenses, and income taxes ("EBITA") in the third quarter of fiscal 2021 were $16.2 million compared to $16.1 million last year. For the nine months ended December 31, 2020, EBITA was $61.2 million, up from $51.8 million in the prior year. The increase in EBITA through the first nine months of fiscal 2021 is due primarily to the lower selling and administrative costs.

Net earnings for the three and six months of fiscal 2021 were $10.2 million ($0.24 per Class A Share) and $34.1 million ($0.80 per Class A Share), respectively, compared to $8.1 million ($0.19 per Class A Share) and $24.5 million ($0.57 per Class A Share), respectively, in the prior year. Included in net earnings for the nine months ended December 31, 2020 is a one time non-cash gain on the amendment and restatement of the Company's debt (see below), in accordance with IFRS 9, of $2.3 million. Adjusted earnings, defined as net earnings not including gain on debt modification and financing fees, net unrealized gains and losses on derivative financial instruments, other (income) expenses, nonrecurring, non-operating (gains) and losses, and the related income tax effect were $8.2 million and $33.1 million for the three and nine months ended December 31, 2020, respectively, compared to $7.8 million and $26.4 million, respectively, in the prior year.

Interest expense decreased in fiscal 2021 compared to the prior year due to lower interest rates and lower debt levels.

COVID-19 Pandemic

On March 11, 2020, the World Health Organization characterized the outbreak of COVID-19 as a global pandemic. The Company has demonstrated its ability to respond to new developments and continues to closely assess the risks and uncertainties associated with the pandemic, including industry, market and internal factors, as well as regulations enacted by governments across Canada. Businesses selling beer, wine and other alcohol products were deemed essential services, as well as those businesses that supply them. As a result, all of the Company's production facilities, retail locations and retail estate locations remained open throughout the first nine months of fiscal 2021 with new protocols related to cleanliness and physical distancing deployed. The Company's export and estate property hospitality sales have been affected by the pandemic. However, consumption of alcohol beverages remains stable in Canada with consumers purchasing products through alternative trade channels available during the pandemic, benefiting the Company's sales through provincial liquor stores and its other retail channels. The Company has also enhanced its capabilities to support increased demand for direct-to-home purchases through a new on-line platform, *www.thewineshops.com*. In response to COVID-19, the Company has implemented enhanced protocols to address potential impacts to its operations, employees and customers and will take further measures, if required. These practices have been permanently established to enhance the ability for the Company to respond in the future.

Maintaining a Strong Financial Position

On December 8, 2020 the Company amended and restated its debt facilities. Amendments include a revised maturity date of December 8, 2024, revised financial covenants and additional tiers to the applicable margins based on the Company's leverage. Additionally, the total borrowing limit was increased to $350 million and combined into one revolver, interest only facility to be used for acquisitions, day-to-day operations, distributions, and capital expenditures. The bank indebtedness was transferred to this facility. Repayment of the facility is due on maturity. As at December 31, 2020, the applicable margin was 1.4% (2019-1.4%). Management has assessed the above amendments and has determined these amendments constitute a modification of long term debt, which has resulted in a gain on modification of $2.9 million offset by financing costs of $0.6 million. Overall bank debt decreased to $154.3 million at December 31, 2020 from $165.2 million at March 31, 2020. With the decrease in debt, the Company's debt to equity ratio improved to 0.57:1 at December 31, 2020 compared to 0.67:1 at March 31, 2020. At December 31, 2020, the Company had unutilized debt capacity in the amount of $192.4 million on its operating facility.

Working capital as at December 31, 2020 was $161.5 million compared to $83.7 million at March 31, 2020. The increase is primarily attributed to the refinancing of the Company's long-term debt as discussed above. Shareholders' equity as at December 31, 2020 was $272.7 million or $6.25 per common share compared to $245.5 million or $5.63 per common share as at March 31, 2020. The increase in shareholders' equity was due to the increased net earnings in the period partially offset by the payment of dividends.

Common Share Dividends

On February 10, 2021, the Company's Board of Directors approved a 5% increase to the fourth quarter common share dividend. The quarterly dividend on Class A Shares of $0.0564 per share and the dividend on Class B Shares of $0.0491 will be payable to shareholders of record on March 31, 2021 and will be paid on April 9, 2021. 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)	**2020**	2019	**2020**	2019
Sales	**111,060**	101,597	**$313,911**	$300,188
Gross margin	**41,537**	41,968	**128,430**	130,700
Gross margin (% of sales)	**37.4%**	41.3%	**40.9%**	43.5%
Selling and administrative expenses	**25,314**	25,820	**67,198**	78,867
EBITA	**16,233**	16,148	**61,232**	51,833
Interest	**1,637**	1,818	**5,489**	6,269
Gain on debt modification and financing fees	**(2,312)**	-	**(2,312)**	-
Net unrealized loss (gains) on derivative financial instruments	**170**	(646)	**361**	(578)
Other expenses	**148**	(57)	**1,029**	1,133
Adjusted net earnings	**8,159**	7,815	**33,133**	26,378
Net earnings	**10,236**	8,056	**34,114**	24,491
Earnings per share – Class A	**$0.24**	$0.19	**$0.80**	$0.57
Earnings per share – Class B	**$0.21**	$0.16	**$0.70**	$ 0.49
Dividend per share – Class A (annual)			**$0.215**	$ 0.215
Dividend per share – Class B (annual)			**$0.187**	$ 0.187
Cash provided by operations (after changes in non-cash working capital items)			**41,579**	21,522
Shareholders' equity per share			**$6.25**	$5.63

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 VQA 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. ("GVI"), 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, 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 provide 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. The Company's method of calculating EBITA, gross margin, and adjusted earnings 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 in light of the Company's acquisitions; 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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