2021-2022 ANNUAL REPORT

CANNABIS NB

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LETTER FROM THE CHAIR

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

Dear Minister Steeves,

On behalf of the Cannabis NB Board of Directors, I am pleased to present you with the 2021-2022 annual report. As Chairman of the Board, I am accountable for achieving the specific goals and objectives however the entire Board recognizes and upholds this accountability collectively, seriously, and with great pride.

Fiscal 2021-2022 was a notable year for Cannabis NB (CNB), as it repaid in full the start-up loan from ANBL. I am proud of how CNB has evolved into a successful and responsible business for the people of New Brunswick.

This growth is shown in our financial results, which represents a record year of $83.8M in sales, and a net profit of $16.5M. CNB's income contributes in a meaningful way by providing funds for valuable programs and services in communities across the province. CNB also hosted its first ever Cannabis NB Cup product competitions, with both an Atlantic and a National edition. Innovative marketing initiatives such as these allow CNB to increase education and awareness around cannabis products, strengthening relationships with licensed producers and customers.

Another key program launched this year was Cannabis FarmGate, which allows licensed New Brunswick cannabis producers to sell their own products onsite at their facilities. New Brunswick is only the second province in the country to launch a FarmGate program.

During the past year, two board members were re-appointed for a second term, and we are pleased to welcome Lori Stickles as President & CEO.

Despite continued change and fluctuation as the cannabis market evolves, CNB worked closely with our valued licensed producer partners to mitigate negative impact on our portfolio and avoid significant disruptions in our supply. We thank our suppliers for their support and we appreciate their partnership.

On behalf of the Board of Directors, I extend congratulations to CNB for achieving the record-breaking results and most importantly we thank everyone on our team who have remained resilient for the last two years, contributing to our ongoing success.

Respectfully submitted,

John Correia
Chair, Board of Directors

PRESIDENT'S MESSAGE

For CNB, fiscal 2021-2022 was as exciting as our inaugural year in 2018-2019. We are positioned to move forward with our vision and plan, much of which was part of the original blueprint, following the decision from government that CNB would remain the sole retailer of legalized recreational cannabis in New Brunswick. As we awaited this result, our team remained focused on providing exceptional customer experiences in our retail network and delivering value to the taxpayers of New Brunswick.

Knowing early in 2021-2022 that CNB would remain intact, we focused on optimizing our team and processes for the future. We shifted our thinking to next steps for the industry in New Brunswick, working closely with both the Board of Directors and government stakeholders.

We engaged with our licensed producers, both existing and new, to continue expanding our portfolio with exciting and unique products and accessories, focusing on the expectations of our customers. We advanced innovative programs and marketing tactics and were rewarded with customers' excitement surrounding the Cannabis NB Cup initiative. Our licensed producers were thrilled with CNB's creative initiative, and participated with enthusiasm. So much so, it has evolved into a national initiative.

I am so very proud of the CNB team for the results attained in 2021-2022, particularly while New Brunswick, Canada, and the world, continued to navigate the COVID-19 pandemic. We did not let this hinder our ability to grow and recognize the importance of business acumen, agility, and innovation. We advanced key initiatives, like the FarmGate program, to keep evolving the retail model effectively and responsibly.

CNB became debt-free in its third year of existence, paying off its $37M dollar loan from ANBL. This made CNB the envy of many cannabis retail jurisdictions, as well as any start-up retail company. I look forward to sharing the many success stories of CNB's future achievements!

Sincerely,

Lori Stickles
President and CEO

EXECUTIVE MANAGEMENT

**As of April 3, 2022*

Lori Stickles
President and CEO

Lara Wood
Vice-President of CNB Operations and Vice-President of Marketing & Communications

Jamie LeBlanc
Vice-President & Chief Financial Officer

Erin Fullerton
Vice-President of Human Resources

Craig Clark
Vice-President of Information Technology

Mike Harty
Vice-President Operations (Property Management & Environmental Health and Safety)

Patti Douglass
Chief Executive Assistant

BOARD OF DIRECTORS

**As of April 3, 2022*

John Correia
Chair

Cédric Laverdure
Director

Joanne Bérubé Gagné
Director

Kathryn Craig
Director

Kevin Berry
Director

Paul Elliott
Director

Bruce Wood
Director

Cheryl Hansen
Deputy Minister of Finance and Treasury Board (ex officio)

Lori Stickles
President & Chief Executive Officer

Andrea Dewitt
Secretary

STRATEGIC FOUNDATION

CNB's future is built on a strong foundation anchored in an unwavering commitment to customer experience, education, and responsibility. CNB believes that these things cannot be delivered effectively without a truly aligned, passionate, and engaged team committed to delivering results to our stakeholders in New Brunswick. These priorities are what our mission, vision, and values are built on.

MISSION

Providing value through the right customer experience is at the centre of CNB's strategy. Ensuring that a highly engaged team is passionate about delivering customers what they are looking for positions the company to deliver on all organizational goals.

MISSION STATEMENT

We ensure every customer experience is positive, memorable, and built on a foundation of education and responsibility every time, everywhere, for the benefit of all New Brunswickers.

VISION

The retail cannabis experience that we deliver will make customers choose us. Anywhere. Every time.

VALUES

At CNB, education and safety will always be the foundation of a customized, memorable customer experience focused on products, information, and guidance. The goal is to keep our customers returning with new products, great value, and a welcoming environment, while inspiring them to share their experiences in a positive way.

ENGAGE

It is important that our team is engaged and cares about the business and where it is going. This makes them passionate about what they do every day and that in turn engages our customers effectively and authentically.

INFORM

Information and education will always remain a priority, both for our team and our customers. Every customer has specific needs, experience, and expectations. CNB will always ensure that our team has the information they need to provide our customers with the right experience.

INSPIRE

We make a point of learning and understanding our customers' expectations and evolving our offering and information customized to individual customers needs. Our team strives to make a connection with our customers, get them excited about what the legal industry has to offer, and make them advocates for a positive and safe cannabis experience.

YEAR IN REVIEW

FINANCIAL POSITION OVERVIEW

The information below provides an overview of CNB's financial position for the year ended April 3, 2022 and should be read in conjunction with CNB's audited financial statements and note disclosures.

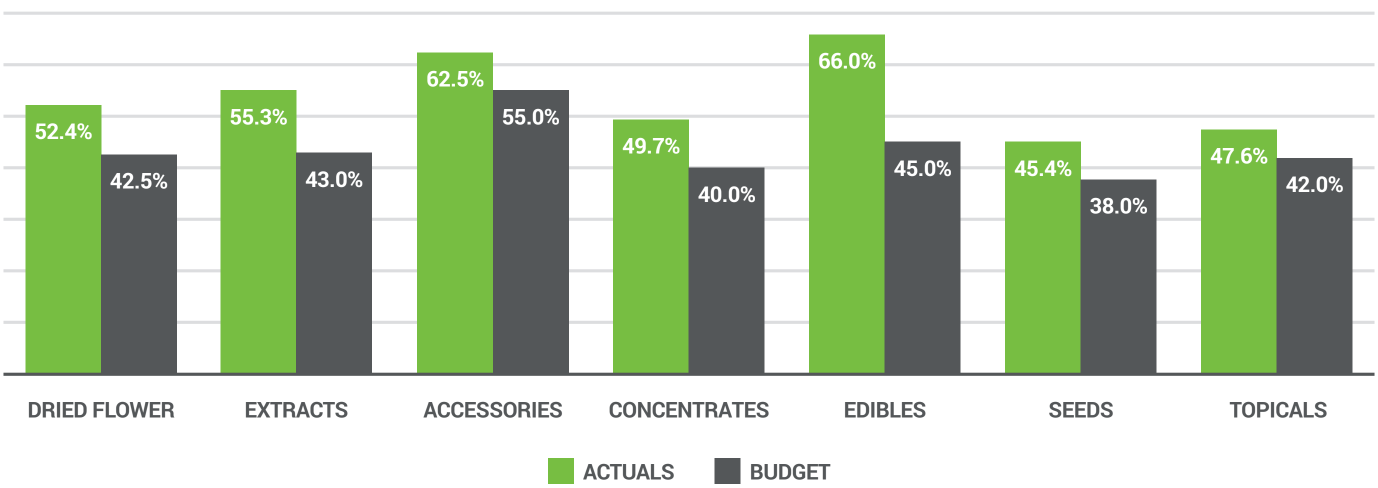
Following an accounting convention common to the retail industry, CNB follows a 52-week reporting cycle that periodically necessitates a 53-week fiscal year due to the floating year-end date. The fiscal year ended April 3, 2022 was a 53-week year.

Total Sales missed budget targets by 2.3%, or $2.0M, due to lower than budgeted sales in the dried flower category which was caused, in part, by product cannibalization from the growing popularity of the concentrates category. Despite missing budgeted sales targets, CNB was able to secure favourable product pricing from market oversupply, enabling pricing flexibility that led to positive gross profit results.

Cost of Sales realized savings to budget targets, from the above noted ability to secure favourable product pricing. Partially offsetting the savings was overspend for concentrates, a direct correlation to its positive sales results. *Gross Profit* targets were exceeded across all product categories.

GROSS PROFIT %

ACTUALS to PLANS



MERCHANDISING AND PROMOTION

CNB expanded its comprehensive merchandising and promotions strategy to include new opportunities for licensed producers to get their brands in front of customers. The most impactful addition was table displays, which monetized sales floor space for CNB while also giving an opportunity to our licensed producer partners to engage with customers and educate them on new product offerings.

CNB provides a merchandising guide to all licensed producers and licensed producer partners, which provides not only an overview of opportunities, but also guidelines on how to incorporate education and ensure alignment with provincial and federal regulations. The program created incremental revenue for CNB while also providing licensed producer partners with the opportunity to expand on their product information to an appropriate audience.

CNB also explored new marketing opportunities within regulations and enhanced existing programs to reach new customers and increase traffic, with the intention of diverting consumers from the illicit market. Several innovative and successful promotions were offered this year, including a Christmas Countdown Calendar and a national product competition called the Cannabis NB Cup. Both drew positive customer feedback.

E-COMMERCE

Online sales returned to pre-pandemic levels as consumers returned to in-store shopping, averaging just over 1% of total sales. The Express Pick-Up service maintained slightly higher traffic accounting for 1.8% of sales, representing over 60,000 express orders. While customers do prefer the in-store experience, the CNB website continues to be an excellent resource for customers to research products, write reviews, and consider promotions before coming into stores. The website had approximately 6.5 million pageviews this year.

CNB also saw many new customers shift from the illegal market to CNB as prices became more competitive, product quality and selection both improved, and there was more recognition of the safety and quality of legal versus illicit cannabis products.

CNB's email program saw strong adoption this year, increasing to over 31,000 subscribers, representing an increase of 120% year-over-year. Both actual open rates and click-through rates exceeded industry average. This weekly email allows customers to view specials, new products and re-stocks, and creates a connection between Cannabis NB and our customers regardless of whether they choose to shop in-person or online.

To further support customer engagement, CNB focused on increasing its social media presence and posting more creative and targeted content. With this strategy in place, the social media audience increased by 11.4% and overall engagement rate increased from 6.7% to 9.2%, a 36.6% increase. This strategy continues to strengthen relationships with CNB audiences.

CATEGORY MANAGEMENT

Over this year, the CNB portfolio continued to develop and expand with innovative new products, thanks to the input of our customers, through our receipt survey, and by expanding our list of licensed producer partners. We have been able to offer more competitive pricing, better quality, and a better offering to suit our customers' preferences.

Education remains our priority and through various new initiatives, we have created a strong approach to product on-boarding, so that our team remains current in this rapidly-evolving industry. CNB began to see growth in Phase 2 products (edibles, drinks, concentrates, and topicals) as consumers shifted away from dried flower to try new options. With this expanded offering, and combined with competitive pricing, CNB has contributed to a noticeable consumer shift to the legal market.

FARMGATE

In August of 2021, CNB officially launched its FarmGate program. Through an application process with CNB, New Brunswick local licensed producers meeting the selection criteria are now able to sell their product at their own facility. All cannabis products sold at an approved FarmGate store are required to be produced and packaged onsite and meet all federal regulations prescribed by Health Canada. The intent of the program is to increase visibility for local licensed producers, and provide them with more opportunities to educate customers about their own products while also creating potential tourism opportunities. At the end of the fiscal year, there were three active FarmGate stores in the province.

PERFORMANCE CULTURE

In order to underline the commitment to employee engagement and development, as well as increase our capacity to prepare for a rapidly approaching future, CNB shifted the Human Resource (HR) function from a shared service to a dedicated in-house team. This change allowed the HR team to be more focused on the unique needs and culture of CNB. This shift has had a positive impact to CNB retail and operations teams by increasing response times, improving talent acquisition, supporting coaching, performance management, and employee relations.

CNB conducted an Employee Engagement Survey in February of 2022. The overall engagement score was 4.49, representing an increase of 0.10 from the previous survey conducted in 2019. CNB's engagement score has earned them a nomination from Gallup, Inc. as a "Gallup Exceptional Workplace Award". While CNB is proud of these results, maintaining these levels is key. The HR team facilitated follow-up sessions and conducted focus groups to discuss areas for improvement.

Team development and growth continued to be at the forefront of CNB. Through commitments to this area, we have been able to build strong team members who are truly invested in our success.

INFORMATION TECHNOLOGY

The Information Technology (IT) team continued to support the development, implementation, and ongoing maintenance of CNB's information systems and processes for both the Retail Operations Centre (ROC) and the retail network throughout the province.

We continued our investment in information technology this fiscal year with a focus on improving efficiencies and functionality of our systems, supporting business objectives and technology system upgrades. By keeping our technology platforms current and compliant with payment processing security standards, we keep the customer experience seamless.

Some of the top accomplishments included full replacement of all payment processing devices at our stores. We also completed multiple system upgrades and enhancements to our enterprise software system which manages the core business processes for CNB. This work ensured our systems remained current, improved our security posture, and improved the user experience. We invested in software enhancements and improvements with integration to the warehousing platform, improving data quality while adding the functionality to adopt a new (industry standard) barcode technology across our retail network.

Leading up to the 2021 holiday shopping season, our retail network of stores went live with a gift card program. This initiative was launched to improve brand recognition, generate new customers, and to increase sales. Our IT team had significant involvement and played a key role in the selection and procurement of the physical hardware, the configuration changes required to the point-of-sale (POS) software, and the rollout and successful launch of the program across our retail network.

CUSTOMER SERVICE AWARDS

Acknowledging and celebrating the team's contribution to all of CNB's successes is always a priority. Each year, we recognize success tied to key business goals from the year as well as exceptional customer service and support within the team.

TOP SALES TO BUDGET
Oromocto: 123%

TOP EXPRESS STORE
Moncton Wyse: $233,951 in Express Sales

POS ACCURACY AWARD
Fredericton Woodside: 313.88 Return to sales ratio

INVENTORY ACCURACY AWARD
Perth-Andover: -0.0033%

TOP TICKET
Edmundston: $73.15

TOP UNITS PER TRANSACTION
Perth-Andover: 3.04

ACCESSORY CHAMPIONS
Campbellton: 4.94%

KNOWLEDGE CHAMPIONS
Sackville, Tracadie, Richibucto, Oromocto & Perth-Andover: 100%!

BUDS OF THE YEAR
2021-2022

LEYON WILLIAMS
MONCTON WYSE ST.

LISETTE PELLETIER-ROBINSON
MONCTON MAIN ST.

JEANNE COMEAU
DIEPPE

MATTHEW MCGRAW
SHEDIAC

KEVIN SCOTT
SACKVILLE

MARIE-FRANCE LOSIER
TRACADIE

COLLEEN WATERS
MIRAMICHI

NICOLE BARD
BATHURST

ADAM PALMER
ROTHESAY

MEGAN STEVENS
SUSSEX

EMMA MACMILLAN
ST. STEPHEN

TYLER FEENEY
FREDERICTON BROOKSIDE DR.

JUSTIN CARR
FREDERICTON WOODSIDE DR.

CRYSTAL DUNSMORE
OROMOCTO

TIM MCNALLY
PERTH ANDOVER

NANCY ANN TAYLOR
EDMUNDSTON

LUCAS LOISEL
CAMPBELLTON

CUSTOMER EXPERIENCE & SATISFACTION

CNB has an engaged, well-trained, and well-informed team who strive to provide a safe and positive experience to every visitor. CNB Guides offer a customized interaction appropriate for every customer and ensure they always provide value to the interaction.

CNB provides every customer with an opportunity to provide feedback about their experience through a receipt survey open to everyone. For fiscal 2021-2022, over 10,000 responses were received, and results were positive on all key questions.

"How comfortable was your experience at Cannabis NB?"

98.12% of respondents answered either ***"Comfortable"*** or ***"Very comfortable".***

"I felt my Guide understood my needs."

99.01% of respondents answered with ***"Yes"***.

"I felt my safety was a priority."

98.54% of respondents answered with ***"Yes"***.

GOVERNANCE

Labour Relations

The team at CNB is not represented by a union and there were no applications for certification during 2021-2022.

Report on the *Official Languages Act*

There were two (2) official languages complaints received in fiscal 2021-2022. CNB continues to implement appropriate actions to remediate these complaints.

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. CNB received no disclosure(s) of wrongdoing in the 2021-2022 fiscal year.

Report on the *Right to Information and Protection of Privacy Act*

During the fiscal 2021-2022 year, there were four requests received under the *Right to Information and Protection of Privacy Act* specific to CNB. All requests were responded to during the fiscal year.

STORE NETWORK

1	Moncton, Wyse Street
2	Moncton, Main Street
3	Dieppe
4	Shediac
5	Sackville
6	Tracadie
7	Richibucto
8	Miramichi
9	Bathurst
10	Saint John, Lansdowne Avenue
11	Saint John, Rothesay Avenue
12	Rothesay
13	Sussex
14	St. Stephen
15	Fredericton, Brookside Drive
16	Fredericton, Woodside Lane
17	Oromocto
18	Perth-Andover
19	Edmundston
20	Campbellton

FarmGate Locations **As of April 3, 2022*

21	Crystal Cure, Shediac Cape
22	Eco Canadian Organic Inc., Rexton
23	Sana’a Cannabis, Miramichi

23
LOCATIONS
throughout
New Brunswick

TOTAL SALES BY STORE LOCATION ($000's)

STORE	2021-2022	2020-2021	CHANGE (%)
Moncton, Wyse Street	10,386	8,966	15.8%
Moncton, Main Street	9,772	7,953	22.9%
Fredericton, Woodside Lane	5,838	5,137	13.7%
Bathurst	4,816	4,211	14.4%
Saint John, Lansdowne	4,790	4,646	3.1%
Saint John, Rothesay Ave.	4,464	3,956	12.8%
Oromocto	4,352	3,200	36.0%
Rothesay	4,335	3,576	21.2%
Dieppe Blvd.	3,882	3,621	7.2%
Edmundston	3,767	3,693	2.0%
Shediac	3,542	2,913	21.6%
Tracadie	3,269	2,815	16.1%
Fredericton, Brookside Mall	3,269	2,995	9.1%
Sussex	3,129	2,740	14.2%
St. Stephen	2,833	2,662	6.4%
Miramichi	2,723	2,968	(8.2%)
Sackville	2,375	2,028	17.1%
Perth-Andover	2,186	2,109	3.7%
Campbellton	1,825	2,619	(30.3%)
Richibucto	1,376	1,207	14.0%
E-commerce	899	1,523	(40.9%)
Total	**83,828**	**75,538**	**11.0%**

SALES BY PRODUCT CATEGORY ($000'S)

PRODUCT CATEGORY	2021-2022 $	2021-2022 % OF SALES	2020-2021 $	2020-2021 % OF SALES	CHANGE $	CHANGE %
Dried Flower	49,406	58.9%	49,942	66.1%	(536)	(1.1%)
Concentrates	20,705	24.7%	13,821	18.3%	6,884	49.8%
Extracts	3,800	4.5%	4,433	5.9%	(633)	(14.3%)
Edibles	6,316	7.6%	4,408	5.8%	1,908	43.3%
Accessories	3,036	3.6%	2,634	3.5%	402	15.2%
Topicals	415	0.5%	224	0.3%	191	85.4%
Seeds	150	0.2%	76	0.1%	74	95.9%
Total Sales	**83,828**	**100.0%**	**75,538**	**100.0%**	**8,290**	**11.0%**

SALES IN VOLUME

PRODUCT CATEGORY	2021-2022	2020-2021	CHANGE	CHANGE (%)
Dried Flower (Kg)	7,439	7,125	314	4.4%
Concentrates (Kg)	932	492	440	89.5%
Extracts (Kg)	3,701	5,312	(1,611)	(30.3%)
Edibles (Kg)	147,503	95,541	51,962	54.4%
Accessories (Units)	578,759	589,158	(10,399)	(1.8%)
Topicals (Kg)	2,326	708	1,618	228.5%
Seeds (Units)	15,602	7,012	8,590	122.5%

PERCENTAGE SALES	2021-2022	2020-2021
Sales Percentage Online	1.1%	2.0%
Sales Percentage in Store	98.9%	98.0%
Total	**100.0%**	**100.0%**

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.

Lori Stickles
PRESIDENT AND CEO

Jamie LeBlanc
VICE PRESIDENT AND CFO

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Cannabis NB Ltd.

Opinion

We have audited the financial statements of the Cannabis NB Ltd. (the Corporation), which comprise:

- the statement of financial position as at April 3, 2022
- the statement of operations and comprehensive income (loss) for the 53-week period then ended
- the statement of changes in equity (deficit) for the 53-week period then ended
- the statement of cash flows for the 53-week period then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at April 3, 2022, and its financial performance and its cash flows for the 53-week period then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants
Fredericton, Canada
July 7, 2022

STATEMENT OF FINANCIAL POSITION (in thousands)

April 3, 2022, with comparative information for March 28, 2021	APRIL 3, 2022	MARCH 28, 2021
Assets		
Current Assets		
Cash	$ 737	$ 695
Trade and other receivables	146	313
Inventories	8,878	7,420
Prepaid expenses	1,131	848
	10,892	9,276
Non Current Assets		
Property and equipment (note 4)	1,764	2,686
Intangible assets (note 5)	3,337	3,828
Right-of-use assets (note 6)	25,924	28,162
	31,025	34,676
Total Assets	**$ 41,917**	**$ 43,952**
Liabilities		
Current Liabilities		
Trade and other payables	$ 5,445	$ 5,477
Due to New Brunswick Liquor Corporation (note 13)	-	15,488
Lease liabilities due within one year (note 6)	1,986	1,924
	7,431	22,889
Non Current Liabilities		
Long-term lease liabilities (note 6)	25,290	27,276
Total Liabilities	32,721	50,165
Equity of the Province of New Brunswick		
Equity (deficit)	9,196	(6,213)
Total Liabilities and Equity	**$ 41,917**	**$ 43,952**

Commitments and Contingencies (notes 11 and 12)
See accompanying notes to the financial statements

APPROVED ON BEHALF OF THE BOARD:

Director Director

STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

(in thousands)

53 weeks ended April 3, 2022, with comparative information for the 52 weeks ended March 28, 2021		APRIL 3, 2022 (53 WEEKS)		MARCH 28, 2021 (52 WEEKS)
Total sales (note 8)	$	83,828	$	75,538
Less: discounts		9,480		5,442
Net sales		74,348		70,096
Cost of sales		39,224		42,035
Gross profit		35,124		28,061
Other income		862		1,207
		35,986		29,268
Operating expenses (note 9)		19,466		18,458
Net income and comprehensive income	**$**	**16,520**	**$**	**10,810**

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN EQUITY (DEFICIT) (in thousands)

53 weeks ended April 3, 2022, with comparative information for the 52 weeks ended March 28, 2021		APRIL 3, 2022 (53 WEEKS)		MARCH 28, 2021 (52 WEEKS)
Balance at beginning of year	$	(6,213)	$	(17,023)
Net income and comprehensive income		16,520		10,810
Payments to the Province of New Brunswick		(1,111)		-
Balance at end of the year	**$**	**9,196**	**$**	**(6,213)**

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS (in thousands)

53 weeks ended April 3, 2022, with comparative information for the 52 weeks ended March 28, 2021

	APRIL 3, 2022 (53 WEEKS)	MARCH 28, 2021 (52 WEEKS)
Operating		
Net income and comprehensive income	$ 16,520	$ 10,810
Items not involving cash:		
Depreciation	3,279	3,275
Amortization of intangible assets	500	500
Lease liabilities - interest portion (note 6)	885	944
Change in non-cash working capital (note 7)	(1,606)	6,624
Cash generated from operations	19,578	22,153
Investing		
Additions to property and equipment	(144)	-
Additions to intangible assets	(9)	-
Proceeds from sale of property and equipment	25	-
Net cash used for capital investments	(128)	-
Financing		
Repayments of due to New Brunswick Liquor Corporation	(15,488)	(19,183)
Payments to the Province of New Brunswick	(1,111)	-
Lease payments (note 6)	(2,809)	(2,809)
Net cash used in financing activities	(19,408)	(21,992)
Increase in cash	42	161
Cash at beginning of year	695	534
Cash at end of year	**$ 737**	**$ 695**

See accompanying notes to the financial statements

1. Nature of operations and reporting entity:

Cannabis NB Ltd. (the "Corporation") is incorporated under the Business Corporations Act. The Corporation is an investee of New Brunswick Liquor Corporation ("ANBL"), a Crown Corporation, which owns 100% of the common shares issued by the Corporation and oversees the day-to-day management of the Corporation. The Corporation's main office is located in Fredericton, New Brunswick. The Corporation is exempt from Income Taxes under Section 149 of the Income Tax Act.

On October 1, 2018, the Corporation entered a five-year agreement with Cannabis Management Corporation ("CMC"), a Crown Corporation, for the distribution and sale of recreational use cannabis. After the expiration of the initial term of the agreement, CMC has the option to renew the agreement for two subsequent 5-year terms. The agreement entitles CMC to all net profits from the Corporation's operations, upon repayment of all amounts owing to ANBL, with payments distributed based on available cash flow.

2. Basis of presentation:

(a) Statement of compliance:

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The financial statements for the year ended April 3, 2022, were approved, and authorized for issue by the Board of Directors on July 7, 2022.

(b) Fiscal year:

The Corporation's fiscal year ends on the Sunday closest to March 31. All references to 2022 and 2021 represent the fiscal years ended April 3, 2022, and March 28, 2021, 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 April 3, 2022, contained 53 weeks and the year ended March 28, 2021, 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. These financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

3. Summary of significant 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 significant effect on the financial statements.

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

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

Capitalization of internally developed software

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

Right-of-use assets and lease liabilities

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

3. Summary of significant accounting policies (continued):

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

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.

(b) Cash:

Cash includes cash and bank deposits.

(c) Inventories:

Inventories are stated at the lower of cost and net realizable value. Cost is defined as average cost. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses. Cost includes expenditures incurred in acquiring the inventories and bringing them to their existing location and condition. The amount of inventories expensed during the year is shown as cost of sales on the 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. 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:

Furniture, fixtures, and equipment	5 years
Automotive	4 years
Retail equipment	5 years
IT equipment	5 years
Refrigeration equipment	10 years

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

3. Summary of significant accounting policies (continued):

(d) Property and equipment: (continued)

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 April 3, 2022, there were no indications of impairment.

(e) Intangible assets:

Intangible assets include purchased computer software which are recorded at cost and amortized on a straight-line basis over the estimated useful life, as these assets are considered to have finite useful lives. Useful lives are reviewed at each reporting date. The Corporation assesses the carrying value of intangible assets for impairment on an annual basis. At April 3, 2022, there were no indicators of impairment. Computer software is amortized on a straight-line basis over 10 years.

(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 assets 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;
- exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

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

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

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

ROU assets are measured at cost comprising the following:

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

3. Summary of significant accounting policies (continued):

(f) Leased assets: (continued)

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 15 years depending on the lease period.

The Corporation has elected not to recognize right-of 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.

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 and due to New Brunswick Liquor Corporation as financial liabilities measured at amortized cost.

Derecognition

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

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

Impairment of financial assets

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

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

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

3. Summary of significant accounting policies (continued):

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

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

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

Measurement of ECL

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

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

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

Presentation of allowance for ECL in the statement of financial position

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

(i) Provisions:

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

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

(j) Post-employment benefits:

Pension plan

Most 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 $586 ($407 in 2021). Contributions made to the plan by the Corporation for 2023 are expected to approximate 12% of eligible salaries. In addition, some employees of the Corporation are members of the Part-Time & Seasonal Pension Plan for Employees of the Province of New Brunswick. Contributions made by the Corporation during the year to this plan totaled $18 ($111 in 2021).

(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) 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, 2022. The Corporation does not expect the implementation of these new accounting pronouncements to have a significant impact on its accounting policies.

NOTES TO FINANCIAL STATEMENTS (IN THOUSANDS)

4. Property and equipment:

Cost	Furniture, Fixtures and Equipment	Automotive	Retail Equipment	IT Equipment	Refrigeration	Total
Balance at March 29, 2020	$ 2,323	$ 67	$ 73	$ 2,610	$ 76	$ 5,149
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance at March 28, 2021	$ 2,323	$ 67	$ 73	$ 2,610	$ 76	$ 5,149
Balance at March 28, 2021	$ 2,323	$ 67	$ 73	$ 2,610	$ 76	$ 5,149
Additions	18	114	12	-	-	144
Disposals	(77)	-	-	-	-	(77)
Balance at April 3, 2022	$ 2,264	$ 181	$ 85	$ 2,610	$ 76	$ 5,216
Accumulated Depreciation						
Balance at March 29, 2020	$ 651	$ 26	$ 15	$ 733	$ 1	$ 1,426
Depreciation	469	18	15	527	8	1,037
Disposals	-	-	-	-	-	-
Balance at March 28, 2021	$ 1,120	$ 44	$ 30	$ 1,260	$ 9	$ 2,463
Balance at March 28, 2021	$ 1,120	$ 44	$ 30	$ 1,260	$ 9	$ 2,463
Depreciation	468	26	14	525	8	1,041
Disposals	(52)	-	-	-	-	(52)
Balance at April 3, 2022	$ 1,536	$ 70	$ 44	$ 1,785	$ 17	$ 3,452
Carrying Amounts						
At March 28, 2021	$ 1,203	$ 23	$ 43	$ 1,350	$ 67	$ 2,686
At April 3, 2022	$ 728	$ 111	$ 41	$ 825	$ 59	$ 1,764

NOTES TO FINANCIAL STATEMENTS (IN THOUSANDS)

5. Intangible assets:

Software

	APRIL 3, 2022 (53 WEEKS)	MARCH 28, 2021 (52 WEEKS)
Cost		
Opening	$ 4,945	$ 4,945
Additions	9	-
Closing	4,954	4,945
Accumulated Amortization		
Opening	1,117	617
Amortization	500	500
Closing	1,617	1,117
Carrying Amount	**$ 3,337**	**$ 3,828**

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

	APRIL 3, 2022 (53 WEEKS)	MARCH 28, 2021 (52 WEEKS)
Cost		
Opening	$ 32,638	$ 32,638
Additions	-	-
Disposals	-	-
Closing	32,638	32,638
Accumulated Depreciation		
Opening	4,476	2,238
Depreciation	2,238	2,238
Closing	6,714	4,476
Carrying Amount	**$ 25,924**	**$ 28,162**

NOTES TO FINANCIAL STATEMENTS (IN THOUSANDS)

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

Lease liabilities

	APRIL 3, 2022 (53 WEEKS)	MARCH 28, 2021 (52 WEEKS)
Opening	$ 29,200	$ 31,065
Lease payments	(2,809)	(2,809)
Interest expense on lease liabilities	885	944
Closing balance	**$ 27,276**	**$ 29,200**
Current	$ 1,986	$ 1,924
Long-term	25,290	27,276
	$ 27,276	**$ 29,200**

Maturity of lease liabilities

A maturity analysis of discounted payments are as follows:

	APRIL 3, 2022 (53 WEEKS)	MARCH 28, 2021 (52 WEEKS)
Due within one year or less	$ 1,986	$ 1,924
Between one and five years	10,913	10,577
More than five years	14,377	16,699
	$ 27,276	**$ 29,200**

7. Changes in non-cash operating working capital:

	APRIL 3, 2022 (53 WEEKS)	MARCH 28, 2021 (52 WEEKS)
Trade and other receivables	$ 167	$ 2,367
Inventories	(1,458)	3,831
Prepaid expenses	(283)	(84)
Trade and other payables	(32)	510
	$ (1,606)	**$ 6,624**

8. Sales:

	APRIL 3, 2022 (53 WEEKS)	MARCH 28, 2021 (52 WEEKS)
Dried Flower	$ 49,406	$ 49,942
Concentrates	20,705	13,821
Extracts	6,316	4,433
Edibles	3,800	4,408
Accessories	3,036	2,634
Topicals	415	224
Seeds	150	76
	$ 83,828	**$ 75,538**

NOTES TO FINANCIAL STATEMENTS (IN THOUSANDS)

9. Operating expenses:

	APRIL 3, 2022 (53 WEEKS)	MARCH 28, 2021 (52 WEEKS)
Salaries - stores	$ 6,083	$ 5,657
Depreciation on ROU assets	2,238	2,238
Salaries - administration	1,783	1,654
Employee benefits	1,551	1,343
Other	1,211	1,097
Depreciation on property and equipment	1,041	1,037
Interest on lease liabilities	885	944
Contact centre	863	960
Information systems	745	920
Executory costs	585	504
Amortization of intangible assets	500	500
Bank charges and fees	322	314
Professional fees	289	204
Electricity, heating fuel, and telecommunications	262	255
Insurance	252	33
System maintenance	150	143
Travel	139	77
Shipping	135	222
Supplies and minor equipment	125	101
Repairs and maintenance	111	78
Training and development	58	7
Advertising and promotions	48	64
Directors' remuneration	38	33
Security	34	39
Shortages	18	34
	$ 19,466	**$ 18,458**

10. 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. Amounts owing to ANBL are considered current liabilities and repayment is guaranteed under the terms of the agreement with CMC. 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:

	APRIL 3, 2022 (53 WEEKS)	MARCH 28, 2021 (52 WEEKS)
Due within one year or less	$ 2,810	$ 2,810
Between one and five years	14,048	14,048
More than five years	15,687	18,497
	$ 32,545	**$ 35,355**

NOTES TO FINANCIAL STATEMENTS (IN THOUSANDS)

10. Financial risk management objectives and policies (continued)

(b) 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. Collectability may be offset with future customer sales to the Corporation.

(c) Capital management:

The Corporation is authorized to issue an unlimited number of common shares without nominal or par value. The amount issued on incorporation is one common share to ANBL at a nominal amount. The Corporation's main objectives for managing capital is to ensure sufficient liquidity in support of its financial obligations and to make payments to CMC. Corporate assets and operations financed by ANBL were fully repaid during the fiscal year. ANBL is responsible for the oversight of management, including its policies related to financial and risk management issues.

11. Commitments:

The Corporation has contractual commitments for call centre services which expire in 2023. The table below outlines the commitments as at April 3, 2022.

	APRIL 3, 2022 (53 WEEKS)	MARCH 28, 2021 (52 WEEKS)
Due within one year or less	$ 914	$ 914
Between one and five years	533	1,446
	$ 1,447	**$ 2,360**

12. Contingencies:

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. Payments to the Province of New Brunswick are disclosed in the statement of changes in equity (deficit). The Corporation is related through common ownership with all provincial departments, agencies, and Crown Corporations. Transactions with these entities occur in the normal course of business and are recorded at the exchange amount unless disclosed in these financial statements. Transactions with the Province of New Brunswick are deemed to be collectively insignificant to these financial statements.

The Corporation receives services from ANBL, which are allocated to the Corporation 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, ANBL allocates occupancy costs to the Corporation for a share of space for the Corporation's employees. These transactions are recorded on a cost recovery basis and are recognized in operating expenses as salaries-administration, employee benefits and rent. During the year ended April 3, 2022, ANBL charged the Corporation $1,024 ($1,236 in 2021), comprised of $912 for salaries-administration ($1,104 in 2021) and $112 ($132 in 2021) in rent for occupancy costs.

ANBL provided financing to fund its operations. At April 3, 2022, the Corporation had fully repaid all funds owing to ANBL, to $ nil ($15,488 in 2021). Trade and other payables include $107 ($88 in 2021) which represents the current portion of the shared services allocation as described above. The total amount outstanding is non-interest bearing, unsecured, with no set term of repayment. Amounts owing to ANBL are considered current liabilities and repayment is guaranteed under the terms of the agreement with CMC. 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 $143 ($133 in 2021).