



Agenda for Discussion

Investor Presentation – November, 2017

Previous store count and locations (at date of AGM):

Previous Board and Management was focused on expansion into the U.S.

Alaska

Anchorage: 18
Secondary Markets: 4

Total: 22

British Columbia

Lower Mainland: 13
Vancouver Island: 11
Interior: 10

Total: 34

Alberta

Edmonton: 83
Calgary: 43
Secondary Markets: 52

Total: 178

Regions sold or selling

MASSACHUSETTS

Berlin (suburb of Boston) –
Planned store cancelled.

CONNECTICUT

Norwalk: 1

Total: 1

NEW JERSEY

Princeton: 1
Woodbridge: 1

Total: 2

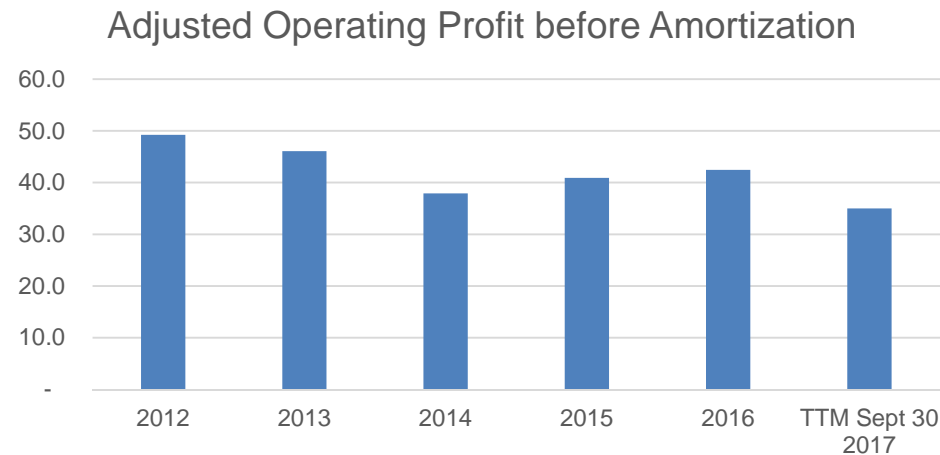
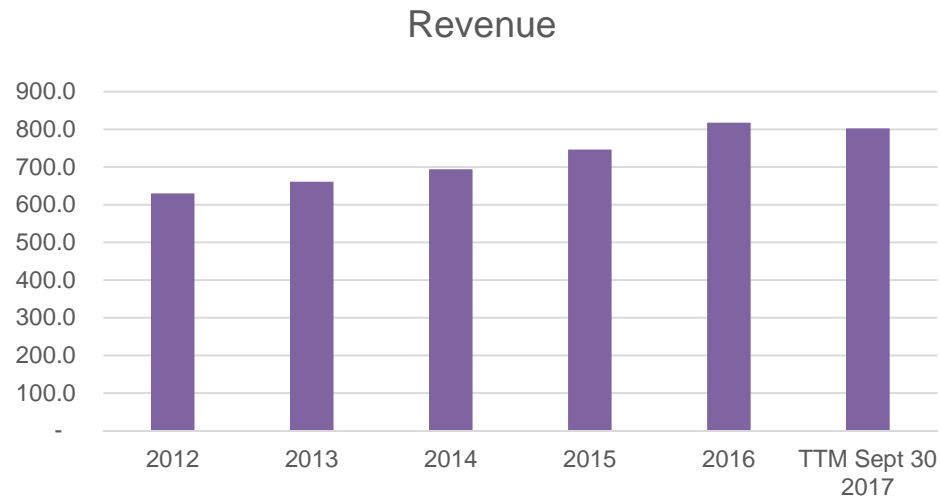
Kentucky

Lexington: 6
Louisville: 6
Secondary Markets: 3

Total: 15



Expansion has generated revenue growth, but profitability has been declining



On June 20, 2017 shareholders elected a new Board of Directors with a mandate to implement a new strategy to transform LIQ.



Progress since June

Strategic exit from U.S. locations:

- Sold or finalizing sale of all U.S. assets in lower 48 States.
- Reductions in selling, distribution and administrative expenses largely offset loss of projected cash flow from the U.S. assets sold/selling.
- Sale eliminates the need to provide overdue capital to U.S. markets faced with significant competitive threats.
- Extinguished \$12.4 million put liability held by minority owners of Birchfield Ventures LLC.
- Significant inventory held in USA of slow moving private label wine sold.

Inventory optimization plan ahead of schedule

- Inventory reduced by over \$20 million by the end of Q3 2017, with further reductions underway in Q4 2017.
- Target is to nearly double inventory turns from around 4x at Q2 2017 to 8x system wide.



Progress since June

Management and focus returned to core Canadian markets:

- Terminated U.S. based executives and closed the U.S. head office.
- Created Canadian-based private label program.

Operating expense reductions

- Selling, distribution and administrative expenses reduced by over \$5 million on an annualized basis.
- Further reductions to store level operating expenses being tested and targeted for 2018 implementation.

Balance sheet optimization

- U.S. sales and inventory reduction have generated a ~\$75 million reduction to long-term debt
- Sufficient capital available to fund store renovations and implementation of the new ERP system.

Progress since June

Renovate and renew core markets:

- Beta testing already started on new merchandising, assortment, layout and design of stores. Also testing a possible new brand name.
- Completing a market-by-market, store asset optimization plan which includes both the renovation or relocation of existing stores and potential new locations.
- Strategy to attack discount competition head on and recapture our market share

Accelerate ERP Implementation

- Authorized \$15 million to accelerate implementation of the new ERP system to be fully in place by early 2019.



Canadian Cannabis – Regulatory framework

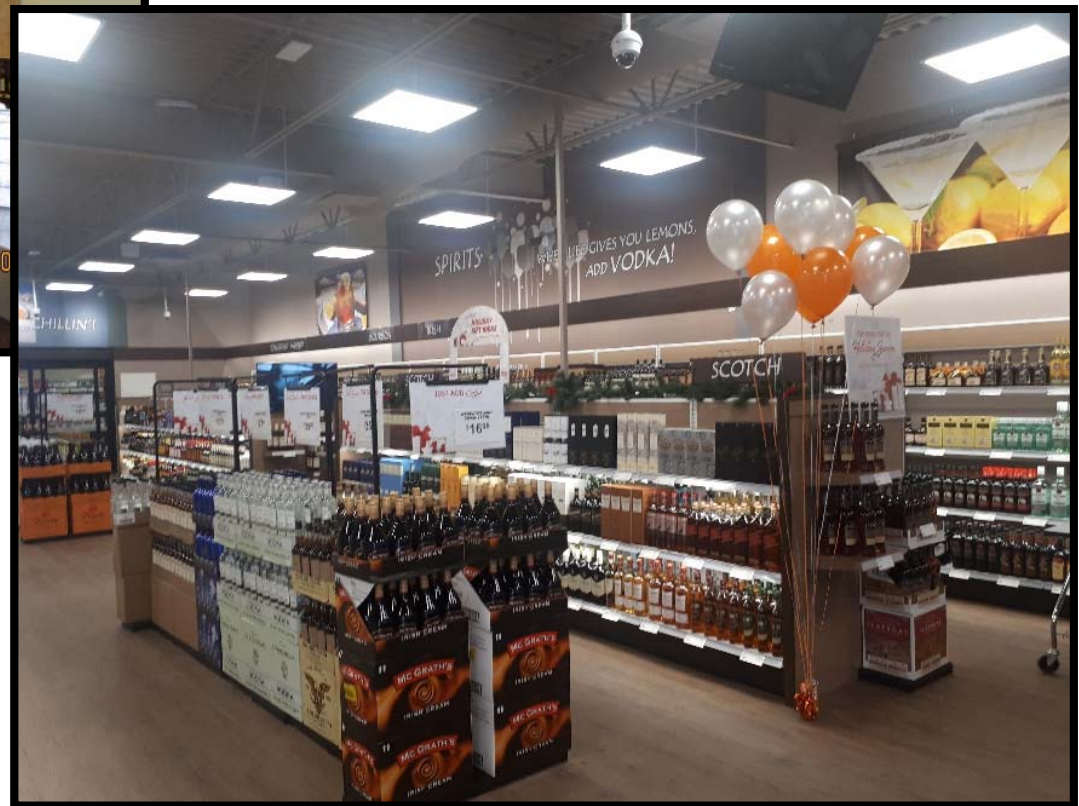
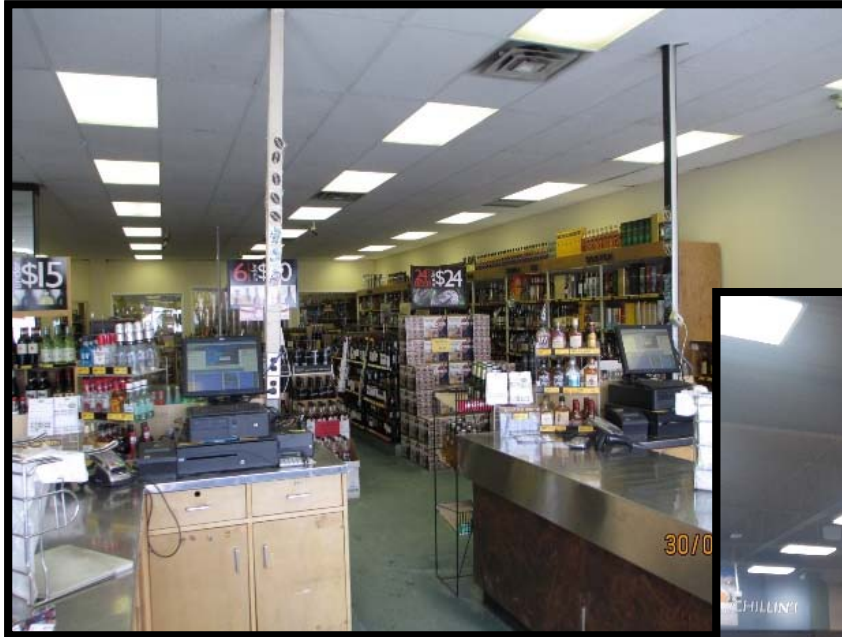
While much of the final framework and regulations are unknown, the current initial information available is as follows:

- Alberta/BC/Saskatchewan – awaiting final regulations and framework. Alberta has announced its intention to pursue a private retail framework for brick and mortar cannabis sales.
- Manitoba – Private retail system with request for proposal process underway for four ‘master licenses’ for the province.
- Other provinces – continuing to monitor for potential opportunities.

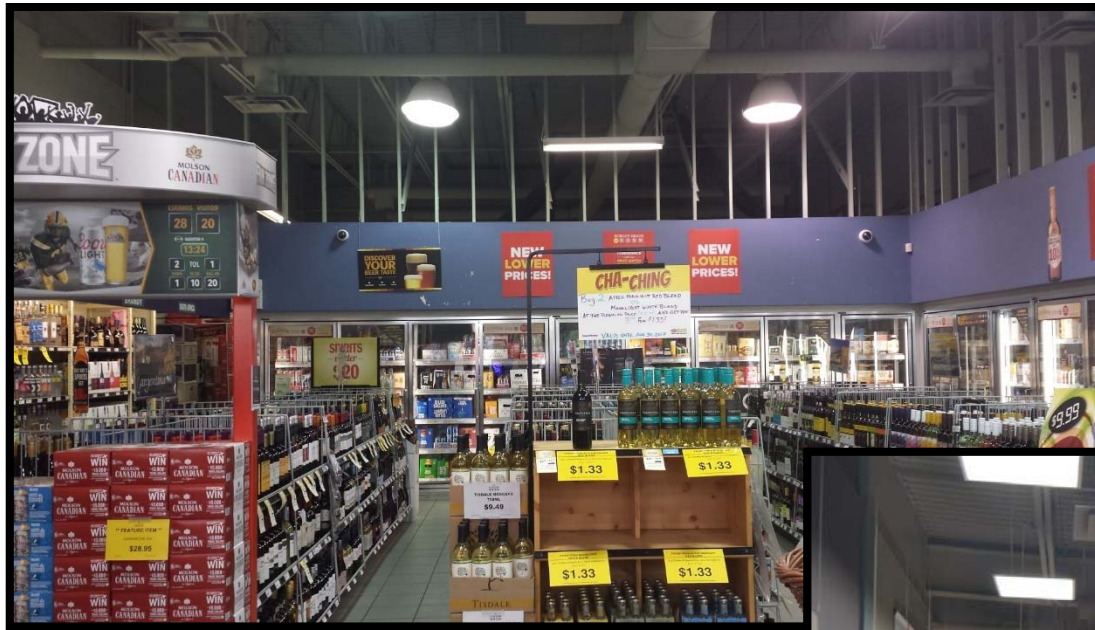
Appendix

First three Beta concept stores opened in St. Albert, AB

St. Albert South



St. Albert North



St. Albert-Village Landing

