

LXR^{AND}CO

INVESTOR
PRESENTATION

March 2018



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Certain statements and information in this presentation are prospective in nature may constitute “forward-looking information” and/or forward-looking statements within the meaning of applicable securities legislation (collectively, “forward-looking information”). All information contained herein, other than statements of current and historical fact, is forward-looking information.

Generally, but not always, forward-looking information can be identified by the use of terminology such as “outlook”, “objective”, “may”, “could”, “would”, “will”, “expect”, “intend”, “estimate”, “forecasts”, “project”, “seek”, “anticipate”, “believes”, “should”, “plans” or “continue”, or similar expressions suggesting future outcomes or events and the negative of any of these terms. All of the forward-looking information herein is qualified by this cautionary statement.

With respect to the forward-looking information included in this presentation, management has made certain assumptions with respect to, among other things, the Company’s ability to meet its future objectives and strategies, the Company’s ability to achieve its future projects and plans and that such projects and plans will proceed as anticipated, the expected growth of the Company’s e-Commerce revenue, the expected number and timing of store openings in North America and internationally, entering into new and/or expanded retail partnerships in North America and internationally, the Company’s ability to source products, the Company’s competitive position in the vintage luxury industry, and beliefs and intentions regarding the ownership of material trademarks and domain names used in connection with the marketing, distribution and sale of the Company’s products as well as assumptions concerning general economic and market growth rates, currency exchange and interest rates, competitive intensity, the Company’s ability to grow as a public company, statements regarding the Company’s intended use of proceeds from the Offering, the closing of the Offering and timing thereof, as well as other statements with respect to management’s beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, outlook, circumstances, performance or expectations that are not historical facts.

Forward-looking information is not, and cannot be, a guarantee of future results or events. Forward-looking information reflects management’s current beliefs, expectations and assumptions and is based on information currently available to management, which includes assumptions about continued revenues based on historical past performance, management’s historical experience, perception of trends and current business conditions, expected future developments and other factors which management considers appropriate. Forward-looking information, while considered reasonable by management at the date the forward-looking information is provided, inherently is subject to significant risks, uncertainties, contingencies and other factors that may cause actual events, results, performance or achievements, to be materially different from those expressed or implied by the forward-looking information. Given these risks, uncertainties and other factors, investors should not place undue reliance on forward-looking information as a prediction of actual results. Although management has attempted to list the risks that could cause actual results to differ materially from the forward-looking information contained herein, there are other factors that could cause results not to be as anticipated, estimated or intended. The forward-looking information contained herein is current as of the date of this document and, except as required under applicable law, management does not undertake to update or revise it to reflect new events or circumstances.

Estimates of Run-rate Revenue are considered forward-looking information. The purpose of disclosing this information is to show readers the financial results that management currently believes are achievable based on the Company’s growth strategies. However, there can be no assurance that the Company will be able to achieve these financial targets as set out herein. All other financial forecasts herein rely on management judgment given assumptions concerning, among other things, general economic conditions, the ability to expand the number of LXR’s retail locations in a timely manner, the ability to generate new retail relationships, that LXR will not experience material supply disruptions or the loss of key employees, the availability of funds and resources for development expenses, the Company’s ability to take advantage of business opportunities in the industry and that key customers continue to purchase consistent with their past experiences.

Non-IFRS Measures

Certain non-IFRS measures are used in this presentation as indicators of financial performance. Readers are cautioned that they are not defined performance measures under IFRS and may differ from similar computations as reported by other similar entities and, accordingly, may not be comparable to financial measures as reported by those entities.

“Adjusted EBITDA” is a non-IFRS measure that management believes is a useful measure of operating performance in that it excludes the effects of financing and investing activities from operating results by removing the effects of amortization and depreciation expense, finance costs, expenses that are not reflective of underlying business performance, and other non-cash or non-recurring expenses. Management uses Adjusted EBITDA to facilitate a comparison of its operating performance on a consistent basis from period-to-period and to provide for a more complete understanding of factors and trends affecting LXR’s business. Management defines Adjusted EBITDA as net income (loss) before amortization and depreciation expenses, finance costs and income tax expense, adjusted for the impact of certain items, including debt extinguishment costs, foreign exchange loss (gain), convertible redeemable preferred shares dividends, non-recurring gain on loss of control of a subsidiary, non-recurring gain from step combination, excess of fair value over net assets acquired, non-recurring acquisition costs and gain on expiration of warrants which management considers to be not representative of LXR’s ongoing operating performance.

“Adjusted Net Loss” is a non-IFRS measure that management believes is a useful measure of LXR’s performance, as it provides a more relevant picture of results by excluding the effects of expenses that are not reflective of underlying business performance, and other non-cash or non-recurring expenses. Management uses Adjusted Net Loss to facilitate a comparison of its performance on a consistent basis from period-to-period and to provide for a more complete understanding of factors and trends affecting LXR’s business. Management defines Adjusted Net Loss as net loss adjusted for the impact of certain items, including non-cash items such as debt extinguishment costs, foreign exchange loss (gain), convertible redeemable preferred shares dividends, non-recurring gain on loss of control of a subsidiary, non-recurring gain from a step combination, excess of fair value over net assets acquired, non-recurring acquisition costs and gain on expiration of warrants which management considers to be not representative of LXR’s ongoing operating performance, net of related tax effects.

Certain Other Matters

Except as required by applicable security laws, the Company expressly disclaims any liability for all facts, analyses projections representations and warranties, express or implied, contained in this presentation. Any graphs, tables, facts or other data demonstrating the historical performance contained in this presentation are intended only to illustrate past performance and are not necessarily indicative of the future performance of LXR.

All financial disclosure in this presentation is in Canadian dollars, unless otherwise noted. Unless otherwise stated, growth rates are expressed at an annual compounded growth rate over a given period of time (“CAGR”).

The Market for Personal Luxury Goods is Robust

Accessories account for 30% of global market and handbags are the largest category within accessories⁽¹⁾

New Personal Luxury Goods



€249 billion⁽¹⁾

Pre-Owned Personal Luxury Goods



€16 billion⁽²⁾

Luxury vintage is a fast-growing segment of the personal luxury accessories market

Our Business



Connecting Consumers with Vintage Personal Luxury Goods

Authenticity is a cornerstone of the LXR Brand

Source

Iconic pieces in good to
excellent condition

HERMÈS

LOUIS VUITTON

GUCCI

CARTIER

ROLEX

TIFFANY

DIOR

PRADA

...AMONG OTHERS

Certify

Guaranteed authenticity
and condition

Sell

Curated inventory sold through
an omni-channel sales network

SHOP-IN-SHOP RETAIL

& HYBRID STORES

E-COMMERCE

WHOLESALE

A Deep and Highly Curated Product Offering

Third-party suppliers

Well-established supplier relationships

Steady source of high quality inventory from the substantial pre-owned vintage luxury goods market in Japan

100% indemnification with full authenticity guarantee

Non-Japan suppliers

>12%⁽¹⁾

Inventory of
>30,000⁽¹⁾
Items

Average order value of

>\$905⁽¹⁾



Rigorous and Sophisticated Product Authentication

Trust is a cornerstone of the LXR brand

1. Product Check-In
In-house team matches product with purchase

2. Inspection
Rigorous physical inspection of all products

3. Photography
Recording of product detail, condition and specific wear

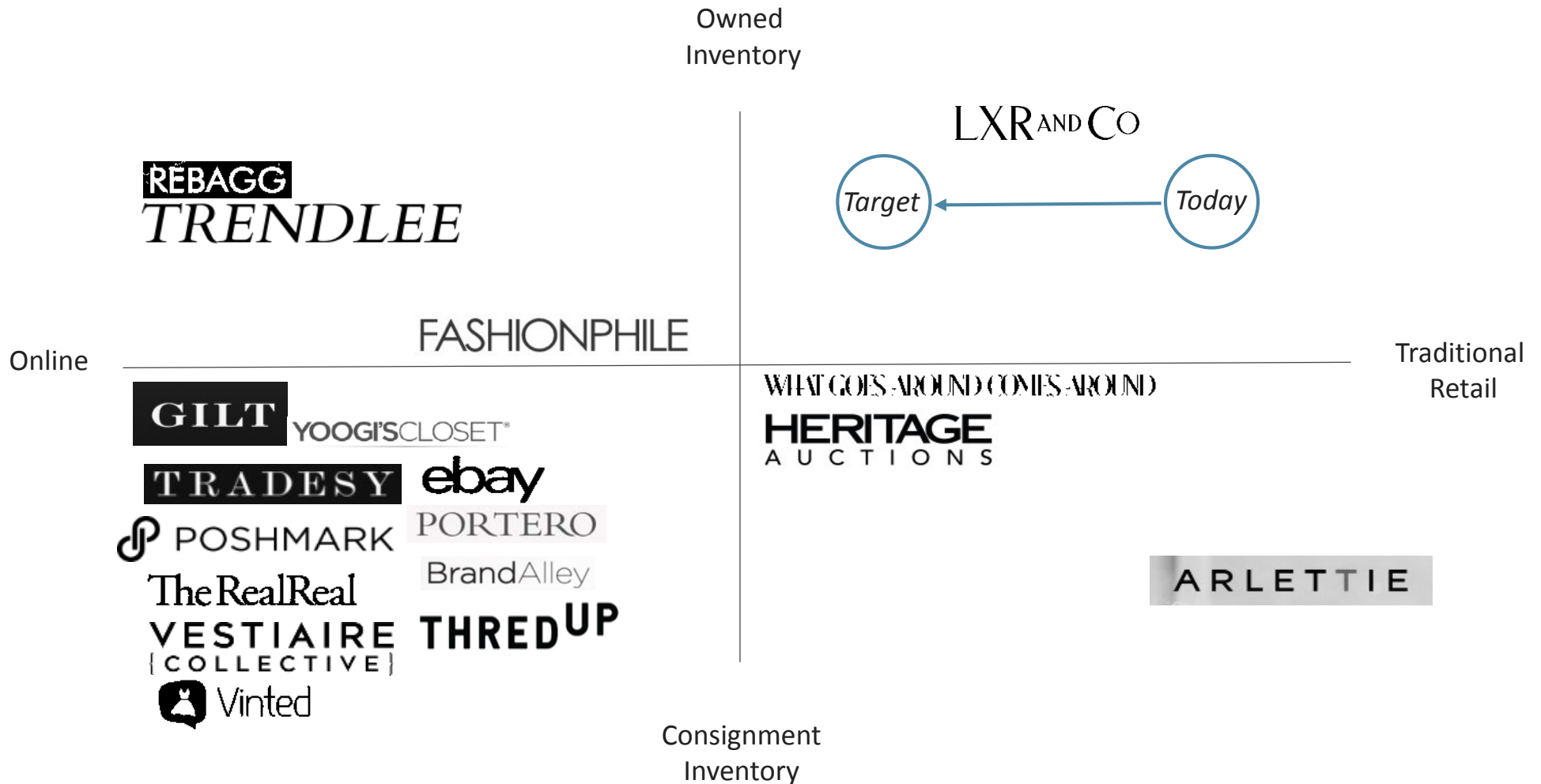
4. Database Entry
All product information is catalogued and tracked in a proprietary database

5. Final Inspection
All products are re-inspected prior to shipping



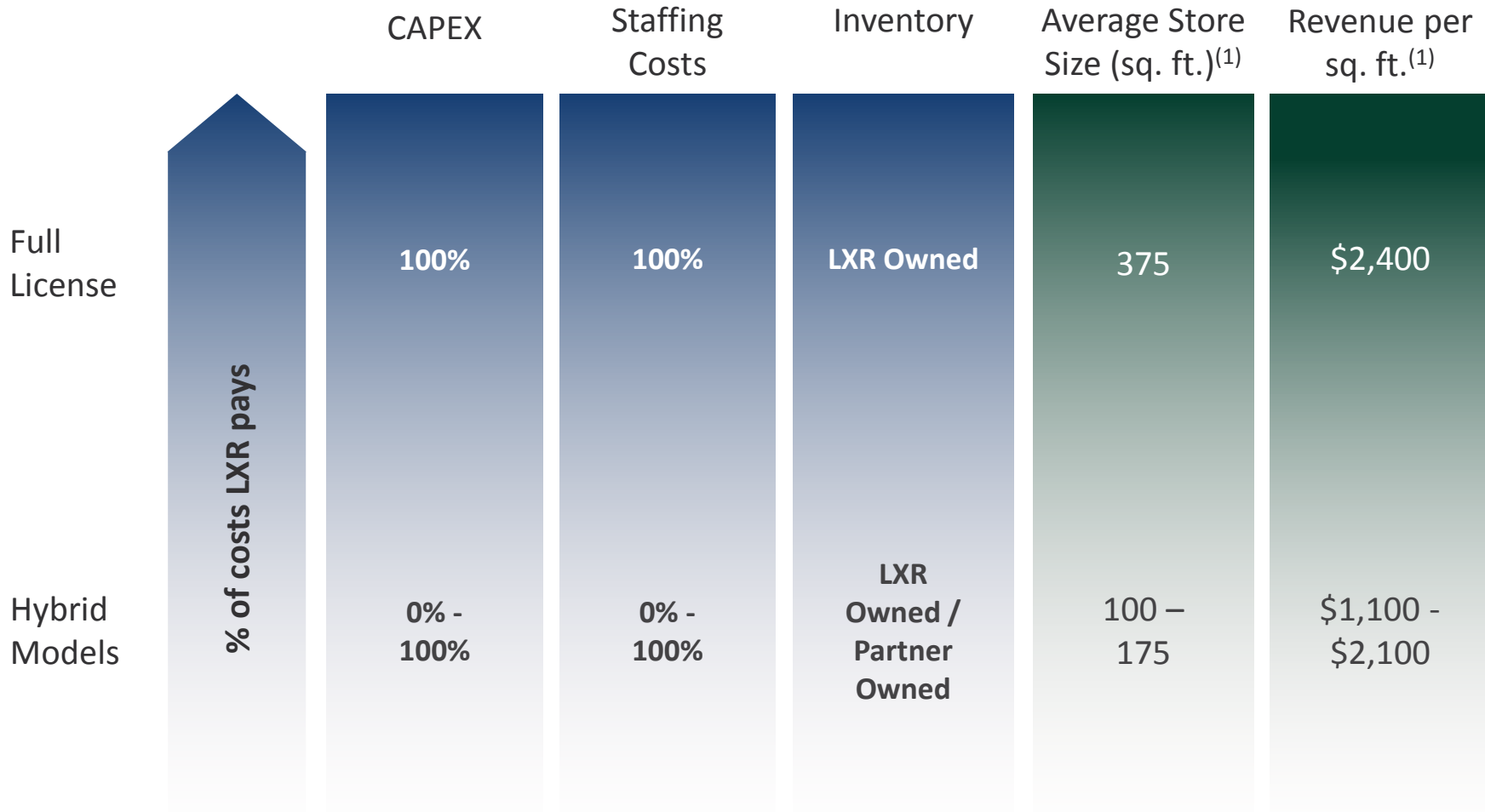
Uniquely Positioned to Lead the Market as an Omni-Channel Provider

Targeting the underserved traditional retail segment while growing e-commerce as a channel



Evolving Shop-in-Shop Retail Model

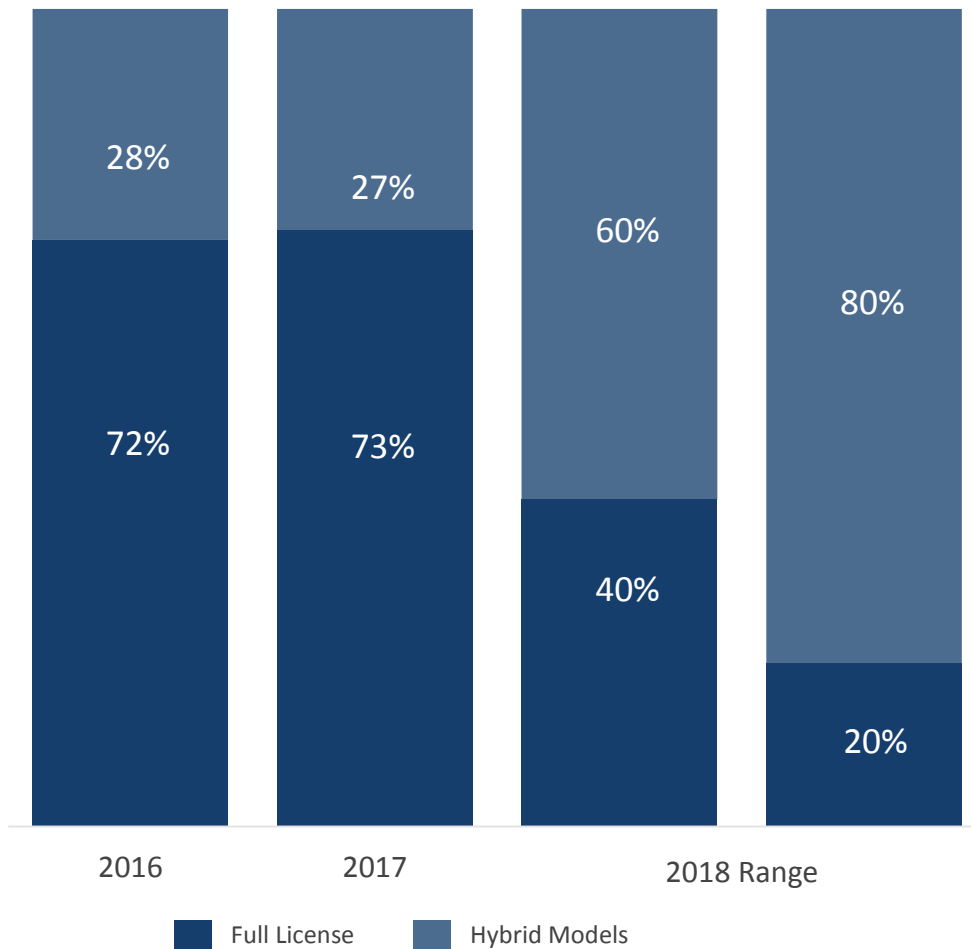
Allows for broader penetration of partner stores while maintaining above average revenue productivity



Shifting Retail Store Mix

Addressing retail partner demand

Retail Network



- New store formats responding to strong demand from retail partners
- Flexible store model allows for greater market penetration, but not at the expense of profitability
- Hybrid models help to mitigate LXR inventory risk
- Target productivity expected at between \$1,100 and \$2,400 / sq. ft. depending on the store model

Growing Retail Network

Strong momentum in store openings, geographic expansion and retail partnerships

133

STORES

6

COUNTRIES

11

PARTNERS



HUDSON'S BAY CO.



Dillard's



HOUSE OF FRASER
SINCE 1849



Stein Mart

Burlington

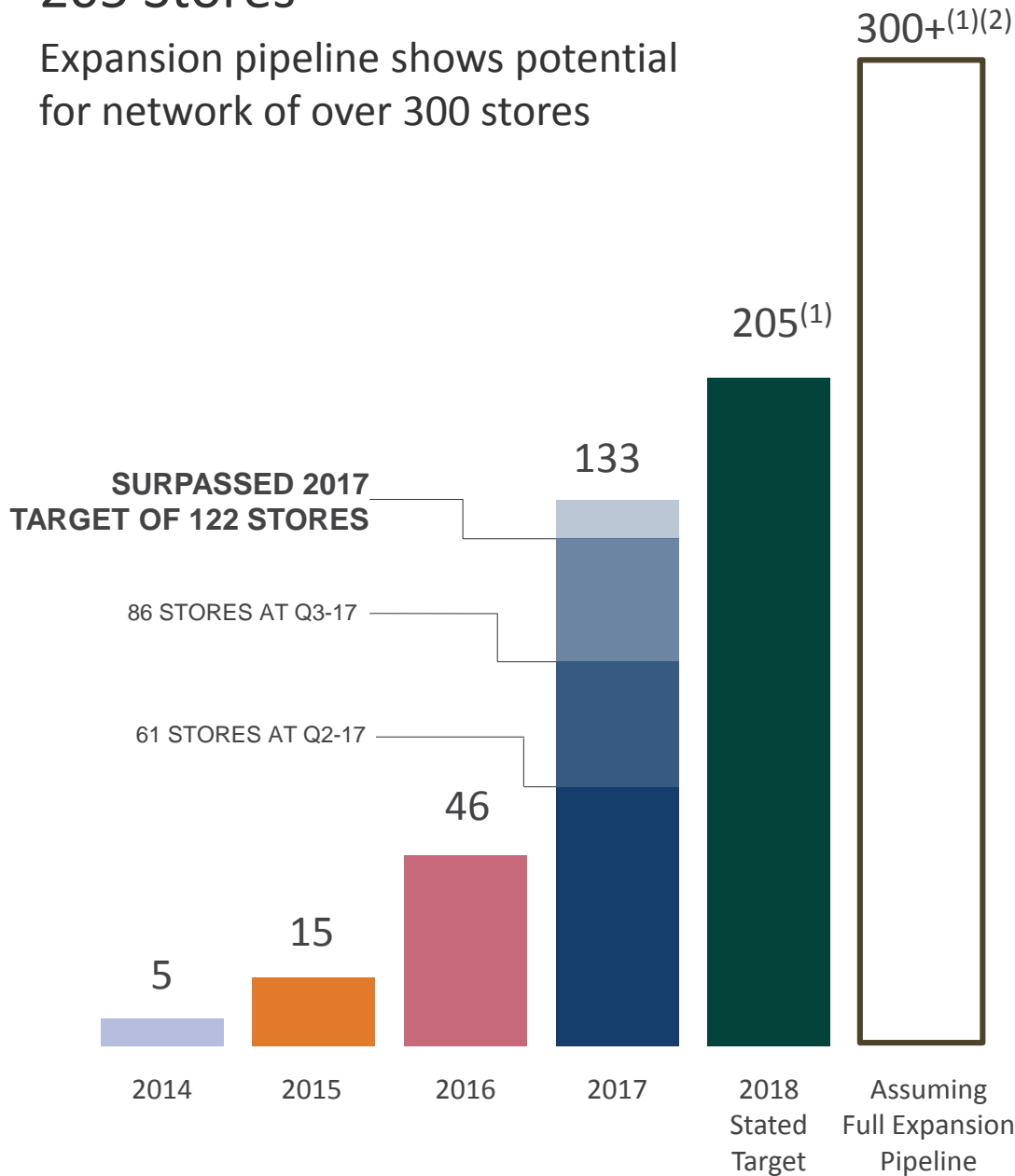
BON TON

DSW
DESIGNER SHOE WAREHOUSE



Well-positioned to Exceed 205 Stores

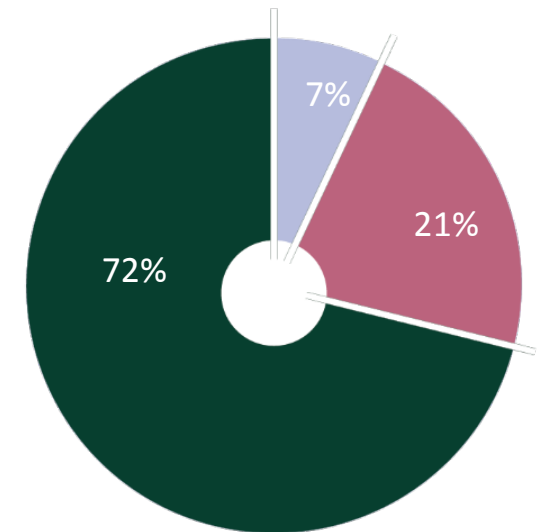
Expansion pipeline shows potential for network of over 300 stores



Increased penetration in established markets and entered into new markets in 2017

Existing Stores

- U.S.
- CANADA
- EUROPE & U.K.



Geographic focus of retail network expansion would be with new and existing retail partners, primarily in the United States.

Retail Network Milestones and Priorities

Significant growth in retail network

2017 Retail Milestones:⁽¹⁾

46

Store count
January 1, 2017

+87

Stores launched
in 2017

133

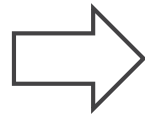
Total store
count today

205+

Targeted store
count for 2018

30⁽²⁾

Stores open 12
months or more



\$2,350⁽²⁾

Generating approximate
average revenue per sq.
ft.

69%

Increase in
revenue vs. 2016

Retail Priorities:

- Satisfy strong unmet demand from retail partners through roll-out of new stores
- Implementation of flexible store model
- Conversion of select full-license stores to hybrid model

(1) RELATES TO THE FISCAL YEAR ENDED DECEMBER 31, 2017.

(2) COMPARABLE STORES AND REVENUE PER SQUARE FOOT ARE FOR THE 12-MONTH PERIOD ENDED DECEMBER 31, 2017.

E-Commerce Milestones and Priorities

Growing retail network will continue to drive new omni-channel users

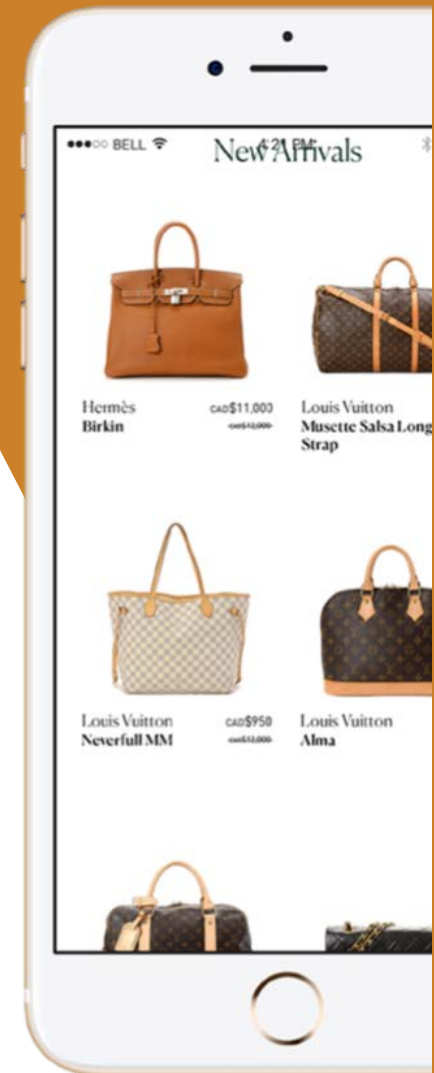
2017 E-Commerce Milestones:⁽¹⁾

~ 84% increase in online revenue in 2017 vs. 2016

6.2% of total net revenue for the three-month period ended December 31, 2017 vs. 5.2% for same period in 2016

E-Commerce Priorities:

- Increase investment in Search Engine Optimization
- Implementation of new initiatives in marketing and customer retention



Operational Priorities

Optimize Supply Economics

~88% of inventory sourced from Japan and ~12% sourced from third party suppliers and directly from consumers⁽¹⁾

Long-term target of 50% sourced from third party suppliers and 50% sourced directly from consumers

Increase the number of buying stores and enhance the consumer buying program.

Enables gross margin expansion opportunities

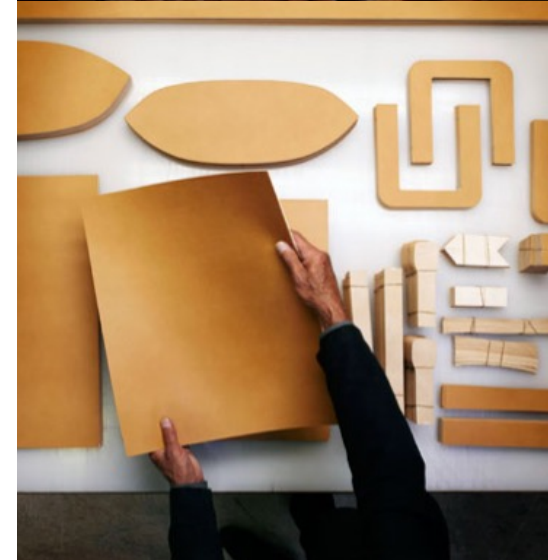
Targeted Investments in Technology & Talent

Implement integrated ERP and CRM systems

HR focus besides store operations will be on retention and adding to the senior management team

Select investment in facilities expansion

Positioning for continued growth



Aligned Management & Board with Extensive Retail Experience

Board of Directors

Cam di Prata
Executive Chair
 Founder &
 Chief Executive Officer
 Gibraltar & Company



Javier San Juan
 Managing Director
 L'Oreal Latin America



Joe Mimran
**Chair, International
 Business Development
 Committee**
 Co-Founder & Chairman
 Gibraltar & Company



Luc Mannella
 Managing Partner
 Mannella, Gauthier,
 Tamaro and Assoc.



Fred Mannella
 Founder &
 Chief Executive Officer
 LXRandCo



Steven Goldsmith
 Chief Executive Officer
 & President, Brookstone



Kei Izawa
 Co-Founder &
 Chief Operating Officer
 LXRandCo



Management

	Position	Years of Experience
Fred Mannella	Chief Executive Officer	6
Kei Izawa	Chief Operating Officer	6
Jeremy Stepak	Interim Chief Financial Officer	14
Todd Howard	EVP Global Business Development	25
Masami Inamura	Vice President, Sourcing	10
Sam Gebran	Vice President, Sales	5
Pierre-Andre Vungoc	Chief Technology Officer	10
Charlotte Parnet	Chief Marketing Officer	15
Elise Dufour	Senior Advisor, Business Development	30

Management and board ownership **>50%**



PINK TARTAN

BUFFALO
DAVID BITTON



CLUB MONACO

L'ORÉAL

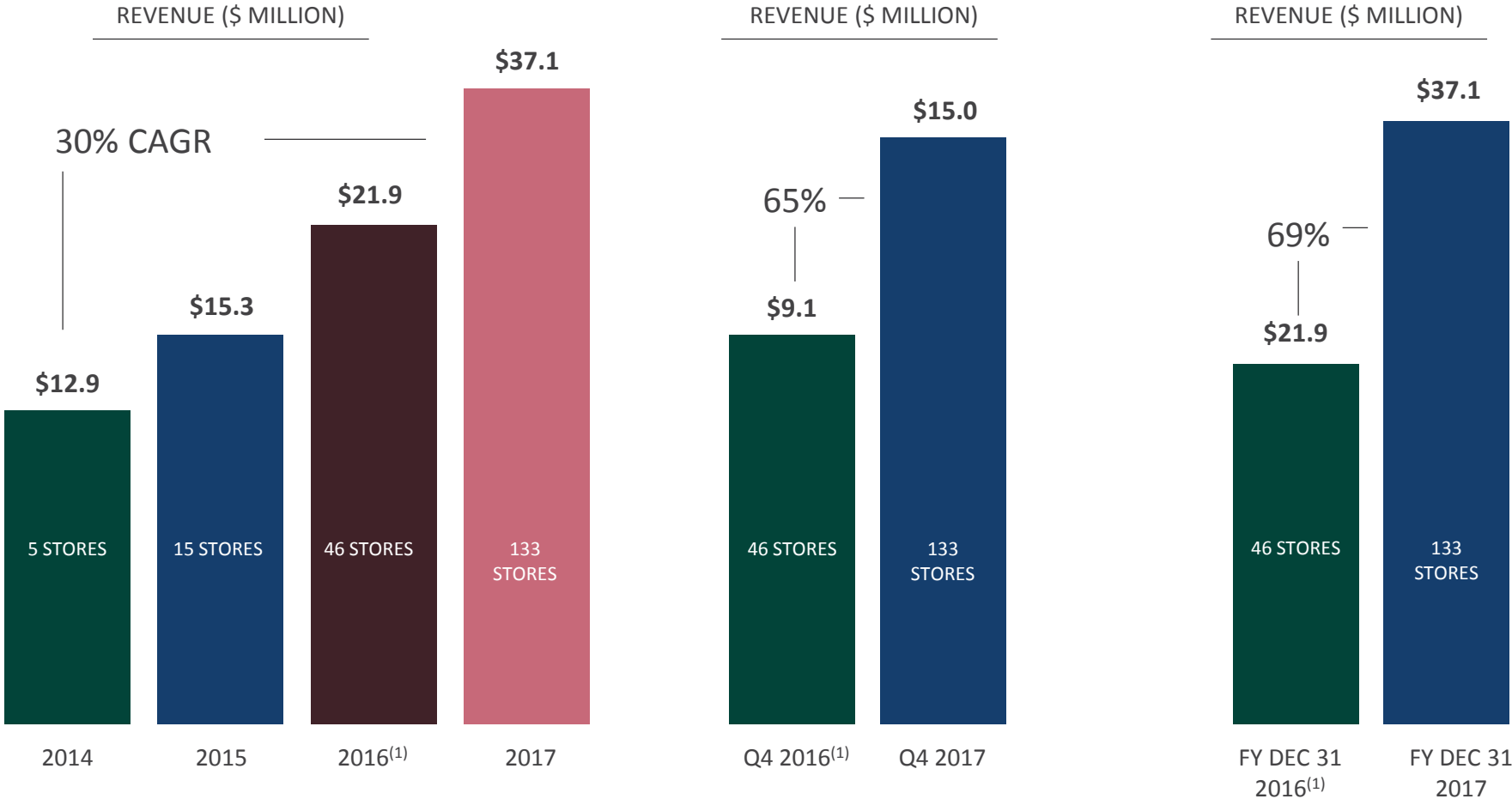


Brookstone

amazon

Strong Revenue Growth

New stores take approximately a year to reach full productivity



(1) 2016 RESULTS DO NOT INCLUDE THE REVENUE CONTRIBUTION FROM GROUP GLOBAL, LXR'S UNCONSOLIDATED SUBSIDIARY, BETWEEN JUN 11 AND DEC 31, 2016.

Q4-2017

Financial Highlights

	Q4 2017	Q4 2016	2017	2016
NEW STORES	47	17	87	31
TOTAL STORES	133	46	133	46
REVENUE	\$14,955,371	\$9,085,859	\$37,069,137	\$21,890,810
GROSS MARGIN %	24.2%	32.6%	27.9%	31.6%
ADJUSTED EBITDA¹	\$(2,345,499)	\$886,914	\$(4,054,655)	\$798,022

(1) ADJUSTED EBITDA AND ADJUSTED NET INCOME REPRESENT NON-IFRS MEASURES. SEE "DISCLAIMER" IN THIS PRESENTATION.

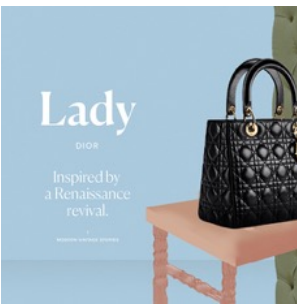
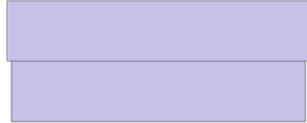
(2) GROSS PROFIT MARGIN IMPACTED BY HIGHER SOURCING COSTS IN JAPAN, AN INCREASE IN PROMOTIONAL ACTIVITY, HIGHER LICENSING FEE RATES AND SOME OTHER ONE-OFF ADJUSTMENT INCURRED IN Q4

Market Facts and Capital Structure

As of March 26, 2018

TICKER	LXR (TSX)
MARKET CAP	39.3 M
SHARES O/S	15.7 M
CURRENT PRICE	\$2.50
52-WEEK PRICE RANGE	\$2.50 – 9.90
BOARD AND MANAGEMENT OWNERSHIP	> 50%
WARRANTS – LXR.WT EXERCISE PRICE: \$11.50 EXPIRATION: JUNE 2022	10.9 M
OPTIONS OUTSTANDING	281,798
LONG-TERM DEBT ¹	\$8.2M
<u>OWNERSHIP SUMMARY:</u>	
Founders & Management	4.5 M
Gibraltar ²	2.8 M
Others	8.4 M
Total	15.7 M
% OF NON-TRADE RESTRICTED SHARES OUTSTANDING	~56%

Investing in Story-Telling to Further Our Omni-Channel Brand



Model Full License Store

House of Fraser – Guildford, England



Model Hybrid Store

Bon-Ton – Des Moines, Iowa



Investment Highlights

Well-positioned at the intersection of the high-growth personal luxury goods market and the rapid emergence of the re-use economy

Differentiated omni-channel strategy anchored by favourable shop-in-shop model

Attractive and well-received value proposition for retail partners

Capital-efficient retail network expansion strategy

Significantly under-penetrated e-commerce opportunity

Hands-on board of directors composed of successful retail business builders and marketing and branding experts with extensive industry relationships



LXR AND CO