



LXR ANNOUNCES STRATEGIC REVIEW PROCESS FOR NEXT PHASE OF DEVELOPMENT AND GROWTH

Montreal, October 20, 2022 – LXRandCo, Inc. (**LXR** or the **Company**) (TSX: LXR), today announced that it is undertaking a strategic review process to assess the best course of action for the Company's next phase of development and growth. The Company has retained Stifel Nicolaus Canada, Inc. (**Stifel GMP**) as exclusive financial advisor to help assess and more fully explore the strategic alternatives available to it, which may include the possibility of raising growth capital, a sale or merger of the Company or an acquisition by the Company.

Since the onset of the COVID-19 pandemic in March 2020, the Company's transformation to a digital first strategy has been successful. Total revenue in 2021 increased to \$18.0 million, an increase of 31% from \$13.8 million in 2020, and our latest twelve months trailing total revenue as at September 30, 2022 was \$21.2 million. Year-to-date e-commerce revenue now represents 60% of total revenue (as compared to under 10% in 2019), gross margin (see **Non-GAAP and Other Financial Measures Disclosure** below) increased to 36% from pre-pandemic levels of 32%, and the Company's annual SG&A expenses have been materially reduced from over \$19.2 million in 2019 to a current level of \$9.5 million thus positioning the Company on a path to future profitability.

As the transformation progressed, the Company considered and explored several opportunities of a strategic nature, some of which were unsolicited. In light of this, together with the successful repositioning of the Company and the growing trend of consolidation within the resale sector, the Company feels it is appropriate at this time to more formally assess its alternatives for growth and to embark on a strategic review. However, there can be no assurance that the strategic review process will result in any transaction or other alternative nor any assurance as to its outcome or timing. The Company has not set a timetable for completion of the review process and does not intend to periodically or otherwise disclose developments related to the process unless it determines that such disclosure is necessary or appropriate.

Given the above, the Company will cease reporting revenue on a monthly basis and revert to its quarterly reporting cycle. The Company's financial results for the third quarter 2022 will be available on November 11, 2022.

In addition, the Company has retained Renmark Financial Communications Inc. (**Renmark Financial**) to assist with investor relations activities.

About LXR

LXRandCo is a socially responsible, digital-first omni-channel retailer of authenticated pre-owned luxury handbags and personal accessories. Since 2010, we have been providing consumers with authenticated branded luxury products by promoting their reuse and providing an environmentally responsible way for consumers to purchase luxury products. We achieve this through our digital-first strategy by selling directly to consumers through our website at www.lxrco.com and indirectly, by powering the e-commerce and other platforms of key channel partners. Our omni-channel model is also supported by retail 'shop-in-shop' experience centers and by wholesale activities with select retail partners across North America.

About Renmark Financial

Founded in 1999, Renmark Financial is one of North America's leading retail investor relations firms. Employing a strategic and comprehensive mix of exposure tactics, Renmark Financial hosts virtual non-deal roadshows as well as in-person corporate presentations and maintains daily communications with thousands of brokers and money managers across Canada and the United States. Renmark Financial empowers its publicly-traded clientele to maximize their visibility within the financial community and strengthen their investor audience messaging.

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Caution Regarding Forward-Looking Statements

Certain statements in this press release are prospective in nature and constitute forward-looking information or forward-looking statements within the meaning of applicable securities laws (collectively, "forward-looking statements"). Forward-looking statements generally, but not always, can be identified by the use of forward-looking 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. Forward-looking statements in this news release include, but are not limited to, statements concerning future objectives and strategies to achieve those objectives, including, without limitation, the Company's strategic review process and the types of strategic alternatives to be considered, 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 statements reflect management's current beliefs, expectations and assumptions and are 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, including the Company's capacity to secure additional financing, Company's ability to identify timely and reasonable strategic alternatives and other factors which management considers appropriate. With respect to the forward-looking statements included in this press release, 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, and the Company's ability to identify and undertake strategic alternatives for its next phase of growth as well as assumptions concerning general economic and market growth rates, currency exchange and interest rates and competitive intensity, notably in the context of the current COVID-19 outbreak.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the future circumstances, outcomes or results anticipated or implied by such forward-looking statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur.

All forward-looking statements included in and incorporated into this press release are qualified by these cautionary statements. Unless otherwise indicated, the forward-looking statements contained herein are made as of the date of this press release, and except as required by applicable law, the Company does not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Readers are cautioned that the actual results achieved will vary from the information provided herein and that such variations may be material. Consequently, there are no representations by LXR that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements.

Non-GAAP and Other Financial Measures Disclosure

This news release includes Gross Margin as a supplemental indicator of the Company's operating performance. This non-GAAP financial measure is provided to enhance the user's understanding of our historical and current financial performance. Readers are cautioned that Gross Margin should not be construed as an alternative measure to other measures as determined in accordance with GAAP, or as an indicator of the Company's financial performance or a measure of liquidity and cash flows.

"Gross Margin" means total net revenue less the cost of goods sold. Gross Margin is not an earnings measure recognized by GAAP and does not have a standardized meaning prescribed by GAAP; accordingly, Gross Margin may not be comparable to similar measures presented by other issuers. Management believes Gross Margin is a useful measure of profitability before considering operating and other expenses and can be used to assess the Company's ability to generate positive net earnings and cash flows.