



LQR HOUSE

# The Digital Face of the Alcohol Space

Disrupting the \$1.5 Trillion Dollar Alcohol Industry

 Nasdaq: LQR

August 2023





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# Risk Factors

Our Chief Executive Officer, Sean Dollinger, has been the subject of a compliance review that was initiated by the British Columbia Securities Commission, and has not formally been concluded, in connection with the sale of a subsidiary by Namaste Technologies Inc. when Mr. Dollinger was the Chief Executive Officer there, and if the British Columbia Securities Commission or any other regulatory authority takes additional action against Mr. Dollinger, our business could be materially adversely affected.

We have a limited operating history, which may make it difficult to evaluate our business and prospects.

Our business, revenue, and operations depend on our continuing relationship with Country Wine & Spirits Inc. and Squared Spirits LLC.

The Company may need to raise additional capital to support its operations.

The Company may incur significant losses, and there can be no assurance that the Company will ever become a profitable business.

The Company's future revenue and operating results are unpredictable and may fluctuate significantly.

If demand for our products and services does not develop as expected our projected revenues and profits will be affected.

If we fail to acquire and retain new customers, or fail to do so in a cost-effective manner, we may be unable to increase net revenues, improve margins and achieve profitability.

We rely on a limited number of suppliers, or, in some cases, a sole supplier, and may not be able to find replacements or immediately transition to alternative suppliers.

Reduced consumer demand for alcoholic beverages could harm our business.

The success of our business relies heavily on brand image, reputation, and product quality.

Changes in consumer spending could have a negative impact on our financial condition and business results.

Adverse public opinion about alcohol may harm our business.

Increased regulatory costs or taxes would harm our financial performance.

Changes in the prices of supplies and raw materials could have a materially adverse effect on our business.

We are subject to risks associated with payments to us from our customers and other third parties, including risks associated with fraud.

We may not be able to fully exploit newly acquired brands.

We operate in highly competitive industries, and competitive pressures could have a material adverse effect on our business.

We are dependent on the continued services and performance of our senior management and other key employees, the loss of any of whom could adversely affect our business, operating results and financial condition.

We may not be able to manage future growth effectively.

If the Company fails to develop or protect its intellectual property adequately, the Company's business could suffer. The Company's products, services or processes could be subject to claims of infringement of the intellectual property of others.

We are exposed to fluctuations in currency exchange rates that could negatively impact our financial results and cash flows.

A failure or breach of our security systems or infrastructure as a result of cyberattacks could disrupt our business, result in the disclosure or misuse of confidential or proprietary information, damage our reputation, increase our costs and cause losses.

Current market conditions and recessionary pressures in one or more of the Company's markets could impact the Company's ability to grow its business.

We will face growing regulatory and compliance requirements which can be costly and time consuming.

Our business could be negatively impacted by changes in the U.S. political environment.

Failure to comply with data privacy and security laws and regulations could adversely affect our operating results and business.

Our business depends on our customers' continued and unimpeded access to the Internet and the development and maintenance of Internet infrastructure. Internet access providers may be able to block, degrade or charge for access to certain of our services, which could lead to additional expenses and the loss of customers.

Our business could be affected by new governmental regulations regarding the Internet.

The requirements of being a public company may strain our resources.

If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired.

Our management team has limited experience managing a public company.

Industry and other market data used in this "Risk Factors" exhibit and elsewhere in the Investor Package or in periodic reports that we may in the future file with the SEC, including those undertaken by us or our engaged consultants, may not prove to be representative of current and future market conditions or future results.

Government regulation of the Internet, e-commerce and other aspects of our business is evolving, and we may experience unfavorable changes in or failure to comply with existing or future regulations and laws.

Changes in laws and government regulations to which we are currently subject, including changes to the method or approach of enforcement of these government rules and regulations, may increase our costs or limit our ability to sell or market our alcohol brands and the brands of our clients into certain markets, which could materially and adversely affect our business, results of operations and financial condition.

There is no current trading market for our securities, and if a trading market does not develop, purchasers of our securities may have difficulty selling their shares.

Even if a market develops for shares of our Class B Common Stock, our shares may be thinly traded with wide share price fluctuations, low share prices and minimal liquidity.

Although a minimum offering amount is required, there will be multiple closings in the offering which will increase the risk that investors, especially earlier investors, could lose their entire investment.

Affiliates of our company and the placement agent, including directors and existing shareholders of our company, may invest in this offering and their funds will be counted toward our achievement of the minimum amount.

There is no guarantee that we will ever complete future private or public offerings of the Company's common stock or other Company securities, and we may never raise capital sufficient to execute our business plan.

Investing in private placements like this offering involves significant risks not present in investments in public offerings.

We have broad discretion as to the use of the net proceeds from this offering and our use of the offering proceeds may not yield a favorable return on your investment. Additionally, we may use these proceeds in ways with which you may not agree or in the most effective way.

We have never paid cash dividends on our stock and do not intend to pay dividends for the foreseeable future.

Raising additional capital may cause dilution to our stockholders, including purchasers of common stock in this offering or restrict our operations.

We may issue additional debt and equity securities, which are senior to our common stock as to distributions and in liquidation, which could materially adversely affect the market price of our common stock.

Enforcing legal liability against our directors and senior management might be difficult.

There has been no independent valuation of our common stock, which means that our common stock may be worth less than the offering price in the offering.

Our dual class voting structure has the effect of concentrating the voting control to holders of our Class A Common Stock, which will limit or preclude your ability to influence corporate matters, and your interests may conflict with the interests of these shareholders. It may also adversely affect the trading market for our Class B Common Stock due to exclusion from certain stock market indices.

The Company's ability to import SWOL Tequila may be suspended at any time by the Mexican authorities and until registration of the Company's Mexican agreements is complete, the Company will not be able to enforce its authorization to use the denomination of origin "TEQUILA" applied in their products branded under the SWOL trademark against third parties in Mexico.

# Offering Summary

<b>Issuer:</b>	LQR House Inc. ("LQR HOUSE")
<b>Proposed Listing Symbol</b>	Nasdaq Capital Market: LQR
<b>Offering Type</b>	Initial Public Offering
<b>Securities Offered</b>	1,000,000 Shares of Common Stock (or 1,150,000 shares if the underwriters exercise the over-allotment option in full)
<b>Offering Size</b>	Approximately \$4.0 - \$6.0 million (Excluding 15% Over-Allotment Option)
<b>Price Range</b>	\$4.00 - \$6.00 per share of common stock
<b>Use of Proceeds:</b>	<ul style="list-style-type: none"><li>• 66.7% of the net proceeds for acquisitions of alcoholic beverage brands</li><li>• 20% of the net proceeds to invest in marketing of existing brands, including SWOL;</li><li>• 10% of the net proceeds for working capital and general corporate purposes; and</li><li>• 3.3% of the net proceeds to compensate certain executive officers</li></ul>
<b>Expected Pricing Date</b>	August 9th, 2023
<b>Underwriter</b>	EF Hutton, division of Benchmark Investments, LLC



LQR HOUSE

LQR House Inc., intends to become the full-service digital marketing and brand development face of the alcoholic beverage space.

To date, our primary business includes the development of premium, limited batch spirit brands, establishing an exclusive wine club, and marketing internal and external brands through [www.cwspirits.com](http://www.cwspirits.com) (the “CWS Platform”).



## E-Commerce

- ▶ Exclusive spirit marketing and promotion rights on the CWS Platform
- ▶ Partnership with Country Wine & Spirits (“CWS”), provider of import, fulfillment, and distribution services



## Products

- ▶ Proprietary in house specialty brands
- ▶ Pipeline of additional brand investment and acquisition opportunities



## Marketing

- ▶ Exclusive licensing agreement
- ▶ Ecommerce + branding expertise
- ▶ Extensive influencer & consumer network



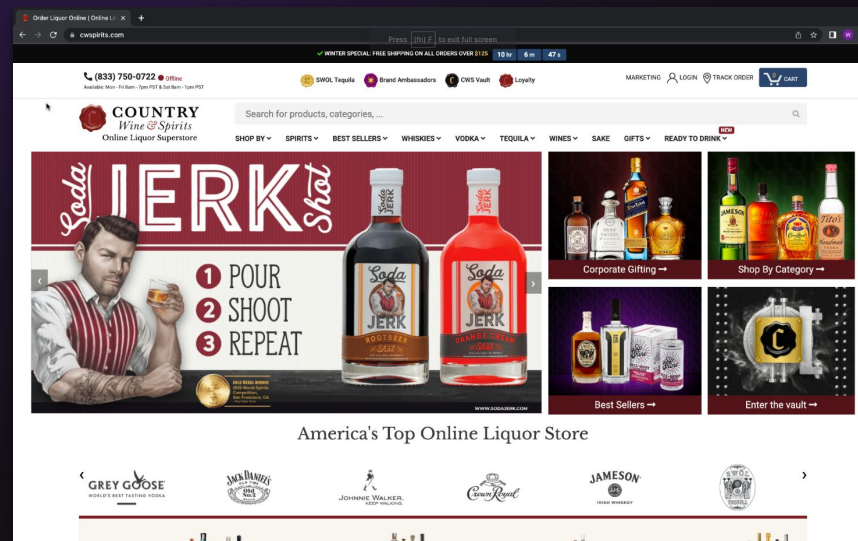
# The CWS Platform: Innovation Powered & Efficient



E-Commerce

The CWS Platform is one of the largest online retailers of liquor in the United States, located at [www.cwspirits.com](http://www.cwspirits.com).

- ▶ Curated assortment of the most popular SKUs
- ▶ Premium allocations
- ▶ **VAULT Program**
- ▶ Impressive return customer rate



# The CWS Ecosystem



## LQR HOUSE

- ▶ Contracted to control design, organic and paid marketing on cwspirits.com
- ▶ Owns proprietary influencer network to build brands and sell products through the CWS Platform



### SSQUARED

- ▶ Owns 100% of the cwspirits.com domain
- ▶ Operates the CWS Platform on a day-to-day basis

### Country Wine & Spirits Inc.

- ▶ Provides import and fulfillment services for all products sold on the CWS Platform

# The LQR House Revenue Model



## Marketing Contracts

LQR House is paid for marketing and advertising services. These contracts give brands access to:

- Wide network of niche influencers for content creation and awareness campaigns
- Ad space on cwspirits.com
- Email marketing
- SMS marketing



## VAULT Subscriptions

Vault is a paid subscription service offered by LQR House on cwspirits.com that gives users access to additional services otherwise unavailable or available at a premium price.

- 50% of monthly subscription fee is paid to LQR House, while 50% goes to Country Wine & Spirits



## Wine Club

LQR House will own 100% of Soleil Vino - the exclusive wine club for the cwspirits.com platform.

- LQR House will be entitled to 100% of Soleil Vino subscription fees



## Brand Development & Investing

LQR House creates and invests in brands that are then sold on the CWS platform and marketed to its dedicated customer base.

- LQR House receives 100% of SWOL Tequila sales





E-Commerce

# Marketing on the CWS Platform

## Exclusive Marketing Agreement w/ CWS to Sell Marketing Space on the Website

This marketing agreement allows LQR House to offer alcohol brands a one-of-a-kind marketing solution in tiered packages that position alcohol brands in front of the right customers.

LQR House receives 100% of the revenue from its marketing contracts to provide its marketing services.

Our partner, CWS, generates the revenue from the sale of the product that we market on the platform, creating a symbiotic relationship.

**LQR House is paid by brands for its proprietary marketing services:**

- ▶ Website Banners + Ads
- ▶ Email + SMS Advertising
- ▶ Design & Production
- ▶ Influencer Database
- ▶ Import & Export



E-Commerce

# VAULT: LQR House's Exclusive Membership Program for CWS Customers



## Subscription Details:

- ▶ **Recurring Payments of \$29.95/Month**
  - ▶ **3 Month Start Up Commitment**
  - ▶ **LQR House earns 50% of Revenue from Vault Subscriptions**
- ▶ 10% off sitewide
  - ▶ FREE (2-5 business days) ground shipping on orders over \$50
  - ▶ Special offers
  - ▶ FREE mystery vault gifts
  - ▶ Limited to 3 different shipping addresses
  - ▶ Not valid for corporate orders
  - ▶ Monthly billing of \$29.95
  - ▶ Vault Membership requires a 3-month minimum start-up commitment

# Product Incubator



Products

LQR House intends to leverage its equity financing, marketing, long-standing relationships and industry expertise to incubate and grow up-and-coming brands in high growth segments of the alcohol business. We believe, that with its proprietary marketing capabilities, LQR House has the ability to build brands faster than any other alcohol platform.



## PHASE 1

### Establish Terms

LQR House establishes if the company wants to invest or get involved with a brand in the alcohol space, and uses data from CWS platform to identify if an investment in a specific category makes sense.



## PHASE 2

### Sauce Creation

If getting involved at point of conception

LQR sends team members to the source to help formulate the product.

Ex: LQR team went to Jalisco to meet with Leticia Hermosillo Ravelero to develop the unique SWOL taste.



## PHASE 3

### Brand Development

Creative team designs logo, label, and all marketing materials.

Ex: LQR Designers created 6 initial label concepts to present to the SWOL team. LQR worked with SWOL to submit patents for the peel off, sew on patch.



## PHASE 4

### Product Launch

Awareness & Influence

Once product arrives in the USA, LQR House works with CWS to bring the brand in-house so the product can go live on the CWS Platform. The LQR House team handles banner ads on the homepage & category page and email marketing to get the brand in front of CWS's dedicated customers.

LQR House sends product to the influencers in the LQR House network to create content and push sales.

Ex: SWOL #MysteryTequila viral campaign



# SWOL Tequila

SWOL Tequila is a limited-edition blend of Añejo Tequila made in exclusive batches of 10,000 bottles. LQR House's Influencer network created the viral campaign [#MysteryTequila](#) to launch the product.

- ▶ 100% of revenue attributed to LQR House.
- ▶ Production and importation agreements have been established. SWOL will continue to be produced by Leticia Hermosillo Ravelero in Jalisco, Mexico.
- ▶ Launched with viral [#MysteryTequila](#) campaign on tiktok gaining around 6.3M views in one month.
- ▶ Marketing and distribution agreement with [cwspirits.com](#)





## Products

# Soleil Vino

Soleil Vino will be a virtual wine club that offers its members unique ways to drink like a Sommelier and stay well-stocked with great wine. The club will be built on cwspirits.com.

Through cwspirits.com users will be able to sign up for this exclusive membership where they have access to sommelier-curated selections from around the world. The selection will constantly evolve to offer the most premium service online.

LQR House will be entitled to 100% of the revenue from Soleil Vino subscriptions.

## Wine Club

- ▶ Sign up on cwspirits.com - premium placement in top nav bar.
- ▶ 3 tiered membership for monthly wine box (Select [\$45/month], Classic [\$55/Month], Premier [\$75/Month])
- ▶ Exclusive access to reserve bottles





Products

# LQR House's Owned and Operated Brands with More Coming Soon

From concept to creation, the team at LQR House builds brands and puts them in front of an engaged audience through influencer marketing and the CWS Platform.



SWOL Tequila



SWOL Cristalino



SWOL Peach



Soleil Vino  
(Wine + Sommelier Club  
**COMING SOON**)



**Coming Soon**



## Marketing

# Past & Current Marketing Clients

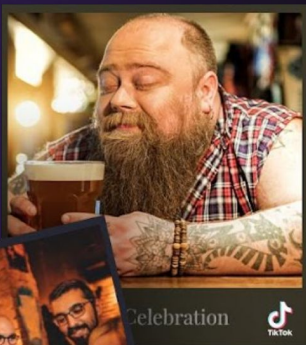
LQR House brings in monthly revenue by selling ad space and marketing on cwspirits.com. From homepage banners, to email campaigns, LQR House positions its marketing clients in front of the right customers. See slide 9 for a breakdown of LQR House marketing offerings.





Marketing

# Influencer Network Creating Viral Social Campaigns



**255+**

Influencer count in our network

**38.4+ Million**

Collective following

**559+ Million**

Collective likes

**Niche Accounts**

Bartenders, mixologists, brands

Virality

**Around 6M Views**

**#MysteryTequila**

**Around 160.5M Views**

**#Bartok**

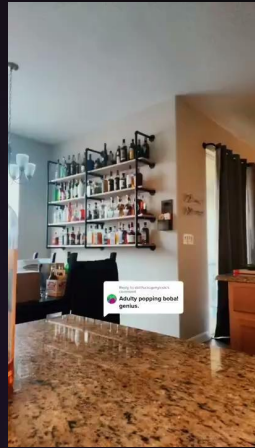
\* Data provided as of March 2023





Marketing

# Influencer Network Stats



2.1M Views • 106.1k likes  
<https://www.tiktok.com/t/ZTRWx1UPB/>



1.7M Views • 150.4k likes  
<https://www.tiktok.com/t/ZTRWxLJTJ/>



332.5K Views • 45.8k likes  
<https://www.tiktok.com/t/ZTRW9EVqJ/>



152.4K Views • 13.5k likes  
<https://www.tiktok.com/t/ZTRW9tW3/>



224.6K Views • 25.8k likes  
<https://www.tiktok.com/t/ZTRWxRRI/>



104.8K Views • 15.7k likes  
<https://www.tiktok.com/t/ZTRW9KRBk/>



25.3K Views • 4.3k likes  
<https://www.tiktok.com/t/ZTRW9XAAo/>



687.5K Views • 32.6k likes  
<https://www.tiktok.com/t/ZTRWxYAn9/>



18.7K Views • 1.3k likes  
<https://www.tiktok.com/t/ZTRW93q1Y/>



827.1k Views • 60k likes  
<https://www.tiktok.com/t/ZTRWx1bjJ/>

Past performance is not indicative of future results. Investments may be speculative, illiquid, and there is a risk of principal loss. There is no guarantee that any specific outcome will be achieved.

# Revolutionizing the Alcohol Industry



Key relationships w/ companies that have decades of experience in alcohol, finance, technology, marketing and distribution.



Positioned in high growth segments of a stable and mature industry.



Proprietary brands and pipeline of investment and acquisition opportunities.



Exclusive industry relationships to advance brands.



Innovation in branding and packaging. Every bottle of SWÖL Tequila is labelled with a sew on patch.



Clear vision and growth plans for 2023.





LQR HOUSE

# Take a Shot!

Please contact us with any questions.

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