



AlcanNA Inc.

(formerly Liquor Stores N.A. Ltd.)

REPORTS SECOND QUARTER 2018 RESULTS

EDMONTON, ALBERTA, August 10, 2018 – AlcanNA Inc. (the “Company” or “AlcanNA”) (TSX: CLIQ) today reported its results for the three and six months ended June 30, 2018.

“AlcanNA is a very different company than Liquor Stores N.A. was. We are now a growth-oriented company with a strong balance sheet to finance those growth opportunities in both our liquor and cannabis businesses. We are investing significantly in both assets and people to be in a position to achieve that growth. Our goal is value enhancement for our shareholders over the next two to three years,” stated James Burns, Vice Chair and CEO, AlcanNA Inc.

“We are excited by the opportunities in front of us to capitalize on our profitable Wine and Beyond large format liquor stores, expand our successful new Deep Discount Liquor brand, and of course enter the cannabis business on October 17th in a major way”. It is an exciting time for AlcanNA as we move away from a staid no-growth business to pursuing new opportunities in these and other areas with our strong financial position.”

“AlcanNA has invested significant resources into building a solid foundation for our new cannabis retail business since the beginning of the year. We are well positioned for legalization on October 17, 2018 in our key market of Alberta with Class A real estate, all of our key leadership roles filled, construction of sites underway where we have received development permits, and an aggressive consumer launch planned for early fall.”

“Over the first half of the year we have also been aggressively regaining lost market share in our core liquor business. The launch of our first ten discount stores, Deep Discount Liquor, has been successful with our sales in these stores increasing more than 70% over the prior year during the quarter and sales continue to build momentum.”

“We have secured several more locations to build Wine and Beyond stores in Alberta and are actively finalizing more deals. These stores average at least 4 times the revenue of a Liquor Depot and produce 5 times the EBITDA. We believe that these stores have the largest product selection in Canada and offer an unparalleled customer experience to that offered in other parts of the country.”

For the second quarter of 2018 compared to the second quarter of 2017:

- Consolidated sales were \$161.1 million versus \$162.4 million in Q2 2017 (before accounting for the decline related to the foreign exchange impact of translating our \$USD sales to \$CAD).
- Canadian same-store sales¹ were \$122.8 million versus \$123.8 million in Q2 2017.
- U.S. same-store sales¹ were \$20.1 million USD versus \$19.4 million USD in Q2 2017.
- On an adjusted basis to exclude one-time and unusual items, operating profit before amortization¹ was \$6.1 million versus \$9.0 million in Q2 2017. On an unadjusted basis, operating profit before amortization was \$1.8 million versus \$7.6 million in Q2 2017.
- On an adjusted basis to exclude one-time and unusual items, net earnings from continuing operations were \$2.0 million versus \$4.3 million in Q2 2017. On an unadjusted basis, net (loss) earnings from continuing operations was (\$1.2) million versus \$2.4 million in Q2 2017.

FINANCIAL HIGHLIGHTS

<i>(In thousands of Canadian dollars except per share amounts, unaudited)</i>	Three months ended June 30		Six months ended June 30	
	2018	2017	2018	2017
Sales	161,084	162,435	286,898	290,194
Operating profit (loss) before amortization ¹	1,786	7,574	(503)	9,075
Net (loss) earnings from continuing operations	(1,221)	2,390	(3,047)	(536)
Basic and diluted (loss) earnings per share from continuing operations	(0.04)	0.08	(0.09)	(0.02)
As adjusted ¹ :				
Operating profit before amortization	6,132	9,007	3,933	10,508
Net earnings from continuing operations	1,982	4,334	222	1,418
Basic and diluted earnings per share from continuing operations	0.05	0.15	0.01	0.05

CONFERENCE CALL

Alcanna Inc. will host an analyst and investor conference call on August 13, 2018 to discuss results for the three months ended June 30, 2018. The conference call will take place at 9:00 a.m. M.T.

To participate in the call, please dial (416) 340-2216 or toll-free (800) 273-9672. An archived recording of the conference call will be available approximately one hour after the completion of the call, by dialling: (905) 694-9451 or Toll-Free Access: (800) 408-3053. The required passcode is: 6105600.

¹ Same-store sales, operating (loss) profit before amortization, adjusting operating profit before amortization, adjusted net earnings, adjusted net earnings, and adjusted basic and diluted earnings per share are non-IFRS measures that do not have any standardized meaning prescribed by IFRS. For more information on these non-IFRS measures, see the 'Non-IFRS Financial Measures' in our Management Discussion and Analysis ("MD&A") and therefore may not be comparable to similar measures presented by other issuers for the three and six months ended June 30, 2018, which is available on the Company's website (www.alcanna.ca/investors) and on the SEDAR website (www.sedar.com).

ABOUT ALCANNA INC.

Alcanna (formerly Liquor Stores N.A. Ltd.), headquartered in Edmonton Alberta is one of the three largest private sector retailers of alcohol in North America and by far the largest private sector retailer in Canada – owning and operating 229 locations in Alberta, B.C. and Alaska. With revenues in excess of \$600 million per year, Alcanna processes over 20 million individual retail transactions of beverage alcohol.

Alcanna's innovative Wine and Beyond brand brought an entirely new concept to alcohol sales in Alberta in a large format experiential environment with over 10,000 different products to choose from, many sold only at Alcanna stores, at extremely competitive prices. Our Liquor Depot brand is ubiquitous throughout Alberta and our new Deep Discount Liquor banner has brought the lowest prices in an attractive consumer-friendly environment to Albertans. Aurora Cannabis invested \$138 million to buy a 25% stake in Alcanna in 2018.

Alcanna's common shares and convertible subordinated debentures trade on the Toronto Stock Exchange under the symbols "CLIQ" and "CLIQ.DB", respectively.

Additional information about Alcanna Inc. is available at www.sedar.com and the Company's website at www.alcanna.ca/investors.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this press release constitute forward-looking statements or information (collectively "forward-looking statements") within the meaning of the "safe harbour" provisions of applicable securities legislation. Forward-looking statements are typically identified by words such as "anticipate", "continue", "estimate", "expect", "forecast", "budget", "may", "will", "project", "could", "plan", "intend", "should", "believe", "outlook", "objective", "aim", "potential", "target", "pursue" and similar words suggesting future events or future performance. In particular, this press release contains forward-looking statements pertaining to, without limitation, the Company's strategic plan and growth strategy, retail cannabis strategy, plan to renovate existing liquor retail outlets, and regain lost market share in the liquor industry.

With respect to forward-looking statements contained in this press release, the Company has made assumptions regarding, among other things: the ability of management to execute the Company's strategic plan and growth strategy, including its capital allocation strategy and specifically its ability to enter the retail cannabis market once it is legal to do so.

Although we believe that the expectations reflected in the forward-looking statements contained in this press release, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurance that such expectations and assumptions will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking statements included in this press release, as there can be no assurance that the plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause our actual performance and financial results in future

periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things: the risk that we will be unable to execute our strategic plan and growth strategy, including the capital allocation and retail cannabis strategy, as planned without significant adverse impacts from various factors beyond our control; dependence on suppliers; potential delays or changes in plans with respect to capital expenditures and the availability of capital on acceptable terms; risks inherent in the liquor retail industry; competition for, among other things, customers, supply, capital and skilled personnel; changes in labour costs and markets; incorrect assessments of the value of acquisitions; general economic and political conditions in Canada (including Alberta), Alaska and globally; industry conditions, including changes in government regulations; fluctuations in foreign exchange or interest rates; unanticipated operating events; failure to obtain regulatory and third-party consents and approvals when required; changes in tax and other laws that affect us and our security holders; the potential failure of counterparties to honour their contractual obligations; stock market volatility; and the other factors described in our public filings (including our Annual Information Form) available at www.sedar.com. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking statements contained in this press release speak only as of the date of this press release. Except as expressly required by applicable securities legislation, we do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

For Further Information

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