

The meeting will begin shortly

Meeting Tips

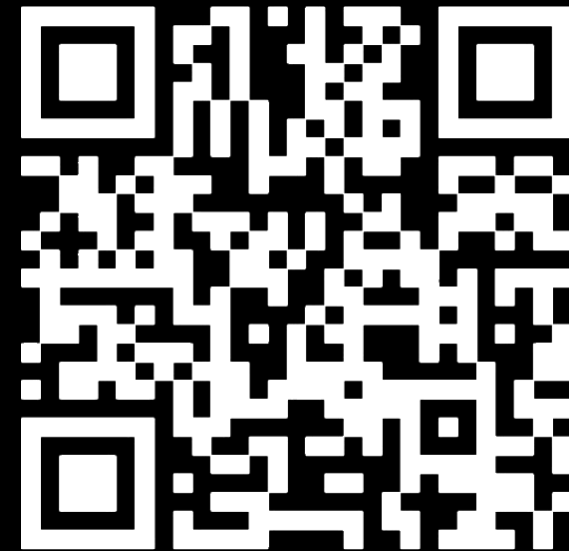
1. If you have technical issues, leave and rejoin the call.
2. You will be muted by default.
3. Using a headset or headphones is recommended.

Live Captions

1. Click the **more icon (three dots ...)** in the meeting controls at the top of the window.
2. Select **Language and speech**.
3. Select **Turn on live captions**.

Questions

Please scan the QR code below to submit any questions you may have.

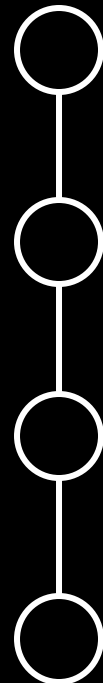


Quarterly Trade Update

May 27, 2026

LIBOR

Agenda

- 
- Opening remarks**
 - Product calls for
wholesale catalogues**
 - Future State Modernization**
 - Q&A**

Opening remarks

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LCBO

Key changes since April 1, 2026

LCBO became the wholesaler of record

LCBO wholesale customers will purchase through LCBO or through an authorized distributor who facilitates sales on LCBO's behalf (e.g. domestic producers / The Beer Store).

New wholesale pricing model

A cost-plus formula that adds taxes, mark-ups, and fees to a beverage alcohol supplier's quote.

Future State Modernization: R1B

Foundational release required to enable government directives (e.g., wholesale pricing).



New product calls for wholesale

Invitations to submit products for LCBO's wholesale catalogues.

Minimum wholesale price for wine

Represents the lowest price that wholesale customers can purchase wine from the LCBO.

LCBO

STRATEGIC PLAN 2026-2029

VISION

We are the trusted source of local and global beverage alcohol products, delivering value to Ontarians.

PRIORITIES

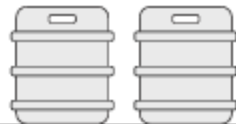


Transform and scale our wholesale business

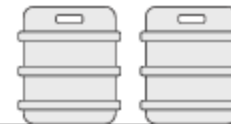
Craft the retail customer experience



Evolve our culture and organization



Modernize the foundations



VALUES



We put customers first

A safe place for all

Every action, for the good of Ontario

We celebrate authenticity

We win as one team

MISSION

To deliver remarkable, seamless experiences as a responsible wholesaler and retailer, supporting local communities and businesses.

Wholesale product calls & supporting programs

Geoff Allaire

Vice President, Wholesale

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LCBO

Sales channels

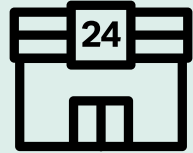


Who are our wholesale customers



Grocery

1,100+ licensed grocery stores.
Catalogues vary by license type.
Product restrictions apply.



Convenience

5,200+ licensed convenience - majority in Greater Toronto Area.
Product restrictions apply.



LCBO Convenience Outlets (LCO)

~400 LCOs located in rural areas that are not served by LCBO.



Hospitality

~18,000 bars & restaurants (~2K who shop online)
On-premise consumption.



Duty Free

16 authorized duty free operators

i The majority of wholesale customers order products via wholesale.lcbo.com

WE'RE ALL IN LCBO

Upcoming product calls for wholesale catalogue



June 01

Open call
for domestic
product



June 29

Open call for
import product



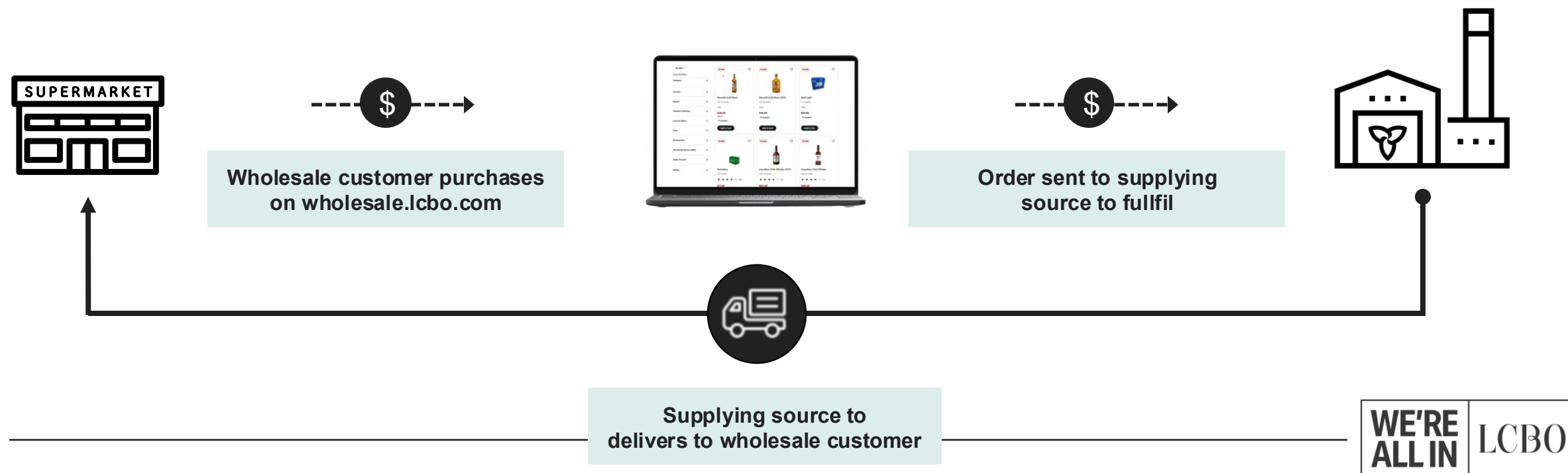
Before you consider applying, there are warehousing and/or distribution requirements and approvals which you need to be aware of.

What is a Supplying Source?

A supplying source is a licensed alcohol manufacturer or authorized agent who receives orders from LCBO and manages the fulfillment and distribution themselves, or with a third-party logistics company (3PL).

Although LCBO facilitates the sale, we do not warehouse the product. This is what is referred to as 'dropshipping' model since the product goes directly from the manufacturer's premises to the customer.

Whoever is fulfilling and delivering the product is referred to as the 'supplying source' for the product.



Overview



Non-Ontario suppliers in Canada can act as the supplying source & have the option to work with an authorized warehouse

Ontario suppliers have the option to act as a supplying source, work with a warehouse (as part of their existing AGCO licence) or work with LCBO to manage warehousing/distribution on your behalf



Suppliers outside of Canada must work with an authorized agent who will respond to product calls, work with an authorized warehouse, and participate in the Supplying Source Program.

i LCBO is both the importer and wholesaler of record.

Resources

- Pre-recorded information session
- Wholesale Supply and Delivery Procedures Manual
- Supplying source video and information
- Contacts for more information

[HOME](#) > WHOLESALE LISTINGS

Wholesale Listings

PROCEDURES & RESOURCES
PRODUCT REGISTRATION & PRODUCT CALLS +
DROPSHIPPING & SUPPLYING SOURCES
WAREHOUSING PROGRAM
WHOLESALE PRICING
OVERVIEW OF WHOLESALE CUSTOMERS

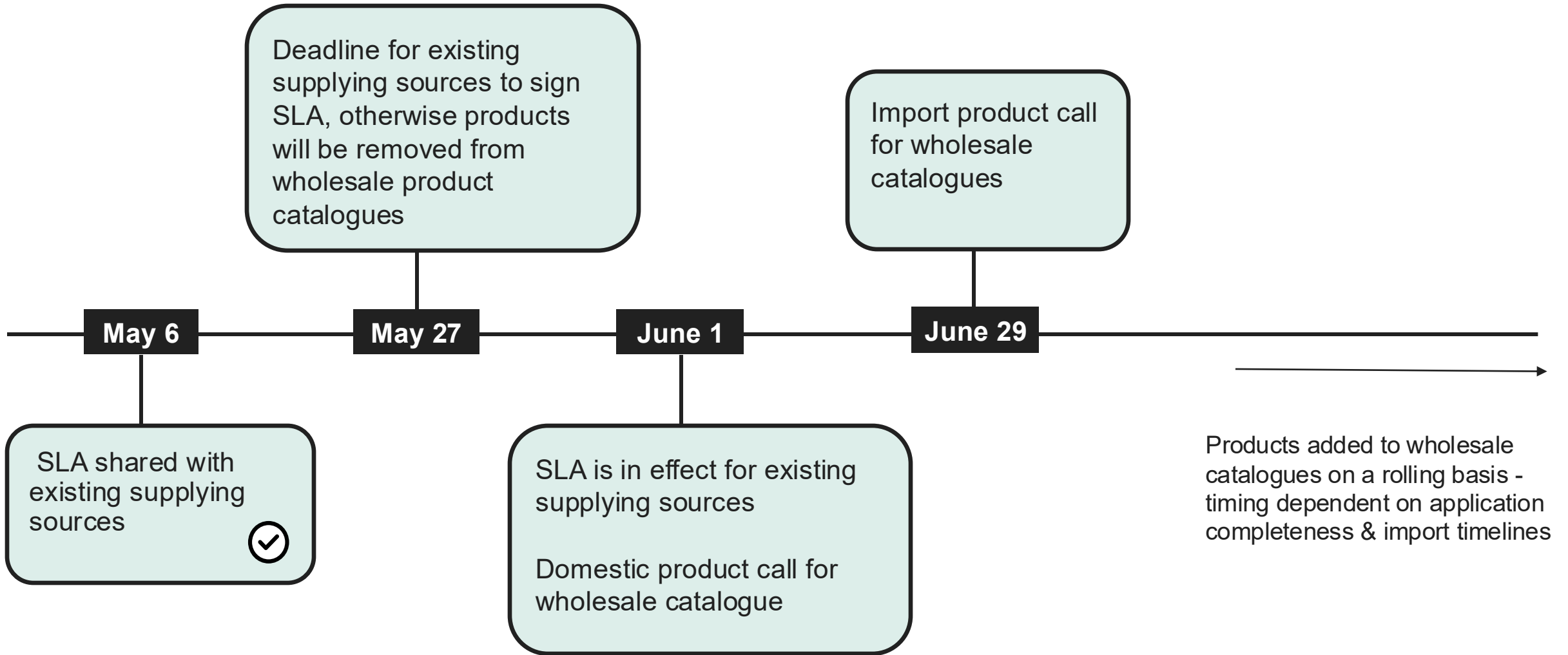


As part of the continued modernization of the beverage alcohol sector, LCBO is preparing for a more open listings process that expands opportunities for suppliers to respond to product calls for the wholesale catalogue and becoming supplying sources.

Developing a more open listing process for the wholesale sector enables suppliers to bring new products to the market in a timely manner, fosters competition, and helps to improve choice and convenience for Ontario consumers.

- On June 1, 2025, LCBO will issue a product call for domestic products. This will replace the existing call for Ontario suppliers and will be expanded to include other Canadian suppliers.

Timeline



Questions

"For import products, when does the LCBO issue the Purchase Order for products to be shipped from producer to 3PL? How is the quantity of a PO determined?"

"If we currently have a SKU listed in the wholesale catalogue with fulfilment to wholesale by LCBO, can we apply to change the supplying source to an approved 3PL?"

'Are grocers and LCOs able to order products from outside of the online ordering system (i.e. products not currently listed through LCBO)?

"How did you develop the eligibility criteria for the 3PL/warehouse?"

"What is the approval process for 3PLs? Will LCBO be sharing a list of pre-approved/authorized 3PLs?"

"With access to more catalogues, can we get a list of numbers for LCOs?"

Future State Modernization

Abhay Garg

Vice President, Merchandising

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What is Future State Modernization (FSM)?

A multi-year program to re-envision the way we operate.



Our vision is to enhance operational excellence through integrated processes, data and systems, driving improved speed to market and a streamlined employee and customer experience.

Our guiding principles are:

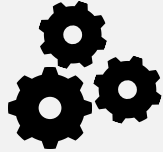
- Retail industry best practices
- Business process standardization
- Out-of-the-box functionality
- Protect our investment/evolve our investment.



Target FSM roadmap

Release	Description	Estimated go-live date
Release 1A: Workforce Management 	Standardized workforce + task management	April 2025
Release 1B: Foundational 	Centralized data, core finance, order management / transportation management	April 2026
Release 2: Marketing	Personalizing the retail customer experience with targeted offers and content	June 2026
Release 1C: Warehouse Management	Standardizing warehouse management	Begins Mid 2026
Release 3: Supply Chain Optimization	Optimizing forecasting and replenishment, and enhancing LCBO Gateway	Fall 2026 – Winter 2027
Release 4A: Integrated Business Planning	Enhancing merchandising capabilities, including space, assortment, and financial planning	Fall 2026 – Winter 2027
Release 4B: Budgeting	Upgrading existing Hyperion budgeting system to new cloud-based Hyperion solution	Winter 2027
Release 5: Store Operations	Transforming the LCBO retail store experience, including a new point-of-sale system	Winter - Summer 2027

End state program benefits



Enhanced operational efficiency

Standardized and scalable processes, informed by industry best practices and out-of-the-box functionality



Unified supply chain visibility

Improved supply chain visibility and collaboration through integrated systems

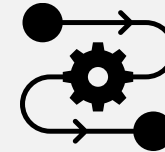


Increased speed to market

Efficiently bring products to market, quickly adapting to new policies



Enhanced employee & customer experience



Streamlined employee workflow

Simplified processes and automation of manual tasks



Optimized data management

Improved data governance and data availability for decision-making



Tailored omni-channel experience

Personalized and seamless omnichannel shopping experience

An update on R1B – Stabilization

Nick Nanos

Chief Supply Chain Officer

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LCBO

Status since April 1

-5.1%

Sales Cases
trending LOWER
than LY

91.0%

Purchase Orders
have been picked
up

92.6%

**Retail In-Stock
Position +0.8%**
HIGHER than LY

~2,600 new SKUs brought to market

Issue stabilization

Payments

Reporting

New/existing products
added to catalogues

Products descriptions / attributes

LTO / Image Invoices

Transportation

Ability to upload/download POs

Path forward

Dedicated
pages for R1B
updates

Multi-functional
team dedicated
to R1B issue
resolution

Coming this
summer:
improved in-
store solution to
facilitate
licensee sales

What can suppliers do to help?

- Ensure data sent to LCBO is accurate
- Send timely samples and submission information to avoid delays
- Adapt to new ways of working that support transformation
- Use our formal channels for information and support



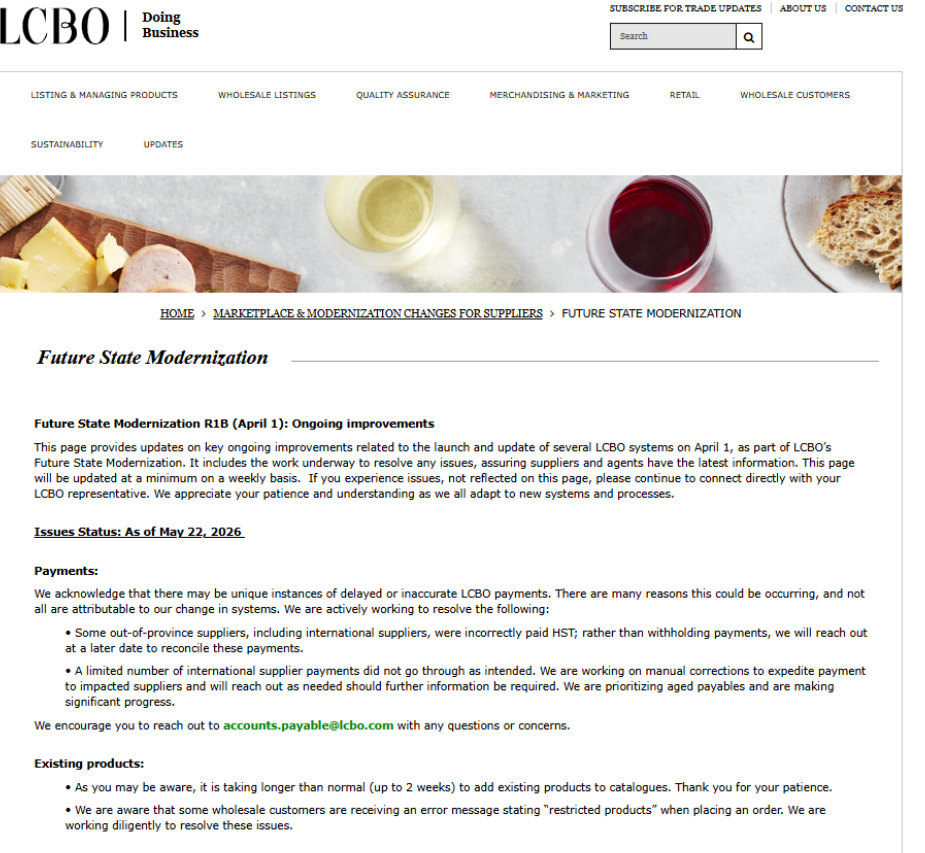
Where to go for support

Who to contact?

- Payment-related items or advices: accounts.payable@lcbo.com
- Pricing questions: pricing@lcbo.com
- General listing-related questions: merchandising.support@lcbo.com
- LCBO Gateway:
 - POs, Invoices/Payments, Access Changes, Technical Issues: Log a 'Support Request' in Gateway.
 - Access requests/MFA issues, email lcbogateway@lcbo.com
- Transportation questions: Transportation@lcbo.com

Specialty Services

- Product inquiries: psrequests@lcbo.com
- Agent inquiries: psinfo@lcbo.com
- Agent order submissions: orderrequests@lcbo.com
- Consignment invoice requests: privateorderingpicks@lcbo.com



LCBO | Doing Business

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SUSTAINABILITY | UPDATES

HOME > MARKETPLACE & MODERNIZATION CHANGES FOR SUPPLIERS > FUTURE STATE MODERNIZATION

Future State Modernization

Future State Modernization R1B (April 1): Ongoing improvements

This page provides updates on key ongoing improvements related to the launch and update of several LCBO systems on April 1, as part of LCBO's Future State Modernization. It includes the work underway to resolve any issues, assuring suppliers and agents have the latest information. This page will be updated at a minimum on a weekly basis. If you experience issues, not reflected on this page, please continue to connect directly with your LCBO representative. We appreciate your patience and understanding as we all adapt to new systems and processes.

Issues Status: As of May 22, 2026.

Payments:

We acknowledge that there may be unique instances of delayed or inaccurate LCBO payments. There are many reasons this could be occurring, and not all are attributable to our change in systems. We are actively working to resolve the following:

- Some out-of-province suppliers, including international suppliers, were incorrectly paid HST; rather than withholding payments, we will reach out at a later date to reconcile these payments.
- A limited number of international supplier payments did not go through as intended. We are working on manual corrections to expedite payment to impacted suppliers and will reach out as needed should further information be required. We are prioritizing aged payables and are making significant progress.

We encourage you to reach out to accounts.payable@lcbo.com with any questions or concerns.

Existing products:

- As you may be aware, it is taking longer than normal (up to 2 weeks) to add existing products to catalogues. Thank you for your patience.
- We are aware that some wholesale customers are receiving an error message stating "restricted products" when placing an order. We are working diligently to resolve these issues.

Dedicated page for FSM R1B updates
Quick Links > Marketplace & Modernization changes

Marketing (R2) June 2026

Abhay Garg

Vice President, Merchandising

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LCBO

Today

The same marketing messages to all retail customers (mass marketing)

No holistic 360-degree view of retail customer data

Web personalization capabilities limited to session-based search behaviour on lcbo.com

Limited Test and Learn capabilities

Fragmented customer analytics and insights including engagement, behaviour, and sales data insights managed across different tools.

Tomorrow

Relevant, personalized, and timely web and email experiences to our retail customers

360-view of the customer in one place makes it easy to create customer segmentation

Tailored campaigns based on customer segmentation to better meet customer needs, while increasing loyalty, customer engagement, and sales

Robust Test and Learn capabilities to optimize & help drive conversion



The retail customer experience (web and email)



Here's a special offer for you! Earn 100 AeroPlan® Bonus Points on your next LCBO.com purchase! [Terms and conditions apply](#). Plus, personalized recommendations and offers we think you'll love, based on your past favourites.

The screenshot shows the LCBO website interface. At the top right is the LCBO logo, a search bar with the text "What can we help you find today?", and a shopping cart icon. Below the logo is a navigation menu with links for "New Arrivals", "Products", "Holiday Gift Shop", "Collections", "Food & Drink", "Deals", and "Wholesale". The main content area features a large banner for a "We Noticed You Left Some Items Behind" promotion, showing a black LCBO shopping bag and wine glasses. A "Checkout now" button is present. Below this is a section titled "Products and Offers Just For You" with four promotional tiles: "Wines Under \$10.95", "Earn 225 Bonus Points When You Spend \$75 or More on Italian Products", "Discover Wine Deals" with a "SALE" tag, and "Earn Bonus Points on Wines". Each tile includes a "Shop now" button.



What will change & what does this mean?

Current

Trade promotional buy-ins are not targeted to customer segments



Next Year

Trade's promotional buy-ins targeted to customer segments

What does it mean for suppliers?

- Better able to target customer
- Potential to increase sell-through via LCBO-targeted emails and web experiences
- Allocate spending where it will have the best ROI
- Leverage insights to improve targeting for external media buys

Warehouse Management (R1C) Begins Mid 2026

Nick Nanos

Chief Supply Chain Officer

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LCBO

Today

Several systems and processes across six warehouses

Lack of real-time visibility, flexibility, and scalability

Manual labour management and slotting

Manual cross-dock processes

Variations in operations across inbound, outbound, and inventory control



Tomorrow

A unified warehouse management system – Manhattan Active Warehouse Management (MAWM) – across all warehouse sites, replacing disparate systems & processes

Track inventory from inbound to outbound in a single interface.

Standardized processes across all DCs to manage trailers and shipping/receiving documents (POs/ASNs).

Improved operations and efficiencies (receiving, replenishment, shipping tasks and slotting optimization).

Real-time productivity data to proactively address issues & improve overall operational productivity

What will change & what does this mean?

Current

Goods receipts are triggered at the trailer level; payments are made in weekly batches.



Update

Goods receipts are sent in near real-time at the pallet level; supplier payments continue to be made weekly.

What does it mean for suppliers?

- Greater visibility into product receivals
- Potential for minor disruption during transition (but mitigation plans will be in place)
- Shifting demand earlier to support pre-builds

Supply Chain Optimization & Integrated Business Planning (R3 & R4) Late 2026 – Early 2027

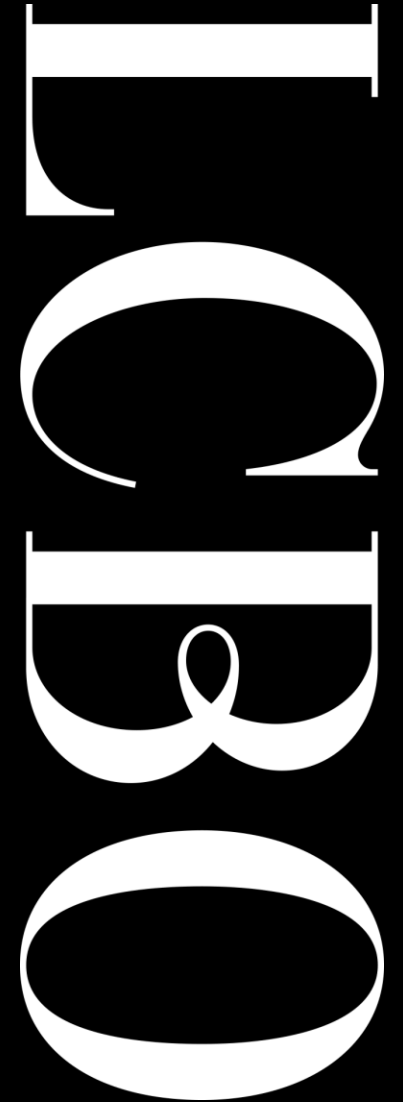
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New forecasting tools and improved CPFR process

More automated process with richer data. Transition from forecasted sales to planned buy makes production planning easier for suppliers. Opportunity to bring to more suppliers in the future.

Enhance onboarding for new vendors and agents

Simplified process via SAP Business Network which digitizes the onboarding experience and triggers invites to LCBO Gateway

Streamline indirect sourcing & contracting

Systems that support the end-to-end management of sourcing and contract management.

Streamlining the way suppliers do business via LCBO Gateway



Simplifying how you do business with LCBO

This use of the Microsoft Form to collect additional product information for newly-approved submissions will continue until this launch

Future

- + Product calls & submissions
- + Article management
- + Promotional planning

**What about assortment
& space planning?**

Today

Overall, stores have 40% discretion to list/delist products; the rest is centralized by LCBO

Store managers spend time on assortment administration

Suppliers/agents spend time soliciting listings from stores

Manual planogram creation and inconsistent application in stores

What this means

700+ LCBO employees making assortment decisions

Assortments based on data + customer feedback + intuition + assumptions

Limited ability to respond to customer demand & hard for our suppliers to predict demand

Inconsistent process and outcomes for local craft product distribution (e.g. varies by category)

Inconsistent customer experience store-to-store

This is not retail best practice

Tomorrow

Assortment and space planning decisions no longer made at the store level.

Centralized assortment and space planning model (including local craft product shelf space and product listings)

A data-based approach that determines what products go to which stores and where they are placed to have the most sales impact



Outcomes

Improve availability, efficiency, and fairness for customers, suppliers, and stores alike.

More predictable demand allowing suppliers to improve forecasting and production planning

More level playing field for smaller producers





Evolving relationship between suppliers / agents & LCBO stores

Suppliers have more capacity for:

- Staff education and tastings
- Reviewing shelf space execution
- Application of value-adds
- In-store tastings with Customers
- Focus on new private retailers

They will continue to share product distribution plans during product submission.

Store managers have more capacity for:

- Support of employees
- Customer service and sales
- Continued feedback on local assortments to ensure it reflects demand in their community.

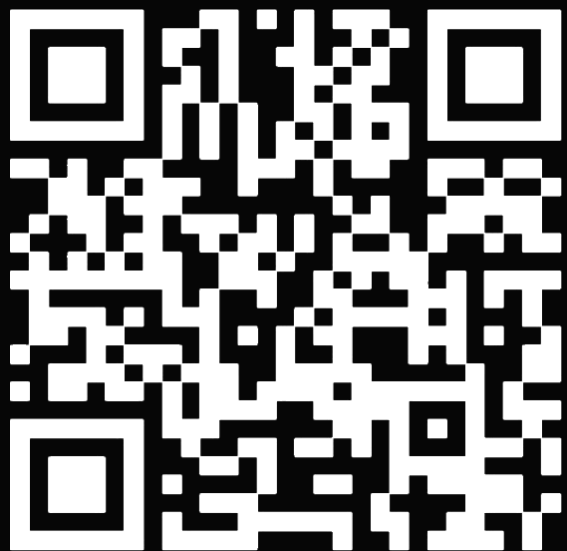
Winter - Summer 2027

Centralized inventory planning for
LCBO retail stores

Predictable demand allows you to
improve your forecasting and
production planning



Q&A



LCRBO

Thank You

**LIBER
O**