

RUM releases Q1 2021 Consolidated Financials with an 8% Increase in Average Sales per Store and 61% Increase in EBITDA

EDMONTON, May 31, 2021 – Rocky Mountain Liquor Inc. (TSX-V: **RUM**) (the “Company” or “Rocky Mountain”), listed on the TSX Venture Exchange (the “Exchange”), today reported its financial results for the quarter ended March 31, 2021.

Q1 2021 concluded having increased sales, EBITDA and gross margins, exhibiting the continued strong operational performance of the Company. Sales in Q1 have increased for the past five consecutive years. The transference of purchasing from on premise establishments to retail liquor stores as a result of restrictions in the Province has had an effect on sales in 2020 and 2021, however it is a trajectory initiated in 2017 through the Company’s re-branding strategy that allowed the Company to continue growing top line revenue while providing strong income from operations.

Notwithstanding having reduced the total stores in operation from 28 ending Q1 2020 to 26, ending Q1 2021, the first quarter of 2021 saw an increase in total sales of 1%. Additionally, the average sales per store increased 8% during Q1 2021 compared to Q1 2020. The Company continues to focus on innovative marketing strategies designed to increase our market share.

Gross margins increased to 22.3% in the quarter for 2021 versus 22.0% in 2020 mainly due to synergies obtained from our custom enterprise resource planning and our centralized replenishment management. Through the rebranding strategy, management focused on competitive pricing strategies, increasing sales and managing operational costs, resulting in the growth of EBITDA by 61% in 2021 vs 2020.

Net loss reduced by 68% to \$87,108 due to the strong operational performance of the Company as well as lower interest costs attributable to a reduction in use of the bank loan and operating facility when compared to the same quarter in 2020. This is the Company’s strongest first quarter for net loss, since 2010.

KEY OPERATING AND FINANCIAL METRICS

Key operational and financial highlights, year over year 3 month comparison:

- Sales increased to \$9.5M (2020 was \$9.4M) with 26 stores contributing to sales for the end of the period in 2021 versus 28 at the end of the period in 2020
- EBITDA increased by 61% to \$105,134 (2020 was \$65,468)
- Gross margin percentage increased to 22.3% (2020 was 22.0%)
- Net loss improved by 68% to \$87,108 (2020 was \$275,182)

To date, the COVID-19 pandemic has not had a negative impact on the Company’s results of operations, however, the Company is not immune to factors beyond its control, including without limitation; forced store closures, labour shortages, potential supply disruptions or other unforeseen circumstances. The future impact of COVID-19 is uncertain and dependent on the duration, the spread and intensity of the virus, and the administration of vaccines.

SUBSEQUENT EVENT

Subsequent to March 31, 2021, the Company renewed its financing agreement with TD. Total availability remains the same as in the previous agreement, however interest rates have decreased from prime plus 2.65% to prime plus 1.5%. The details of the new agreement can be found on page 7 of the March 31, 2021 Management Discussion and Analysis.

About Rocky Mountain

Rocky Mountain owns 100% of Andersons Liquor Inc. ("Andersons"), headquartered in Edmonton, Alberta, which now own and operate 26 private liquor stores in that province, up from 18 stores since the Common Shares began trading in December 2008. It is listed on the TSX Venture Exchange (TSX-V:RUM).

Detailed information in the form of the Company's interim consolidated financial statements and Management Discussion and Analysis are available under the Company's profile on SEDAR at www.sedar.com and also on the Company's website at www.ruminvestor.com. After accessing the website, please choose the "Investor Relations" tab to view Quarterly Reports.

Forward-Looking Statements

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements or information. Forward-looking statements and information are often, but not always, identified by the use of words such as "appear", "seek", "anticipate", "plan", "continue", "estimate", "approximate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "would" and similar expressions.

Forward-looking statements and information are provided for the purpose of providing information about the current expectations and plans of management of the Company relating to the future. Readers are cautioned that reliance on such statements and information may not be appropriate for other purposes, such as investment decisions. In particular results achieved in 2020 and previous periods might not be a certain indication of future performance, which is subject to other risks, including but not limited to changes in operational policies, changes in management, changes in strategic focus, market conditions and customer preferences, the impact from COVID-19 pandemic on our operations and third party suppliers. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks, the risks that these events may not materialize as well as those additional factors discussed in the section entitled "Risk Factors" in RUM's Management Discussion and Analysis, which can be obtained at www.sedar.com. If they do materialize, there remains a risk of non-execution for any reason. Accordingly, readers should not place undue reliance on the forward-looking statements, timelines and information contained in this news release.

The forward-looking statements and information contained in this news release are made as of the date hereof and no undertaking is given to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws or the TSX-V. The forward-looking statements or information contained in this news release are expressly qualified by this cautionary statement.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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