

## RUM's Q2 2021 Financial Results Produce Strong Operational Performance

EDMONTON, August 25, 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 three month and six month periods ending June 30, 2021.

During the first half of 2020, there was a unique increase in demand realized in our retail liquor locations as other licensed premises were ordered to close to help reduce the spread of COVID-19. As the affected businesses have reopened, we have seen the demand return to typical levels with significant organic sales growth over 2019. The results of the rebranding strategy first conceived and implemented in 2017 have continued to drive normalized sales growth. The increase in existing store sales of 11.3% and operating margin of 19.4% from 2019 demonstrates the continued growth of the company.

2020 Earnings before Interest, Taxes, Depreciation, Amortization and Rents (EBITDAR) was positively impacted by COVID-19. EBITDAR for the three month period ending Q2 2021 outperformed 2019 by 20% and the six month period of 2021 outperformed 2019 by 35%. The Company has experienced overall growth in average sales per store of 15.9% for the three month period ended 2021 over 2019 and 16.3% for the six month period ended June 2021 over 2019 as a result of its continued focus on the rebranding strategy.

Notwithstanding a reduction in stores from 2019 to 2021 of 29 to 26, net income improved from a net loss position for the three month period ended 2019 to a net income position for the same period in 2021, increasing by \$570,667 over 2019. The reduction in rent accounted for 8% of the improvement in net income in 2021 as a result of the store reductions.

The Company has focused on reducing long term debt and finance costs. Effective May 31, 2021, the Company successfully renegotiated the terms of its financing agreement with TD Bank, reducing interest rates from prime plus 2.65% to prime plus 1.5% on its bank loan and operating facility. Finance costs in 2021 reduced by \$25,830 for the three months and \$81,304 for the 6 months ended June 30, 2021 over 2020.

Detailed information in the form of the Company’s interim consolidated financial statements and Management Discussion and Analysis is available on the Company’s website at [www.ruminvestor.com](http://www.ruminvestor.com) and under the Company’s provide on SEDAR, [www.sedar.com](http://www.sedar.com).

### KEY OPERATING AND FINANCIAL METRICS

Financial highlights, June 2021, 2020 and 2019 three month comparison:

	3 Months Ended		
	Jun 2021	Jun 2020	Jun 2019
Sales	\$ 12,476,170	\$ 14,306,042	\$ 12,005,667
EBITDAR	\$ 1,131,117	\$ 1,619,086	\$ 947,479
Finance costs	\$ 79,823	\$ 105,653	349,331
Net Income (Loss)	\$ 547,443	\$ 970,689	(23,224)
# of stores	26	28	29

Financial highlights, June 2021, 2020 and 2019 six month comparison:

	6 Months Ended		
	Jun 2021	Jun 2020	Jun 2019
Sales	\$ 21,972,994	\$ 23,742,916	\$ 21,082,188
EBITDAR	\$ 1,629,876	\$ 2,110,349	\$ 1,210,488
Finance costs	\$ 152,746	\$ 234,050	\$ 684,787
Net Income (Loss)	\$ 460,334	\$ 695,507	(722,721)
# of stores	26	28	29

## 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).**

## 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 2021 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](http://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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