

RUM's Annual 2021 Financial Results

EDMONTON, April 14, 2022 – 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 year ended December 31, 2021.

Current Director, Allison Radford was invited by Scott Morrow, CEO to comment on the annual results. “The Company had a successful year in 2021. The results of the rebranding strategy first conceived and implemented in 2017 have continued to drive growth and we were able to operate all locations uninterrupted during the pandemic.” Scott added a message to Company stakeholders “I am looking forward to continuing the positive momentum of the past two years, growing the company and increasing shareholder value.”

During 2021 the Company reduced debt by a further \$1.1 million, improving the balance sheet position and reducing finance costs by 37%.

During the pandemic, liquor stores in Alberta experienced previously unprecedented levels of sales. In order to provide a meaningful operational comparison for shareholders, management has included a two-year comparison utilizing key highlights for 2019 and 2020. The Company expected reductions in sales in 2021 as compared to 2020 however it experienced an increase in sales as compared to pre-pandemic sales achieved in 2019. Key to shareholders is that management has been able to achieve an increase in net earnings to \$1,142,665 versus a net loss of \$634,773 in 2019. These 2021 net earnings also compare to the net income earned from elevated sales during the pandemic of \$1,520,605 for the year ending 2020.

For the 3-month period ending December 31, 2021 there were only slight decreases in sales revenue while experiencing improvements in net income to \$214,221 in 2021 versus \$134,317 in 2020 and \$168,551 in 2019.

A more extensive comparison of key operational highlights is included below,

Key Highlights

- Sales of existing stores (stores in operation in 2019 and 2021) have increased by 7% for the three-month period ended 2021 over 2019 and 10% for the twelve-month period ended December 2021. For the three-month period 2021 over 2020, sales of existing stores decreased 4% and 8% for the twelve-month period.
- The Company has experienced overall growth in average sales per store of 11% for the three-month period ended 2021 over 2019 and 14% for the twelve-month period ended December 2021 over 2019 as a result of its continued focus on the rebranding strategy. For the three-month period 2021 over 2020, average sales per store decreased 4% and 8% for the twelve-month period.
- The Company has focused on reducing long-term debt and finance costs. Finance costs in 2021 were reduced by \$91,998 for the three-month period over 2019 and \$718,656 for the twelve-months ended December 30, 2021, over 2019. For the three-month period 2021 over 2020, finance costs reduced by \$32,813 and \$149,009 for the twelve-month period.
- Notwithstanding a reduction in stores from 2019 to 2021 of 29 to 26, net income improved from a net loss position for the twelve-month period ended 2019 to a net income position in 2021, increasing by \$1,777,438 over 2019. For the twelve-month period 2021 over 2020, net income reduced \$377,940.

KEY OPERATING AND FINANCIAL METRICS

Financial highlights, December 2021, 2020 and 2019 three-month comparison:

3 months ended			
	Dec 2021	Dec 2020	Dec 2019
Sales	\$ 11,037,322	\$ 11,475,489	\$ 11,103,630
Sales of Existing Stores ⁽¹⁾	\$ 11,037,322	\$ 11,475,489	\$ 10,276,067
Gross Margin	21.6%	21.5%	22.5%
EBITDAR	\$ 616,426	\$ 750,984	\$ 714,078
EBITDAR of Existing Stores ⁽¹⁾	\$ 616,426	\$ 750,984	\$ 671,772
Net Income ⁽³⁾	\$ 214,221	\$ 134,317	\$ 168,551

Financial highlights, December 2021, 2020 and 2019 twelve-month comparison:

12 months ended			
	Dec 2021	Dec 2020	Dec 2019
Sales	\$ 44,789,043	\$ 48,428,493	\$ 43,970,823
Sales of Existing Stores ⁽¹⁾	\$ 44,789,043	\$ 47,303,718	\$ 40,851,733
Gross Margin	22.4%	22.5%	22.0%
EBITDAR	\$ 3,271,553	\$ 4,097,717	\$ 2,833,399
EBITDAR of Existing Stores ⁽¹⁾	\$ 3,271,553	\$ 4,019,789	\$ 2,946,455
Net Income (Loss) ⁽²⁾	\$ 1,142,665	\$ 1,520,605	\$ (634,773)

Notes:

- (1) Sales/EBITDAR of existing stores are sales/EBITDAR from stores that are in operation in the applicable year.
- (2) 2019 is adjusted for one time gain on extinguishment of convertible debenture, \$3,472,811
- (3) 2021 includes recognition of deferred income tax recovery of \$196,373 and professional fees associated with the recruitment of a new CEO

Detailed information in the form of the Company's interim consolidated financial statements and Management Discussion and Analysis are available on the Company's website at www.ruminvestor.com and under the Company's provide on SEDAR, www.sedar.com.

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. 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) accept responsibility for the adequacy or accuracy of this release.

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