

RUM Releases Its Q1 2022 Financial Statements

EDMONTON, May 5, 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 quarter ended March 31, 2022. Sales for Q1 2022 are \$8,643,349 and EBITDAR is \$319,525.

Upon the onset of the COVID-19 pandemic in March 2020, Alberta liquor stores experienced unprecedented sales levels. The Company has previously advised stakeholders to expect reductions in sales in 2022 versus 2021 and 2020 as restrictions to on-premise liquor consumption sites have been lifted.

To provide a meaningful operational comparison for shareholders, management has included a three-year comparison utilizing key highlights from Q1 2021 and the pre-COVID period, Q1 2019.

Key Highlights

- Sales of existing stores (stores in operation in 2019 and 2022) are 2.4% higher in Q1 2022 over Q1 2019 (pre-COVID period), as a result of the success of the Great Canadian Liquor (“GCL”) rebranding strategy and improvement of the customer experience. This increase results from the Company’s focus on its marketing and promotion strategies for the GCL brand and its model to focus on increased market share. In 2021, restrictions were imposed to on-premise liquor consumption sites increasing retail liquor sales. As those restrictions have lifted in Q1 2022, sales are 9.0% lower in Q1 2022 when compared to Q1 2021.
- Average sales per store are 6.2% higher in Q1 2022 over Q1 2019. Comparing Q1 2022 over Q1 2021, average sales per store decreased by 9.0% due to the impact on sales when restrictions were lifted.
- Margins have remained reasonably consistent at 22.4% in Q1 2022 and 22.3% in Q1 2021 and have increased from 21.3% in Q1 2019. Margins may fluctuate as the Company refines its marketing, pricing and promotional strategies to maximize gross margins. The Company continually uses competitive pricing strategies to maintain market share.

KEY OPERATING AND FINANCIAL METRICS

The financial highlights are summarized below for Q1 March 2022, 2021 and 2019.

Period	3 Months Ending	3 Months Ending	3 Months Ending
	Mar 2022	Mar 2021	Mar 2019
Sales	\$ 8,643,349	\$ 9,496,824	\$ 9,076,521
Sales of Existing Stores (1)	\$ 8,643,349	\$ 9,496,824	\$ 8,436,218
Gross Margin	22.4%	22.3%	21.3%
EBITDAR (2)	\$ 319,525	\$ 498,759	\$ 263,010
Net Loss	\$ (211,590)	\$ (87,108)	\$ (699,496)

Notes:

- (1) Sales existing stores are sales from stores that are in operation during the applicable year.
- (2) Calculation of EBITDAR is described under the heading “Non-IFRS Measures” in the Company’s Management Discussion and Analysis.

For the remainder of the fiscal year, management’s focus is on improving the in-store experience for our customers and increasing attention on sales and average basket-building techniques. Management aims to provide consumers with an improved shopping experience by refining product listings and creating a standard store layout.

Detailed information 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 profile on SEDAR, www.sedar.com.

About Rocky Mountain

Rocky Mountain owns 100% of Andersons Liquor Inc. ("Andersons"), headquartered in Edmonton, Alberta, which now owns and operates 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 2022 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. This cautionary statement expressly qualifies the forward-looking statements or information contained in this news release.

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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