

RUM Reports Financial Results for Quarter Ended March 31, 2023

EDMONTON, May 23, 2023 – 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, 2023.

Management’s focus remains on providing customers with an exceptional in-store experience. The Company is continually evaluating its marketing plans to ensure that the strategies are generating and maintaining brand awareness and brand engagement as well as driving customer traffic to our stores. Management will continue focusing on improving category management through standardization of store layouts, pricing strategies and a strong promotional focus.

KEY OPERATING AND FINANCIAL METRICS

Key operational and financial highlights, year over year three-month comparison:

	3 months ended	
	Mar 2023	Mar 2022
Sales	\$ 8,382,233	\$ 8,643,349
Average sales per store	\$ 335,289	\$ 332,437
Sales of Existing stores (1)	\$ 8,382,233	\$ 8,470,722
Gross Margin	22.8%	22.4%
EBITDA (2)	\$ (92,805)	\$ (78,421)
Net Loss	\$ (290,258)	\$ (211,590)
Number of Stores in Operation at Period End	25	26
Total Credit Facility Use	\$ 3,657,858	\$ 4,669,857

Notes:

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

Margins are higher at 22.8% in 2023 compared to 22.4% in 2022 as management has been focusing on its marketing, pricing and promotional strategies by using competitive pricing strategies to support profitable growth. The Great Canadian Liquor brand is strategically focused on providing an exceptional customer experience while maintaining competitive pricing.

In the last 12 months ending March 31, 2023, the Company reduced debt by \$1,011,999, improving the balance sheet position and helping offset interest costs due to increases in the prime rate. The company remains dedicated to reducing debt and related interest costs, while identifying opportunities for increasing shareholder value.

The Company sold an underperforming store in Q4 2022, reducing the number of stores in operation in Q1 2023 to 25 from 26 in Q1 2022. In addition, restrictions were in place at the beginning of Q1 2022 to on-site liquor consumption establishments resulting in a positive effect on retail liquor sales during that quarter. Consumer spending on retail liquor was further impacted due to a rapid increase in interest rates beginning June 2022. This increase in interest rates reduced disposable income and limited growth in consumer spending. As a result of these factors, sales of existing stores for the three months ended March 31, 2023, were 1% lower than sales during the same period in 2022, however average sales per store increased 1% to \$335,289 in 2023 over 2022, \$332,436.

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.

About Rocky Mountain

Rocky Mountain owns 100% of Andersons Liquor Inc. ("Andersons"), headquartered in Edmonton, Alberta, which now owns and operates 25 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 2023 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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