

RUM Reports a 36% Increase to Net Income for Q2 2023 Consolidated Financial Results Compared to Q2 2022

EDMONTON, August 29, 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 three and six month periods ending June 30, 2023.

KEY OPERATING AND FINANCIAL HIGHLIGHTS

Three month comparison April 1 - June 30:

- Average sales per existing store increased by \$18,951 per store or 5% to \$436,854 (2022 \$417,903)
- Gross margin increased by 7% to 24.2% (2022 22.7%)
- EBITDA increased by 76,024 or 17% to \$517,683 (2022 \$441,659)
- Net income increased by \$82,584 or 36% to \$312,689 (2022 \$230,105)

Six month comparison January 1 – June 30:

- Average sales per existing store increased by \$28,444 per store or 4% to \$772,143 (2022 \$743,699)
- Gross margin increased by 4% to 23.6% (2022 22.6%)
- EBITDA increased by \$61,643 or 17% to \$424,878 (2022 \$363,235)
- Net income increased by \$3,913 or 21% to \$22,429 (2022 \$18,516)
- Total credit facility use reduced by \$1.8M or 33% to \$3.65M (2022 \$5.45M)

Allison Radford, CEO commented “EBITDA for the three and six month period ending Q2 2023 outperformed 2022 by 17% during a time in which inflation remains persistently high. This has allowed the Company to reduce debt by \$1,796,880 in the last 12 months, improving the balance sheet position and helping offset interest costs from increases in the prime rate. The Company remains dedicated to reducing debt and related interest costs, while identifying opportunities for increasing shareholder value. For the remainder of 2023, Management remains focused on managing costs and growing The Great Canadian Liquor brand providing and exceptional customer experience while maintaining competitive pricing.”

The following table summarizes key operating and financial metrics of the Company’s financial performance for the three and six month periods ending June 30 2023 and 2022.

	3 months ended		6 months ended	
	Jun 2023	Jun 2022	Jun 2023	Jun 2022
Sales	\$ 10,921,339	\$ 11,053,602	\$ 19,303,571	\$ 19,696,952
Sales of Existing Stores (1)	\$ 10,921,339	\$ 10,865,473	\$ 19,303,571	\$ 19,336,176
Average Sales Per Existing Store (2)	\$ 436,854	\$ 417,903	\$ 772,143	\$ 743,699
Gross Margin	24.2%	22.7%	23.6%	22.6%
EBITDA (3)	\$ 517,683	\$ 441,659	\$ 424,878	\$ 363,235
Net Income	\$ 312,689	\$ 230,105	\$ 22,429	\$ 18,516
Number of Stores in Operating at Period End	25	26	25	26
Total Credit Facility Use	\$ 3,651,048	\$ 5,447,928	\$ 3,651,048	\$ 5,447,928

Notes:

- (1) Sales existing stores are sales from stores that are in operation during the applicable period.
- (2) Average sales per existing store is based on sales of existing stores.
- (3) Calculation of EBITDA is described under the heading "Non-IFRS Measures" in the Company's Management Discussion and Analysis.

The Company sold an underperforming store in Q3 2022. Sales of existing stores for the three months ending June 30, 2023, are higher than the same period in 2022, with an increase to average sales per existing store of 5%. The positive sales increase is primarily due to inflationary pressures on pricing. Sales of existing stores for the six month period ending June 30, 2023 are less than 1% lower than the same period in 2022. For the first two months in 2022, restrictions were in place to on-site liquor consumption establishments resulting in a positive effect on retail liquor sales in that period. As restrictions were removed February 2022, there was subsequent decrease to retail liquor sales in the first quarter of 2023. Average sales per existing store increased by 3% for the six month period ending June 30, 2023 over June 30, 2022 primarily due to inflationary pressures on pricing.

Margins are higher by 7% at 24.2% for the three months ending June 30, 2023, compared to 22.7% for the same period in 2022, and higher by 4% at 23.6% for the six month period in 2023 compared to 22.6% in 2022 as management has been focusing on its marketing, pricing, and promotional strategies to support profitable growth.

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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