

RUM Reports an Increase to EBITDA for Q3 2023 Consolidated Financial Results Compared to 2022

EDMONTON, November 16, 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 nine month periods ending September 30, 2023.

KEY OPERATING AND FINANCIAL HIGHLIGHTS

Three month comparison July 1 - September 30:

- Gross margin increased 8% to 24.2% (2022 22.4%)
- EBITDA increased 6% to \$536,675 (2022 \$505,613)
- Operating margin increased 3% to \$909,564 (2022 \$884,749)

Nine month comparison January 1 – September 30:

- Gross margin increased 6% to 23.9% (2022 22.5%)
- EBITDA increased 11% to \$961,555 (2022 \$868,848)
- Operating margin increased 4% to \$2,008,247 (2022 \$1,931,217)

EBITDA for the three and nine month period ending Q3 2023 is continuing to outperform 2022. The Company has continued to reduce debt by \$1.4M over the last 12 months, improving the balance sheet position and helping offset interest costs from increases in the prime rate.

Allison Radford, CEO commented “Management will continue focusing on improving category management through purchasing optimization, pricing strategies, and a focus on meeting market driven consumer demand. The Company is continually evaluating its marketing plans to ensure that the strategies are generating brand awareness and brand engagement as well as driving customer traffic to its stores.”

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

	3 months ended		9 months ended	
	Sep 2023	Sep 2022	Sep 2023	Sep 2022
Sales	\$ 11,057,847	\$ 11,867,942	\$ 30,361,418	\$ 31,564,891
Sales of Existing Stores (1)	\$ 11,057,847	\$ 11,674,363	\$ 30,361,418	\$ 31,010,536
Average Sales Per Existing Store (2)	\$ 442,314	\$ 449,014	\$ 1,214,457	\$ 1,192,713
Gross Margin	24.2%	22.4%	23.9%	22.5%
Operating Margin (3)	\$ 909,564	\$ 884,749	\$ 2,008,247	\$ 1,931,217
EBITDA (3)	\$ 536,675	\$ 505,613	\$ 961,555	\$ 868,848
Net Comprehensive Income	\$ 261,436	\$ 270,303	\$ 283,869	\$ 288,821
Number of Stores in Operating at Period End	25	26	25	26
Total Credit Facility Use	\$ 2,442,836	\$ 3,838,326	\$ 2,442,836	\$ 3,838,326

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 Operating Margin and EBITDA are described under the heading “Non-IFRS Measures” in the Company’s Management Discussion and Analysis.
- (4) Calculation of credit facility can be found on page 7 under the heading “Summary of Credit Facilities” in the Company’s Management Discussion and Analysis.

The Company increased its operating margin by 3% in Q3 2023 over the same quarter in 2022 by focusing on cost efficiencies and from selling an under-performing store in 2022. Sales of existing stores for the three months ending September 30, 2023, are lower than the same period in 2022 due to the sale of a store in Q4 2022. The weather throughout the summer, particularly on weekends, played a large role in the sales trends for the third quarter ending 2023 as it was not as favourable as 2022.

Average sales per existing store increased by 2% for the nine month period ending September 30, 2023, over September 30, 2022, primarily due to inflationary pressures on pricing. Sales of existing stores for the nine month period ending September 30, 2023, are 2% 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.

Gross margins are higher by 8% at 24.2% for the three months ending September 30, 2023, compared to 22.4% for the same period in 2022, and higher by 6% at 23.9% for the nine month period in 2023 compared to 22.5% 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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