

RUM Reports Annual Financial Results for the Year Ended December 31, 2024

EDMONTON, April 29, 2025 – 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 full year and fourth quarter ended December 31, 2024.

KEY OPERATING AND FINANCIAL HIGHLIGHTS

	3 months ended		12 months ended	
	December 2024	December 2023	December 2024	December 2023
Sales	\$ 10,171,265	\$ 10,240,815	\$ 39,707,715	\$ 41,746,067
Gross margin ⁽¹⁾	22.8%	22.4%	23.0%	23.0%
Net comprehensive (loss) income	\$ (1,690,059)	\$ 179,193	\$ (2,115,029)	\$ 463,062
Adjusted EBITDA ⁽¹⁾	\$ 143,945	\$ 96,757	\$ 309,859	\$ 1,090,092

During the fourth quarter of 2024, the Company delivered improved gross margin percentages compared to the same period in the prior year. This was achieved through a more strategic approach to purchasing, and aligning inventory procurement with limited-time offers that supported profitability. Adjusted EBITDA for the quarter also improved over Q4 2023, benefitting from these stronger margins and reduced lease costs, demonstrating the Company’s ability to manage expenses effectively in a competitive landscape.

For the full year, financial results were mixed, as positive operational initiatives were tempered by external headwinds and non-recurring costs. Total sales for 2024 were lower than the prior year, impacted by a combination of factors including increased competition in certain markets, the closure of one store in the second quarter and road construction limiting access to a key location. Operating and administrative expenses rose over 2023 levels, reflecting annual salary adjustments, one-time expenses associated with the implementation of a new point-of-sale (POS) system, and higher professional fees related to shareholder matters.

A significant milestone for the Company in 2024 was the successful rollout of its modernized POS system across all retail locations. Following a thorough sourcing, testing, and phased implementation process that began in 2023, the system was completely integrated chain-wide by August 2024. This investment has already enhanced operational efficiency and improved the customer experience, with a faster, more intuitive checkout process and enhanced reporting capabilities for management. This modernization positions the Company to better respond to market conditions and customer expectations in the years ahead.

While operational improvements were notable, net comprehensive (loss) income for the year was lower than in 2023. The most significant factor in the year’s financial results was a \$1.96 million impairment charge on goodwill in the fourth quarter. Management determined it was prudent to revise the carrying value of goodwill to better align with current market realities.

Looking ahead to 2025, the Company remains committed to delivering value to customers through competitive pricing, curated product offerings, and operational discipline. Although Alberta’s retail sector faces ongoing challenges, the province’s strong labor market and steady population growth offer a solid foundation for future retail activity.

SUBSEQUENT EVENT

Subsequent to December 31, 2024, the Company closed one store and sold one store.

Detailed information in the form of the Company's consolidated financial statements and Management Discussion and Analysis are available under the Company's profile on SEDAR+ at www.sedarplus.com and also on the Company's website at www.ruminvestor.com. After accessing the website, please choose the "Investor Relations" tab to view Annual Reports.

About Rocky Mountain

Rocky Mountain is a public company whose shares are traded on the TSX Venture Exchange (TSX-V:RUM). Rocky Mountain is the parent to a wholly owned subsidiary, Andersons Liquor Inc. headquartered in Edmonton, Alberta, which owns and operates 22 private liquor stores in that province.

Notes:

(1) Calculation of Gross Margin and Adjusted EBITDA are described under the heading "Non-IFRS Measures" below.

Non-IFRS Measures

Adjusted EBITDA, Gross margin, and Non-recurring items, are not measures recognized by IFRS Accounting Standards and do not have a standardized meaning prescribed by IFRS Accounting Standards.

Investors are cautioned that these measures should not replace net comprehensive (loss) income (as determined in accordance with IFRS Accounting Standards) as an indicator of the Company's performance, of its cash flows from operating, investing and financing activities or as a measure of its liquidity and cash flows.

Furthermore, the Company's method of calculating these measures may differ from the methods used by other issuers. Therefore, the Company's calculation of these measures may not be comparable to similar measures presented by other issuers.

The Company has these measures in place as they provide information to investors, analysts, and others to aid in understanding and evaluating the Company's operating results in a similar manner to its management team.

Adjusted EBITDA is defined as net comprehensive (loss) income of the Company and adding back the following: finance costs, current and deferred income tax, depreciation, impairment charges of goodwill, finance costs on lease liabilities, gain/loss on disposal of property and equipment and intangible assets, gain/loss on lease terminations, store closure expenses, and adjusting for actual lease payments. Adjusted EBITDA is a useful measure as it provides management with a better view of the Company's operating profitability, removing non-operating, and non-recurring expenses.

Gross margin under "Operating Results" is derived by subtracting costs of sales from sales. Gross margin represents a useful measure because it allows management to assess how successfully the company can generate revenues from the cost of goods purchased.

Non-recurring items include expenses incurred and recoveries received by the Company that are not part of ongoing operations and that are not expected to recur. In the three and 12 month periods ending December 31, 2024 a significant portion of these items include costs associated with implemented the new POS system.

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 2024 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 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.sedarplus.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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