

RUM Reports Q1 Financial Results for the Period Ended March 31, 2025

EDMONTON, May 27, 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 three months ended March 31, 2025.

KEY OPERATING AND FINANCIAL HIGHLIGHTS

	3 months ended	
	March 2025	March 2024
Sales	\$ 8,043,904	\$ 8,445,394
Gross margin ⁽¹⁾	22.7%	22.8%
Operating and administrative expenses	\$ 1,713,833	\$ 1,894,255
Net comprehensive loss	\$ (330,094)	\$ (365,581)
Adjusted EBITDA ⁽¹⁾	\$ (237,244)	\$ (325,475)

Sales for the quarter declined compared to the same period in 2024, primarily due to strategic adjustments in the Company’s store portfolio, which reduced its total store count from 25 to 22. While these changes impacted short-term revenue, they are a key component of the Company’s long-term strategy to streamline operations, and enhance profitability.

Adjusted EBITDA improved significantly, reducing the quarterly loss from (\$325,475) in 2024 to (\$237,244) in 2025. This progress reflects ongoing operational optimization, disciplined cost management, and the Company’s commitment to strengthening its financial position.

Gross margins remained steady at 22.7%, compared to 22.8% in the first quarter of 2024. The Company continues to manage inventory effectively and leverage limited time offers (LTOs) to maintain pricing discipline and margin consistency amid fluctuations in sales volume. Operating and administrative expenses also decreased year-over-year, driven by staffing adjustments, reduced professional fees, and the conclusion of costs associated with last year’s point-of-sale system (POS) implementation.

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 enhanced operational efficiency and improved the customer experience, with a faster, more intuitive checkout process and improved reporting capabilities for management.

Looking ahead, the Company remains focused on operational efficiency and enhancing profitability in a dynamic economic environment. While consumer spending has remained resilient, inflation, interest rate volatility, and trade policy uncertainty continue to shape the retail landscape. The Company is actively monitoring these conditions and adapting its strategies to maintain financial flexibility, invest in customer engagement, and refine its product mix — ensuring long-term resilience and growth within Alberta’s evolving retail market.

Notes:

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

The Company's Board of Directors, with management's support, has begun evaluating strategic options to enhance shareholder value. These options may include a full or partial sale, asset divestitures, mergers, or other strategic transactions.

The Board has not set a timetable for this process, nor has it made any decisions related to any strategic alternatives at this time. The review has not been initiated in response to any proposal received by the Company. There can be no assurance that the exploration of strategic alternatives will result in a transaction. The Company will provide updates as needed.

Detailed information in the form of the Company's unaudited condensed 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 Quarterly 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.

Non-IFRS Measures

Adjusted EBITDA, and Gross margin 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 (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 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.

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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