

RUM Reports Financial Results for the Third Quarter Ended September 30, 2024

EDMONTON, November 27, 2024 – 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 third quarter ended September 30, 2024.

KEY OPERATING AND FINANCIAL HIGHLIGHTS

	3 months ended		9 months ended	
	September 2024	September 2023 Restated ⁽¹⁾	September 2024	September 2023 Restated ⁽¹⁾
Sales	\$ 10,907,795	\$ 11,380,346	\$ 29,536,450	\$ 31,235,252
Gross margin ⁽²⁾	23.4%	23.6%	23.1%	23.2%
Net comprehensive income (loss) ⁽³⁾	\$ 112,111	\$ 261,436	\$ (424,970)	\$ 283,869
Adjusted EBITDA ⁽²⁾	\$ 343,347	\$ 536,675	\$ 165,914	\$ 961,555

Performance Highlights:

- **Gross Margins Remain Steady:** Gross margin percentages for the three and nine months ended September 30, 2024, remained consistent with prior periods, demonstrating the Company’s ability to manage pricing and cost strategies effectively.
- **Investing in Long-Term Growth:** Despite reduced net comprehensive income (loss) and Adjusted EBITDA compared to the same periods in 2023, the Company has made strategic investments, including the implementation of a new point-of-sale system, which enhances operational efficiency.
- **Strategic Adaptation to Market Dynamics:** Sales were impacted by external factors, such as intensified competition, road construction in key markets, and the closure of one store. However, the Company’s gross margins were resilient, and operating and administrative costs reflect investments in employees and infrastructure.

“Our Q3 results reflect both the challenges and opportunities of operating in a dynamic economic environment. While external factors have impacted our performance, we remain steadfast in our commitment to delivering exceptional value and experiences to our customers. By continuing to refine our strategies and invest in our operations, we are well-positioned to navigate current challenges and seize opportunities in 2025 and beyond,” stated Peter Byrne, CEO of Rocky Mountain Liquor.

The retail sector in Alberta, including liquor sales, continues to face headwinds from persistently low consumer confidence, elevated debt servicing costs, and inflationary pressures. However, as inflation shows signs of easing and Alberta’s GDP is forecasted to grow in 2025, Rocky Mountain Liquor is optimistic about gradual improvements in household spending and retail activity.

A recent decision by the Alberta government to maintain the current liquor retailing model, without expansion into grocery and convenience stores, offers stability for liquor retailers like Rocky Mountain Liquor. This approach aligns with the province's commitment to protecting small businesses and preserving consumer choice across 1,600 liquor stores, a model praised for its ability to support local communities and jobs.

To adapt to shifting market dynamics and strengthen its competitive position, the Company is:

- **Enhancing Marketing Strategies:** New initiatives aim to boost brand recognition and customer engagement, driving increased foot traffic to retail locations.
- **Focusing on Operational Excellence:** Investments in competitive pricing, an optimized product mix, and technology-driven solutions are designed to align with evolving consumer preferences.
- **Positioning for Growth:** With Alberta's economic outlook showing promise, the Company is prepared to capitalize on opportunities in a stabilizing retail environment.

Detailed information in the form of the Company's unaudited interim 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 24 private liquor stores in that province.

Notes:

- (1) The Company previously presented under cost of sales the net amount of bottle deposit charges collected from customers and the bottle deposits paid to suppliers. The Company has determined that the correct presentation is to show the collections and payments on a gross basis in sales. For the three and nine months ended, refer to the "CONDENSED QUARTERLY INFORMATION" headings in the Management's Discussion and Analysis for the period ended September 30, 2024 for reconciliation of previously reported sales to restated sales.
- (2) The calculation of Gross margin and Adjusted EBITDA are described under the "Non-IFRS Measures" section defined below.
- (3) "Net income (loss)" was used in previous reports but changed to "Net comprehensive income (loss)" in this period's report to be consistent with the wording used throughout this report and in the Company's unaudited interim condensed consolidated financial statements.

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 income or 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 income (loss) of the Company and adding back the following: interest expense, current and deferred income tax, depreciation, amortization, non-cash items such as share-based compensation expense and issue costs of securities, write down of goodwill, right-of-use assets depreciation, finance costs on lease liabilities, gain/loss on disposal of stores and property and equipment, share-based compensation, store closure expenses, and non-recurring extraordinary or one-time gains or losses from any capital asset sales, 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 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 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.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.

For further information:

**Allison Radford
President & CFO
(780) 483-8183**

**Peter Byrne
Executive Chairman & CEO
(780) 686-7383**