



1933 INDUSTRIES PROVIDES A YEAR IN REVIEW

VANCOUVER, B.C., CANADA (December 31, 2018) – 1933 Industries Inc. (the “Company” or “1933 Industries”) (CSE: TGIF) (OTCQX: TGIFF) a licensed cultivator and producer of cannabis flower and concentrates and manufacturer of hemp/CBD products in Nevada, Colorado and California, reports that the Company has made significant progress during its first year of operations.

“The Company delivered key milestones over the year and continues to execute on its business strategy. Our strong financial results of \$12.6 million in sales revenue for our fiscal year 2018 are a testament of our sound operational management and diligent business practices as we continue to build a solid foundation for the future”, said Mr. Brayden Sutton, President and CEO of 1933 Industries.

Mr. Sutton added, “We had a number of key priorities that we were able to deliver on: infrastructure build-out and expansion of wholesale capacity to meet increasing demand; growing and strengthening our product pipeline; increasing sales revenue quarter to quarter; and building a world-class team. I am pleased to report that we made excellent progress on all priorities.”

Consistent Sales Revenue Growth

<u>Oct 31/18</u>	<u>July 31/18</u>	<u>April 30/18</u>	<u>Jan 31/18</u>	<u>Oct 31/17</u>	<u>July 31/17</u>
\$4,616,812	\$3,905,243	\$3,317,497	\$2,962,699	\$2,464,487	\$1,030,297

1933 Industries experienced strong quarterly growth fueled by increasing demand for its cannabis products in the States of Nevada, California and Colorado.

First-Mover Advantage in the Medicinal and Adult-use Cannabis Market in Nevada

The Company’s 91% interest in Alternative Medicine Association (“AMA”), Las Vegas’ original licensed cultivator of medicinal cannabis, reported strong sales revenue in 2018. The Company’s business model is based on servicing existing medical cannabis patients in Nevada as well new adult-use recreational consumers. With an estimated 45 million visitors to Las Vegas each year, there is demonstrable potential for Nevada to become the



world's top canna-tourism destination. AMA has established an aggressive presence and image for its unique branded flower and extraction products. The year's highlights include:

- Continued an exclusive licensing agreement with the iconic Hip-Hop Artist Kurupt to produce The Real Kurupts Moon Rocks.
- Signed a licensing deal to produce Denver Dab Company's line of unique products.
- Expanded product line to over 100 SKUs such as flower, pre-rolls and concentrates for sale through licensed dispensaries in Nevada, with additional products in the pipeline for 2019.

Hemp-Derived and CBD-Infused Wellness Line of Products

The Company also owns 91% of Infused MFG. ("Infused"), which continues to build out and increase the reach of its suite of branded products. The year's highlights include:

- Established key distribution networks in California, where it now sells its products in over 100 retail shops.
- Sales to over 400 retail locations around the U.S.
- Signed a licensing agreement and partnership with professional skateboarder and Grizzly Griptape LLC. founder Tory Pudwill, to promote "Canna Hemp X™", a CBD-infused recovery cream, targeting the rapidly growing recovery market.
- Signed a licensing agreement with Scotty Nguyen for the launch of Canna Hemp™ branded products co-marketed under his name.
- Signed a licensing agreement with Denver Dab Company to manufacture and distribute Canna Hemp™ CBD and hemp-based products on an exclusive basis to retail cannabis dispensaries in Colorado.
- Expanded its own line of CBD products specific to the pet industry and launched "Canna Hemp™ Paws".
- Launched Canna Fused™, a 1:1 CBD/THC-infused product line in partnership with Denver Dab Company.

Acquisition of Leading Cannabis Advisory Service Provider

1933 Industries entered the emerging cannabis security and intelligence space with the strategic acquisition of Spire Global Strategy, which provides service offerings, on a confidential basis, to the cannabis sector including:



- International production, sales, and import/export licensing agreements
- Domestic licensing applications
- Public policy development
- Design and development of large-scale hemp, cannabis, and CBD projects for third parties
- Risk and resilience management and investigative due diligence
- Physical security and force protection

Sales, Marketing and Brand Development

The Company has developed comprehensive media relations and marketing programs to create visibility, awareness and drive sales for its cannabis brands.

- Increasing sales achieved by offering a broad range of quality products at competitive prices and delivered through outstanding client service under a well identified brand
- Focused on high-quality branded products with recurring sales to a loyal and growing clientele.

Infrastructure Development and Real Estate Investment

The Company embarked on an ambitious project to expand its operations and increase both cultivation and production capacity in Las Vegas.

The Company closed on the purchase of 2.78 acres of raw land which is contiguous to the current location that will host AMA's new state-of-the-art 67,750 sq. ft. cultivation facility. The land purchase is in addition to the 1.39 acres owned by the Company for a total of 4.17 acres of land. The real estate assets are located on a major thoroughfare in Las Vegas and allow for further development as more supply is needed in the rapidly expanding Las Vegas market.

All necessary permitting was secured during the year and the new cultivation facility is expected to be operational during the first quarter of 2019, where it expects to cultivate approximately 800 - 900 lbs. / month to significantly increase flower cultivation to support AMA's own line of cannabis-based products and white-label extraction.

AMA also purchased an existing 12,160 sq. ft. building adjacent to the cultivation facility, to be utilized for cannabis production, processing and extraction. The production space will



be 6 times the size of the current facility (2,000 sq. ft.), which should position the company to more efficiently produce larger quantities of product.

Hemp Processing Capabilities for CBD Extracts

The Company also announced that its new production building will house a hemp processing facility utilized to produce full spectrum oils, distillates and isolates with a target of 2,000 kgs. of finished product per month.

New Regulations

On December 20th, the Agriculture Improvement Act of 2018 ("Farm Bill") was passed, legalizing hemp as an agricultural commodity federally in the United States. The recent move by the U.S. government to remove hemp from the Controlled Substances Act and make it legal to produce, sell and distribute industrial hemp will increase the opportunities for this new vertical and open a significant market for the Company's CBD suite of products. The change in legislation is expected to:

- Positively impact the Company's plans to produce CBD extracts on a large scale
- Set the stage for an expanded focus on CBD branded goods
- Open new markets across the U.S.
- Increase participation from financial institutions and investors in the U.S.
- Present the opportunity for the Company's suite of branded products to be carried in major national retailers

Capital Markets and Financing Activities

The Company successfully completed convertible debenture financings to invest in the future growth of its operations.

- Convertible debenture financing raised gross proceeds of \$6.5 million dollars.
- Company raised additional gross proceeds of \$17.25 million dollars through a short form prospectus offering of convertible debentures.
- Raised \$13.1 million dollars through the exercise of warrants and stock options.
- In November, the Company met the eligibility requirements for trading on the OTCQX®, the OTC Markets' premier tier for established, high-growth and investor-focused companies wishing to gain added exposure in the United States.

Board of Directors



The Company welcomed the following key individuals to its Board of Directors:

Cameron Watt – Mr. Watt also serves as Vice President of Business Development for the Company and brings 30 years of successful business negotiation and strategic leadership experience in various industries, with a talent for developing, launching and managing businesses.

Brian Farrell – Mr. Farrell is a Chartered Accountant and a partner with a public accountancy firm for 35 years, focusing on taxation, accounting and providing financial advice to high net worth individuals. He has served as CFO to both private and publicly-listed corporations.

Andy Richards – Mr. Richards spent 34 years in law enforcement and retired as a Deputy Police Chief in the Greater Vancouver area in 2015. He has been instrumental in building Spire into an industry leader in the high-risk legal cannabis sector.

Chris Rebentisch – Mr. Rebentisch serves as USA Chief Operations Officer and is the founder of Infused, bringing a wealth of experience in the hemp and CBD space, having developed and crafted proprietary formulations for the Canna Hemp™ product line with the belief in the natural healing properties of cannabis.

The Company also completed a name change to 1933 Industries Inc. to reflect the Company's diversified business model, including its established cannabis cultivation and production business, expanded capabilities in hemp / CBD extraction, development of its advisory services arm and its acquisitive growth strategy in the United States and Canada.

"We are poised to capitalize on the foundation we have built over the last 16 months", commented Mr. Sutton. "We plan to replicate our successful business model in Nevada in other favourable jurisdictions across the U.S. and Canada. We will continue to evaluate significant growth prospects as we strive to realize value for our shareholders."

About 1933 Industries Inc.

1933 Industries Inc. is a vertically integrated cannabis company with operations in the United States and Canada. Operating through three subsidiary companies, 1933 Industries owns licensed medical and adult-use cannabis cultivation and production assets, proprietary hemp-based, CBD infused products, CBD extraction services and a specialized cannabis advisory firm supporting clients in security, intelligence and due diligence. The Company owns 91% of both Alternative Medicine Association and Infused MFG. and 100%



of Spire Global Strategy.

Please visit our website at <http://www.1933industries.com>

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