



1933 Industries Provides a Corporate Update

VANCOUVER, B.C., CANADA (October 15, 2019) – 1933 Industries Inc. (the “Company” or “1933 Industries”) (CSE: TGIF) (OTCQX: TGIFF), a vertically integrated cannabis consumer packaged goods company, is pleased to provide an update regarding its operations.

Highlights:

- 1933 Industries continues to focus its operations in the licensed US cannabis industry as a multi-state operator in Nevada, Colorado and California.
- 1933 Industries is a two-year old company built with sustainability and profitability as its primary goals and continues to execute on its growth plan.
- The Company has instituted capital efficient practices to operate a lean and sustainable business with scalable profitability as its main objective.
- The Company maintains a strong balance sheet with cash on hand to fund capital projects, the ability to service its debenture payments and currently holds no other debt.
- Experienced in the cannabis industry, the operationally focused management team raised approximately \$36M over the last two years and has added \$60M in assets to the Company.
- Three major capital projects were undertaken by management in order to build expanded infrastructure capacity for cannabis flower cultivation, production of concentrates, and hemp-derived CBD extraction in Nevada.
- Cultivation facility in Las Vegas was completed and the first harvest is now expected in December, bringing a 5-fold increase in flower production and raw materials for cannabis concentrates.
- New manufacturing facility in California is coming online in November as well as expanded cultivation capacity for the Company’s AMA premium flower brand.
- The Company’s proprietary Canna Hemp™ wellness line continues to establish itself as a premier CBD brand across the US and is now available in over 800 retail outlets.
- World-renowned brands such as OG DNA Genetics, and The Original Jack Herer® selected the Company’s subsidiary, Alternative Medicine Association, as their exclusive partner in Nevada, as well as luxury brand Blonde™ Cannabis, leading concentrate producer Denver Dab Co., premium cannabis brand Gotti’s Gold and custom hardware manufacturer PLUGplay.
- Leading specialty retailer Zumiez is now carrying the Company’s CBD Canna Hemp X™ sports cream, which was launched in collaboration with top skateboarding company Grizzly Griptape.
- The exclusive Birdhouse Skateboards™/Canna Hemp X™ co-branded sports cream is set to launch in November and will be available at US Zumiez stores.

Fiscal Responsibility, Strong Balance Sheet and Cash Position



The Company recently provided guidance on its Q4 financial results (see news release dated September 12, 2019) and will be announcing its Annual Financial Report by the regulatory deadline of November 30th.

1933 Industries is a two-year old company built with sustainability and profitability as its primary goals and continues to execute on its growth plan. The Company sold its purpose-built cultivation facility and negotiated a 10-year lease-back agreement to operate one of Nevada's largest indoor cultivation facilities for premium craft cannabis (see news release dated May 15, 2019). Gross proceeds of \$10.45M are being utilized to fund infrastructure projects in Nevada and California, to open new markets in Arizona and Colorado, and to continue the expansion of its Canna Hemp™ consumer branded goods across the US. Management has built significant sequential growth, quarter after quarter, year over year, building a continued path towards profitability once all projects become fully operational. Additionally, the Company has streamlined its business units to significantly improve operational efficiencies across and reduce corporate overhead.

Expanding Cultivation Capacity in Nevada and California

The Company recently reported that it expects the first harvest of high premium flower from its new cultivation facility in Las Vegas in December, with subsequent harvests every two-weeks thereafter (news release dated September 30, 2019). The completion of the 67,750 sq. ft. purpose-built, indoor facility was a major milestone for the Company as it positions itself as the largest wholesale supplier of premium craft flower to licensed dispensaries and ensures the consistent supply of raw materials for the Company's AMA product line and licensing partners. The expected output of 700 lbs. of cannabis flower is a 5-fold increase in production and the Company expects that all flower rooms will be filled and harvesting on a continuing basis by January, 2020.

The cultivation and manufacturing buildout in California is on schedule to be completed by the end of October and will be in production by November. The California operation is managed by the Company, but owned by a third party (news release dated August 15, 2019). Both the Nevada and California facilities bring almost 80,000 sq. ft. of total cultivation space to the Company while positioning the Company to maximize cultivation and extraction capabilities in both states.

New Extraction Facilities in Progress

The Company reports that the renovation to increase the footprint of its current extraction facility is on track to receive construction permits from Clark County this week. The construction will take three months to complete, which will double the Company's extraction and production capabilities (news release dated July 12, 2019).

The Company's hemp-derived cannabidiol (CBD) extraction facility (Hemp Lab) under development is being designed with the capacity to isolate cannabinoids such as CBD, CBN and CBG, at commercial scale volumes in order to utilize all isolates in the manufacturing of the Company's own proprietary branded products, with the aim of increasing product margins and



bringing online a new, recurring revenue stream. The Company will be providing a full update on its Hemp Lab once it finalizes the timing of equipment delivery, county approvals and engineering plans.

Positioning Canna Hemp as the Premier CBD product line in the US

As a brand-focused company, building a strong portfolio of high margin, industry-leading brands that have wide appeal to consumers is a key priority for the Company. With wholesale partnerships, nationwide reach of its products, and a new partnership with Zumiez retailer in the US, the Company has added an e-Commerce channel with a revamped website portal and upcoming marketing campaigns targeting mainstream media.

The Company's sports cream, Canna Hemp X™, a collaboration with Grizzly Griptape, targets a growing consumer following from the skateboarding, BMX, snowboarding, motocross and MMA fields of sport. Working through brand ambassadors in all the above sports, the Company is building a brand that resonates with athletes of all levels. The Company has executed licensing agreements with best of breed names including Grizzly Griptape and Birdhouse Skateboards™, with the latter soon to launch a co-branded Birdhouse/Canna Hemp X™ CBD Balm in November. Marketing campaigns will include skateboarding legend Mr. Tony Hawk, Mr. Clive Dixon, Mr. David Loy as well as other Birdhouse team riders to promote the collaboration. The Company continues to build on its ambassador and influencer programs, with the aim to build teams across the main focus sports noted above.

Management Commentary

Mr. Chris Rebentisch, CEO of the Company remarked, "We are pleased to report that we have never been in a stronger position as a company. We are fully capitalized to execute on our strategy, without having to raise capital and with no debt in our books. With multiple projects coming online over the next months that will increase revenues, we will continue to build our strongest brand portfolio to date while we work towards profitability. We confirm that the Company's management is unaware of any material change in the Company's operations that would account for the recent increase in market activity. The current share price is not representative of the performance of our operations."

Mr. Brayden Sutton, Chairman of the Board added, "We have a solid balance sheet that demonstrates the strength of the management team and its expertise as operators in the cannabis space with a long history of execution in the consumer packaged goods sector. We continue to build one of the most impressive 'House of Brands' in the market with increasing revenues and distribution. We are in the enviable position to weather market pressures until the sector recovers, and we believe that in the changing landscape of the cannabis industry, companies such as ours with strong fundamentals will become the next phase of the cannabis industry, one that will be distinguished by quality products, safety of ingredients and brand affinity."



About 1933 Industries Inc.

1933 Industries Inc. is a vertically integrated, brand-focused cannabis company with operations in the United States and Canada. Operating through two subsidiary companies, the Company owns leading cannabis brands as well as licensed cannabis cultivation, extraction, processing and manufacturing assets.

Our award-winning proprietary portfolio of brands include: AMA flower and AMA concentrates, CBD-infused Canna Hemp™, Canna Hemp X™, and Canna Fused™. Partners under licensing agreements include Birdhouse Skateboards™, Blonde™ Cannabis, Denver Dab Co., Gotti's Gold, Grizzly Griptape, OG DNA Genetics, PLUGplay, and The Original Jack Herer®.

The Company owns 91% of Alternative Medicine Association, LLC (AMA), and 100% of Infused MFG LLC.

About Canna Hemp™

Canna Hemp™ CBD Relief Cream was named “Best Topical” by Leafy’s Best in State: The Top State Specific Products and Experiences of 2018.

<http://www.cannahemp.com>

<https://www.leafly.com/news/strains-products/best-in-state-2018-nevada-cannabis>

About Canna HempX™

Canna Hemp X™ was named “Best Topicals for Pain” by Herb’s Guide to the Best Cannabis Products on the Planet. Canna Hemp X™ is a CBD sports recovery cream for athletes, bridging the gap between recovery and top performance.

<http://www.cannahempx.com>

<https://herb.co/learn/best-cannabis-products/>

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