



1933 Industries Begins Cannabis Cultivation and CBD Manufacturing Operations in California

The Company brings its Nevada model and branded products to California's expansive cannabis market

VANCOUVER, B.C., CANADA (January 7, 2020) – 1933 Industries Inc. (the “Company” or “1933 Industries”) (CSE: TGIF) (OTCQX: TGIF), a vertically-integrated and growth-orientated cannabis consumer packaged goods company, is pleased to announce that it has readied its California operations to begin manufacturing its line of proprietary CBD wellness products with full-spectrum CBD for the ever-growing California dispensary market, as well as debuting its Alternative Medicine Association (AMA)-branded THC products for the first time in that state.

Following the execution of a management agreement with California-based, licensed cultivator Green Spectrum (refer to news release dated August 15, 2019), the Company has established both cultivation and extraction capabilities for its AMA-branded products outside of Nevada, as well as for luxury brand Blonde™ Cannabis, a licensed partner. Local manufacturing of the Canna Hemp™ line allows the Company to produce full-spectrum CBD infused products for direct distribution to local dispensaries and grants the Company greater flexibility to react to California's changing regulatory environment.

According to cannabinoid market intelligence and consumer research BDS Analytics and Arcview Market Research, the California cannabis industry is on track to post a record \$3.1 billion in licensed cannabis sales for 2019, and is projected to grow at a 19% compound annual growth rate (CAGR) to \$7.2 billion in 2024, 40% larger than Canada and 253% larger than the next-largest state market in Colorado. Since approving cannabis for recreational use in November 2016, sales in California in 2018 represented about 24% or \$2.5 billion of legal cannabis sales in the United States, while the combined sales in Colorado, Washington and Oregon represented approximately 30% of U.S. sales.

“California represents a growth opportunity for 1933 Industries and for our brand partners. The Golden State is a trendsetter when it comes to cannabis brands and we are positioning ourselves to gain market share by working with our local cultivation partners



and by bringing our manufacturing expertise to this competitive market,” remarked 1933 Industries CEO, Mr. Chris Rebentisch. He continued, “We are developing strategies to compete for market share across the state. We will be offering a diversified portfolio of THC products, encompassing flower and concentrates for both the AMA and Blonde™ brands, as well as California-compliant CBD products. We have secured a distribution license and we will be expanding our distribution networks for our suite of products, for our licensed partners and for any company that seeks white labelling and distribution into the California market”.

With a cultivation area of approximately 10,000 sq. ft. and with an additional 10,000 sq. ft. of shared manufacturing and distribution space in the Los Angeles area, the California facility will serve as the Company’s main distribution hub for deliveries across the state. After a successful trial run of 30,000 units now completed, full spectrum CBD Canna Hemp™ products will be available at dispensaries later this month, once the products undergo required laboratory testing. Product offerings will include Canna Hemp™ relief creams, elixirs, lotions, capsules, vape pens and cartridges as well as Canna Hemp X™ recovery creams and elixirs. The Company anticipates its first harvest from the California facility during the first week of February with a second harvest the following week. The Company expects monthly harvests to yield approximately 100 lbs. of craft-grown flower or its Blonde™ and AMA brands as well as concentrates.

“Diversification of products and formats helps mitigate the risk of consumer and market changes. We are already a significant player in the cannabis wellness marketplace with our extensive suite of products and our growing list of key partners,” said Mr. Rebentisch. “We know that in this industry, quality will prevail and every ingredient that goes into making our products is highly scrutinized for product efficiency, effect and overall consumer experience. Our standards go far beyond what is expected in the industry and being strategically positioned in high growth states such as Nevada, California and Colorado allows us to execute our growth strategy quickly and efficiently. The opportunity to be a one-stop shop for dispensaries with our 100+ SKUs in a variety of product formats to meet the needs for every consumer is exciting, as it gives us the opportunity to take a lead in this market.”

About 1933 Industries Inc.

1933 Industries is a vertically-integrated, growth-orientated company, focusing on the



cultivation and manufacturing of cannabis consumer branded goods in a wide range of product formats. Operating through two subsidiaries, the Company controls all aspects of the value chain with cultivation, extraction, processing, and manufacturing assets supporting its diversified portfolio of cannabis brands and licensing partners.

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

The Company owns 91% of Alternative Medicine Association, LC (AMA), and 100% of Infused MFG LLC. 1933 Industries continues to focus its operations in the licensed US cannabis industry as a multi-state operator in Nevada, Colorado and California.

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.cannahemp.com>

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

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"may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. These statements speak only as of the date of this news release. Actual results could differ materially from those currently anticipated due to a number of factors and risks including various risk factors discussed in the Company's disclosure documents, which can be found under the Company's profile on www.sedar.com. 1933 Industries undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.