



**1933 Industries Reports Third Quarter 2021 Financial Results,
Records its First Profitable Quarter and Announces Cultivation
Expansion**

VANCOUVER, B.C., CANADA (June 29, 2021) – 1933 Industries Inc. (the “Company” or “1933 Industries”) (CSE: TGIF) (OTCQB: TGIF), a Nevada-focused cannabis consumer packaged goods company, is pleased to announce its third quarter (“Q3 2021”) financial results for the period ended April 30, 2021. All amounts expressed are in Canadian dollars.

Financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). Detailed information regarding the Company’s financial results as well as management’s discussion and analysis can be found at <https://sedar.com/> and <https://1933industries.com/>.

Q2 2021 Financial Highlights

	Q3 2021	Q2 2021	Q3 2020
Revenues	\$3,370,510	\$3,406,826	\$2,554,067
Gross margin	\$2,467,154	\$1,694,994	\$912,310
Expenses	\$1,884,481	\$3,104,154	\$5,641,997
Net income (loss)	\$582,673	(\$1,409,063)	(\$4,729,687)
Comprehensive loss	(\$513,716)	(\$2,745,087)	(\$2,915,923)
Adjusted EBITDA (loss)	\$1,404,081	(\$117,741)	(\$3,145,271)
Basic and diluted loss per share	(\$0.00)	(\$0.00)	(\$0.02)
Cash balance	\$5,918,633	\$1,687,750	\$2,761,542
Total assets	\$47,036,485	\$43,500,424	\$46,584,470
Total liabilities	\$19,293,232	\$24,656,642	\$27,132,288
Total equity	\$27,743,253	\$18,843,782	\$19,452,182

Operating Results

- Net income for Q3 2021 was \$0.6 million or \$0.002 per share, compared to a net loss of \$4.7 million or \$(0.02) per share for Q3 2020, which represents a \$5.2 million improvement year-over-year.
- Q3 2021 revenues were \$3.4 million, compared to \$2.6 million for Q3 2020, a 32% increase year over year attributed to the cultivation of premium cannabis flower and robust demand from the local market in Nevada. Revenues were 1% lower compared to the prior quarter due to a decrease in sales of its concentrate products.



- Adjusted EBITDA for Q3 2021 was \$1.4 million compared to adjusted EBITDA loss of \$3.1 million during the same quarter last year.
- Expenses were \$1.9 million for Q3 2021 and \$5.6 million for Q3 2020, a decrease of 67% as the Company continued to make strategic cost reductions across all entities. For the nine months ended, expenses were reduced 50% from the prior year, from \$17.1 million in 2020 to \$8.5 million in 2021. Cost control strategies will continue in place to maintain consistent profitability in the future.
- Gross margin improved to \$2.5 million or 73% in Q3 2021 as compared to gross margin of \$0.9 million or 35% in Q3 2020. The improvement is attributed to the Company's enhanced ability to cultivate saleable flower and biomass and the readjustment of the cost structure of its CBD line.

Balance Sheet

- Cash at April 30, 2021 was \$5.9 million, compared to \$2.8 million at July 31, 2020, an increase of 114%.
- Total assets for Q3, 2021 were \$47.0 million, compared to \$46.6 million in Q3, 2020.
- Working capital at April 30, 2021 was a surplus of \$6.5 million, compared to working capital surplus of \$6.1 million during the same period last year, representing an increase of 6.6%, despite the reclassification of \$10.0 million in convertible debentures to current liabilities as they mature on September 14, 2021.

Paul Rosen, Chairman and CEO of 1933 Industries commented, "We are pleased to announce the Company's first ever quarter of profitability. Reaching this important milestone demonstrates our continued commitment to practice prudent operational and financial discipline, which resulted in a stronger overall performance this quarter. The Company realized improvements in several key areas, including achieving profitability, minimizing expenses by 67%, strengthening the balance sheet with a capital raise of \$5 million, and substantially increasing gross margins. Although progress has been made operationally across all entities, there is still considerable room for substantial revenue growth and overall financial performance as we continue to build market share in Nevada, further streamline operations and develop our e-commerce CBD consumer-packaged goods business."



Q3 2021 Key Developments

Corporate

- Company-wide total sales and open orders reached \$1.4 million in January 2021. The Company reported that its cultivation subsidiary, AMA recorded its strongest monthly sales to date since August 2020, representing a 113% increase year over year.
- A trademark for 1933 Industries was issued as a registration by the Canadian Intellectual Property Office under registration number TMA1,094,389. The trademark is registered for a period of 10 years. Thereafter, the registration may be renewed every 10 years without limitation.

Financing Activities

- Pursuant to the closure of a bought deal private placement of units for gross proceeds of \$4,955,052, the Company issued 45,045,929 units at a price of \$0.11 per unit. Each unit is comprised of one common share of the Company and one common share purchase warrant. Each common share purchase warrant will be exercisable to acquire one common share of the Company at an exercise price of \$0.16 per common share of the Company until March 4, 2023, subject to a warrant acceleration right exercisable by the Company.
- In connection with the Offering, the Company issued 2,638,869 broker warrants and 514,346 advisory warrants (the "Compensation Warrants"). Each Compensation Warrant entitles the holder to purchase one additional unit of the Company (each a "Compensation Unit") at a price of \$0.11 per Compensation Unit until March 4, 2023.
- On March 14, 2021, 10,000,000 share purchase warrants expired.
- The Company issued 44,003,928 common shares pursuant to the conversion of \$3,949,000 of its convertible debentures and \$451,393 in accrued interest.

Subsequent Developments to April 30, 2021

- The Company received approval for an Adult-Use Distribution License for the state of Nevada. The license allows the Company to transport its cannabis products directly to its wholesale accounts, without the need for an intermediary. It also enables the Company to distribute cannabis products for other licensees, while

W: 1933industries.com - P: 604.674.4756. - E: info@1933industries.com



bolstering its supply chain and reducing the costs associated with third-party distribution.

- The Company announced the launch of its ultra-craft brand Level X, an exclusive collection of exotic strains, selected specifically for their distinctive terpene profiles, high THC levels, and flavonoids. Over a year in development, Level X flower is expertly cured, small batch grown and features buds that are meticulously selected and hand trimmed. Cultivated by a best-in-class team in the Company's state-of-the-art indoor facility, Level X is the result of months of testing and evaluating distinctive cultivars to provide a unique product not currently available. The Level X brand offers preferred limited-run strain drops on a rotational basis, with product available at selected dispensaries. Exclusive to Las Vegas, Level X appeals to true cannabis connoisseurs.
- The Company issued 710,082 common shares pursuant to the conversion of \$62,000 of its convertible debentures and \$9,008 in accrued interest. There is an aggregate of \$3,703,000 principal balance of convertible debentures outstanding as of the date of this news release.
- On May 1, 2021, 90,000 stock options were cancelled.
- On May 31, 2021, 500,000 stock options expired.
- On June 14, 2021, 650,000 stock options were cancelled.

Cultivation Facility Expansion

The Company is also pleased to announce that its subsidiary, Alternative Medicine Association (AMA), has commenced the expansion of a new grow zone at its indoor cultivation facility in Las Vegas, Nevada.

Proceeds of the capital raise during the reporting quarter were earmarked for the expansion of the Company's cultivation and extraction operations. Phase I of its cultivation facility expansion has been completed with the addition of a new grow zone, and the installation of 45 new grow lights. The new zone is already in use and contains 270 plants in an area that is 1,938 square feet in size with 1,035 square feet of table area, which can hold up to 405 plants.

Phase II encompasses an additional new grow zone, the installation of 120 additional lights (or their LED equivalent), and a customized climate control system separate from the rest



of the facility, to create a stand-alone, specialized growing environment for the Company's top tier cannabis strains.

The goal of the specialized zone is to achieve an optimal balance of light, nutrients, and air quality in order to produce better crop yields and stronger plants. Phase II measures 3,600 square feet and 2,400 of table square footage which can hold up to 1,080 plants. The expansion aims to maximize the efficiency of the facility, increase total output, and cultivate higher quality cannabis for the competitive Las Vegas market. It is anticipated that Phase II will be completed during fiscal Q1 2022 (August-October 2021).

The Company is optimistic that the product expansion and innovation, coupled with returning tourism to the state will increase sales along with continued increases in net income from operations. As of June 1, 2021, Nevada lifted all COVID-19 restrictions, and as a result, tourism in Las Vegas has returned to pre-pandemic levels.

Please note the next financial release date in accordance with the continuous disclosure schedule set out by the British Columbia Securities Commission:
Q4/YE 2021 (November 29, 2021)

About 1933 Industries Inc.

1933 Industries is a Nevada-based, 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, distribution and manufacturing assets supporting its diversified portfolio of cannabis brands and licensing partners. The Company owns 91% of

Alternative Medicine Association, LC (AMA), and 100% of Infused MFG LLC.

www.1933industries.com

About Alternative Medicine Association

AMA is a licensed medical and adult-use cannabis cultivation and extraction subsidiary that produces its own branded line of unique cannabis products and manufactures third-party brands. AMA's extensive menu of cannabis products include: craft cannabis flower, pre-rolls, full spectrum oils, high quality distillates, proprietary blends of terpenes, vaporizer products and boutique concentrates such as shatter, crumble, batter, sugar wax, diamonds, and live resin. AMA recently announced the launch of its ultra-craft brand Level X, an exclusive collection of exotic strains, selected specifically for their distinctive terpene profiles, high THC levels, and flavonoids With state-of-the-art cultivation and extraction



facilities based in Las Vegas, Nevada, AMA seeks to offer medical patients and recreational users alike a cannabis experience that's exceptional, potent, and consistent in quality. www.amanev.com

AMA is also licensed in Nevada as an adult-use cannabis distributor.

About Canna Hemp™

With an extensive product line that includes topicals, creams, vapes, elixirs, capsules, lip balms and pre and post workout recovery sports products, 1933 Industries' proprietary Canna Hemp™ brand utilizes the power of CBD to bring natural wellness. The Company's flagship products, the Canna Hemp™ Relief Cream and Canna Hemp X™ Recovery Cream are recognized as best topicals in the market. Canna Hemp X™ is a CBD sports recovery cream for athletes, bridging the gap between recovery and top performance. All products are triple and third-party tested for safety with test results embedded via QR codes for traceability. www.cannahemp.com

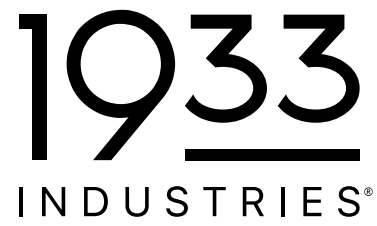
For further information please contact:

Alexia Helgason, VP, IR and Corporate Communications
604-674-4756 (ext. 1)
alexia@1933industries.com

Paul Rosen, CEO
604-674-4756 (ext. 1)

Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.

Notice regarding Forward Looking Statements: This news release contains forward-looking statements. The use of any of the words "anticipate", "continue", "estimate", "expect", "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.