



## 1933 Industries Reports Fourth Quarter and Annual Financial Results for Fiscal Year 2021

### Year Over Year Improvements

- 72% Reduction in Net Loss
- 53% Decrease in Expenses
- 21% Increase in Gross Margin

VANCOUVER, B.C., CANADA (November 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 fourth quarter (“Q4 2021”) and audited annual financial results for the period ended July 31, 2021 (“Fiscal 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/>.

### FISCAL 2021 FINANCIAL HIGHLIGHTS

Fiscal 2021 Consolidated Results		
	July 31, 2021	July 31, 2020
Revenue	\$11,975,021	\$11,962,525
Gross margin	\$4,819,967	\$2,284,674
Expenses	\$10,625,390	\$22,430,154
Cash balance	\$4,405,849	\$2,761,542
Net loss	(\$6,287,423)	(\$22,203,622)
Comprehensive loss	(\$8,458,259)	(\$23,070,361)
Adjusted EBITDA loss	(\$2,175,170)	(\$16,851,443)
Basic and diluted loss per share	(\$0.02)	(\$0.08)
Current assets	\$11,149,216	\$7,788,920
Total assets	\$45,353,816	\$46,584,470
Current liabilities	\$2,709,806	\$1,682,635
Total liabilities	\$20,121,280	\$27,132,288
Equity	\$25,232,536	\$19,452,182
Quarterly Comparisons		
	Q4 2021	Q4 2020
Revenue	\$2,510,169	\$2,388,010
Gross margin	(\$70,881)	\$63,177
Expenses	\$2,092,068	\$5,241,312
Cash balance	\$4,405,849	\$2,761,542
Net loss	(\$2,642,456)	(\$7,236,277)

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Comprehensive loss	(\$2,270,333)	(\$6,045,722)
Adjusted EBITDA loss	(\$2,105,312)	(\$7,196,520)
Basic and diluted loss per share	(\$0.01)	(\$0.03)
Total assets	\$45,353,816	\$46,584,470

### Revenues

- The Company recorded revenues of \$12.0 million in Fiscal 2021, compared to \$12.0 million during Fiscal 2020.
- Alternative Medicine Association (AMA), the Company's cultivation and production subsidiary focused on the cultivation and sale of medical and adult use cannabis products, recorded revenues of \$9.1 million in Fiscal 2021, a 47% increase from \$6.2 million in Fiscal 2020. The revenue growth is attributed to significant increases of harvested cannabis, trim and finished goods. While AMA's revenue increased from the previous year, revenue from the Company's CBD consumer packaged goods subsidiary, Infused Manufacturing, was negatively impacted by the slowdown in retail sales due to the Covid-19 pandemic.
- In Q4 2021, the Company recorded revenues of \$2.5 million, compared to \$2.4 million during Q4 2020.
- The revenue increase in Q4 2021 as compared to Q4 2020 was primarily due to gradual recovery from the COVID-19 pandemic.

### Gross Margin

- Gross margin was \$4.8 million or 40% for Fiscal 2021, compared to 19% for Fiscal 2020, a 21% increase. In Q4 2021, gross margin was a loss of \$70,881 (3%), compared to \$63,177 (3%) during Q4 2020.
- The increase in the gross margin percentage is primarily due to the Company's enhanced ability to produce saleable flower and biomass from its cultivation facility which is expected to substantially improve realized gross margins going forward.

### Expenses

- Expenses were \$10.6 million for Fiscal 2021 compared to \$22.4 million in Fiscal 2020, and \$2.1 million for Q4 2021 compared to \$5.2 million over the same quarter last year. The decrease is attributed to the Company's strategic cost reductions across all business units. It is the priority of the Company's executive management to continue to reduce costs, with the goal of maintaining consistent profitability in the near future.

### Net Loss

- Net loss from continuing operations was reduced by 72% from \$22.2 million in Fiscal 2020 or \$0.08 per share to \$6.3 million or \$0.02 per share for Fiscal 2021. Net



loss for Q4 2021 was \$2.6 million compared to net loss of \$7.2 million during the quarter in 2020.

- Adjusted EBITDA loss was \$2.2 million for Fiscal 2021 compared to \$16.9 million for Fiscal 2020 and \$2.1 million for Q4 2021 compared to \$7.2 million in Q4 2020.

#### Balance Sheet

- Cash at July 31, 2021 was \$4.4 million, compared to \$2.8 million at July 31, 2020, an increase of 57%.
- Total assets at July 31, 2021 were \$45.4 million, compared to \$46.6 million at July 31, 2020.
- Working capital at July 31, 2021 was a surplus of \$8.4 million, compared to working capital surplus of \$6.1 million at July 31, 2020, an increase of 38%.

#### **Management Commentary by Mr. Paul Rosen, Chairman and CEO of 1933 Industries**

Over Fiscal 2021, the Company committed to making strategic cost reductions across all divisions, with the goal of achieving consistent profitability. The Company minimized non-revenue generating costs by remaining committed to prudent operational and financial discipline, which resulted in a stronger performance over its previous year. The Company reduced expenses by 53%, improved gross margins by 21%, and reduced net loss by 72% compared to Fiscal 2020. Financing activities netted \$6.1 million and a reduction in its convertible debt by 61% further strengthened the Company's balance sheet. In addition, Debentureholders approved an extension to the maturity date of the outstanding convertible debentures from September 14, 2021, to September 14, 2022. Cash at July 31, 2021 was \$4.4 million, compared to \$2.8 million at July 31, 2020, an increase of 57%. Working capital at July 31, 2021 was a surplus of \$8.4 million, compared to working capital surplus of \$6.1 million at July 31, 2020, an increase of 38%.

Sales remained steady in Fiscal 2021 over the previous year, and the Company progressed in its efforts to improve and streamline its operations and is continuing to optimize cultivation and production capacity. Over the reporting period, the Company worked to improve yields, launched premium strains and new form factors, expanded extraction and cultivation capacities, and strengthened its CBD e-commerce business. Cannabis inventory increased by 143%, resulting in stronger AMA sales over Fiscal 2020. CBD sales slumped over the period due to increased competition and the effects of the COVID-19 pandemic on brick-and-mortar stores shifted retail sales entirely to e-commerce. Progress has been made operationally across all entities and now management focus has shifted to improve revenue growth and overall financial performance. The Company believes its diversified product offerings and premium products will have a positive impact on revenues. The



Company believes that it is on the right path to improve its growth and reach consistent profitability in Fiscal 2022.

### **Fiscal 2021 Key Developments**

Refer to Management Discussions and Analysis

Please note the next financial release date in accordance with the continuous disclosure schedule set out by the British Columbia Securities Commission:  
Q1/ 2022 (December 30, 2021)

### **About 1933 Industries Inc.**

1933 Industries is a Nevada-based, growth-orientated company, focusing on the cultivation and manufacturing of a large portfolio of cannabis consumer-packaged goods in a variety of formats for both the wholesale and retail markets. Its product offerings include: THC flower, pre-rolls, and extracted products under the AMA and Level X brands for the Nevada market; and national cannabidiol (CBD) brand of infused wellness products including CBD tinctures, gummies, topicals and sport recovery products. The Company owns 91% of Alternative Medicine Association, LC (AMA), and 100% of Infused MFG LLC.  
[www.1933industries.com](http://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. 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. Ultra-craft brand Level X is 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](http://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 CBD topicals, CBD creams, CBD gummies, CBD vaporizers, CBD tinctures, CBD capsules, and CBD pre and post workout recovery sports



products, 1933 Industries' proprietary Canna Hemp™ brand utilizes the power of CBD to bring natural wellness.

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