



## 1933 Industries Reports First Quarter 2022 Financial Results

VANCOUVER, B.C., CANADA (December 30, 2021) – 1933 Industries Inc. (the “Company” or “1933 Industries”) (CSE: TGIF) (OTCQB: TGIFF), a Nevada-focused cannabis consumer packaged goods company, is pleased to announce its first quarter (“Q1 2022”) financial results for the three months ended October 31, 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/investors/financial-information>

### **First Quarter Financial Highlights**

- Reduced operating expenses by 45%
- Improved gross margins by 18%
- Reduced net loss by 66%
- Adjusted EBITDA loss improved by 78%

<b>Q1 2022 Financial Highlights</b>		
	<b>October 31, 2021</b>	<b>October 31, 2020</b>
Revenues	\$2,466,064	\$2,687,516
Gross margin	\$1,103,102	\$728,700
Expenses	\$1,937,229	\$3,544,687
Net loss for the period	(\$948,825)	(\$2,818,577)
Basic and diluted loss per share	(\$0.00)	(\$0.01)
Comprehensive loss for the period	(\$1,120,750)	(\$2,929,123)
Adjusted EBITDA loss	(\$303,978)	(\$1,351,212)
Cash balance	\$3,162,952	\$2,044,573
Total assets	\$44,585,701	\$45,431,525
Total liabilities	\$20,418,844	\$26,714,275
Total liabilities and shareholders’ equity	\$44,585,701	\$45,431,525

### **Q1 2022 CONSOLIDATED OPERATING FINANCIAL HIGHLIGHTS**

- Total revenues were \$2.5 million for Q1 2022 and \$2.7 million for Q1 2021.
- Expenses were \$1.9 million for Q1 2022 compared to \$3.5 million for Q1 2021, a decrease of 45%.
- Gross margin was \$1.1 million or 45% for Q1 2022 and \$0.7 million or 27% for Q1 2021.



- Net loss from continuing operations was \$0.9 million for Q1 2022 compared to a net loss of \$2.8 million for Q1 2021, an improvement of 66%.
- Adjusted EBITDA loss was \$0.3 million for Q1 2022 compared to adjusted EBITDA loss of \$1.4 million for Q1 2021, an improvement of 78%.

#### **Q1 2022 CONSOLIDATED BALANCE SHEET FINANCIAL HIGHLIGHTS**

- Cash at October 31, 2021 was \$3.2 million, compared to \$4.4 million at July 31, 2021, a decrease of 27%.
- Total assets at October 31, 2021 were \$44.6 million, compared to \$45.4 million at July 31, 2021.
- Working capital at October 31, 2021 was a surplus of \$3.5 million, compared to working capital surplus of \$8.4 million at July 31, 2021, a decrease of 58%. The decrease was due to the reclassification of \$4.3 million convertible debentures to from long-term to current liabilities.

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

Over Q1 2022, the Company continued to make strategic cost reductions across all divisions, with the goal of achieving consistent profitability. The Company successfully extended its convertible debt to mature in September 2022, reduced operating expenses by 45%, improved gross margins by 18%, and reduced net loss by 66% compared to Q1 2021.

Although Nevada's legal cannabis industry surpassed \$1 billion in taxable sales in fiscal 2021, sales in the state during the reporting quarter declined. According to BDSA data, in September and October 2021, Nevada sales were down 8.4% from August and down 11% from the year prior. Cannabis flower sales fell 25% from the previous year. The Company believes that softening sales were due to changing employment patterns in Nevada, a resurgence of Covid-19 and corresponding social distancing and mask mandates, and the increase of low-priced flower flooding the market. As a result, AMA sales remained flat during the reporting quarter. To combat and rectify these issues, the Company has readjusted its pricing strategy to meet market demands, continues to increase shelf space with sought-after flower strains and in-demand infused pre-rolls, and recruited and installed an improved leadership team covering sales and cultivation under the direction of Ms. Ester Vigil and Mr. Steve Licon, both leading professionals in the Nevada cannabis market. The Company believes that the changes it has made in both its cultivation and post-harvest processes and procedures will result in increased flower capacity, consistency, and quality and that the Company remains on the right path to improve its growth and reach consistent profitability in fiscal 2022 and beyond.



### **Q1 2022 Key Developments**

Refer to Management Discussions and Analysis

Please note the next financial release dates in accordance with the continuous disclosure schedule set out by the British Columbia Securities Commission:

Q2/2022: April 1, 2022

Q3/2022: June 29, 2022

Q4/YE 2022: November 28, 2022

### **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, CBD pre and post workout recovery sports products, and CBG and CBN tinctures, 1933 Industries' proprietary Canna Hemp™ brand utilizes the power of hemp-extracted cannabinoids to bring natural wellness.



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