



1933 Industries Announces First Quarter 2023 Financial Results and Reports Record Revenue of \$5.64 Million

VANCOUVER, B.C., CANADA (December 28, 2022) – 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 financial results (“Q1 2023”) For the three months ended October 31, 2022 and 2021 (“Fiscal 2023”). All amounts expressed are in Canadian dollars.

The Company owns 91% of Alternative Medicine Association (AMA), the Company’s cultivation and production subsidiary focused on the cultivation and sale of medical and adult-use cannabis products, and 100% of CBD product manufacturer Infused MFG LLC (Infused). The Company’s revenue is derived from wholesale cannabis sales in Nevada (AMA), and from the sale of hemp-derived consumer packaged goods (Infused) under the Canna Hemp™ brand sold across the US via ecommerce at cannahemp.com

Q1 2023 Financial Highlights

- Total revenues of \$5.64 million, marking a record of the highest quarterly revenue in the Company’s history
- Gross margin of \$2.0 million before fair value adjustments
- Adjusted EBITDA income of \$0.1 million
- Top 10 selling cannabis brand in Nevada

Consolidated Operating Highlights

Revenues

- Total revenues were \$5.64 million for Q1 2023 and \$2.5 million for Q1 2022, achieving the best quarterly revenue in the Company’s history. The Company attained a 129% increase in revenue compared to the same period in fiscal 2022 and a 116% increase compared to \$2.6 million during the previous quarter (Q4 2022).
- The Company’s hemp-infused consumer packaged goods subsidiary recorded comparable revenues compared to the same period in fiscal 2022 with positive gross margins. Overall, demand for hemp-infused products remains soft due to decreased wholesale demand in dispensaries and brick and mortar accounts, macro-economic headwinds, and increased competition due to low barrier to entry for hemp-infused products.



Gross Margin and Profitability

- For the three-month period ended October 31, 2022, gross margin was \$2.0 million before fair value adjustments of biological asset transformation, compared to \$0.6 million during the same period of the prior year. Excluding \$1.3 million in fair value adjustments, the Company was profitable in the reporting quarter. The decrease in gross margin is attributable to a decrease in flower pricing in Nevada.

Expenses

- Expenses were \$1.4 million for Q1 2023 and \$1.9 million for Q1 2022. It is the priority of the Company's executive management to continue to reduce costs without compromising revenue.
- General and administration expenses were \$347,676, compared to \$371,176 during Q1 2022. The balance is consistent period over period based on the level of operations of the Company.

Net Loss

- Net loss was \$1.2 million for Q1 2023 and \$0.9 million for Q1 2022. The increase was due primarily to the to decrease in fair value adjustments on biological assets.
- Adjusted EBITDA was \$0.1 million for Q1 2023 compared to a loss of \$0.3 million for Q1 2022.

Balance Sheet

- At the end of the reporting period, the Company had a cash balance of \$3.3 million compared to \$3.1 million during the same period of the prior year.

Management Commentary

Paul Rosen, Chairman and CEO of 1933 Industries commented, "We are pleased to announce measurable operational results. The Company achieved the highest quarterly revenue in the Company's history, recorded positive adjusted EBITDA, and increased gross margins before fair value adjustments, demonstrating that the Company is on the right track. AMA branded products are regularly listed as the top selling cannabis products in Nevada. Strategic relationships with wholesale dispensaries, higher volume of cannabis products and a disciplined approach to reducing expenses have led to a strong quarterly performance. Although competitive wholesale flower pricing pressure continues to impact producers in Nevada, the measures that we have implemented have resulted in significant progress towards executing on our goals."

Financial statements are prepared in accordance with International Financial Reporting Standards. 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>

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

2023 Financial Release Dates	
Reporting Quarter	Release Date
Q2/2023	April 3, 2023
Q3/2023	June 29, 2023
Q4/YE 2023	November 28, 2023

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; Canna Hemp™, national cannabidiol (CBD) brand of infused wellness products including tinctures, gummies, topicals and sport recovery products. The Company owns 91% of Alternative Medicine Association, LC (AMA) and 100% of Infused MFG LLC (Infused).

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

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

About Canna Hemp™

With over 65 products in its portfolio, the Canna Hemp™ brand offers products in a variety of verticals and consumption formats, including, effects-based tinctures, topicals, vape pens and cartridges, gummies, and capsules for Sleep, Relief, Calm, Focus and Energy. High-grade CBD and a proprietary blend of terpenes formulated for specific effects are key

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



differentiators for the Canna Hemp™ line. The Company recently introduced previously untapped cannabinoids Cannabigerol (CBG) and Cannabinol (CBN) to its portfolio of products with a new line of natural tinctures and gummies.

www.cannahemp.com

For further information please contact:
Alexia Helgason, VP, IR, Marketing, Media
604-728-4407
alexia@1933industries.com

Paul Rosen, CEO
paul@1933industries.com

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