



## **1933 Industries Provides Corporate Update**

VANCOUVER, B.C., CANADA (October 27 2023) – 1933 Industries Inc. (the “Company” or “1933 Industries”) (CSE: TGIF) (OTCQB: TGIFF), a Nevada-focused cannabis cultivator and producer, is pleased to provide a corporate update regarding the retrofit of its cultivation facility, upcoming tax relief events and the proposed amendments to its 10% Senior Unsecured Convertible Debentures Due December 31, 2023.

### **Construction and Retrofit Update**

The Company is pleased to announce that the upgrades and improvements undertaken over the last several months to its cultivation facility in Las Vegas have been completed. A large scale retrofit of the irrigation system was undertaken for the long-term success of the facility and the capital investment has already demonstrated significant improvements in flower production and yields. The Company also added an additional bloom room with 65 lights, thus increasing the total number of lights in the facility’s 17 bloom rooms to 806. The Company anticipates that these enhancements will increase the Company’s ability to offer consistent flower quality and value.

The Company anticipates that its fourth quarter financial report will demonstrate revenue growth as a result of these improvements, with both the cultivation and production business units contributing to this strong performance. The Company’s AMA brand continues to rank as one of the top selling brands in Nevada according to both BDSA and Headset cannabis market sales data. The Company will announce its fourth quarter financial report, as well as its year-end financial results on November 28, 2023.

### **Proposed Amendments to Debentures and Meeting Date**

The Company will be holding an Extraordinary Meeting of the Holders of 10% Senior Unsecured Convertible Debentures due December 31, 2023, to seek approval for the following proposed amendments:

To consider, and if thought fit, an extraordinary resolution, to:

- (i) approve the settlement of the Debentures upon maturity and the principal debt owed thereunder, excluding any interest in arrears, through the issuance of a unit (each a “Unit”) to the Debentureholders, each Unit being issued at a deemed price of \$0.02 per Unit, comprising one common shares and one share purchase warrant exercisable into one additional common share of the Company at a price of \$0.05 (the lowest price allowable under Canadian Securities Exchange rules) for a period of five



years from the date of issuance, subject to certain acceleration provisions, with 50,000 Units being issued for each \$1,000 in principal value Debentures held; or

(ii) approve the settlement of the Debentures upon maturity and the principal debt owed thereunder, excluding any interest in arrears, through the issuance of a new 10% unsecured convertible debenture (the “New Debenture”) with a two year maturity, convertible into units at a price of \$0.05 per unit, each unit comprising one common share of the Company and one share purchase warrant exercisable into one additional common share of the Company at a price of \$0.05 for a period of five years from the date of issuance of the New Debenture, subject to certain acceleration provisions as more particularly defined in the indenture governing warrants issuable upon conversion of the New Debenture.

Options (i) and (ii) above collectively referred to herein as the “Debenture Settlement Options” and (ii) authorize the Board of Directors of the Company, in its sole discretion, to determine which of (i) or (ii) will be in the best interest of the Company and proceed with either (i) or (ii) above.

The details of the Extraordinary Meeting are as follows:

**Place:** Virtual Meeting Only

**Time:** 9:00 a.m. PST

**Date:** November 14, 2023

Notice of the Extraordinary Meeting and Information Circular were mailed to Debentureholders as of the record date.

THE BOARD UNANIMOUSLY RECOMMENDS THAT THE DEBENTUREHOLDERS VOTE IN FAVOUR OF THE DEBENTURE SETTLEMENT OPTIONS.

### **Impact of Rescheduling Cannabis as Schedule III and Amendment of State Tax**

The Department of Health and Human Services (HHS) recently recommended to the Drug Enforcement Administration (DEA) that marijuana be rescheduled from a Schedule I to Schedule III substance, as defined by the Controlled Substances Act. If implemented, the rescheduling would have a significant impact on cannabis companies as it would eliminate 280E taxation. This tax prohibits cannabis operators from deducting business expenses from gross income, leading to higher taxes than ordinary businesses are required to pay. The recommendation is encouraging to companies operating in the sector and the Company will



continue to follow any developments closely, with the expectation that tax relief will have a positive benefit on the industry.

As of January 1st, 2024, the Company will gain relief as a change to the Nevada Wholesale Marijuana Tax (WMT) comes into effect, amending how companies are taxed under the fair market value calculation. The WMT will apply to non-vertically integrated sales. Under existing law, the Department of Taxation determines the fair market value of wholesale cannabis and establishes a per pound rate, irrespective of the actual price of the product sold to dispensaries. The change means that a 15% tax will be calculated based on the actual sales price, resulting in significant cost savings for cultivators.

“We are pleased that the Nevada Department of Taxation has taken meaningful steps towards relieving some of the tax burden that operators like 1933 Industries face. We are also encouraged by the ongoing discussion of rescheduling cannabis to Schedule III”, said Mr. Paul Rosen, 1933 Industries’ CEO and Chairman of the Board. “Tax relief for the cannabis industry is a necessary step towards leveling the playing field and discouraging the illicit market from continuing to operate.” Mr. Rosen added, “We continue to focus on efficient practices to operate a lean and sustainable company and streamline our business units to significantly improve operational efficiencies and reduce corporate overhead.”

The Company also announces the issuance of 1,000,000 stock options pursuant to the Company’s stock option plan. The options are exercisable for a period of five years at a price of \$0.05 per share.

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

1933 Industries is a Nevada-based 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 through its in-house brands include: wholesale flower, pre-rolls, and extracted products under the AMA and Level X brands for the Nevada market; and Canna Hemp™, a national cannabidiol (CBD) brand of wellness products that includes tinctures, gummies, topicals and sports recovery products. The Company owns 91% of Alternative Medicine Association, LC (AMA) and 100% of Infused MFG LLC (Infused). For more information, please visit [www.1933industries.com](http://www.1933industries.com)

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