



1933 Industries Reports First Quarter 2024 Financials And Announces the Issuance of New Debenture

VANCOUVER, B.C., CANADA (January 2, 2024) – 1933 Industries Inc. (the “Company” or “1933 Industries”) (CSE: TGIF) (OTCQB: TGIF), a Nevada-focused cannabis cultivator and producer, is pleased to announce its unaudited interim consolidated financial statements for the three months ended October 31, 2023 and 2022 (“Q1 2024”). 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 medical and adult-use cannabis market, and 100% of consumer-packaged goods 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 wellness products (Infused) under the Canna Hemp™ brand sold across the US via e-commerce at cannahemp.com

Q1 2024 Financial Highlights

- Total revenues of \$5.5 million
- Gross margin of \$3.9 million before fair value adjustments
- Adjusted EBITDA income of \$0.1 million
- Top 5 selling cannabis brand in Nevada

Management Commentary

“We are pleased to report revenues of \$5.5 million, as well as operational improvements in gross profit and positive adjusted EBITDA compared to the same period last year. As a non-dispensary house brand, AMA products have strong market presence in several categories and consistently rank among the top 5 brands sold in Nevada. Our ability to offer a large variety of quality cannabis products with assured consistency and that meet changing consumer demands has made AMA a sought-after brand”, said Mr. Paul Rosen, Chairman and CEO of the Company.



Q1 2024 Consolidating Operating Highlights

Revenues

During Q1 2024, the Company recorded revenues of \$5.5 million, an 11% increase from \$5.0 million for Q1 2023. The strong performance is attributed to the improvements to the cultivation facility that were completed during Q4 2023.

Gross Profit

For the three-month period ended October 31, 2023, gross profit was \$3.9 million before fair market adjustments. Gross profit, after fair market adjustments, was \$1.7 million for Q1 2024, compared to \$0.5 million during the same period in 2023.

Expenses

During the reporting period, expenses were \$2.1 million compared to \$1.2 million for Q1 2023. The increase in expenses was primarily due to prior period receiving payroll tax refunds from the IRS of \$0.5 million and recovery of a fair value adjustment related to Infused MFG inventory of \$0.4 million.

Net Loss

For Q1 2024, net loss and adjusted EBITDA were a loss of \$0.4 million and an income of \$0.1 million, respectively, compared to a loss of \$1.2 million and an income of \$30,967, respectively, for Q1 2023.

Convertible Debenture Update

The Company also announces the extinguishment upon maturity, of the principal debt of its 10% Senior Unsecured Convertible Debentures Due December 31, 2023 (the "Historical Debentures"), excluding interest in arrears, through the issuance of a new 10% unsecured convertible debenture (the "New Debenture"), as per a recently approved resolution by debenture holders. With a two-year maturity, the New Debenture will be convertible into units at a price of \$0.05 per unit. Each unit will be comprised of one common share of the Company and one share purchase warrant. Each share purchase warrant is exercisable into one common share of the Company at an exercise price of \$0.05 for a period of five years from the date of issuance of the New Debenture, subject to certain acceleration provisions. Mr. Rosen added, "We are encouraged by our steady progress towards profitability and are hopeful and optimistic that over the two-year period, overall market conditions will improve."

The distribution of the New Debentures will be conducted pursuant to the Company's Canadian base shelf prospectus dated November 17, 2022 (the "Base Shelf Prospectus"). A



prospectus supplement (the “Prospectus Supplement”) relating to the distribution will be filed in the provinces of British Columbia, Alberta, Saskatchewan, and Ontario. The Base Shelf Prospectus is available, and the Prospectus Supplement will be available under the Company’s profile on SEDAR at www.sedar.com.

Holders of record of Historical Debentures on December 29, 2023, being the last business day prior to the maturity of the Historical Debentures will exchange their Historical Debentures for New Debentures, except in jurisdictions where the New Debentures may not be distributed. A letter of transmittal will be sent by the trustee for the Historical Debentures, Odyssey Trust Company, to the registered debenture holders providing instructions to surrender the certificates evidencing the Historical Debentures for replacement certificates representing the New Debentures.

Accrued and unpaid interest due under the Historical Debentures of approximately \$1,294,000 will be paid in common shares of the Company, as permitted in accordance with their terms, as a price of \$0.05 per share resulting in the issuance of an aggregate of 25,880,000 shares. The Company anticipates that the settlement of the Debentures would occur upon or shortly following the Maturity Date, subject to Canadian Securities Exchange approval. Further details of the amendments are contained in the Management Information Circular filed under the Company's profile on SEDAR available www.sedar.com and on the Company's website at www.1933industries.com/investors/eom-materials

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:

2024 Financial Release Dates	
Reporting Quarter	Release Date
Q2/2024	April 2, 2024
Q3/2024	July 2, 2024
Q4/YE 2024	November 28, 2024

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

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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.