



1933 Industries Reports Q2 2024 Financials

VANCOUVER, B.C., CANADA (April 2, 2024) – 1933 Industries Inc. (the “Company” or “1933 Industries”) (CSE: TGIF) (OTCQB: TGIFF), a Nevada-focused cannabis cultivator and producer, is pleased to announce its unaudited interim consolidated financial statements for the three and six months ended January 31, 2024 and 2023 (“Q2 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

Q2 2024 Financial Highlights

- Total revenues of \$4.74 million for Q2 and \$10.3 million YTD
- Gross profit increase of 543% year-over-year
- AMA product revenues increase of 10% year-over-year
- Top 5 selling cannabis brand in Nevada

Management Commentary

“A continued disciplined approach to drive cost reductions and optimize operational efficiencies have allowed 1933 to achieve improvements year-over-year in both total revenues and gross profit. Continued efforts to implement strategic measures to increase cultivation yields, coupled with the enhancements undertaken at the cultivation facility in 2023, continue to bear positive outcomes. AMA is consistently ranked as a top 5 brand in Nevada, earning the top position in the flower category in December¹. The quarter was negatively impacted by the trend of December historically being a weak month for the Nevada cannabis industry, while January rebounded to be one of the strongest months in the Company’s history,” said Mr. Paul Rosen, Chairman and CEO of the Company.

¹ <https://www.headset.io/brands/alternative-medicine-association-ama>



Q2 2024 Consolidated Operating Highlights

Revenues

During Q2 2024, the Company recorded revenues of \$4.74 million, a 10% increase from \$4.3 million in Q2 2023. For the six months ended January 31, 2024, revenues rose to \$10.3 million from \$9.3 million recorded during the same comparable period in 2023.

Gross Profit

In Q2 2024, gross profit was \$2.2 million and \$6 million year to date, excluding fair value adjustments. Post-adjustments, gross profit increased to \$1.41 million in Q2 2024 from \$0.05 million during the same comparable period in Q2 2023. For the six months ended January 31, 2024, gross profit was \$3.1 million, a significant improvement compared to \$0.6 million during the same period in 2023. The increase in gross profit is attributed to operational efficiencies and to the upgrades and facility improvements completed in Q4 2024.

Expenses

Expenses were \$2.1 million for Q2 2024 compared to \$0.4 million for Q2 2023. The increase from the prior year comparable period was primarily due the Company receiving a payroll tax refund from the IRS of \$2 million related to the Coronavirus Aid, Relief and Economic Security Act in Q2 2023. Actual expenses decreased by 11% during the reporting period due to significant operational efficiencies.

General and administrative costs in Q2 2024 were \$0.2 million compared to \$0.6 million in Q2 2023. Cost-savings efforts combined with the Company's upgrades and improvements undertaken to its cultivation facility in Las Vegas are expected to help stabilize operating expenses and improve net loss in future quarters.

Net Loss

During the reporting period, net loss was \$0.7 million for Q2 2024, and comprehensive loss was \$0.4 million. In comparison, net loss was \$0.4 million in Q2 2023, and comprehensive loss was \$0.6 million in the prior year comparable period. For the six months ended January 31, 2024, net loss declined to \$1.1 million from \$1.5 million during the same period in 2023. Comprehensive loss year to date decreased to \$0.6 million from \$1.0 million during to the same reporting period.



Q2 2024 Key Developments

During the six months ended January 31, 2024, the Company announced that the upgrades and improvements undertaken 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. The Company added an additional bloom room with 65 lights, thus increasing the total number of lights in the facility's 17 bloom rooms to 806.

On December 29, 2024, the Company announced renegotiation of its convertible debentures with an original maturity date of December 31, 2023. Of the total principal of \$3,114,000, holders of \$3,073,000 agreed to be issued replacement debentures and holders of \$41,000 of the convertible debentures were repaid in cash during February 2024. The renegotiated debentures accrue interest at 10% per annum, may be converted into units of the Company and mature on December 31, 2025. Each unit is comprised of one common share and one common share purchase warrant entitling the holder to purchase one additional common share at a price of \$0.05 for a period of five years from the date of issuance of the new convertible debentures. Interest in arrears resulting from the original debentures remains payable in cash or may be settled through the issuance of units of the Company at \$0.05 per unit.

The Company also announces that Lisa Capparelli is stepping down from the Board of Directors in order to pursue other opportunities. The Board wishes to thank Ms. Capparelli for her contributions to the Company during her tenure as director.

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
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

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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