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1933 Industries Closes Non-Brokered Private Placement and Provides Corporate Update

VANCOUVER, B.C., CANADA (September 8, 2020) – 1933 Industries Inc. (the “Company” or “1933 Industries”) (CSE: TGIF) (OTCQX: TGIF), a vertically-integrated cannabis consumer packaged goods company with a diverse portfolio of consumer-driven brands, announces that it has closed its private placement originally announced on July 17, 2020, with the issuance of 10,510,040 Units at a price of \$0.075 per Unit for gross proceeds of \$788,253. Each Unit consists of one common share and one-half share purchase warrants, with each whole warrant being exercisable at a price of \$0.125 until September 3, 2022 and is subject to an accelerated expiry if the closing price of the Company’s common shares exceeds C\$0.25 per share for a period of 10 consecutive trading days.

A total of \$6,037.50 was paid and 40,250 warrants were issued as a finder’s fee in connection with the closing. All securities issued in connection with the private placement are subject to a regulatory hold period expiring on January 5, 2021.

Proceeds from the private placement will be used for ongoing business development and general working capital.

Due to insider participation in the private placement, it is considered a related party transaction within the meaning of Multilateral Instrument 61-101 (“MI 61-101”). The participation is exempt from the need to obtain minority shareholder approval and a formal valuation on the basis that insider participation is less than 25% of the Issuer’s market capital.

Management Commentary

Mr. Paul Rosen, CEO of 1933 Industries, stated: “The proceeds of the private placement as well as the progress we have made in converting our debentures, in conjunction with the cost control measures we have implemented have positively strengthened our balance sheet and provide the Company the necessary runway and security to continue to execute on our business and its successful turnaround. We believe that the market is undervaluing the Company’s stock, and therefore do not see the value in keeping the current private



placement open. We remain laser focused on our performance and long-term commitment to increase shareholder value.”

Mr. Eugene Ruiz, President of the Company, stated: “A number of positive achievements have been accomplished over the last three months since Paul and I took over the Company’s executive management. We have significantly reduced our cash burn and together with a steady increase in sales and sufficient capital on hand, we expect to achieve cash flow breakeven in the near future. Our progress to achieve this includes: reorganizing nearly every operating area to reduce expenses, while deploying a portion of those savings into a new sales team and increased marketing efforts which have begun to generate solid improvements in sales; bringing our cultivation facility to full inventory and production, which we anticipate will be a significant contributor to earnings and growth going forward; and terminating certain previous branding deals and partnerships which reduced the Company’s cash position while providing little prospects for meaningful profits in the future.

In addition, we are pleased to report the upcoming launch of our premium packaged smokable flower into the Nevada market, which will be available in dispensaries this month, providing anticipated meaningful revenue increases as we enter the largest segment of the cannabis market with a top tier product. The local cannabis demand for premium flower has remained robust even during the Covid period, providing the Company with optimism that it will be able to sell all of its flower product into the market under existing market conditions. This confidence is further bolstered by the fact that tourism traffic continues to pick up in Las Vegas.”

Since all the amendments put forth by the Company were approved by holders of 10% Senior Unsecured Convertible Debentures Due September 14, 2021 (news release dated June 29, 2020), the Company reports that \$2,836,000 in principal has been converted into 28,360,000 shares and \$160,697.07 in interest has been converted into 1,606,970 shares.

The Company announces the following updates regarding its subsidiaries’ non-cash licensing agreements:

- Alternative Medicine Association (AMA) ended its licensing agreement with OG DNA Genetics Inc., expiring on September 18, 2020.
- AMA did not renew its licensing agreement with Denver Dab Co., which ended on August 31, 2020.
- Infused MFG did not renew its license agreement to manufacture Canna Hemp™ products in Colorado. The agreement ended on August 31, 2020.



- AMA terminated the Management Agreement with Green Spectrum Group LLC., as the deal structure was deemed inadequate to generate profits and cash flow.

The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (“U.S. Securities Act”) or any state securities law and may not be offered or sold in the United States unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

About 1933 Industries Inc.

1933 Industries is a vertically-integrated, growth-orientated company, focusing on the cultivation and manufacturing of cannabis consumer branded goods in a wide range of product formats. Operating through two subsidiaries, the Company controls all aspects of the value chain with cultivation, extraction, processing, and manufacturing assets supporting its diversified portfolio of cannabis brands and licensing partners. The Company owns 91% of Alternative Medicine Association, LC (AMA), and 100% of Infused MFG LLC.

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-based products and manufactures third-party brands. 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.

About Canna Hemp™

With an extensive product line that includes topicals, creams, vapes, elixirs, capsules, dabs, lip balms and pre and post workout recovery sports products, 1933 Industries’ proprietary Canna Hemp™ brand utilizes the power of hemp and CBD to bring natural wellness. The Company’s flagship products, the Canna Hemp™ Relief Cream and Canna Hemp X™ Recovery Cream are recognized as best topicals in the market. Canna Hemp X™ is a CBD sports recovery cream for athletes, bridging the gap between recovery and top performance. All products are triple and third-party tested for safety with test results imbedded via QR codes for traceability.

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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.