

1933 Industries Inc.

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1933 Industries closes non-brokered private placement for ongoing business development

1933 Industries Inc (CSE:TGIF) said Tuesday that it has closed a private placement by issuing 10,510,040 units at a price of \$0.075 each to raise \$788,253 to fund business development.

The Vancouver-based vertically integrated cannabis consumer packaged goods company said each unit is made up of one share and one-half share purchase warrant, with each whole warrant being exercisable at a price of \$0.125 until September 3, 2022. The warrant is subject to an "accelerated expiry" if the closing price of the company's shares exceeds C\$0.25 per share for a period of 10 consecutive trading days.

The company forked over \$6,037.50 and 40,250 warrants 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 till January 5, 2021.

In a statement, 1933 Industries CEO Paul Rosen said: "The proceeds of the private placement as well as the progress we've made in converting our debentures, in conjunction with the cost control measures we have implemented have positively strengthened our balance sheet."

Rosen said it provides the company with the "necessary runway and security" to continue to execute its business and 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," added Rosen.

Eugene Ruiz, who is the president of 1933 Industries, said that over the last three months the company has "significantly reduced" its cash burn.

"Together with a steady increase in sales and sufficient capital on hand, we expect to achieve cash flow breakeven in the near future," noted Ruiz.

"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."

Ruiz pointed out that 1933 has spiked some old branding deals and partnerships which reduced the company's cash position.

In addition, the company is gearing up for the upcoming launch of its premium packaged smokable flower in the Nevada market, which will be available in dispensaries in September.

Price: 0.08

Market Cap: \$22.84 m

1 Year Share Price Graph



Share Information

Code: TGIF

Listing: CSE

52 week High Low
0.255 0.05

Sector: Cannabis

Website: 1933industries.com

Company Synopsis:

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.

action@proactiveinvestors.com.au

According to 1933, the local cannabis demand for premium flower has remained "robust" during the coronavirus pandemic.

"This confidence is further bolstered by the fact that tourism traffic continues to pick up in Las Vegas," said Ruiz.

Contact the author Uttara Choudhury at uttara@proactiveinvestors.com

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Contact us +61 (0)2 9280 0700 action@proactiveinvestors.com.au

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