



33 THREADS.  
TAVI TOESOX VOORAY BASE 33.

## **Thirty Three Threads, Inc. Announces Fiscal 2023 Results**

**For the Fiscal Year Ending 06/30/2023**

**Comparable Revenue increased 32.8% to \$31.0 million**

**Fully Diluted EPS improved from a loss of -\$0.07 to breakeven (\$0.00)**

VISTA, California (November 14, 2023) – Thirty Three Threads, a developer of premium quality apparel and accessories, socks, and bags, under the brands ToeSox®, TAVI®, Vooray®, and Base33®, announced its fiscal year end results today.

Barry Buchholtz, Chief Executive Officer, stated “We are excited to announce another year of substantial growth, marking a return to break-even after two years of facing losses. This remarkable achievement is the result of various pivotal factors within our business, emphasizing the resilience of our brands, the quality of our products, and the unparalleled commitment and dedication demonstrated by our exceptional team

The success we've experienced is a testament to the collective efforts of every member of our organization. It is the dedication, hard work, and innovation of our team that have propelled us to this point. We sincerely appreciate the passion and perseverance that each individual has brought to their respective roles.

Looking ahead to the next fiscal year, we are poised to build upon this success. Our strategy involves continued organic brand growth, expansion of our global distribution reach, the potential of new product categories, and a sharp focus on improved efficiencies and profitability. We are forecasting another year of strong growth with estimated revenue of \$ 37 million and continued improvements in profitability.”

### **Income Statement Highlights for the fiscal year ending 06/30/2023:**

- Comparable Net revenue increased **32.8%** to **\$31.0** million.
  - Comparable Domestic net revenue increased **53%**.

- Comparable International net revenue increased **27%**.
  - Comparable Ecom net revenue, which consists of sales made directly to consumers or through Amazon increased **10%**.
  - Same customer year-over-year comparables increased **28.2%**. Same customer comparables are calculated based on domestic wholesale customers that have been customers for 24 months or longer.
  - TAVI® apparel and Vooray® bags had account penetration of 38% and 12% respectively in fiscal 2023, highlighting substantial growth opportunities for both of these product categories.
- Gross profit increased **37.9%** to **\$20.6** million and gross margin increased 212 basis points to **66.3%**.
  - EBITDA improved by **166%**, from an EBITDA loss of \$1,279,776 to positive EBITDA of \$845,913.
  - Fully diluted earnings (loss) per share at 06/30/2023 were (-\$0.007 compared to (-\$0.068) for the same period in the prior year.
  - **Normalized Net-income, which is net income excluding credits from PPP and ERC, fully diluted earnings (loss) per share at 06/30/2023 were (-\$0.054) compared to (-\$0.097) for the same period in the prior year.**

### **Balance sheet highlights**

The Company ended the fiscal year ending 06/30/2023 with \$310,559 in cash. Net inventory, inventory after reserves, increased by 11.2% to \$5.6 million.

*Note: For more detailed financial information please see our Annual Report financials for the fiscal year ending 6/30/2023 and prior year financials available on our website at [thirtythreethreads.com](http://thirtythreethreads.com) or [here](#).*

### **Fiscal 2024 Outlook**

Our fiscal 2024 includes many strategic initiatives to grow both revenue and profitability. For our fiscal year ending 06/30/2024, the Company expects to reach approximately \$37 million in revenue or approximately 20% year-over-year growth. We also expect further improvements in profitability with normalized net income, which is net income excluding credits from PPP and ERC, to be approximately \$0.008 per share compared to normalized net income in fiscal 2023 of (-\$0.054).

The guidance and outlook forward-looking statements made in this press release are based on management's expectations as of the date of this press release and does not incorporate future unknown impacts, including macroeconomic trends. The Company

undertakes no duty to update or to continue to provide information with respect to any forward-looking statements or risk factors, whether as a result of new information or future events or circumstances or otherwise. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of risks and uncertainties, including those listed in our annual report and private placement memorandum.

## **About Thirty Three Threads**

Thirty Three Threads was born on the 33rd parallel. It echoes the spirit of the active lifestyle so intrinsic to San Diego, our home, and it is here that our story comes to life. Our brands: ToeSox®, TAVI®, Vooray®, and Base33® all reflect this synergy, although each steps boldly with its own unique personality.

We define new trends in the studio and beyond, driven by our customers' desire to continually enhance their practice. And we dedicate our days to innovating and creating high-performance and enduring quality products that allow them to lead the active lifestyle they choose with style they love. We invite you to join our journey.

## **Forward Looking Statements**

All disclosures and risk factors listed in our annual report, which is available on our corporate website or at SEC.GOV shall apply to this shareholder update. This update contains "forward-looking statements" that involve risks and uncertainties, as well as assumptions that, if they prove incorrect or never materialize, could cause the execution of our plans or their results to differ materially from those expressed or implied by such forward-looking statements.

Such forward-looking statements include but are not limited to statements regarding:

- Expectation of development of our brands,
- Development or growth of our business or operations,
- Future product offerings,
- Resolution of claims against us,
- Statements regarding our vendors, manufacturers, distributors or customers,
- Our financial expectations, including budget, revenues, earnings, and balance sheet items,
- Our forecast and/or budget and any information or projections contained therein,
- Our use of proceeds, including investment of cash pending use of proceedings,
- Our working capital,
- Statements related to future economic conditions or performance,
- Statements as to industry trends, governmental regulation and litigation, and other matters that do not relate strictly to historical facts or statements of assumptions underlying any of the foregoing.

These statements are often identified by the use of words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "will," or "plan," and similar expressions or variations. These statements are based on the beliefs and

assumptions of our management based on information currently available to management. Such forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results and the timing of certain events to differ materially from future results expressed or implied by such forward-looking statements. Furthermore, such forward-looking statements speak only as of the date of this press release. We undertake no obligation to update any forward-looking statements to reflect events or circumstances after this press release.