



33 THREADS  
TAVI TOESOX VOORAY BASE 33

## For the Six Months Ending 12/31/2023 Comparable Revenue Increased 22% to \$18.4 Million

**Normalized net loss, which is net loss excluding credits from PPP and ERC, decreased from -\$0.0059 to -\$0.0094 on a fully diluted basis.**

VISTA, California (February 2, 2024) – 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 second quarter results today.

Barry Buchholtz, Chief Executive Officer, stated, "We are pleased to announce that our fiscal year's second quarter was our strongest quarter ever, with \$10.6 million in revenue. This comes from continued strong domestic wholesale growth as well as very strong results from our direct to consumer business. Additionally, for the six months ending 12/31/2023 we are up 22% from the same period of the prior year."

Income Statement Highlights for six months ending 12/31/2023 :

- Comparable Net revenue increased **22%** to **\$18.4** million.
  - Comparable Domestic net revenue increased **21.8%**.
  - Comparable International net revenue decreased **10.1%**.
  - Comparable Ecom net revenue, which consists of sales made directly to consumers or through Amazon increased **83.7%**.
  - Same customer year-over-year comparables increased **21.6%**. Same customer comparables are calculated based on domestic wholesale customers that have been customers for 24 months or longer.
- Gross profit increased **25.1%** to **\$12.4** million and gross margin to **67.6%** from **65.7%**.
- Normalized net income, which is net income excluding credits from PPP and ERC Pre-tax income, excluding credits from PPP and ERTC, fully diluted earnings (loss) per share at 12/31/2023 were (-\$0.0094) compared to (-\$0.0059) for the same period in the prior year.

## **Balance Sheet Highlights**

For the six months ending 12/31/2023, the company had \$282,059 in cash. Net inventory, inventory after reserves, decreased by 15.1% to \$5.7 million from \$6.7 million for the same period last year.

**Note: For more detailed financial information please see our interim financials for the 6 months ending 12/31/2023 and prior year financials available on our website at [thirtythreethreads.com](http://thirtythreethreads.com).**

## **Fiscal 2024 Outlook**

We maintain our earlier guidance for fiscal 2024 of approximately \$37 million in revenue or approximately 20% year-over-year growth as well as normalized net income, which is net income excluding credits from PPP and ERTC, 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 update. We undertake no obligation to update any forward-looking statements to reflect events or circumstances after today’s update.