



33 THREADS.

TAVI TOESOX VOORAY BASE 33.

For the Nine Months Ending 03/31/2023

Comparable Revenue increased 30.5% to \$22.4 million

Fully Diluted EPS improved from -\$0.038 to \$0.008

VISTA, California (June 9, 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 third quarter results today.

Barry Buchholtz, Chief Executive Officer, stated, "We are very pleased with our strong year-over-year revenue growth and return to profitability. Our results reflect the strength of our brands, products, employees, and continued distribution expansion globally. We expect that our TAVI® apparel and Vooray® bags will continue to be the growth accelerators for the business. We are excited to continue our mission to accelerate growth, improve profitability, and drastically expand our market penetration with apparel and bags."

Income Statement Highlights for the nine months ending 03/31/2023:

- Comparable Net revenue increased **30.5%** to **\$22.4** million.
 - Comparable Domestic net revenue increased **45.7%**.
 - Comparable International net revenue increased **66.7%**.
 - Comparable Ecom net revenue, which consists of sales made directly to consumers or through Amazon increased **8.2%**.
 - Same customer year-over-year comparables increased **21.9%**. Same customer comparables are calculated based on domestic wholesale customers that have been customers for 24 months or longer.
- Gross profit increased **34.8%** to **\$14.8** million and gross margin increased 212 basis points to **66.3%**.
- EBITDA improved by **200%**, from an EBITDA loss of \$866,595 to positive EBITDA of \$862,479.
- Fully diluted earnings (loss) per share at 03/31/2023 were \$0.008 compared to (-\$0.038) for the same period in the prior year.

- Excluding credits from PPP and ERC, fully diluted earnings (loss) per share at 03/31/2023 were (-\$0.042) compared to (-\$0.068) for the same period in the prior year.

Balance sheet highlights

The Company ended the nine months ending 03/31/2023 with \$746,536 in cash.

Net inventory, inventory after reserves, increased by 9.3% to \$5.1 million.

Note: For more detailed financial information please see our interim financials for the 9 months ending 3/31/2023 and prior year financials available on our website at thirtythreethreads.com.

Fiscal 2023 Outlook

For our fiscal year ending 06/30/2023, the Company expects to beat both top line and bottom-line earlier estimates, with forecasted revenue of \$28.2 million, and a small loss to a break even for net income, a substantial improvement from the net loss of \$1,324,296 for the same period last year.

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 meeting. We undertake no obligation to update any forward-looking statements to reflect events or circumstances after today’s meeting.