

May 22, 2023



ToughBuilt Industries Announces First Quarter 2023 Results

- *Revenue increased 17% year-over-year to \$20.2 million.*
- *Gross profit increased 18% year-over-year to \$3.6 million.*
- *Net loss improved 31%, from \$12.1 in Q1 2022 to \$8.3 million in Q1 2023 for common shareholders.*

IRVINE, Calif., May 22, 2023 (GLOBE NEWSWIRE) -- **ToughBuilt Industries, Inc. ("ToughBuilt") (NASDAQ: TBLT; TBLTW)**, reported today their financial results for the first fiscal quarter of the year, ended March 31, 2023.

Financial Highlights for the Quarter Ended March 31, 2023:

- Revenues increase approximately 17% from 17.2 million for Q1 2022 to approximately \$20.2 million for Q1 2023. This increase in revenue was due primarily to increased marketplace penetration of ToughBuilt products, and a combination of recurring sales and new orders from new and existing customers. Additionally, first quarter 2023 Amazon.com gross sales increased by 10% to approximately \$3.8 million, compared to approximately \$3.4 million for the first quarter of 2022.
- Gross profit increased to approximately \$3.6 million in the first quarter of 2023, compared to approximately \$3.0 million in the first quarter of 2022, an increase of 18% year-over-year. This is a result of successful efforts to improve ToughBuilt's brand awareness and continued product innovation across all segments.
- Operating expenses were approximately \$19.3 million in the first quarter of 2023, compared to approximately \$18.4 million in the first quarter of 2022. The increase in operating expenses was primarily due to R&D for new multi-category tools, as well as circumstances created by the global impacts of inflation on materials and manufacturing.
- Net loss attributable to common shareholders in the first quarter of 2023 was approximately \$8.3 million, or \$0.56 per share, compared to a net loss of approximately \$12.1 million, or \$14.04 per share in the first quarter of 2022, representing a \$4.8 million, or 31% improvement. This improvement is attributed to prudent tightening of company spending and satisfaction of all major departmental hiring needs at the current headcount.

• Business Highlights for the Quarter Ended March 31, 2023

- The company launched new product lines into the Pliers and Clamps, Handheld

Wrenches, and Handheld Screwdrivers categories. These announcements comprised over 100 SKUs across all new segments and are being made available through major US and global home improvement retailers, servicing over 18,900 storefronts and online portals worldwide.

- ToughBuilt expanded their global presence in new European storefronts, as well as through the expansion of their distribution agreement with Sodimac, the largest home improvement and construction supplier in South America, which includes stores in Chile, Peru, Argentina, Colombia, Brazil, and Uruguay in addition to Sodimac's online marketplace.

ToughBuilt's CEO, Michael Panosian commented, "We are pleased that year-over-year revenues increased by 17% and gross profits are up by 18% in the first quarter, and that our efforts to reduce costs and exhibit prudent financial management have resulted in a 31% improvement in our net shareholder losses." Mr. Panosian continued, "These measures, along with the introduction of more than 100 new SKUs this quarter, and strengthening of our global brand presence, give us confidence to expect continued growth throughout fiscal year 2023."

Conference Call Information:

Michael Panosian, ToughBuilt's Chief Executive Officer, and Martin Galstyan, ToughBuilt's Chief Financial Officer, will host a conference call to review the Company's financial and operating results at 5:00pm ET today.

To attend the conference call, please dial one of the teleconference numbers below or follow the [audio webcast here](#). Attendees are encouraged to dial in to the conference call at least five minutes prior to the start time.

U.S. TOLL-FREE: 1-844-825-9789

INTERNATIONAL: 1-412-317-5180

To listen to a replay of the conference call, please dial one of the teleconference numbers below. The replay will also be available through the audio [webcast link here](#).

REPLAY U.S. TOLL-FREE: 1-844-512-2921

REPLAY INTERNATIONAL: 1-412-317-6671

REPLAY PIN: 10178733

ABOUT TOUGHBUILT INDUSTRIES, INC.

ToughBuilt is an advanced product design, manufacturer, and distributor with emphasis on innovative products. Currently focused on tools and other accessories for the professional and do-it-yourself construction industries. We market and distribute various home improvement and construction product lines for both the do-it-yourself and professional markets under the TOUGHBUILT brand name, within the global multibillion dollar per year tool market industry. All our products are designed by our in-house design team. Since launching product sales in 2013, we have experienced significant annual sales growth. Our current product line includes three major categories, with several additional categories in various stages of development, consisting of Soft Goods & Kneepads and Sawhorses &

Work Products. Our mission is to provide products to the building and home improvement communities that are innovative, of superior quality derived in part from enlightened creativity for our end users while enhancing performance, improving well-being and building high brand loyalty. Additional information about the Company is available at: <https://www.toughbuilt.com/>.

FORWARD-LOOKING STATEMENTS

This press release contains “forward-looking statements.” Such statements may be preceded by the words “intends,” “may,” “will,” “plans,” “expects,” “anticipates,” “projects,” “predicts,” “estimates,” “aims,” “believes,” “hopes,” “potential” or similar words. Forward-looking statements are not guarantees of future performance, are based on certain assumptions and are subject to various known and unknown risks and uncertainties, many of which are beyond the Company’s control, and cannot be predicted or quantified and consequently, actual results may differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, without limitation, risks and uncertainties associated with (i) the impact of the worldwide COVID-19 pandemic and government actions, on our business, (ii) supply chain disruptions, (iii) market acceptance of our existing and new products, (iv) delays in bringing products to key markets; (v) an inability to secure regulatory approvals for the ability to sell our products in certain markets, (vi) intense competition in our industry from much larger, multinational companies, (vii) product liability claims, (viii) product malfunctions, (ix) our limited manufacturing capabilities and reliance on subcontractors for assistance, (x) our efforts to successfully obtain and maintain intellectual property protection covering our products or defend ourselves from third parties’ infringement claims, (xi) our reliance on a single supplier for certain product components, (xii) the fact that we will need to raise additional capital to meet our business requirements in the future and that such capital raising may be costly, dilutive or difficult to obtain and (xiii) the fact that we conduct business in multiple foreign jurisdictions, exposing us to tariffs, foreign currency exchange rate fluctuations, logistical and communications challenges, burdens and costs of compliance with foreign laws and political and economic instability in each jurisdiction and (xiv) changes in e-commerce marketplaces. More detailed information about the Company and the risk factors that may affect the realization of forward-looking statements is set forth in the Company’s filings with the Securities and Exchange Commission (SEC), including our Annual Report on Form 10-K and our subsequent Quarterly Reports on Form 10-Q. Investors and security holders are urged to read these documents free of charge on the SEC’s web site at <http://www.sec.gov>. The Company encourages you to consider all of these risks, uncertainties and other factors carefully in evaluating the forward-looking statements contained in this press release. As a result of these matters, changes in fact, assumptions not being realized or other circumstances, the Company’s actual results may differ materially from the expected results discussed in the forward-looking statements contained in this press release. The forward-looking statements made in this press release are made only as of the date of this press release, and the Company undertakes no obligation to update them to reflect subsequent events or circumstances.

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Source: ToughBuilt Industries, Inc



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