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ToughBuilt Anticipates Positive Operating Cash Flow by Q3 2024

- The Company anticipates achieving positive operating cash flow by Q3 2024.
- Contributing factors include:
  - Launching multiple products in revenue generating categories.
  - Streamlining operations, improving cost-savings, and exercising cutbacks.
  - Increasing prices, where necessary.

IRVINE, Calif., Feb. 13, 2024 (GLOBE NEWSWIRE) -- **ToughBuilt Industries, Inc. ("ToughBuilt" or the "Company") (NASDAQ: TBLT)**, announced today its goal of achieving positive operating cash flow by the third quarter of fiscal 2024. The Company intends to focus on generating revenue through the sales of newly launched products in various categories, implementing cost-saving measures, and considering price adjustments where necessary. ToughBuilt is also exploring expansion into new markets and engaging with online and brick-and-mortar global retail partners.

Michael Panosian, ToughBuilt Chief Executive and Co-Founder, expressed optimism about the Company's progress, stating, "I am pleased to see our revenue and gross margins growing, and the Company approaching the point of covering its SG&A expenses. By focusing on the continued sales of our new products in revenue-generating categories, attracting new customers, and implementing efficiency measures while making careful adjustments to pricing, we anticipate achieving positive operating cash flow by Q3 2024."

Mr. Panosian continued, "Our SG&A cost savings come as the result of lowered shipping rates, consolidated 3PL operations and cutbacks in overhead. We anticipate implementing additional workforce reductions and senior management salary reductions which will contribute to our goal of achieving operating cash flow positivity." He further acknowledged the Company's dedicated team, steadfast retail partners, and committed shareholders for their ongoing support during this phase of growth.

ABOUT TOUGHBUILT INDUSTRIES, INC.

ToughBuilt is an innovative advanced product developer, 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 include, but are not limited to, statements regarding the intended use of proceeds from the offering and 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 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, including but not limited to our achieving operating cash flow positivity. Such risks and uncertainties include, without limitation, risks and uncertainties associated with (i) the impact the war in Ukraine and the war in the Middle East on our business, (ii) supply chain disruptions, (iii) market acceptance of our existing and new products, including the Company’s StackTech® mobile stacking toolbox system (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 the 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, which may not be successful, (xi) our reliance on single suppliers 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, (xiii) the fact that we conduct business in multiple foreign jurisdictions, exposing us to 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) market and other conditions. 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 the Company’s Annual Report on Form 10-K and its 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 assumes no obligation to publicly update or revise its forward-looking statements as a result of new information, future events, or otherwise, except as required by law.

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