

IGNITE Files 2021 Audited Results

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VAUGHAN, Ontario--([BUSINESS WIRE](#))--IGNITE International Brands, Ltd. (CSE:BILZ, OTCQX: BILZF) (“**IGNITE**” or the “**Company**”), a global consumer packaged goods company, today announced the filing of its audited financial statements, management discussion and analysis (“MD&A”), and accompanying certificates for its fiscal 2021 filings (collectively, the “2021 Filings”). The 2021 Filings have been filed on the System for Electronic Document Analysis and Retrieval and may be viewed by shareholders and interested parties under the Company’s profile at www.sedar.com.

Fourth Quarter and Full Year 2021 Financial Highlights:

- Revenue of \$48.71MM generated in the Q4 2021 represents the strongest performing quarter in the Company’s history in addition to a record \$78.78MM for the 2021 full year. Revenue for the quarter was \$38.63MM higher, a 383.33% increase, compared to Q4 2020. Revenue for the full year 2021 was \$61.83MM higher, a 364.93% increase, compared to the 2020 full year;
- Income from operations for the quarter was \$9.31MM, an increase of \$9.38MM when compared to a \$0.07MM loss from operations in Q4 2020. Income from operations for the full year was \$6.49MM, an increase of \$22.70MM when compared to the \$16.22MM 2020 loss from operations;
- In the fourth quarter, EBITDA of \$8.57MM and Adjusted EBITDA of \$10.60MM were a significant improvement compared to the \$3.76MM EBITDA and \$1.76MM Q4 2020 Adjusted EBITDA. This was the result of improved sales coupled with significant cost reductions;
- Net income for Q4 2021 was \$7.73MM. For the 2021 full year, net income was \$5.69MM. This is an improvement of \$4.72MM and \$25.06MM, respectively, compared to a net income of \$3.01MM for Q4 2020 and the net loss of \$19.37MM for the 2020 full year.
- Working Capital for Q4 2021 of \$26.04MM was \$12.55MM higher compared to \$13.48MM at December 31, 2020 with the increase resulting from the issuance of debt, increased inventory purchases, and accounts receivable, and the conversion of short term convertible debt to long term debentures.

As a result of a continuous disclosure review conducted by Staff of the Ontario Securities Commission (“OSC”), the Company has filed a material contract for a licensing and trademark agreement entered with Blitz NV, LLC, an entity owned by the Chief Executive Officer of the Company. The Company has also enhanced disclosure within its 2021 MD&A relating to, among other things, overall performance, and discussions of operations, including emerging market operations and the contributing growth factors, transactions between related parties, and liquidity and cash resources. The Company has also remedied prior period reporting deficiencies noted by the OSC. These adjustments include providing comparative year-to-date results in the MD&A, segregation of EBITDA and adjusted EBITDA as a non-GAAP measure. The Company has also enhanced its disclosure regarding the regulatory framework relating to regulated IGNITE branded products in each jurisdiction where the Company operates.

The noted deficiencies and request for enhanced disclosure raised to us by the OSC relate to previously filed MD&A’s for the financial periods ending June 30, 2021 and September 30, 2021. The Company included such disclosure within its MD&A for the year ended December 31, 2021 and will continue to include such disclosure in subsequent reporting periods.

As required, the Company included a summary of financial data for each of the three most recently completed financial years within its 2021 MD&A; however, has not disclosed detailed information regarding per unit product sales for 2019 as the data is not readily available and the time and costs to develop such data would be too extensive due to the Company transitioning from various platforms in year one of operations.

About IGNITE

IGNITE is a global consumer premium brand, operating in several market segments. IGNITE product categories include CBD products, nicotine and synthetic nicotine vape products, premium performance drinks named ZRO, apparel, and spirits featuring tequila and a premium vodka.

Shares of IGNITE are listed on the Canadian Securities Exchange (CSE) under the symbol “BILZ” and quoted in the United States on the OTCQX under the symbol “BILZF”.

Further information on IGNITE can be found on the Company’s website at www.ignite.co.

NON-IFRS MEASURES

This press release makes reference to certain non-IFRS financial measures. EBITDA, as defined by the Company, means earnings before interest, income taxes, depreciation, and amortization. Adjusted EBITDA, as defined by the Company, adjusts EBITDA for non-cash expenses such as share-based compensation, exchange gain/loss, bad debt and other items that are not in the normal course of business. These measures are not a recognized measure under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. IGNITE’s method of calculating these measures may differ from methods used by other entities and accordingly, these measures may not be comparable to similarly titled measures used by other entities or in other jurisdictions. IGNITE uses these measures because it believes they provides useful information to both management and investors with respect to the operating and financial performance of the company. A reconciliation of Adjusted EBITDA to an IFRS measure (net income) is available in the Company’s 2021 MD&A that is now available under the Company’s profile at www.sedar.com.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This news release includes certain “forward-looking statements” under applicable Canadian securities legislation. Forward-looking statements are necessarily based upon several estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to general business, economic, competitive, political, and social uncertainties; the effects and impacts of the coronavirus disease (COVID-19) pandemic, the extent and duration of which are uncertain at this time on IGNITE’s business and general economic and business conditions and markets; the ability of IGNITE to give effect to its business plan. There can be no assurance that any of the forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether because of new information, future events or otherwise, except as required by law.

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