

# Is This The Year Dan Bilzerian's Weed Company Stops Losing Money?

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Things are looking up for Ignite, the publicly traded cannabis-adjacent company founded, helmed, and promoted by social-media starlet Dan Bilzerian.

After a rough 2019 in which the company lost \$69 million—and an even rougher 2020, when a former company executive's lawsuit accused Bilzerian of using investor cash to bankroll his Instagram-luxe lifestyle of private planes, hired yachts, and platoons of bikini models—the company posted its first-ever profitable quarter last year, according to audited annual financial statements [filed with Canadian regulators on Friday](#).

(All figures in this article are in Canadian dollars, as Ignite is listed publicly in Canada.)

Instead of \$69 million, in 2020, Ignite lost only \$19.7 million, as per documents filed with the Canadian Securities Exchange. And in the fourth quarter of 2020, Ignite actually snuck into the black, registering net income of \$3.1 million.

Instead of bankrupt, Bilzerian is back, baby! How did he do it?



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For one, Ignite cut costs, slashing a promotional budget by nearly 75 percent. Pandemics meant fewer parties, and for Ignite, that meant a chance at profit.

But the big change on the balance sheet was swapping debt for shares.

Though the company managed to find cash and reported selling products, Ignite stayed afloat only after swelling its accumulated deficit to more than \$100 million.

Though the company reported an all-time high of \$16 million in sales, Ignite's biggest income streams continue to be debt and shares in its own stock, which hit a low of \$0.35 Canadian last fall.

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And nearly all of the sales Ignite recorded (\$12.8 million, out of \$16.9 total) was as a wholesaler, not a retailer of branded products.

Ignite managed only a \$6.4 million gross profit on those sales figures, and the company continues to drown in administrative costs. Ignite posted \$22.66 million in operating expenses, and that, coupled with other losses including interest on existing debt, led to the \$19.371 million in losses.

According to its audited financial statement, the company raised \$3 million by issuing shares, and another \$8 million through convertible debt and payable notes. Moves like this raised the company's accumulated deficit to \$103 million, up from \$83 million at the end of 2019.

In this way, Dan Bilzerian as a businessman is existing as a sort of 21st-century king of debt. However Bilzerian plans to pay off those creditors, he did not say in a statement issued Friday, in which he called 2020 a "difficult transition year."

In addition to the lawsuit from former company president Curtis Heffernan, which the company responded to with a countersuit Ignite also cycled through executives.

"The new management team had to overcome the difficulties of operating during a pandemic and a crippled worldwide supply chain," Bilzerian said in a statement. "This made the introduction of new products and maintaining an adequate supply of existing products an unprecedented challenge.

The company also made money selling off stock it owns. In December, the company dumped 3 million shares it held in a company called Numinus, netting \$3.6 million.

And the company did receive some slight assistance from former President Donald Trump's federal government, in the form of Small Business Administration and Payroll Protection Program loans totaling \$1.2 million in US dollars.

Which all begs a question: What kind of company is Ignite, exactly? Is it a company that actually sells things, or is it a pink-sheet stock that exists mostly in accountants' minds? For now, it's apparently both. Despite signs to the contrary, society survived 2020, and so did Ignite.

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