



CSE: IWIN OTC: IWINF FRA: 97X

NEWS RELEASE

**IRWIN NATURALS POSTS RECORD REVENUES
AND RECORD NET PROFITS FOR FY2021**

**Growth of Core Business Fueling Rollup
of Psychedelic Mental Health Clinics**

Company to host conference call Tuesday May 3, 2022 at 2:00 pm EST

LOS ANGELES, California, May 2, 2022 (GLOBE NEWSWIRE) – Irwin Naturals Inc. (CSE: IWIN) (OTC: IWINF) (FRA: 97X) (“Irwin” or the “Company”) announced the Company filed results for the fiscal fourth quarter and the financial year ended December 31, 2021, on Monday May 2, 2022 on www.sedar.com.

Financial Highlights

(US\$ '000s)	FY 2021	Change	FY 2020	Q4 2021	Change	Q4 2020
<i>Operating Revenue</i>	\$100,342	12.3%	\$89,377	\$25,941	5.9%	\$24,487
<i>Income from operations</i>	\$10,570	38.0%	\$7,658	\$2,400	7.6%	\$2,231
<i>Margin</i>	10.5%	22.9%	8.6%	9.3%	1.5%	9.1%
<i>Adjusted EBITDA¹</i>	\$11,998	32.2%	\$9,074	\$2,767	7.0%	\$2,587
<i>Net Cash generated from Operating Activities</i>	\$10,955	33.3%	\$8,218			

¹Adjusted EBITDA is a non IFRS metric that management believes provides a metric for rapid analysis of the underlying strength of the business. A reconciliation from IFRS to Adjusted EBITDA is provided in the accompanying tables at the end of this release.

Management Commentary

“In our 28th consecutive year of profitable operations, the core business continues grow,” said Klee Irwin, President and CEO. “These record-breaking top and bottom-line numbers are fueling our accretive rollup of psychedelic mental health clinics featuring psychedelic treatment with ketamine. It is noteworthy that our roll up is occurring without sacrificing profitability.”

Mr. Irwin continued, “As, mentioned in [this](#) 2-page overview document and my [keynote talk](#) last week at Benzinga’s psychedelic investor conference, brand is king. We are the first household name in the space, and we intend to execute on a similar path to expansion via both acquisition of clinics and organic clinic openings as that taken by other major national brand consumer focused chain outlets during their expansion phases. This means leveraging our first-mover advantage as a household brand name to execute on a highly aggressive M&A program to establish an advantage in terms of brand reach and clinic quantity. This is a once in a lifetime opportunity we believe will significantly accelerate revenues and profitability. We are proud of our profitable history and excited about our future and look forward to informing the markets as we progress with our expansion.”

Financial Highlights

- Company had Solid growth in operating revenue and profits during fiscal 2021.
- Revenues of \$100.3 million were comprised as follows:
 - Mass Market nutraceuticals: \$57.7M (+10.8% vs prior year)
 - *Note: not including products with CBD*
 - CBD products: \$9.8M (+24.4% vs prior year)
 - *Note: includes \$2.8M from Mass Market sales*
 - Other: \$32.8M (+11.6% vs prior year)
- Growth in income from operations in fiscal 2021 was driven primarily by a growth in business volume.
- The 33.3% year-over-year increase in operating cash flows to \$11.0 million was driven primarily by higher operating revenue from sales, temporary favorability to working capital driven by the timing of payments to the Company’s primary product manufacturer and non-cash share capital issuance related to the going public event. The increase was offset partially by investments made into our new Irwin Naturals

Emergence psychedelic mental health clinic business, predominantly related to staffing, legal and marketing expenses.

- Solid revenue growth resulted in a 32.2% increase in Adjusted EBITDA to \$12.0 million.
- Positive cash flow from operations, combined with a largely undrawn line of credit, provides the Company with the financial resources to drive execution of its strategy.

Operational Highlights & Subsequent Events

Irwin has commenced its expansion into the high growth cannabis and psychedelics sectors. The Company intends to leverage its household name brand status to drive an aggressive rollup of mental health clinics (the Company is focused on ketamine clinics, as this is currently the only FDA-approved psychedelic substance). Furthermore, the Company has begun efforts to license its brand to distributors throughout the US.

Klee Irwin concluded, “Many North Americans suffer from mental health disorders. Ketamine therapy can greatly help this trend. Not all people go to the dentist once a year, yet we require over 189,000 dental clinics in the US. We need a lot more psychedelic mental health clinics, and we need them fast. We barely have 600 in the country today. These new therapies are the only ones we know of that have such an extreme level of effectiveness. We intend to roll up a large amount of these clinics into our public company in the months and years immediately ahead of us. Irwin Naturals is one of the world’s first mega-brand name to capitalize on this opportunity.”

- During the year, Irwin completed a going public transaction that resulted in the Company’s subordinate voting shares being listed for trading on the Canadian Securities Exchange.
- See March 1, 2022, titled “Irwin Naturals Announces Intention to File Draft Registration Statement.”
- See 2-page investor relations deck with certain forward-looking statements.
- The Company commenced its preparations for entry into the high growth cannabis and psychedelics markets.
 - Subsequent to the period under review, the Company announced the acquisition and execution of definitive agreements related to its first 6 ketamine clinics in the US.
 - The Company has built an M&A pipeline with over 100 acquisition targets.
 - The Company announced it intends to expand treatment options at its clinics by offering a broad portfolio of powerful next generation therapies. Irwin Naturals Emergence clinics will be offering breakthrough treatments to battle America’s

mental health crisis including ketamine, stellate ganglion block, transcranial magnetic stimulation and holotropic breathwork as well as group therapy integration to support overall effectiveness of the treatments.

- The Company announced its first licensing deal in the US whereby The Hive Laboratories will manufacture, distribute and sell THC infused products under the Irwin Naturals brand (e.g. Power to Sleep with THC) in California, the world's largest legal cannabis market.

Conference Call Details

CEO Klee Irwin and CFO Philippe Faraut will be hosting a conference call on Tuesday, May 3, 2022 to discuss the results, as well as the Company's strategy and execution going forward. Details for participants to listen to the call are as follows:

Date time May 3, 2022 at 2:00 pm EST

Via zoom

Meeting URL: <https://us02web.zoom.us/j/83004253799>

Zoom Meeting ID: 830 0425 3799

By telephone:

Canada: 1-647-558-0588

North America: 1-646-558-8656

About Irwin Naturals

Irwin Naturals has been a household name and best-in-class nutraceutical company since 1994. It is now leveraging its brand into both the cannabis and psychedelic sectors. On a mission to heal the world with plant medicine, Irwin has operated profitably for over 27 years*. The growing portfolio of products is available in more than 100,000 retail doors across North America, where 80% of households know the Irwin Naturals brand**. In 2018, the Company first leveraged its brand to expand into the cannabis industry by launching hemp-based CBD products into the mass market. The Company is now leveraging its famous halo of brand trust to become, perhaps, the first household name brand to offer THC-based products. Its rapidly growing national chain of psychedelic mental health clinics is called Irwin Naturals Emergence.

*Under several corporate structures, Klee Irwin has operated the Irwin brand profitably since 1994, as measured by EBITDA adjusted for extraordinary costs.

**Based on a formal Company survey with a sample size of 500 randomly selected adults.

For investor-related information about the Company, please visit ir.irwinnaturals.com/

To contact the Company's Investor Relations department, please call toll-free at (800) 883-4851 or send an email to Investors@IrwinNaturals.com.

"Klee Irwin"

Klee Irwin
Chief Executive Officer
T: 310-306-3636
investors@irwinnaturals.com

Regulatory Overview

The following is a brief summary of regulatory matters concerning ketamine in the United States ("US"). Under the Controlled Substances Act (21 U.S.C. § 811) (the "CSA"), ketamine is currently a Schedule III drug as well as being listed under the associated Narcotic Control Regulations, and psilocybin is currently a Schedule I drug.

Most US States have enacted Controlled Substances Acts ("**State CSAs**") which regulate the possession, use, sale, distribution, and manufacture of specified drugs or categories of drugs and establish penalties for State CSA violations and form the basis for much state and local drug laws enforcement activity. State CSAs have either adopted drug schedules identical or similar to the federal CSA schedules or, in some instances, have incorporated the federal scheduling mechanism. Among other requirements, some US States have established a prescription drug monitoring or review programs collect information about prescription and dispensing of controlled substances for the purposes of monitoring, analysis and education.

In the United States, facilities holding or administering controlled substances must be registered with the US Drug Enforcement Agency ("**DEA**") to perform this activity. As such, medical professionals and/or the clinics in which they operate, as applicable, are also required to have a DEA license to obtain and administer ketamine (a "**DEA License**"). While ketamine is a controlled substance in the United States, it is approved for general anesthetic induction under the US Food, Drug, and Cosmetic Act. Once a

drug is approved for use, physicians may prescribe that drug for uses that are not described in the product's labelling or that differ from those tested by the manufacturer and approved by the Food and Drug Administration (the "FDA"). Licensed medical practitioners may prescribe ketamine legally in Canada or the United States where they believe it will be an effective treatment in their professional judgment.

Please see Irwin's filing statement on its SEDAR profile for more information on the regulatory environment and regulations surrounding the US THC industry.

Forward-Looking Information

This news release contains certain forward-looking statements that reflect the current views and/or expectations of management of the Company with respect to performance, business and future events. Forward-looking statements can often be identified by words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Forward-looking statements are based on the then-current expectations, beliefs, assumptions, estimates and forecasts about the business and the industry and markets in which the Company operates. The Company does not undertake any obligation to release publicly any revisions for updating any voluntary forward-looking statements, except as required by applicable securities law.

Neither the CSE nor its Market Regulator (as that term is defined in policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.

SOURCE: Irwin Naturals Inc.

EBITDA and Adjusted EBITDA - Reconciliation

The Company defines EBITDA and Adjusted EBITDA as per the table below. It should be noted that these performance measures are not defined under IFRS and may not be comparable to similar measures used by other entities. The Company believes that these measures are useful financial metrics as they assist in determining the ability to generate cash from operations. Investors should be cautioned that EBITDA and Adjusted EBITDA should not be construed as an alternative to net earnings or cash flows as determined under IFRS. The reconciling items between net earnings, EBITDA, and Adjusted EBITDA are as follows:

<i>(in thousands)</i>	Years ended		\$	%
	December 31			
	2021	2020		
Net Profit	\$ 10,114	\$ 7,240	\$ 2,874	39.7%
Interest Expense	131	312	(181)	(58.0%)
Income Tax (Recovery) / Expense	(2,186)	116	(2,302)	-1984.5%
Depreciation and Amortization	1,428	1,406	22	1.6%
EBITDA	\$ 9,487	\$ 9,074	\$ 413	4.6%
Foreign Exchange (Gain) / Loss	(1)	-	(1)	100.0%
Listing Expenses	2,512	-	2,512	100.0%
Adjusted EBITDA	\$ 11,998	\$ 9,074	\$ 2,924	32.2%

<i>(in thousands)</i>	Quarter ended		\$	%
	December 31			
	2021	2020		
Net Profit	\$ 4,888	\$ 2,146	\$ 2,742	127.8%
Interest Expense	40	46	(6)	(13.0%)
Income Tax (Recovery) / Expense	(2,537)	39	(2,576)	-6605.1%
Depreciation and Amortization	367	356	11	3.1%
EBITDA	\$ 2,758	\$ 2,587	\$ 171	6.6%
Foreign Exchange (Gain) / Loss	(1)	-	(1)	100.0%
Listing Expenses	10	-	10	100.0%
Adjusted EBITDA	\$ 2,767	\$ 2,587	\$ 180	7.0%

Irwin Naturals Consolidated Audited Balance Sheet

	December 31	
	2021	2020
ASSETS		
Current Assets:		
Cash	\$ 625	\$ 442
Other Financial Assets	1	-
Trade Receivables	16,394	17,214
Inventory	18,652	14,577
Prepaid Expenses and Other Current Assets	1,469	1,656
Total Current Assets	37,141	33,889
Non-Current Assets:		
Property and Equipment	190	262
Right-of-Use Assets	3,722	2,047
Notes Receivable from Shareholders	3,264	-
Intangible Assets	87	87
Other Non-Current Assets	165	136
Deferred Tax Asset	2,650	-
Total Non-Current Assets	10,078	2,532
TOTAL ASSETS	\$ 47,219	\$ 36,421
LIABILITIES		
Current Liabilities:		
Trade and Other Payables	\$ 13,310	\$ 11,616
Reserve for Returns	814	387
Lease Liability - Current	1,366	1,334
Line of Credit	6,178	7,500
Total Current Liabilities	21,668	20,837
Non-Current Liabilities:		
Lease Liability - Non Current	2,434	812
Deferred Tax Liability	1	-
TOTAL LIABILITIES	24,103	21,649
EQUITY		
Common Stock	-	1
Multiple Voting Shares	59	-
Subordinate Voting Shares	0	-
Class B Non Voting Shares	13,750	-
Accumulated Other Comprehensive Income	(9)	-
Additional Paid In Capital	-	14,771
Retained Earnings	681	-
Total Controlling Interest	14,481	14,772
Non-Controlling Interest	8,635	-
Total Equity	23,116	14,772
TOTAL LIABILITIES & EQUITY	\$ 47,219	\$ 36,421

Irwin Naturals Consolidated Audited Statement of Profit and Loss

	For the Years Ended December 31	
	2021	2020
Operating Revenue	\$ 100,342	\$ 89,377
Cost of Sales	(55,648)	(52,876)
Gross Profit	44,694	36,501
Operating Expenses:		
Selling, General and Administrative Expenses	34,124	28,896
Gain on Sale of Property and Equipment	-	(53)
Income from Operations	10,570	7,658
Other Expense:		
Interest Income	-	10
Interest Expense	(131)	(312)
Listing Expense	(2,512)	-
Gain / (Loss) on Foreign Currency Exchange	1	-
Total Other Income / (Expense)	(2,642)	(302)
Profit before Income Taxes	7,928	7,356
Income Tax Recovery / (Expense)	2,186	(116)
Net Profit	10,114	7,240
Less: Net Profit Attributable to Non-Controlling Interest	(1,499)	-
Net Profit Attributable to Controlling Interest	\$ 8,615	\$ 7,240
Foreign Currency Translation Differences	(11)	-
Total Comprehensive Income	10,103	7,240
Less: Comprehensive Income Attributable to Non-Controlling Interest	(1,501)	-
Comprehensive Income Attributable to Controlling Interest	\$ 8,602	\$ 7,240
Earnings per share - basic	\$ 8.43	\$ 7.24
Earnings per share - diluted	\$ 0.03	\$ 7.24
Weighted average number of shares outstanding- basic	1,200,001	1,000,000
Weighted average number of shares outstanding - diluted	312,218,241	1,000,000

Irwin Naturals Consolidated Audited Statements of Cash Flows

	For the Years Ended December 31	
	2021	2020
Net Profit	\$ 10,114	\$ 7,240
Adjustments to Reconcile Net Profit to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	1,428	1,406
Change in Allowance for Doubtful Accounts	-	134
Change in Inventory Reserve	(297)	3,176
Deferred Tax Asset	(2,650)	-
Non-Cash Share Capital from Share-Based Payment Transaction	3,058	-
Realized Gain on Sale of Property and Equipment	-	(53)
Gain on PPP Loan Forgiveness	-	(1,838)
Interest Income	(24)	(10)
Interest Expense	156	312
Income Taxes Expense / (Recovery)	(2,186)	116
Changes in Working Capital:		
Trade Receivables	820	(1,606)
Inventories	(3,777)	1,750
Prepaid Expenses and Other	187	(259)
Trade and Other Payables	3,728	(1,985)
Reserve for Returns	427	(165)
Changes in Other Non-Current Assets	(29)	-
Net Cash Provided by Operating Activities	10,955	8,218
Cash Flow from Investing Activities:		
Purchases of Investments	(1)	-
Purchases of Property and Equipment	(51)	(134)
Proceeds from Disposal of Property and Equipment	-	53
Net Cash Used in Investing Activities	(52)	(81)
Cash Flow from Financing Activities:		
Proceeds from Line of Credit	34,860	22,828
Payments of Line of Credit	(36,183)	(24,528)
Proceeds from PPP Loan	-	1,838
Distributions to Shareholders	(8,059)	(6,950)
Payments on Lease Liability	(1,327)	(1,254)
Net Cash Used in Financing Activities	(10,709)	(8,066)
Effect of Foreign Exchange on Cash	(11)	-
Net Increase in Cash	183	71
Cash at Beginning of the Year	442	371
Cash at End of the Year	\$ 625	\$ 442