

iFABRIC CORP REPORTS RECORD FIRST QUARTER RESULTS FOR ITS QUARTER ENDED DECEMBER 31, 2017

Markham, Ontario, February 12, 2018 (GLOBE NEWSWIRE) -- iFabric Corp. ("iFabric" or the "Company") (TSX: IFA.TO), today announced its results for its first quarter ended December 31, 2017.

"I would like to thank our hard working and dedicated team for delivering record first quarter results for iFabric," said Hylton Karon, President and CEO of iFabric. "Both our divisions continue to build on the record 2017 financial year effort. I am extremely pleased by the quality of our sales and the effectiveness of improved inventory management systems, which have positively impacted both our cash position and bottom line. This leaves the Company in a strong and well-capitalized position to fund continued growth and expansion in 2018 and beyond," concluded Hylton Karon.

HIGHLIGHTS FOR FIRST QUARTER ENDED DECEMBER 31, 2017 (Q1 2018):

- Total revenues of \$5,136,771 in Q1 2018 compared to \$3,102,120 in Q1 2017, representing an increase of \$2,034,651 or 66%. This represents a record first quarter for iFabric.
- Revenues for the Intelligent Fabrics Division were \$1,631,376 in Q1 2018 compared to \$1,290,581 in Q1 2017, representing an increase of \$340,795 or 26%.
- Revenues for the Apparel Division were \$3,479,795 in Q1 2018 compared to \$1,785,939 in Q1 2017, representing an increase of \$1,693,856 or 95%.
- Gross profit increased by 126% or \$1,440,108 to \$2,587,194 from \$1,147,086 in Q1 2017.
- Gross profit margins increased from 37% in Q1 2017 to 50% in Q1 2018. This increase was mainly attributable to milestone license payments received from a major customer in the Intelligent Fabrics Division as well as reduced end of season clearances and reduced margin rebates in the Apparel Division.
- Adjusted EBITDA amounted to \$1,427,328 compared to negative Adjusted EBITDA of \$58,555 for the same quarter last year. This represents an increase of \$1,485,883.
- Net Earnings attributable to shareholders was \$950,480 (or \$0.036 per share basic and \$0.035 diluted) compared to a net loss \$125,375 in the same quarter of 2017 (or \$0.005 per share basic and diluted), representing an increase in net earnings of \$1,075,855.
- Working capital (excluding a 15 year demand term loan classified as current under IFRS) amounted to \$9,109,433 compared to \$7,946,654 at September 30, 2017, representing an increase of \$1,162,779.
- Cash increased by \$2,095,825 to \$2,764,250 compared to \$668,425 at the end of the previous quarter ended September 30, 2017, due to the favourable collection of accounts receivable and improved inventory management.
- The Company's bank operating line was fully repaid and carried a zero balance as at December 31, 2017, compared to an amount owing on the operating line of \$774,908 at the end of the previous quarter ended September 30, 2017, leaving the full operating line of \$3,500,000 available to fund future growth and expansion.
- Shareholder Equity attributable to common shareholders was \$10,760,252 compared to \$9,750,982 at the end of the previous financial quarter ended September 30, 2017 representing an increase of \$1,009,270.

Complete Financial Statements are available on www.sedar.com and the company's website www.ifabriccorp.com.

FINANCIAL HIGHLIGHTS:

	Quarter Ended	December 31
	2017	2016
	\$	\$
Revenue	5,136,771	3,102,120
Earnings (loss) from operations	1,227,331	(139,885)
Share based compensation	(45,483)	(16,459)
Adjusted EBITDA *(Note)	1,427,328	(58,555)
Net earnings (loss) after tax	950,955	(123,287)
Net earnings (loss) after tax attributable to shareholders	950,480	(125,375)
Net earnings (loss) per share		
Basic	0.036	(0.005)
Diluted	0.035	(0.005)

*Note: Adjusted EBITDA represents earnings before interest, taxes, depreciation, amortization and share based compensation.

ABOUT iFABRIC CORP:

Headquartered in Markham, Ontario, iFabric Corp www.ifabriccorp.com currently has 26.2 million shares issued and outstanding. Through its wholly-owned subsidiaries, Intelligent Fabric Technologies (North America) Inc. ("IFTNA") and Coconut Grove Pads Inc. ("Coconut Grove"), the Company offers a variety of products and services in both of its strategic divisions:

IFTNA is focused on proprietary chemical formulations that render fabrics, foams, plastics and numerous other surfaces intelligent, thereby improving the safety and well-being of the consumer.

Coconut Grove, operating as Coconut Grove Intimates, is a designer, manufacturer, distributor, licensor and licensee of ladies intimate apparel products, accessories and sleepwear.

FORWARD LOOKING STATEMENTS

Forward-looking statements provide an opinion as to the effect of certain events and trends on the business. Certain statements contained in this news release constitute forward looking statements. The use of any words such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors. Forward-looking information includes, but is not limited to, statements with respect to the development potential of the company's products.

Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance, or achievements may differ materially from any future results, performance or achievements expressed or

implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize. The Company assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or any other reason except as required by applicable securities laws.

Any financial outlook or future oriented financial information in this news release, as defined by applicable securities legislation, has been approved by management of iFabric. Such financial outlook or future oriented financial information is provided for the purpose of providing information about management's reasonable expectations as to the anticipated results of its proposed business activities. Readers are cautioned that reliance on such information may not be appropriate for other purposes. The forward-looking statements contained in this press release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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