

*IFABRIC CORP REPORTS FOURTH QUARTER AND ANNUAL REVENUE AND EARNINGS FOR ITS FINANCIAL YEAR ENDED SEPTEMBER 30, 2020.*

**Markham, Ontario, December 24, 2020.** *iFabric Corp. (“iFabric” or the “Company”) (IFA.TO), today announced its results for its 4th quarter and fiscal year ended September 30, 2020.*

**Q4 ENDED SEPTEMBER 30, 2020 HIGHLIGHTS:**

- *Revenues of \$3,615,033 compared to \$3,175,167 in Q4 2019, representing an increase of \$439,866 or 14%.*
- *Revenues for the Intelligent Fabrics Division were \$2,566,137 compared to \$1,249,117 in Q4 2019, representing an increase of \$1,317,020 or 105%, as a result new performance apparel programs for a major Canadian retailer, as well as increased chemical sales following the successful testing of the ability of the division’s ProtX2 formulation in deactivating the COVID-19 causing virus.*
- *Revenues for the Apparel Division were severely impacted by the sharp decrease in instore retail sales during the COVID-19 pandemic and, amounted to \$895,298 in Q4 2020 compared to \$1,870,417 in Q4 2019, representing decrease of \$975,119 or 52%.*
- *Gross profit dollars in the current quarter, increased by 11% or \$159,606 to \$1,569,165 from \$1,409,559 in Q4 2019, attributable to higher revenues.*
- *Gross profit margins decreased from 44% in Q4 2019 to 43% in Q4 2020, as a result of sales mix.*
- *Adjusted EBITDA amounted to \$480,720 compared to Adjusted EBITDA of \$383,096 for 2019, representing an improvement of \$97,624, as a result of the increased gross profit contribution.*
- *The net earnings after tax attributable to shareholders was \$357,092 (or \$0.014 per share basic and diluted) compared to net earnings after tax of \$285,866 (or \$0.011 per share basic and diluted) in 2019, representing an increase of \$71,226, as a result of the factors discussed above.*

“2020 has been a transitional year for iFabric Corp. The Covid-19 pandemic brought both opportunities and challenges for the Company,” said Hylton Karon, President/CEO of iFabric Corp.

“The global retail shutdown certainly had an impact on our Lingerie Division. With lockdowns and limits on social gatherings and events, consumer demand for bra accessories was limited. I see retail instore sales rebounding slowly, and I believe the middle to latter parts of 2021 will mark the start of a return to normal. We were fortunate to see some growth in our online presence, with retailers like Macy’s and, have recently added Nordstrom’s to our roster of clients, with a launch in early 2021 online. We have developed and filed patents for exciting new bras, that we believe will bring fresh excitement to our customers next year as they re-open and welcome patrons back to stores,” said Mr. Karon.

“By contrast, our Intelligent Fabrics Division was well positioned when the COVID-19 pandemic hit, with the successful testing and commercialization of PROTX2 Av which has been proven to kill the COVID-19 causing virus in as little as 10 minutes. This is evidenced by the sharp increase in the division’s revenues in Q4 and for the year as a whole and I expect this trend to continue. Our steadfast approach towards addressing not only bacterial but viral infections, has brought us to the attention of global market leaders. Medical experts all agree on one thing, this was not the first nor will it be the last deadly pathogen the world will face. Bacterial infections were killing hundreds of thousands every year, well before the start of 2020. COVID-19 has highlighted infection control awareness and the global need to implement “intelligent” solutions now, to better prepare for what’s next. With our ProtX2 submission passing the final phase of EPA review, we anxiously await the formal registration. Our commercial partners have placed great faith in the fact that we will be successful and, have invested heavily in their new product pipelines, in order to take advantage of the high demand that is expected after the receipt our imminent next level claims, a North American first! 2021 will bring

with it our launch of Frontline, our own brand of Personal Protective Equipment, engineered with our innovative technologies. We also look forward to the launch of our own brand of performance lifestyle and travel products in early 2021 as well,” concluded Hylton Karon.

*YEAR ENDED SEPTEMBER 30, 2020 HIGHLIGHTS:*

- *Total revenues of \$11,521,676 compared to \$10,435,348 in 2019 representing an increase of \$1,086,328 or 10%.*
- *Intelligent Fabric Division revenue increased to \$8,077,444 from \$4,393,723 in 2019, representing an increase of \$3,683,721 or 84%, as a result of initial personal protective equipment sales, increased performance apparel sales to a major retailer, as well as increased chemical sales following the successful testing of the ability of the division’s Protx2 formulation in deactivating the COVID-19 causing virus. By contrast, Intimate Apparel Division revenue decreased from \$5,926,805 in 2019 to \$3,324,125 in 2020, representing a decrease of \$2,602,680 or 44%, due to the effects of the COVID-19 pandemic.*
- *Gross profit of \$4,300,952 (or 37%) for the year ended September 30, 2020 compared \$3,747,696 (or 36%) in 2019, representing an increase of \$553,256 or 15%, attributable to increased revenues*
- *Adjusted EBITDA of \$29,582 in 2020 compared to negative adjusted EBITDA of \$1,339,227 for 2019, an increase of \$1,368,809.*
- *Net loss attributable to shareholders in 2020 was \$617,770 (or \$0.023 per share basic and diluted) compared to a net loss attributable to shareholders \$1,299,863 (or \$0.050 per share basic and diluted) for the year ended September 30, 2019. The decrease in the attributable net loss of \$682,093 in 2020 versus 2019 is largely attributable to increased revenues of \$1,086,328, increased gross profit dollars of \$553,256, and a decrease in expenses, the benefit of which was partially offset by an increase in non-cash share-based compensation of \$460,622.*
- *Working capital (excluding a demand term loan to be renewed in 2021) amounted \$6,981,998 in 2020 compared to \$7,033,084 at September 30, 2019, representing a decrease of \$51,086.*
- *Shareholders’ equity increased by \$83,277 from \$9,256,639 in 2019 to \$9,339,866 at September 30, 2020. The increase is attributable to options exercised during 2020.*
- *Long term debt was \$650,130 in 2020 compared to \$476,747 in 2019, an increase of \$173,383.*
- *Cash decreased to \$1,160,248 compared \$2,287,548 in 2019, mainly as a result of increased inventories.*
- *The Company’s bank operating line was unutilized at both September 30, 2020 and 2019, leaving the full line of \$3,750,000 available to finance future business.*

*Complete Financial Statements are available on [www.sedar.com](http://www.sedar.com) and the company’s website at [www.ifabriccorp.com](http://www.ifabriccorp.com).*

## FINANCIAL HIGHLIGHTS

	Year Ended September 30		Quarter ended September 30	
	2020	2019	2020	2019
	\$	\$	\$	\$
Revenue	11,521,676	10,435,348	3,615,033	3,175,167
Income (loss) from operations	(1,235,864)	(1,650,029)	171,810	174,747
Share based compensation	581,550	120,928	55,945	11,739
Adjusted EBITDA *(Note)	29,582	(1,339,227)	480,720	383,096
Net earning (loss) before tax	(709,399)	(1,618,208)	388,185	333,723
Net income (loss) after tax attributable to shareholders	(617,770)	(1,299,863)	357,092	285,866
Other comprehensive earnings (loss)	(92,053)	(44,204)	(89,731)	(149,418)
Total comprehensive earnings (loss)	(716,764)	(1,340,884)	253,164	144,528
Net earnings (loss) per share				
Basic	(0.023)	(0.050)	0.014	0.011
Diluted	(0.023)	(0.050)	0.014	0.011

\*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](http://www.ifabriccorp.com) is listed on the TSX and currently has 26.5 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 performance apparel, medical protective apparel, consumer protective apparel, as well as 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 and accessories.

### 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.*

FOR FURTHER INFORMATION, please contact:

Hilton Price, CFO

Tel: 647.465.6161

Email: [hilton.price@rogers.com](mailto:hilton.price@rogers.com)

Tina Byers – Investor Relations

Tel: 905.330.3275

Email: [tina@adcap.ca](mailto:tina@adcap.ca)

Gary Perkins - Investor Relations

Tel: 416.882.0020

Email: [garyperkins@rogers.com](mailto:garyperkins@rogers.com)

Jean-François Dubé (Québec) – Investor Relations

Tel: 514.233.9551

Email: [jfdube@mac.com](mailto:jfdube@mac.com)

Website: [www.ifabriccorp.com](http://www.ifabriccorp.com)

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