

iFabric Withdraws Public Offering of Units and Launches Private Placement of Subscription Receipts

Markham, ON, January 20, 2021 - **iFabric Corp. (TSX:IFA)** (the "**Company**") announced today that it has made the decision to withdraw its previously announced public offering of units and instead proceed with a private placement of subscription receipts ("**Subscription Receipts**"), the details of which are set forth below. The decision was made in order to provide the Company with additional time to clear the prospectus associated with the financing and to ensure the financial statements for the Company's interim period ended December 31, 2020 can be included therein.

In light of the withdrawal of the public offering of units, the Company is pleased to announce that it intends to raise up to \$10,000,000 (or up to \$11,500,000 if the Agents' Option (as defined below) is exercised in full) by way of a private placement of subscription receipts ("**Subscription Receipts**") on a "best efforts", agency basis (the "**Offering**"). The Offering will be conducted through a syndicate of agents led by Stifel GMP (collectively the "**Agents**").

The Company has granted the Agents an over-allotment option (the "**Agents' Option**"), exercisable in whole or in part, at any time and from time to time up to 48 hours prior to the Closing Date (as defined below), to increase the size of the Offering by up to 15% of the number of Subscription Receipts sold pursuant to the Offering, on the same terms and conditions as the Offering.

Pursuant to the proposed Offering, the Company will issue Subscription Receipts at a price of \$3.90 per Subscription Receipt. The Subscription Receipts shall be issued pursuant to a subscription receipt agreement (the "**Subscription Receipt Agreement**") to be entered into on the Closing Date (as defined below) among the Company, Stifel GMP and the subscription receipt agent. Each Subscription Receipt shall be deemed to be automatically converted into one unit of the Company (each, a "**Unit**") upon a receipt being issued by the securities regulatory authorities in each of the provinces and territories of Canada, except Quebec, for a final short form prospectus of the Company (the "**Qualifying Prospectus**") qualifying the securities to be issued upon the conversion of the Subscription Receipts (the "**Escrow Release Condition**"). Each Unit will consist of one (1) common share of the Company, (each, a "**Common Share**") and one-half of one (0.5) common share purchase warrant (each whole common share purchase warrant, a "**Warrant**"), with each Warrant being exercisable to acquire one common share of the Company (a "**Warrant Share**") at an exercise price of \$4.60 per Warrant Share for a period of two (2) years following the Escrow Release Date.

The Company shall use commercially reasonable efforts to obtain the final receipt for the Qualifying Prospectus by March 8, 2021 (the "**Qualification Deadline**"). If a final receipt is not obtained on or before the Qualification Deadline, the Company shall issue to each holder of Subscription Receipts, for no additional consideration and without any further action on the part of the holder, an additional 0.5 of a Warrant for each Unit to be issued to such holder upon the deemed exercise of the Subscription Receipts. Until the final receipt is issued for such Qualifying Prospectus, the Subscription Receipts as well as the Common Shares and Warrants comprising the Units issuable upon conversion thereof will be subject to a four-month hold period under applicable Canadian securities laws.

On the Closing Date, the gross proceeds from the Offering, less 50% of the Agents' commission and expenses (the "**Escrowed Funds**"), will be placed into escrow and held by the subscription receipt agent, pending satisfaction of the Escrow Release Condition. The Escrowed Funds will be released from escrow in accordance with the terms of the Subscription Receipt Agreement upon satisfaction of the Escrow Release Condition (the "**Escrow Release Date**"). If the Escrow Release Condition is not satisfied on or prior to April 8, 2021, then each holder of Subscription Receipts will be reimbursed by the Company for their original subscription price, plus such holder's *pro rata* portion of any interest earned thereon.

The Company intends to use the net proceeds from the Offering for expansion of the Company's distribution network to new markets, ongoing research and development, new regulatory initiatives, clinical trial contributions, and for working capital and general corporate purposes.

The Offering is scheduled to close on or about February 22, 2021 (the "**Closing Date**") or such other date as is agreed to by Stifel GMP and the Company and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the Toronto Stock Exchange and the securities regulatory authorities and the execution of a definitive agency agreement with the Agents in respect of the Offering.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended (the "**1933 Act**") and may not be offered or sold to, or for the account or benefit of, persons in the United States or "U.S. persons" (as such term is defined in Regulation S under the 1933 Act) absent registration or an applicable exemption from the registration requirements of the 1933 Act any application state securities laws.

ABOUT iFABRIC CORP:

Headquartered in Markham, Ontario, iFabric Corp www.ifabriccorp.com 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 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:

This news release includes "forward-looking information" and "forward-looking statements" within the meaning of Canadian securities laws and United States securities laws, respectively (collectively, "forward-looking information"). All information, other than statements of historical facts, included in this news release that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company's businesses, operations, plans, the completion of the Offering, the satisfaction of the Escrow Release Condition, qualifying the distribution of the Common Shares and Warrants pursuant to the Qualifying Prospectus, the expected closing date of the Offering, the use of proceeds of the Offering, and other such matters is forward-looking information. Forward-looking information is often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions and includes, among others, information regarding: completion of the Offering; the intended use of proceeds from the Offering; the anticipated timing of the closing of the Offering; and other events or conditions that may occur in the future.

Investors are cautioned that forward-looking information is not based on historical facts but instead is based on reasonable assumptions and estimates of management of the Company at the time they were made and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to investing in the Subscription Receipts; the ability to successfully complete the Offering; the ability to satisfy the Escrow Release Condition; the ability to obtain all requisite regulatory approvals, including the approval of the Toronto Stock Exchange and those of the securities regulatory authorities in respect of a (final) short form prospectus; discretion in the use of proceeds; the ability to raise additional funds; there being no current market for the Subscription Receipts; investing in the Subscription Receipts being speculative; volatility of the market price for the Common Shares generally; risk of dilution; as well as the risk factors described in the Company's annual information form

dated December 23, 2020 and other filings with the Canadian securities regulators available under the Company's profile on SEDAR at www.sedar.com.

The forward-looking information contained in this news release is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

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