

## IFABRIC CORP ANNOUNCES RECORD REVENUES AND EARNINGS FOR Q1 2024

**Markham, Ontario, May 14, 2024** -- iFabric Corp. (“iFabric” or the “Company”) (TSX: IFA.TO, OTCQX: IFABF), today announced its financial results for its first quarter of fiscal 2024 ended March 31, 2024.

*“New customers, new programs and solid margins propelled iFabric to record revenues and EBITDA for the quarter,” said Hylton Karon, President and CEO of iFabric. “We remain on track to meet our recently announced revenue target of between \$28 to \$32 million for fiscal 2024. A very satisfying quarter for the Company,” concluded Hylton Karon.*

### HIGHLIGHTS FOR FIRST QUARTER ENDED MARCH 31, 2024:

- Total revenues of \$6,754,624 in Q1 2024 compared to \$6,642,563 in Q1 2023, representing an increase of \$112,061 or 2%.
- Revenues for the Intelligent Fabrics Division were \$4,666,289 in Q1 2024 from \$4,413,977 in Q1 2023, representing an increase of \$252,312 or 6%, attributable to increased chemical sales.
- Revenues for the Intimate Apparel Division were to \$2,088,335 in Q1 2024 from \$2,223,336 in Q1 2023, representing a decrease of \$135,001 or 6%, as a result of reduced sales in Canada.
- Gross profit margins increased by 4% to 44% in Q1 2024 compared 40% in 2023, primarily due to product mix, with a higher proportion of higher margin products being shipped in the current quarter.
- Gross profit in dollars increased by 11% or \$302,614 to \$2,961,122 in Q1 2024 compared to \$2,658,508 in Q1 2023, attributable to the higher gross margins.
- Selling, general and administrative costs increased by \$93,323 to \$2,121,214 in Q1 2024 compared to \$2,027,891 in 2023, mainly as a result of increased personnel, advertising and travel costs incurred to support future revenue growth.
- Adjusted EBITDA\* for Q1 2024 amounted to \$855,380 compared to adjusted EBITDA of \$655,693 in 2023, representing an increase of \$199,687 or 30%.
- Net earnings after tax attributable to iFabric’s shareholders during Q1 2024 was \$550,596 (\$0.018 per share, basic and diluted) compared to net earnings of \$469,419 in 2023 (\$0.015 per share, basic and diluted). The increase in the attributable net earnings is primarily attributable to increased gross profit dollars, which was partially offset by increased expenditures.
- Working capital (excluding a demand loan classified as current, but not requiring repayment in 2024) amounted to \$17,320,228 at the end of Q1 2024 compared to \$16,460,565 as at September 30, 2023, an increase of \$859,663, mainly attributable to the earnings for the quarter.
- Cash increased to \$3,461,111 at the end of Q1 2024 compared \$1,571,744 at the end of the previous quarter, representing an increase of \$1,889,367, attributable to the collection of accounts receivable and a reduction in inventory.
- The Company’s bank operating line was unutilized at March 31, 2024 and at the end of the previous quarter, leaving the full line of \$6,750,000 available to finance future business.

## Q1 2024 FINANCIAL HIGHLIGHTS:

Three months ended March 31,	2024	2023
Revenue	6,754,624	6,642,563
Earnings from operations	679,053	573,899
Share based compensation	(77,190)	-
Adjusted EBITDA *(Note)	855,380	655,693
Net earnings before tax	694,525	598,975
Net earnings after tax attributable to shareholders	550,596	469,419
Other comprehensive earnings (loss)	92,974	(11,343)
Total comprehensive earnings	643,732	459,284
Net earnings per share		
Basic	0.018	0.015
Diluted	0.018	0.015

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

Complete Financial Statements are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the company's website at [www.ifabriccorp.com](http://www.ifabriccorp.com).

### **About iFabric Corp:**

Headquartered in Markham, Ontario, iFabric, [www.ifabriccorp.com](http://www.ifabriccorp.com), is listed on the TSX and, currently has 30.3 million shares issued and outstanding. Its two strategic divisions offer a variety of products and services through wholly-owned subsidiaries, namely, Intelligent Fabric Technologies (North America) Inc. ("IFTNA") and Coconut Grove Pads Inc. ("Coconut Grove").

IFTNA is focused on development and sale of high-performance sports apparel, medical protective apparel, consumer protective apparel, and proprietary treatments that provide "intelligent" properties to fabrics, foams, plastics, and numerous other surfaces, thereby improving the safety and well-being of the user. Such intelligent properties include antiviral and antibacterial characteristics, water-repellence and UV protection, among others.

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

### ***\*USE OF NON-GAAP MEASURES***

*Certain measures in this document do not have any standardized meaning as prescribed by International Financial Reporting Standards ("IFRS") and, therefore, are not considered generally accepted accounting principles ("GAAP") measures and may not be comparable to similar measures presented by other issuers. Where non-GAAP measures or terms are used, definitions are provided. The Company believes that certain non-GAAP financial measures provide important information regarding the operational performance and related trends of the Company's*

business. In this document and in the Company's consolidated financial statements, unless otherwise noted, all financial data is prepared in accordance with IFRS.

### **Adjusted EBITDA**

The Company uses Adjusted EBITDA to assess its operating performance without the effects of (as applicable): current and deferred tax expense, finance costs, interest income, depreciation and amortization of plant assets, other gains and losses, impairment loss, share-based compensation and other non-recurring items. The Company adjusts for these factors as they may be non-cash, unusual in nature and may not optimally represent its operating performance. Adjusted EBITDA is not intended to be representative of net earnings from operations or an alternative measure to cash provided by operating activities determined in accordance with IFRS.

The table below reconciles Adjusted EBITDA and Net earnings attributable to owners of the Company, calculated in accordance with IFRS:

Three months ended March 31,	2024	2023
Net earnings after tax attributable to shareholders	550,596	469,419
Add (deduct):		
Net earnings attributable to non-controlling interest	162	1,208
Provision for income taxes	143,767	128,348
Share-based compensation	77,190	-
Amortization of deferred development costs	8,901	6,705
Depreciation of plant, property and equipment and right-of-use assets	47,876	29,108
Interest expense	26,888	20,905
<b>Adjusted EBITDA</b>	<b>855,380</b>	<b>655,693</b>
Add (deduct):		
Share-based compensation	(77,190)	-
<b>EBITDA</b>	<b>778,190</b>	<b>655,693</b>

### **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", "plans", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: the extent and impact of health pandemic outbreaks on our business; general business, economic, competitive, political and social uncertainties; general capital market conditions and market prices for securities; the actual results of the Company's future operations; competition; changes in legislation affecting the Company; the ability to obtain and maintain required permits and approvals, the timing and availability of external financing on acceptable terms; lack of qualified, skilled labour or loss of key individuals.

A description of additional risk factors that may cause actual results to differ materially from forward-looking information can be found in the Company's annual information form dated April 1, 2024 and other filings with the Canadian securities regulators available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended.

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. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated.*

*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 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.*

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