

## **IFABRIC CORP REPORTS Q3 2024 RESULTS**

Markham, Ontario, November 14, 2024, iFabric Corp. (“iFabric” or the “Company”) (TSX: IFA, OTCQX: IFABF), a leader in technology enhanced apparel, today announced its results for its third quarter and nine months ended September 30, 2024.

“We demonstrated steady performance with an equal quarter-over-quarter financial performance with a notable increase in percentage gross margin. This sets the stage for a record fourth quarter, as the company continues to capitalize on growth opportunities and drive operational efficiencies. With a robust order book and strategic initiatives underway, iFabric is well-positioned for sustained success and value creation for its shareholders.” stated Hylton Karon, President, and CEO of iFabric.

“The previously announced fiscal year 2024 outlook, in the range of \$28 million to \$32 million, is on track to deliver a new record year for both revenue and profits, with revenue for Q4 anticipated to be more than \$11 million. The only current concern is the port strike in Vancouver, which would affect our Canadian deliveries. If it continues to the point that Q4 deliveries are delayed past December 31<sup>st</sup>, 2024, there will be a negative impact to Q4. However, any such delayed deliveries would positively impact Q1 of 2025. This is being closely monitored,” concluded Mr. Karon.

### **THREE MONTHS ENDED SEPTEMBER 30, 2024, HIGHLIGHTS:**

- Revenues decreased by 11% or \$524,938 to \$4,280,564 in Q3 2024 compared to \$4,805,502 in 2023.
- Intelligent Fabric Division revenue decreased by 29% or \$1,027,622 to \$2,569,137 in 2024 from \$3,596,759 in 2023, attributable to the elimination of several low margin programs in Canada.
- For the Intimate Apparel Division, revenue increased by 42% or \$502,684 to \$1,706,177 in 2024 from \$1,203,493 in 2023, as a result of new programs for US retailers.
- Gross profit contribution was virtually unchanged at \$1,756,730 (41% margin) in 2024, compared \$1,771,862 (37% margin) in 2023. The increase in gross margins is primarily attributable to the elimination of low margin programs as discussed above.
- Selling, general and administrative costs decreased by 13% or \$259,856 to \$1,742,051 in 2024 from \$2,001,907 in 2023, mainly due to a timing difference in bonus payments.
- Adjusted negative EBITDA of \$1,943 in 2024 compared to adjusted negative EBITDA of \$123,821 in 2023.
- Net loss attributable to iFabric’s shareholders in 2024, amounted to \$105,616 (\$0.003 per share, basic and diluted) compared to net loss attributable to shareholders of \$139,545 in 2023 (\$0.005 per share, basic and diluted).
- Working capital, (excluding a demand term loan classified as current under IFRS, but not requiring repayment in 2025) amounted to \$17,502,506 at the end of Q3 2024 compared to \$17,689,894 at the end of the previous quarter.
- Cash increased by \$1,141,212 to \$4,092,520 as at September 30, 2024 from \$2,951,308 as at the end of the previous quarter, due to improved efficiencies in collections and inventory management.
- The Company’s bank credit line of \$6,750,000 was unutilized at the end of Q3 2024, leaving the full line available to finance future growth.

### **NINE MONTHS ENDED SEPTEMBER 30, 2024, HIGHLIGHTS:**

- Revenue increased by 1% to \$16,831,408 for the nine months ended September 30, 2024, compared to \$16,726,396 in 2023, despite the elimination of several low margin programs during the period.
- Gross margins improved to 42% during the nine months, compared to 39% in the comparable period of 2023, as a result of the product mix for the period. Gross profit dollars increased by 9% or \$569,295 in the current period to \$7,133,970 in 2024 from \$6,564,675 in 2023.

- For the nine months ended September 30, 2024, selling, general and administrative costs increased by \$430,024 (or 7%) to \$6,227,215 compared to \$5,797,191 in 2023, as a result of increased personnel, advertising and travel costs incurred to support future revenue growth.
- Adjusted EBITDA for the first nine months of 2024 amounted to \$1,210,254 compared to adjusted EBITDA of \$792,287 in 2023, representing an increase of \$417,967.

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

	Quarter Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
Revenue	4,280,564	4,805,502	16,831,408	16,726,396
Earnings (loss) from operations	(196,502)	(369,789)	608,595	506,035
Share based compensation	(131,220)	(81,100)	416,820	85,009
Adjusted EBITDA *(Note)	(1,943)	(123,821)	1,210,254	792,287
Net earnings (loss) before tax	(213,124)	(263,565)	550,114	530,838
Net earnings (loss) after tax attributable to shareholders	(105,616)	(139,545)	501,083	462,420
Net income (loss) per share - basic	(0.003)	(0.005)	0.017	0.015
Net income (loss) per share - diluted	(0.003)	(0.005)	0.017	0.015

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

## \*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:

For the period ended September 30,	Three months		Nine months	
	2024	2023	2024	2023
Net earnings (loss) after tax attributable to shareholders	(105,616)	(139,545)	501,083	462,420
Add (deduct):				
Net earnings attributable to non-controlling interest	(405)	(1,827)	1,636	(638)
Provision for income taxes	(107,103)	(122,193)	47,395	69,056
Share-based compensation	131,220	81,100	416,820	85,009
Amortization of deferred development costs	8,901	6,705	26,703	20,115
Depreciation of plant, property and equipment and right-of-use assets	47,178	29,371	141,080	90,397
Interest expense	23,882	22,568	75,537	65,928
<b>Adjusted EBITDA</b>	<b>(1,943)</b>	<b>(123,821)</b>	<b>1,210,254</b>	<b>792,287</b>
Add (deduct):				
Share-based compensation	(131,220)	(81,100)	(416,820)	(85,009)
<b>EBITDA</b>	<b>(133,163)</b>	<b>(204,921)</b>	<b>793,434</b>	<b>707,278</b>

### **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.*

### **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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