

iFABRIC CORP REPORTS RECORD FOURTH QUARTER AND ANNUAL REVENUE AND EARNINGS FOR ITS FINANCIAL YEAR ENDED SEPTEMBER 30, 2017

Markham, Ontario, December 21, 2017 (GLOBE NEWSWIRE) -- *iFabric Corp. (“iFabric” or the “Company”)* (TSX:IFA.TO), today announced its results for its 4th quarter and fiscal year ended September 30, 2017.

Q4 ENDED SEPTEMBER 30, 2017 HIGHLIGHTS:

- *Revenues of \$6,610,765 compared to \$4,170,011 in Q4 2016, representing an increase of \$2,440,754 or 59%. This represents a record revenue quarter for iFabric.*
- *Revenues for the Intelligent Fabrics Division were \$896,839 compared to \$1,257,166 in Q4 2016, representing a decrease of \$360,327 or 29%.*
- *Revenues for the Apparel Division were \$5,677,077 compared to \$2,887,215 in Q4 2016, representing an increase of \$2,799,862 or 97%.*
- *Gross profit increased by 75% to \$1,201,064 to \$2,801,745 from \$1,600,681 in Q4 2016.*
- *Gross profit margins increased from 38% in Q4 2016 to 42% in Q4 2017.*
- *Adjusted EBITDA amounted to \$1,472,081 compared to Adjusted EBITDA of \$174,773 for the same quarter last year. This represents an increase of \$1,297,308.*
- *Net Earnings attributable to shareholders was \$969,911 (or \$0.037 per share basic and \$0.036 diluted) compared to net earnings \$32,745 in the same quarter of 2016 (or \$0.001 per share basic and diluted), representing an increase in net earnings of \$937,166.*

“I am extremely pleased about our performance in the current quarter and fiscal 2017,” stated Hylton Karon, President and CEO of iFabric. “We have delivered record sales and profits and have also improved our margins in Q4, which was achieved through a combination of improved sourcing and tighter inventory turns. In addition, we have substantially strengthened our balance sheet, which places us in a great position to meet our future growth objectives,” concluded Hylton Karon.

YEAR ENDED SEPTEMBER 30, 2017 HIGHLIGHTS:

- *Total 2017 revenues of \$18,856,477 compared to \$13,570,365 in 2016 representing an increase of \$5,286,112 or 39%. This represents record annual revenues for iFabric.*
- *Apparel Division revenue increased from \$11,272,334 in 2016 to \$13,981,487 in 2017, representing an increase of \$2,709,153 or 24%. By way of comparison, for the 2017 financial year, Intelligent Fabric Division revenue increased to \$4,772,590 from \$2,181,527 in 2016, representing an increase of \$2,591,063 or 119%.*
- *Gross profit of \$8,481,495 (or 45%) for the year ended September 30, 2017 compared to \$6,305,673 (or 46%) in 2016 representing an increase of \$2,175,822 or 35%. The higher gross profit for the year was mainly attributable to the record increase in revenues for the year.*
- *Adjusted EBITDA amounted to \$3,124,130 compared to negative Adjusted EBITDA of \$41,506 for 2016 representing an increase of \$3,165,636.*
- *Net earnings attributable to shareholders was \$1,597,070 (or \$0.061 per share basic and \$0.059 per share diluted) compared to net loss attributable to shareholders of \$373,977 (or \$0.014 per share basic and diluted) for the year ended September 30, 2016. The increase in net earnings is mainly attributable to an increase in gross profit of \$2,175,822 as well as a reduction in selling, general and administrative costs of \$839,343. The impact of these changes was partially offset by higher share based compensation costs of \$329,000 in 2017 versus 2016.*
- *Working capital (excluding the demand term loan referred to below) amounted to \$7,826,654 compared to \$5,300,067 at September 30, 2016, representing an increase of \$2,526,587.*
- *Shareholder equity attributable to shareholders increased by \$2,112,972 from \$7,638,010 in 2016 to \$9,750,982 at September 30, 2017.*

- Long term debt relating to the building owned by the Company decreased by \$1,438,265 mainly as a result of the refinancing of the previous term loan with a 15 year demand term loan. Due to the demand nature of the new loan, this has been classified as a current liability as required by International Financial Reporting Standards (refer discussion under working capital above).
- The Company's land and buildings have been appraised by independent appraiser in an amount of \$4,400,000 representing an increase of \$1,655,704 over the carrying value of this asset in the financial statements.
- Cash at year end was \$668,425.
- Bank operating line at year end was \$774,908 leaving \$2,725,092 of unutilized bank operating line available to the Company.

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

BUSINESS OUTLOOK:

Hylton Karon, President and CEO of iFabric, provided the following comments regarding the business outlook for the 2018 fiscal year:

"Our Intelligent Fabrics Division has confirmed a number of production projects for new customers, which will go commercial during the coming year. In addition, we anticipate expanded product offerings with our technologies, from our current customer base. On a full fiscal year cycle, I believe we will see an annual growth rate in fiscal 2018 at least equal to what we achieved in fiscal 2017.

Whilst we may see some levelling off in sleepwear sales in 2018, our Apparel Division has developed a number of new products that we are very excited about. In particular, I believe that one of the products we have developed is so revolutionary, that we will be filing a patent for this product in early 2018. Accordingly, 2018 should be another strong performing year for this division," concluded Hylton Karon.

FINANCIAL HIGHLIGHTS

	Year Ended September 30		Quarter ended September 30	
	2017	2016	2017	2016
	\$	\$	\$	\$
Revenue	18,856,477	13,570,365	6,610,765	4,170,011
Income (loss) from operations	2,881,314	(80,891)	1,365,977	162,693
Share based compensation	447,402	118,402	45,483	16,459
Adjusted EBITDA *(Note)	3,124,130	(41,506)	1,472,081	174,773
Net income (loss) after tax	1,589,922	(370,162)	960,096	34,271
Net income (loss) after tax attributable to shareholders	1,597,070	(373,977)	969,911	32,745
Net earnings (loss) per share				
Basic	0.061	(0.014)	0.037	0.001
Diluted	0.059	(0.014)	0.036	0.001

*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.

FOR FURTHER INFORMATION, please contact:

Hilton Price, CFO
Tel: 647.465.6161
Email: hilton.price@rogers.com

Gary Perkins - Investor Relations
Tel: 416.882.0020
Email: garyperkins@rogers.com

Jean-François Dubé (Québec) – Investor Relations
Tel: 514.233.9551
Email: jfdube@mac.com

Website: <http://www.ifabriccorp.com/>

Neither the TSX Exchange nor its Regulations Services Provider (as that term is defined in the policies of the TSX Exchange) accepts responsibility for the adequacy or accuracy of this press release.