

*IFABRIC CORP REPORTS RECORD REVENUES AND EARNINGS FOR ITS FINANCIAL YEAR ENDED SEPTEMBER 30, 2021.*

**Markham**, Ontario, December 29, 2021, iFabric Corp. (“iFabric” or the “Company”) (TSX: IFA, OTCQX: IFABF), today announced its results for its 4th quarter and fiscal year ended September 30, 2021.

“It is with great pride that I confirm record achievements in both revenues and earnings in 2021,” said Hylton Karon, President and CEO of iFabric. “Our team has delivered the highest volume of products in the greatest array of categories. The continued confidence our customers have shown in our technologies, product design and manufacturing, along with timely delivery, underlines the abilities of our talented team to build our business. We look forward to continue to set new records in 2022,” concluded Mr. Karon.

*YEAR ENDED SEPTEMBER 30, 2021, HIGHLIGHTS:*

- *Total revenues of \$19,763,672 in 2021 compared to \$11,521,676 in 2020 representing an increase of \$8,241,996 or 72%. This represents record annual revenue for iFabric.*
- *Intelligent Fabric Division revenue increased to \$15,672,469 in 2021 from \$8,077,444 in 2020, representing an increase of \$7,595,025 or 94%, as a result of the fulfilment of a personal protective equipment contract which was previously delayed, increased chemical sales and new performance apparel programs. For the Intimate Apparel Division revenue increased to \$3,979,319 in 2021 from \$3,324,125 in 2020, representing an increase of \$655,194 or 20%, as a result of the re-opening of retail stores following the relaxation of COVID-19 restrictions.*
- *Gross profit of \$7,760,888 (or 39%) for the year ended September 30, 2021, compared \$4,300,952 (or 37%) in 2020, representing an increase of \$3,459,936 or 80%, attributable to increased revenues and margins.*
- *Record adjusted EBITDA of \$3,234,404 in 2021 compared to adjusted EBITDA of \$29,582 in 2020, an increase of \$3,204,822.*
- *Net earnings after tax attributable to shareholders in 2021 was \$2,369,698 (or \$0.084 per share basic and \$0.081 per share diluted) compared to a net loss attributable to shareholders of \$617,770 (or \$0.023 per share basic and diluted) for the year ended September 30, 2020. The \$2,987,468 increase in attributable net earnings is largely attributable to increased revenues and increased gross profit dollars as discussed above.*
- *Working capital, (excluding a demand term loan classified as current under IFRS, but not requiring repayment in 2022) amounted to \$19,608,580 in 2021 compared to \$6,981,998 at September 30, 2020, representing an increase of \$12,626,582. This increase is attributable to the net proceeds of \$10,228,483 from a private placement of equity which, closed on February 22, 2021, as well as the earnings for the year.*
- *Shareholders’ equity increased by \$12,927,028 to \$22,266,894 in 2021 from \$9,339,866 in 2020.*
- *Long term debt was \$551,277 in 2021 compared to \$650,130 in 2020.*
- *Cash amounted to \$8,901,718 compared \$1,160,248 in 2020, representing an increase of \$7,741,470,*
- *The Company’s bank operating line was unutilized at both September 30, 2021, and 2020, leaving the full line of \$3,750,000 available to finance future business.*

*Q4 ENDED SEPTEMBER 30, 2021, HIGHLIGHTS:*

- *Revenues of \$5,204,282 compared to \$3,615,033 in Q4 2020, representing an increase of \$1,589,249 or 44%.*
- *Revenues for the Intelligent Fabrics Division were \$3,920,318 compared to \$2,566,137 in Q4 2020, representing an increase of \$1,354,181 or 53%, as a result new performance apparel programs for a major Canadian retailer, as well as increased chemical sales.*
- *Revenues for the Apparel Division increased to \$1,255,993 in Q4 2021 compared to \$895,298 in Q4 2020, representing an increase of \$360,695 or 40%, following the re-opening in retail stores in North America.*

- *Gross profit dollars in the current quarter, increased by 6% or \$98,977 to \$1,668,142 from \$1,569,165 in Q4 2020, attributable to higher revenues.*
- *Gross profit margins decreased to 32% in Q4 2021 from 43% in Q4 2020, as a result of sales mix for the quarter which, contained a higher proportion of performance apparel sales at lower margins.*
- *Selling, general and administrative costs increased by \$155,345 in 2021 compared to 2020 as a result of bonus accruals.*
- *Adjusted EBITDA amounted to \$354,290 compared to Adjusted EBITDA of \$480,720 for 2020, representing a decrease of 126,430, as a result of increased expenses.*
- *The net earnings after tax attributable to shareholders was \$203,165 (or \$0.006 per share basic and diluted) compared to net earnings after tax of \$357,092 (or \$0.014 per share basic and diluted) in 2020, representing a decrease of \$153,927, as a result of the factors discussed above.*

*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 |           |
|---|-------------------------|-------------|----------------------------|-----------|
|   | 2021                    | 2020        | 2021                       | 2020      |
|   | \$                      | \$          | \$                         | \$        |
| Revenue   | 19,763,672              | 11,521,676  | 5,204,282                  | 3,615,033 |
| Income (loss) from operations                               | 2,503,733               | (1,235,864) | 161,602                    | 171,810   |
| Share based compensation                                    | 21,994                  | 581,550     | 2,998                      | 55,945    |
| Adjusted EBITDA *(Note)                                     | 3,234,404               | 29,582      | 354,290                    | 480,720   |
| Net earning (loss) before tax                               | 3,042,093               | (709,399)   | 307,915                    | 388,185   |
| Net income (loss) after tax<br>attributable to shareholders | 2,369,698               | (617,770)   | 203,165                    | 357,092   |
| Other comprehensive earnings (loss)                         | (242,697)               | (92,053)    | 143,348                    | (89,731)  |
| Total comprehensive earnings (loss)                         | 2,132,309               | (716,764)   | 333,078                    | 253,164   |
| Net earnings (loss) per share                               |                         |             |                            |           |
| Basic   | 0.084                   | (0.023)     | 0.006                      | 0.014     |
| Diluted   | 0.081                   | (0.023)     | 0.006                      | 0.014     |

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

#### **ABOUT iFABRIC CORP:**

Headquartered in Markham, Ontario, iFabric, [www.ifabriccorp.com](http://www.ifabriccorp.com), is listed on the TSX and currently has 29.6 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", "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 and its current or future sales or earnings results.*

*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)

Jessica Butt – Investor Relations

Tel: 416.844.6202

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

Website: [www.ifabriccorp.com](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.*