

IFABRIC CORP REPORTS RECORD ANNUAL REVENUES FOR ITS FINANCIAL PERIOD ENDED SEPTEMBER 30, 2023.

Markham, Ontario, November 14, 2023, iFabric Corp. (“iFabric” or the “Company”) (TSX: IFA, OTCQX: IFABF), today announced its results for its fourth quarter and twelve months ended September 30, 2023.

The results for the quarter and twelve months ended September 30, 2023, are unaudited. As a result of the change in the Company’s financial year end to December 31, the Company will now report audited results for the fifteen months ended December 31, 2023.

“2023 delivered strong results, despite the realignment of deliveries to retailers due to current economic conditions. The encouraging growth with new customers and programs, speaks to the dynamic products we supply across a diverse customer base,” stated Hylton Karon, President, and CEO of iFabric. “With the production cycle timing required to design, manufacture, ship and distribute, our current orderbook outlook sets up 2024 to outperform even these historic numbers,” concluded Mr. Karon.

TWELVE MONTHS ENDED SEPTEMBER 30, 2023, HIGHLIGHTS:

- *Revenues increased by 10% or \$1,899,753 to \$21,642,761 in 2023 compared to \$19,743,008 in 2022. This represents record annual revenues for iFabric.*
- *Intelligent Fabric Division revenue increased by 11% or \$1,354,542 to \$14,013,449 in 2023 from \$12,658,907 in 2022, attributable to new swimwear programs in Canada.*
- *For the Intimate Apparel Division, revenue increased by 9% or \$614,795 to \$7,591,416 in 2023 from \$6,976,621 in 2022, as a result of increased sales in Canada.*
- *Gross profit of \$8,520,563 (39% margin) for the year ended September 30, 2023, compared \$7,026,276 (36% margin) in 2022, representing an increase in gross profit dollars of \$1,494,287 or 21%. The increase in gross margins is primarily attributable to reduction in freight costs from Asia, as well as selling price increases with respect to a number of products.*
- *Selling, general and administrative costs increased by 18% or \$1,147,868 to \$7,588,386 in 2023 from \$6,440,518 in 2022. Increased personnel costs, commissions, royalties, rent, advertising and travel costs incurred to support revenue growth, current and future, were the main reasons for the increase.*
- *Adjusted EBITDA of \$982,064 in 2023 compared to adjusted EBITDA of \$445,861, an increase of \$536,203.*
- *Net earnings attributable to iFabric’s shareholders in 2023, amounted to \$596,986 (\$0.020 per share, basic and diluted) compared to net loss attributable to shareholders of \$454,998 in 2022 (\$0.015 per share, basic and diluted), representing an increase in net earnings of \$1,051,984.*
- *Working capital, (excluding a demand term loan classified as current under IFRS, but not requiring repayment in 2024) amounted to \$20,325,278 in 2023 compared to \$19,843,615 at September 30, 2022, representing an increase of \$481,663.*
- *Shareholders’ equity increased by \$689,408 to \$23,442,518 in 2023 from \$22,753,110 in 2022.*
- *Long term debt was \$535,120 in 2023 compared to \$614,660 in 2022.*
- *Cash increased by \$1,949,255 to \$2,893,980 as at September 30, 2023 from \$944,725 as at September 30, 2022.*
- *The Company’s bank credit line of \$6,750,000 was unutilized at both September 30, 2023, and 2022, leaving the full line of \$6,750,000 available to finance future growth.*

Q4 ENDED SEPTEMBER 30, 2023, HIGHLIGHTS:

- *Revenue decreased by 20% or \$1,227,448 to \$4,805,502 in Q4 2023 compared to \$6,032,950 in Q4 2022, mainly due to timing differences in deliveries. Goods that were originally scheduled to be shipped in Q4 will now be shipped in Q5.*
- *Gross margins improved to 37% in Q4 2023, compared to 31% in Q4 2022, because of lower freight costs and product repricing. Gross profit dollars decreased by 4% or \$82,245 in Q4 2023 compared to 2022.*
- *Negative adjusted EBITDA for Q4 2023 amounted to \$123,821 compared to negative adjusted EBITDA of \$82,192 in Q4 2022.*

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

FINANCIAL HIGHLIGHTS

	Year Ended September 30		Quarter ended September 30	
	2023	2022	2023	2022
	\$	\$	\$	\$
	Unaudited	Audited	Unaudited	Audited
Revenue	21,642,761	19,743,008	4,805,502	6,032,950
Income (loss) from operations	615,853	(67,584)	(369,789)	(273,751)
Share based compensation	(85,009)	(472,952)	(81,800)	(140,371)
Adjusted EBITDA *(Note)	982,064	445,861	(123,821)	(82,192)
Net earning (loss) before tax	665,740	(207,481)	(263,585)	(272,001)
Net income (loss) after tax attributable to shareholders	596,986	(454,998)	(139,545)	(296,083)
Other comprehensive earnings (loss)	(114,987)	455,662	100,949	353,253
Total comprehensive earnings (loss)	478,656	3,206	(40,423)	49,348
Net earnings (loss) per share				
Basic	0.020	(0.015)	(0.005)	(0.010)
Diluted	0.020	(0.015)	(0.005)	(0.010)

*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		Twelve months	
	Unaudited	Audited	Unaudited	Audited
	2023	2022	2023	2022
Net earnings (loss) after tax attributable to shareholders	(139,545)	(296,083)	596,986	(454,998)
Add (deduct):				
Net earnings attributable to non-controlling interest	(1,827)	(7,822)	(3,343)	2,542
Provision for income taxes	(122,193)	31,904	72,097	244,975
Share-based compensation	81,100	140,371	85,009	472,952
Amortization of deferred development costs	6,705	6,705	26,820	26,820
Depreciation of plant, property and equipment and right-of-use assets	29,371	27,281	118,930	103,847
Interest expense	22,568	15,452	85,565	49,723
Adjusted EBITDA	(123,821)	(82,192)	982,064	445,861
Add (deduct):				
Share-based compensation	(81,100)	(140,371)	(85,009)	(472,952)
EBITDA	(204,921)	(222,563)	897,055	(27,091)

About iFabric Corp:

Headquartered in Markham, Ontario, iFabric, 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 December 29, 2022 and other filings with the Canadian securities regulators available under the Company's profile on SEDAR+ at 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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