

iFabric Corp. Reports Record Revenues and Strong Performance for Q2 2024.

Markham, Ontario, August 14, 2024 -- iFabric Corp. (“iFabric” or the “Company”) (TSX: IFA, OTCQX: IFABF), today announced its financial results for the second quarter ended June 30, 2024. The Company reported record revenues and notable increases in gross profit and adjusted EBITDA, reflecting continued strong performance.

"iFabric Corp’s impressive performance in Q2 2024 reflects our ongoing commitment to innovation and strategic growth. Achieving record revenues and significant improvements in gross profit and adjusted EBITDA underscores the strength of our Intelligent Fabrics Division and our ability to navigate the evolving market landscape," *stated Mr. Karon.*

"Our focus remains on leveraging our advanced technologies and expanding our product offerings to drive continued success. We are confident that our investments in personnel, advertising, and infrastructure will position us for sustained growth and deliver value to our shareholders. I want to thank our dedicated team for their hard work and our customers for their continued support as we advance towards our long-term goals," *concluded Mr. Karon.*

Q2 2024 HIGHLIGHTS:

- *Record revenues of \$5,796,220 in Q2 2024 compared \$5,278,331 in the same period of 2023, representing an increase of \$517,889 or 10%.*
- *Revenues in the Intelligent Fabrics Division, increased by 20% or \$584,347 to \$3,499,504 in 2024 from \$2,915,157 in 2023.*
- *Revenues in the Intimate Apparel Division decreased by 3% or \$62,958, to \$2,294,966 in 2024 from \$2,357,924 in 2023.*
- *Gross profit as a percentage of revenue increased to 42% in Q2 2024 compared 40% in 2023, primarily as a result of product mix, with a higher proportion of higher margin products being shipped in the current quarter. Gross profit in dollars increased by 13% or \$281,813 to \$2,416,118 in Q2 2024 compared to \$2,134,305 in 2023, attributable to the higher gross margin and increased revenues.*
- *Selling, general and administrative costs increased by \$596,557 (or 34%) to \$2,363,950 in Q2 2024 compared to \$1,767,393 in 2023, mainly as a result of increased personnel, advertising and travel costs incurred to support future revenue growth.*
- *During the quarter, the Company collected the Canadian dollar equivalent amount of \$361,980 against a legal claim currently being pursued in China. Accordingly, the previously established impairment provision was reduced by this amount in the current quarter. The process for collecting the balance of the Company’s legal claim is ongoing.*

- *Adjusted EBITDA for Q2 2024 amounted to \$356,817 compared to adjusted EBITDA of \$260,415 in 2023, representing an increase of \$96,402.*
- *The net earnings attributable to iFabric's shareholders during Q2 2024 was \$56,103 (\$0.002 per share, basic and diluted) compared to net earnings of \$132,546 in 2023 (\$0.004 per share, basic and diluted).*
- *Working capital (excluding a demand loan classified as current, but not requiring repayment in 2024) amounted to \$17,689,894 at the end of Q2 2024 compared to \$17,320,228 at the end of the previous quarter.*
- *Cash amounted to \$2,951,308 at the end of Q2 2024 compared \$3,461,111 at the end of the previous quarter.*
- *The Company's bank operating line was unutilized at both June 30, 2024 and at the end of the previous quarter, leaving the full line of \$6,750,000 available to finance future business.*

SIX MONTH HIGHLIGHTS:

- *Total revenues of \$12,550,844 for the six months ended June 30, 2024 compared to of \$11,920,894 in 2023, representing an increase of \$629,950 or 5%.*
- *Gross profit as a percentage of revenue was 43% for the six months ended June 30, 2024 compared to 40% in 2023, primarily due to product mix, with a higher proportion of higher margin products being shipped during the current period. Gross profit in dollars increased by 12% or \$584,427 to \$5,377,240 in 2024 compared to \$4,792,813 in 2023, attributable to the higher gross margin and increased revenues.*
- *Net earnings attributable to iFabric's shareholders during the six months ended June 30, 2024 was \$606,699 (\$0.020 per share, basic and diluted) compared to net earnings of \$601,965 in 2023 (\$0.020 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.*
- *Adjusted EBITDA for the six months ended June 30, 2024 amounted to \$1,212,197 compared to adjusted EBITDA of \$916,108 in 2023, representing an increase of \$296,089.*

Complete Financial Statements are available at:

<https://www.sedarplus.ca/landingpage/>

Hylton Karon, CEO of iFabric, will participate in a webinar hosted by Adelaide Capital at 2pm ET on August 19th.

Register here: <https://streamyard.com/watch/QMBDCHYxZ9hq>

The webinar livestream will also be available to watch on the Adelaide Capital YouTube Channel, where a replay will be posted after the event: <https://bit.ly/adcap-youtube>

FINANCIAL HIGHLIGHTS

	Quarter Ended June 30		Six Months Ended June 33	
	2024	2023	2024	2023
	\$	\$	\$	\$
Revenue	5,796,220	5,278,331	12,550,844	11,920,894
Earnings from operations	126,044	301,925	805,097	875,824
Share based compensation	(208,410)	(3,909)	(285,600)	(3,909)
Adjusted EBITDA *(Note)	356,817	260,415	1,212,197	916,108
Net earnings before tax	68,713	195,428	763,238	794,403
Net earnings after tax attributable to shareholders	56,103	132,546	606,699	601,965
Other comprehensive earnings (loss)	54,388	(133,962)	147,362	(145,305)
Total comprehensive earnings (loss)	112,370	(1,435)	756,102	457,849
Net earnings per share				
Basic	0.002	0.004	0.020	0.020
Diluted	0.002	0.004	0.020	0.020

**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 June 30,	Three months		Six months	
	2024	2023	2024	2023
Net earnings (loss) after tax attributable to shareholders	56,103	132,546	606,699	601,965
Add (deduct):				
Net earnings attributable to non-controlling interest	1,879	(19)	2,041	1,189
Provision for income taxes	10,731	62,901	154,498	191,249
Share-based compensation	208,410	3,909	285,600	3,909
Amortization of deferred development costs	8,901	6,705	17,802	13,410
Depreciation of plant, property and equipment and right-of-use assets	46,026	31,918	93,902	61,026
Interest expense	24,767	22,455	51,655	43,360
Adjusted EBITDA	356,817	260,415	1,212,197	916,108
Add (deduct):				
Share-based compensation	(208,410)	(3,909)	(285,600)	(3,909)
EBITDA	148,407	256,506	926,597	912,199

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

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. 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.

FOR FURTHER INFORMATION please contact:

Hylton Karon, President and CEO

Tel: 905.752.0566 ext 201

Email: hyltonk@ifabriccorp.com

Hilton Price, CFO

Tel: 647.465.6161

Email: hilton.price@rogers.com

Website: 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.