

## **iFabric Corp Reports Q2 & H1 2025 Results**

**Markham, Ontario, August 14, 2025 -- iFabric Corp. (“iFabric” or the “Company”)** (TSX: IFA, OTCQX: IFABF), today announced its financial results for the second quarter (“Q2”) and first half (“H1”) ended June 30, 2025.

“Q2 and H1 performed as expected despite some uncertainty in the United States, reinforcing our confidence in the strategic direction of the company. We maintain a positive outlook for the remainder of 2025, which is on track to set new record revenues, based on deposits against future deliveries, which are currently at the highest level in Company history,” stated Hylton Karon, President and CEO.

“U.S. tariffs have not materially impacted the financials due to a combination of strategies, namely, pre-buying and negotiations with suppliers and customers who are aware of the situation and pricing expectations are adjusting accordingly. This realism and cooperation has our U.S. market poised for continued expansion,” added Mr. Karon.

“We’ve now entered the second half of 2025 with unprecedented strength in our revenue pipeline. Our teams are executing innovative products that continue to open doors to additional programs and new clients. The groundwork we’re laying now is targeted to fuel even greater growth in 2026.

iFabric Corp. remains committed to delivering shareholder value through strategic growth, operational excellence, and continued innovation in textile technologies and apparel performance,” concluded Hylton Karon.

### **Q2 2025 HIGHLIGHTS:**

- *Revenues were virtually unchanged at \$5,796,761 in Q2 2025 compared \$5,796,220 in the same period of 2024. Revenues were reduced by an amount of \$350,000 in respect of brand advertising contributions, which were deducted from revenues as required under International Financial Reporting Standards (“IFRS”) and represented a 6% impact to revenues.*
- *Revenues in the Intelligent Fabrics Division, decreased by 7% or \$236,619 to \$3,262,885 in 2025 from \$3,499,504 in 2024. Revenues of this division were reduced by the brand advertising contributions discussed above, which impacted revenues of the division by 11%.*
- *Revenues in the Intimate Apparel Division increased by 10% or \$233,660, to \$2,528,626 in 2025 from \$2,294,966 in 2024 as a result of increased sales in Canada.*

- Gross profit as a percentage of revenue decreased to 37% in Q2 2025 compared 42% in 2024, primarily as a result of the above discussed brand advertising contributions, which impacted margins by 6%. Gross profit in dollars decreased by 11% or \$273,216 to \$2,142,902 in Q2 2025 compared to \$2,416,118 in 2024, with the full decrease attributable brand advertising contributions.
- Selling, general and administrative costs decreased to \$2,254,551 in Q2 2025 from \$2,363,950 in Q2 2024, as a result of the decrease in certain expense provisions.
- Negative adjusted EBITDA for Q2 2025 amounted to \$268,184 compared to adjusted EBITDA of \$356,817 in 2024, with the decrease mainly attributable to brand advertising contributions of \$350,000 and exchange losses of \$156,535 resultant from a weakening US dollar.
- The net loss after tax attributable to iFabric's shareholders during Q2 2025 was \$190,103 (\$0.006 per share, basic and diluted) compared to net earnings of \$56,103 (\$0.002 per share, basic and diluted).
- Working capital (excluding a demand loan classified as current, but not requiring repayment in 2025) amounted to \$19,167,596 at the end of Q2 2025 compared to \$19,883,462 at the end of the previous quarter.
- Cash amounted to \$2,655,107 at the end of Q2 2025 compared \$5,640,755 at the end of the previous quarter, with the decrease attributable to an increase of \$ 3.4 million in deposits on inventory for future delivery. Such deposits are typically 25% of the cost of such inventory.
- The Company's bank operating line, available up to a maximum limit of \$12,000,000, was unutilized at the end current quarter and, is fully available to fund product purchases for new programs. It is expected that some of this credit will be used to support the build of H2 inventory.

#### **SIX MONTH HIGHLIGHTS:**

- Total revenues of \$12,877,201 for the six months ended June 30, 2025 compared to \$12,550,844 in 2024, representing an increase of \$326,357 or 5%.
- Gross profit as a percentage of revenue was 38% for the six months ended June 30, 2025 compared to 43% in 2024, with the decrease mainly attributable to brand advertising contributions as discussed above, as well as the product mix for the six months.
- The net loss attributable to iFabric's shareholders during the six months ended June 30, 2025 was \$101,645 (\$0.003 per share, basic and diluted) compared to net earnings of \$606,699 (\$0.020 per share, basic and diluted) in 2024, with the decrease mainly attributable to brand advertising contributions of \$350,000 and exchange losses of \$176,593 resultant from a weakening US dollar.
- Adjusted EBITDA for the six months ended June 30, 2025 amounted to \$50,294 compared to adjusted EBITDA of \$1,212,197 in 2024. Refer table below for the reconciliation of adjusted EBITDA.

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://us02web.zoom.us/webinar/register/WN\\_JM6G7v21QS6FsZmu9tahXA](https://us02web.zoom.us/webinar/register/WN_JM6G7v21QS6FsZmu9tahXA)

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 30	
	2025	2024	2025	2024
	\$	\$	\$	\$
Revenue	5,796,761	5,796,220	12,877,201	12,550,844
Earnings from operations	(243,688)	126,044	(128,308)	805,097
Share based compensation	(20,614)	(208,410)	(151,834)	(285,600)
Adjusted EBITDA *(Note)	(268,184)	356,817	50,294	1,212,197
Net earnings before tax	(400,223)	68,713	(304,901)	763,238
Net earnings after tax attributable to shareholders	(190,103)	56,103	(101,645)	606,699
Other comprehensive earnings (loss)	(269,698)	54,388	(274,355)	147,362
Total comprehensive earnings (loss)	(459,801)	112,370	(376,000)	756,102
Net earnings per share				
Basic	(0.006)	0.002	(0.003)	0.020
Diluted	(0.006)	0.002	(0.003)	0.020

*\*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 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.

**\*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	
	2025	2024	2025	2024
Net earnings (loss) after tax attributable to shareholders	(190,103)	56,103	(101,645)	606,699
Add (deduct):				
Net earnings attributable to non-controlling interest	-	1,879	-	2,041
Provision for income taxes	(210,120)	10,731	(203,256)	154,498
Share-based compensation	20,614	208,410	151,834	285,600
Amortization of deferred development costs	8,901	8,901	17,802	17,802
Depreciation of plant, property and equipment and right-of-use assets	47,037	46,026	94,075	93,902
Interest expense	55,487	24,767	91,484	51,655
<b>Adjusted EBITDA</b>	<b>(268,184)</b>	<b>356,817</b>	<b>50,294</b>	<b>1,212,197</b>
Add (deduct):				
Share-based compensation	(20,614)	(208,410)	(151,834)	(285,600)
<b>EBITDA</b>	<b>(288,798)</b>	<b>148,407</b>	<b>(101,540)</b>	<b>926,597</b>

## 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 March 28, 2025 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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