

IFABRIC CORP ANNOUNCES Q1 2023 FINANCIAL RESULTS

Markham, Ontario, February 14, 2023 -- iFabric Corp. ("iFabric" or the "Company") (TSX: IFA.TO, OTCQX: IFABF), today announced its financial results for its first quarter of fiscal 2023 ended December 31, 2022.

"We are pleased to report that overall Company revenue for this quarter matched the revenues of the comparable quarter last year despite some unavoidable impacts on our chemical business due to the renewed lockdowns in China late last year," said Hylton Karon, President and CEO of iFabric. "Despite these lingering pandemic related challenges, revenue increases in other areas of our business allowed us to make up for the chemical business shortfall," he continued. "We also saw an improvement in our gross margins as a result of reduced shipping costs from Asia, as the impact of the pandemic and supply chain bottlenecks continues to ease. With our order book currently at the highest level in company history and with new opportunities currently under negotiation, I remain confident that we will see unprecedented revenue growth for the overall business in the remaining quarters of fiscal 2023," concluded Mr. Karon.

HIGHLIGHTS FOR FIRST QUARTER ENDED DECEMBER 31, 2022 (Q1 2023):

- Total revenues of \$4,916,365 in Q1 2023 compared to \$4,993,871 in Q1 2022, representing a decrease of \$77,506 or 2%.
- Revenues for the Intelligent Fabrics Division were \$3,087,556 in Q1 2023 compared to \$3,316,499 in Q1 2021, representing a decrease of \$228,943 or 7%. The decrease in revenue for this division was attributable to approximately \$1 million in lower chemical revenues in China, pursuant to government mandated lockdowns due to the ongoing COVID-19 pandemic and the resultant closure of production facilities. This decrease was partially offset by increased finished performance apparel sales in Canada.
- Revenues for the Intimate Apparel Division were \$1,806,663 in Q1 2023 compared to \$1,649,401 in Q1 2022, representing an increase of \$157,262 or 10%, primarily attributable to increased sales in Canada.
- Gross profit margins increased by 3% to 40% in Q1 2023 from 37% in Q1 2022, primarily attributable to a reduction in freight costs from Asia.
- Gross profit dollars increased by 6% or \$106,388 to \$1,955,888 in Q1 2023 from \$1,849,500 in Q1 2022, as a result of the increase in gross margins.
- Selling, general and administrative costs increased to \$1,791,195 in Q1 2023 from \$1,433,744 in Q1 2022. The increase of \$357,451 in costs is mainly attributable to increases in personnel costs, commissions, rent, advertising and travel, which have been incurred to support future projected growth in both operating divisions of the Company.
- Adjusted EBITDA* amounted to \$211,977 in Q1 2023 compared to Adjusted EBITDA of \$394,526 in Q1 2022, representing a decrease of \$182,549, largely attributable to increased expenses as discussed above.
- Net earnings after tax attributable to iFabric's shareholders during Q1 2023 was \$134,566 (\$0.005 per share basic and \$0.004 per share diluted) compared to \$167,960 (\$0.006 per share basic and diluted) in Q1 2022, representing a decrease of \$33,394.
- Working capital (excluding a demand loan classified as current, but not requiring repayment in 2023) amounted to \$19,735,013 at the end of Q1 2023 compared to \$19,843,615 as at September 30, 2022, a decrease of \$108,602, attributable to renovations to expand the Company's Canadian warehouse space.
- Cash increased to \$2,239,491 at the end of Q1 2023 compared \$944,725 at the end of the previous quarter, representing an increase of \$1,294,766, attributable to the collection of accounts receivable.
- The Company's bank operating line was unutilized at December 31, 2022 and at the end of the previous quarter, leaving the full line of \$6,750,000 available to finance future business.
- Shareholders' Equity attributable to common shareholders was \$22,800,145 as at December 31, 2022 compared to \$22,753,110 at September 30, 2022, representing an increase of \$47,035.

FINANCIAL HIGHLIGHTS:

Three months ended December 31,	2022	2021
	\$	\$
Revenue	4,916,365	4,993,871
Earnings from operations	109,818	373,081
Share based compensation	-	(2,998)
Adjusted EBITDA *(Note)	211,977	394,526
Net earnings before tax	134,902	351,851
Net earnings after tax attributable to shareholders	134,566	167,960
Other comprehensive earnings (loss)	(70,631)	2,864
Total comprehensive earnings	61,230	176,281
Net earnings per share		
Basic	0.005	0.006
Diluted	0.004	0.006

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

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

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.

***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:

Three months ended December 31,	2022	2021
Net earnings after tax attributable to shareholders	134,566	167,960
Add (deduct):		
Net earnings attributable to non-controlling interest	(2,705)	5,457
Provision for income taxes	3,041	178,434
Share-based compensation	-	2,998
Amortization of deferred development costs	6,705	6,705
Depreciation of plant, property and equipment and right-of-use assets	28,533	22,327
Interest expense	19,637	10,645
Loss on termination	22,200	-
Adjusted EBITDA	211,977	394,526
Add (deduct):		
Share-based compensation	-	(2,998)
Loss on termination	(22,200)	-
EBITDA	189,777	391,528

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, including the risk factors described 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.sedar.com.

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.

Given the impacts of COVID-19 and the war in Ukraine resulting in ongoing uncertainty, there can be no assurances regarding: (a) the COVID-19 and the war in Ukraine related impacts on the Company's business, operations and performance, (b) the Company's ability to mitigate such impacts; (c) credit, market, currency, operational, and liquidity risks generally; and (d) other risks inherent to the Company's business and/or factors beyond its control which could have a material adverse effect on the Company.

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

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.