PRESS RELEASE

SOURCE: Imaflex Inc.

Imaflex Reports Q4 and FY 2024 Results; Provides Business Update

Delivers strong financial performance

Highlights

- *FY 2024 revenues of $109.9 million, up 17.4% over 2023; Q4 2024 up 9.5% to $25.2 million*
- *FY 2024 net income of $7.5 million (EPS[1]: $0.14), up from $0.5 million (EPS: $0.01) in 2023*
- *Q4 net income of $0.7 million, versus a $1.0 million loss in 2023*
- *Solid liquidity with $21.0 million available at quarter end, including a cash balance of $9.0 million ($0.17 per share) and another $12.0 million under Imaflex's revolving line of credit*
- *Generated FY 2024 free cash flow[2] of $12.0 million*

Montréal, Québec, CANADA – April 24, 2025 – Imaflex Inc. ("Imaflex" or the "Corporation") (TSX-V: IFX) reports consolidated financial results for the fourth quarter (Q4) and fiscal year (FY) ended December 31, 2024 and provides a business update. All amounts are in Canadian dollars.

"We are pleased to report a year of strong progress and solid financial results in 2024," said Mr. Yazedjian, President and Chief Executive Officer of Imaflex. "Revenue and profitability improved meaningfully on a full-year basis, reflecting higher sales volumes, a more favourable product mix, and continued cost discipline. With $9.0 million in cash at year-end 2024, we are on solid footing to support ongoing operations and strategic initiatives.

Consolidated Financial Highlights (unaudited)

	Three months ended December 31,			Year ended December 31,		
CDN $ thousands, except per share amounts (or otherwise indicated)	**2024**	2023	% Change	**2024**	2023	% Change
Revenues	**25,198**	23,006	9.5 %	**109,853**	93,593	17.4 %
Gross Profit	**3,030**	2,405	26.0 %	**17,965**	11,005	63.2 %
Selling & admin. expenses	**3,163**	1,670	89.4 %	**10,193**	8,039	26.8 %
Other (gains) losses	**(1,168)**	566	(306.5) %	**(1,624)**	597	(372.0) %
Net income	**711**	(1,007)	(170.7) %	**7,461**	509	1,365.8 %
Basic EPS	**0.01**	(0.02)	(150.0) %	**0.14**	0.01	1,300.0 %
Diluted EPS	**0.01**	(0.02)	(150.0) %	**0.14**	0.01	1,300.0 %
Gross margin	**12.0%**	10.5%	1.5 pp	**16.4%**	11.8%	4.6 pp
Selling & admin. expenses as % of revenues	**12.6%**	7.3%	5.3 pp	**9.3%**	8.6%	0.7 pp

[1] *Earning per share (EPS) based on basic and diluted weighted shares outstanding*

[2] See header titled "Caution Regarding non-IFRS Financial Measures" which follows.
Free Cash Flow: net cash generated by operating activities less net cash used in investing activities.

CDN $ thousands, except per share amounts (or otherwise indicated)	Three months ended December 31,			Year ended December 31,		
	2024	2023	% Change	**2024**	2023	% Change
EBITDA[3] (Excluding FX)	**662**	1,100	(39.8) %	**12,466**	6,602	88.8 %
EBITDA	**2,199**	658	234.2 %	**14,443**	6,016	140.1 %
EBITDA margin	**8.7%**	2.9%	5.8 pp	**13.1%**	6.4%	6.7 pp

Financial Review: Quarter Ended December 31

Revenues

Revenues for the fourth quarter of 2024 totaled $25.2 million, up 9.5% from $23.0 million in 2023. For fiscal 2024, revenues rose 17.4% year-over-year to $109.9 million. Growth for both the quarter and full year was primarily driven by higher sales volumes and to a lesser degree, favourable foreign exchange movements. Additionally, the annual increase benefited from improved sales of higher margin offerings.

Gross Profit

Gross profit totaled $3.0 million (12.0% of sales) for the fourth quarter of 2024, up from $2.4 million (10.5% of sales) in the prior year. For fiscal 2024, gross profit rose to $18.0 million (16.4% of sales), up from $11.0 million (11.8% of sales) in the prior year.

Despite a competitive pricing environment, the Corporation's performance in 2024 was supported by stronger sales volumes, a favourable product mix, operational efficiencies, and continued cost controls.

Operating Expenses

Selling and administrative expenses totaled $3.2 million for the fourth quarter of 2024, up from $1.7 million in 2023, representing 12.6% and 7.3% of sales, respectively. For fiscal 2024, these expenses were $10.2 million, or 9.3% of sales, compared to $8.0 million, or 8.6% of sales, in the prior year. The increases for both the quarter and the year primarily reflect higher salaries and benefits—including leadership restructuring (separation of the Chairman and CEO roles, among other changes) and profit-sharing provisions tied to improved results — as well as increased professional fees, and higher commissions.

Imaflex recorded other gains of $1.2 million for the fourth quarter of 2024, compared to a loss in 2023, resulting in a $1.7 million favourable year-over-year variance. For fiscal 2024, the Company recorded other gains of $1.6 million, compared to $0.6 million of losses in 2023, yielding a $2.2 million favourable variance. Other gains and losses were primarily driven by foreign exchange movements.

A majority of the Corporation’s foreign exchange gains and losses are non-cash impacting and largely relate to intercompany balances, for which Imaflex can control the timing of settlement.

Net Income and EBITDA

Net income was $0.7 million for the fourth quarter of 2024, compared to a net loss of $1.0 million in the same period of 2023. The fourth quarter of 2023 includes a $1.0 million non-cash write-off of obsolete production equipment. For fiscal 2024, net income totaled $7.5 million, up from $0.5 million in 2023. The year-over-year improvements were largely driven by the higher gross profit and favourable foreign exchange movements.

[3] See header titled “Caution Regarding non-IFRS Financial Measures” which follows.
EBITDA: Earnings Before Interest, Taxes, Depreciation, and Amortization

EBITDA was $2.2 million (8.7% of sales) for the current quarter, up 234.2% from $0.7 million (2.9% of sales) in 2023. On a constant currency basis, EBITDA came in at $0.7 million (2.6% of sales), down 39.8% from $1.1 million (4.8% of sales) in the fourth quarter of 2023.

For fiscal 2024, EBITDA stood at $14.4 million (13.1% of sales), up 140.1% from $6.0 million (6.4% of sales) in the corresponding prior-year period. Excluding the impact of foreign exchange, EBITDA grew 88.8% over fiscal 2023, coming in at $12.5 million (11.3% of sales), compared to $6.6 million (7.1% of sales) in 2023.

Liquidity and Capital Resources

Net cash flows generated by operating activities, including movements in working capital and taxes, totaled $6.7 million for the fourth quarter of 2024, up from $3.1 million in the same period of 2023. The $3.6 million increase was primarily driven by higher profitability and favourable movements in inventories, as well as trade and other payables. These gains were partially offset by unrealized foreign exchange movements.

For fiscal year 2024, net cash flows generated by operating activities, including movements in working capital and income taxes, totaled $15.8 million, up from $5.4 million in fiscal year 2023. The $10.3 million increase was primarily driven by higher profitability, as well as favorable movements in inventories and trade and other payables. Additionally, net cash flows benefited from favourable movements in income taxes. These gains were partially offset by unrealized foreign exchange movements.

As at December 31, 2024 Imaflex continued to maintain a strong financial position with $21.0 million in available liquidity, including $9.0 million of cash (up from $3.7 million at the end of Q3 2024) and a fully undrawn $12.0 million revolving line of credit.

Working capital stood at $23.4 million as of December 31, 2024, up from $14.0 million at the end of fiscal 2023. The $9.4 million improvement was largely driven by increased cash levels, a rise in trade and other receivables, reduced bank indebtedness, and a decrease in long-term debt (current portion), partially offset by higher trade and other payables, a decrease in current tax assets and lower inventories.

Outlook

"Looking ahead, we are optimistic about Imaflex's growth prospects, while remaining mindful of evolving market conditions," said Mr. Yazedjian. "Our strategic equipment investments are now complete, and we expect utilization levels to continue to ramp-up. It typically takes approximately 18 months for a new extruder to reach full capacity. As this progresses, it should enhance operational efficiency and output."

"With a strong balance sheet, Imaflex is well-positioned to pursue disciplined growth initiatives and capitalize on emerging opportunities. We remain confident in our ability to navigate the current economic environment and deliver sustainable value to shareholders."

On the regulatory front, with respect to ADVASEAL®, Imaflex remains committed to its long-term success. The submission remains under EPA review, although the approval process continues to take longer than initially anticipated. The Corporation is engaged with the agency and working diligently to secure approval; however, as is typical, the EPA does not provide a fixed timeline for such decisions.

Caution Regarding Non-IFRS Financial Measures

The Company's management uses non-IFRS measures in this press release, namely EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization), EBITDA excluding foreign exchange and Free Cash Flow.

While EBITDA and Free Cash Flow are not standard International Financial Reporting Standards (IFRS) measures, management, analysts, investors and others use them as an indicator of the Company's financial and operating management and performance. EBITDA should not be construed as an alternative to net income determined in accordance with IFRS as an indicator of the Company's performance. The Company's method of calculating EBITDA and Free Cash Flow may be different from those used by other companies and accordingly they should not be considered in isolation.

About Imaflex Inc.

Founded in 1994, Imaflex is focused on the development and manufacturing of innovative solutions for the flexible packaging space. Concurrently, the Corporation develops and manufactures films for the agriculture industry. The Corporation's products consist primarily of polyethylene (plastic) film and bags, including metalized plastic film, for the industrial, agricultural and consumer markets. Headquartered in Montreal, Quebec, Imaflex has manufacturing facilities in Canada and the United States. The Corporation's common stock is listed on the TSX Venture Exchange under the ticker symbol IFX. Additional information is available at www.imaflex.com.

Cautionary Statement on Forward Looking Information

Certain information included in this press release constitutes "forward-looking" statements within the meaning of Canadian securities laws. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the management of the Corporation, are inherently subject to significant business, economic and competitive uncertainties, risks and contingencies. The Corporation cautions the reader that such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance, or achievements of Imaflex to be materially different from the Corporation's estimated future results, performance or achievements expressed or implied by those forward-looking statements and that the forward-looking statements are not guarantees of future performance. These statements are also based on certain factors and assumptions. For more details on these estimates, risks, assumptions and factors, see the Corporation's most recent Management Discussion and Analysis filed on SEDAR+ at www.sedarplus.ca *and on the investor section of the Corporation's website at www.imaflex.com. The Corporation disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, events or otherwise, except as expressly required by law. Readers are cautioned not to put undue reliance on these forward-looking statements.*

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