



iFABRIC CORP ANNOUNCES RECORD Q1 2021 REVENUES AND EARNINGS

Markham, Ontario, February 11, 2021 -- iFabric Corp. ("iFabric" or the "Company") (TSX: IFA.TO), today announced its results for its first quarter ended December 31, 2020.

"I am extremely proud of our first quarter performance which represents a testament to the relevancy of our technologies during this unique and tumultuous time. The capabilities of our class-leading technologies and high-quality apparel programs continue to resonate with our customers and their consumers both in-store and across multiple digital platforms," said Hylton Karon, President and CEO of iFabric.

"My sincere appreciation goes out to our global employees for their passion and extraordinary commitment to serving our customers in the midst of the ongoing pandemic," concluded Mr. Karon.

HIGHLIGHTS FOR FIRST QUARTER ENDED DECEMBER 31, 2020 (Q1 2021):

- Total revenues of \$7,520,901 in Q1 2021 compared to \$2,596,841 in Q1 2020, representing an increase of \$4,924,060 or 190%.
- Revenues for the Intelligent Fabrics Division were \$6,880,019 in Q1 2021 compared to \$1,435,051 in Q1 2020, representing an increase of \$5,444,968 or 379%. The Intelligent Fabrics Division's revenue growth was attributable to the fulfilment of a personal protective equipment contract, which was previously delayed due to a contract dispute in China, increased chemical sales, and new finished performance apparel programs for a major retailer.
- Revenues for the Intimate Apparel Division were \$612,911 in Q1 2021 compared to \$1,129,707 in Q1 2020, representing a decrease of \$516,796 or 46%. The decrease in revenue for this division was attributable to store closings or restrictions faced by certain of its major retail customers due to the COVID-19 pandemic.
- Gross profit dollars increased by 166% or \$1,812,016 in Q1 2021, to \$2,904,235 from \$1,092,219 in Q1 2020, as a result of the increased revenues for the current quarter.
- Gross profit margins decreased from 42% in Q1 2020 to 39% in Q1 2021, resultant from the divisional sales mix for the quarter which contained a higher proportion of Intelligent Fabrics revenue at lower margins compared to the mix in 2020.
- Selling, general and administrative costs decreased to \$1,096,694 in Q1 2021 compared to \$1,200,687 in Q1 2020, attributable to a reduction in travel and other variable cost savings as a result of the COVID-19 pandemic.
- Adjusted EBITDA* amounted to \$2,015,386 in Q1 2021 compared to Adjusted EBITDA of \$124,420 in Q1 2020, representing an increase of \$1,890,966, largely attributable to increased revenues, increased margin contribution and a reduction in administration expenses, as discussed above.
- Net earnings after tax attributable to iFabric's shareholders during Q1 2021 was \$1,602,282 (\$0.060 per share basic and \$0.058 per share diluted) compared to \$53,810 (\$0.002 per share basic and diluted) in Q1 2020, representing an increase of \$1,548,472 for the reasons above.
- Working capital (excluding a demand term loan to be renewed in 2021) amounted to \$8,888,125 at the end of Q1 2021 compared to \$6,981,998 as at September 30, 2020, representing an increase of \$1,906,127, mainly attributable to the earnings for the current quarter.
- Cash decreased to \$946,563 at the end of Q1 2021 compared \$1,160,248 at the end of the previous quarter.
- The Company's bank operating line was unutilized at both December 31, 2020 and at the end of the previous quarter, leaving the full line of \$3,750,000 available to finance future business.
- Shareholders' Equity attributable to common shareholders was \$10,917,022 as at December 31, 2020 compared to \$9,339,866 at September 30, 2020 representing an increase of \$1,577,156.

FINANCIAL HIGHLIGHTS:

Three months ended December 31,	2020	2019
	\$	\$
Revenue	7,520,901	2,596,841
Earnings (loss) from operations	1,758,856	(161,096)
Share based compensation	(6,745)	(11,739)
Adjusted EBITDA *(Note)	2,015,386	124,420
Net earnings before tax	1,966,701	71,792
Net earnings after tax attributable to shareholders	1,602,282	53,810
Other comprehensive earnings (loss)	(271,871)	(226,781)
Total comprehensive earnings (loss)	1,336,392	(170,557)
Net earnings per share		
Basic	0.060	0.002
Diluted	0.058	0.002

**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.

Hylton Karon, CEO of iFabric Corp., will be joined by Hilton Price, CFO, and Giancarlo Beevis, CEO of the Intelligent Fabric Division, to provide an investor update hosted by Adelaide Capital on Friday, February 12 at 2:00PM Eastern Time (U.S. and Canada), followed by a question-and-answer period. Please register here if you would like to participate: https://us02web.zoom.us/webinar/register/WN_rtlWH0g3Tdil94FwdYo0Yg The webinar will also be live streamed on YouTube for those who are unable to access Zoom: [YouTube Live Stream](#). Questions may be asked during the webinar or can be emailed ahead of time to info@adcap.ca. A replay will be made available after the event on the Adelaide Capital YouTube channel: [Adelaide Capital YouTube Channel](#).

ABOUT iFABRIC CORP:

Headquartered in Markham, Ontario, iFabric Corp www.ifabriccorp.com is listed on the TSX and currently has 26.5 million shares issued and outstanding. Through its wholly owned subsidiaries, Intelligent Fabric Technologies (North America) Inc. ("IFTNA") and Coconut Grove Pads Inc. ("Coconut Grove"), the Company offers a variety of products and services in both of its strategic divisions:

IFTNA is focused on performance apparel, medical protective apparel, consumer protective apparel, as well as proprietary chemical formulations that render fabrics, foams, plastics, and numerous other surfaces intelligent, thereby improving the safety and well-being of the consumer.

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 do not reflect 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 and comprehensive earnings attributable to owners of the Company, calculated in accordance with IFRS:

Three months ended December 31,	2020	2019
	\$	\$
Net earnings after tax attributable to shareholders	1,602,282	53,810
Add (deduct):		
Net earnings attributable to non-controlling interest	5,981	2,414
Provision for income taxes	358,438	15,568
Share-based compensation	6,745	11,739
Amortization of deferred development costs	6,705	6,705
Amortization of plant, property and equipment and right-of-use assets	20,990	21,966
Interest expense	14,245	12,218
Adjusted EBITDA	2,015,386	124,420
Add (deduct):		
Share-based compensation	(6,745)	(11,739)
EBITDA	2,008,641	112,681

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 23, 2020 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 resulting ongoing uncertainty, there can be no assurances regarding: (a) the COVID-19 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.

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