IFABRIC CORP REPORTS RECORD REVENUE AND EARNINGS FOR Q1 2026

Highest In Company History at $27.5 Million, Up 288% or $20.4 Million From Prior Year

Markham, Ontario – May 12, 2026 – iFabric Corp. (TSX: IFA, OTCQX: IFABF), a leader in innovative textile and performance-apparel technologies, today announced record revenues and earnings for its first quarter ending March 31, 2026 ("Q1").

- Revenue for Q1 of $27,502,695, up 288% over Q1 2025. An increase of $20,422,255. By far a new record quarter for the company.
- Q1 Revenue for Intelligent Fabric (IFTNA) Division of $23,600,247, up 305% over Q1 2025. An increase of $17,775,796.
- Q1 Revenue for Coconut Grove Division of $3,902,448, up 212% over Q1 2025. An increase of $2,651,709.
- Adjusted EBIDTA for Q1 of $5,733,393. An increase of $5,414,915 over $318,478 in Q1 2025.

The exceptional results were driven by a combination of expanding market opportunities and sustained organic growth across the company's core product lines. Retail partners have continued to encourage iFabric to broaden its presence into new categories and channels with them, opening the door to incremental revenue streams while reinforcing long-standing relationships. Standout drivers of revenue growth in Q1 were new medical apparel (scrubs) and footwear programs announced over recent months, followed by the results of the rebranding of intimate apparel product lines.

At the same time, the company's core product portfolio delivered robust performance, benefiting from increased store count penetration and stronger consumer demand. This dual engine of growth—new market entry alongside deeper retail integration—has positioned iFabric for continued momentum.

"This quarter reflects both the strength of our innovation pipeline and the confidence our retail partners have in our ability to execute," said Hylton Karon, President and CEO of iFabric Corp. "We are capitalizing on new customer and product-line opportunities while continuing to scale our established core business, and the results speak for themselves," concluded Hylton Karon.

Management noted that the company remains focused on leveraging its operational capabilities to support further expansion, while maintaining disciplined execution to sustain profitability.

With a growing footprint across retail channels and an expanding suite of product offerings, iFabric is well-positioned to build on this record-setting performance in the quarters ahead.

HIGHLIGHTS FOR FIRST QUARTER ENDED MARCH 31, 2026 (Q1):

- *Total revenues of $27,502,695 in Q1 compared to $7,080,440 in Q1 2025, representing an increase of $20,422,255 or 288%.*

- *Revenues for the Intelligent Fabrics Division were $23,600,247 in Q1, representing an increase of $17,775,796 or 305%, from $5,824,451 in Q1 2025. These revenue gains comprised increased apparel sales in Canada and the US, as a result of new and expanded existing programs. In particular, the new product launches of the segment's first major scrubs and footwear programs.*

- *Revenues for the Intimate Apparel Division were $3,902,448 in Q1, representing an increase of $2,651,709 or 212% from $1,250,739 in Q1 2025. The increase in Intimate Apparel revenue in 2026 versus 2025 was primarily attributable to increased intimate apparel sales in the US, resulting from the launch of the Division's own brand Nudish™, at major retailers, following the expiry of its Maidenform® license on December 31, 2025. This new brand targets a younger demographic, whereas products marketed under the prior Maidenform® license targeted an older demographic and were declining in sales. This new brand is no longer restricted in product categories, which should result in increased opportunities to grow future revenues of the Division.*

- *Gross profit dollars amounted to $8,952,217 in Q1, representing an increase of $6,212,763 or 227% from $2,739,454 in Q1 2025*

- *Gross profit margins decreased by 6% to 33% in Q1 compared 39% in Q1 2025, primarily due to the product mix for the quarter, with a higher proportion of lower margin products being shipped in the current quarter, particularly with regards to the Intelligent Fabrics Division. Increased tariffs in the US, on goods imported from China were an additional contributing factor to the margin decrease. The Company has initiated a process to recover approximately $850,000 in IEEPA tariffs paid by it on goods imported into the US from China to the date that these tariffs no longer applied and were deemed refundable. The recovery of the amount claimed is contingent on the US Administration continuing to honor its commitment to refund such tariffs. The company will recognize in income, any amounts subsequently recovered, as and when funds are received.*

- *Selling, general and administrative costs increased by $1,461,833 (61%) to $3,862,751 in Q1 compared to $2,400,918 in Q1 2025, mainly as a result of increased variable selling costs comprising royalties and commissions relating to the increased sales, as well as increased personnel, advertising and travel costs incurred to support future business initiatives.*

- *Adjusted EBITDA (*note) for Q1 amounted to $5,733,393 compared to adjusted EBITDA of $318,478 in Q1 2025, representing an increase of $5,414,915*

- *Net earnings after tax during Q1 amounted to $3,710,214 ($0.122 per share, basic and diluted) up from $88,458 ($0.003 per share, basic and diluted) in Q1 2025, an increase of $3,621,756.*

- *The Company's adjusted working capital (working capital adjusted to exclude a term loan of $3,626,653, classified as current under IFRS) was $23,758,324 as at March 31, 2026, compared to working capital of $19,127,409 at the end of the previous quarter, an increase of $4,630,915, mainly attributable to the net earnings for the current quarter.*

- *Cash decreased by $2,022,335 to $1,760,999 at March 31, 2026, from $3,783,334 at December 31, 2025, as a result of further investments into inventory.*

Three months ended March 31,	**2026**	**2025**
Revenue	**27,502,695**	**7,080,440**
Earnings from operations	**4,918,412**	**115,380**
Adjusted EBITDA *(Note)	**5,733,393**	**318,478**
Net earnings before tax	**4,899,467**	**95,322**
Net earnings after tax attributable to shareholders	**3,710,214**	**88,458**
Other comprehensive earnings (loss)	**184,935**	**(4,657)**
Total comprehensive earnings	**3,895,149**	**83,801**
Net earnings per share		
Basic	**0.122**	**0.003**
Diluted	**0.122**	**0.003**

**Note: Adjusted EBITDA represents earnings before interest, taxes, depreciation, amortization, share based compensation and non-recurring items. EBDITA is considered a non-standard and non-IFRS measure. Accordingly, a full reconciliation of EBITDA to Net Earnings is provided in the Management Discussion & Analysis (MD&A) relating to Q1, as well as below.*

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

The Company will participate in a webinar hosted by Adelaide Capital at 2pm ET on May 14, 2026, to discuss its Q1 2026 financial results and other recent news items. Participants can register here: https://us02web.zoom.us/webinar/register/WN_1lXEHiVTSMOzEJsMZWjZbw. The session will also be live-streamed on Adelaide Capital's YouTube Channel where a replay will be posted: https://www.youtube.com/channel/UC7Jpt_DWjF1qSCzfKlpLMWw.

About iFabric Corp:

iFabric Corp. is a Canadian-based textile technology company focused on the development and commercialization of proprietary chemical solutions that enhance the performance, functionality, and safety of fabrics and other materials. Through its Intelligent Fabric Technologies (North America) division, the Company provides antimicrobial, water-repellent, and other performance-enhancing treatments used across healthcare, apparel, and consumer applications.

iFabric's platform is supported by proprietary formulations, global manufacturing integration, and, in certain applications, clinical validation in real-world environments. The Company also operates Coconut Grove Intimates, a long-standing intimate apparel business that provides stable cash flow and supports the continued growth of its technology platform.

**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 and earnings 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 and earnings. 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 March 31,	**2026**	2025
Net earnings after tax attributable to shareholders	**3,710,214**	88,458
Add (deduct):		
Net earnings attributable to non-controlling interest	**-**	-
Provision for income taxes	**1,179,253**	6,864
Share-based compensation	**-**	131,220
Maidenform license transition costs	**187,650**	-
ERP system - Implementation costs	**93,506**	-
Illegal US IEEPA Tariffs (refundable)	**391,716**	-
Amortization of deferred development costs	**8,901**	8,901
Depreciation of plant, property and equipment and right-of-use assets	**44,953**	47,038
Interest expense	**117,200**	35,997
Adjusted EBITDA	**5,733,393**	318,478
Add (deduct):		
Share-based compensation	**-**	(131,220)
Maidenform license transition costs	**(187,650)**	-
ERP system - Implementation costs	**(93,506)**	-
Illegal US IEEPA Tariffs (refundable)	**(391,716)**	-
EBITDA	**5,060,521**	187,258

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 30, 2026 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.

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