iFABRIC CORP REPORTS RESULTS FOR ITS THIRD QUARTER AND NINE MONTHS ENDED JUNE 30, 2019

Markham, *Ontario, August 14, 2019 (NEWSFILE CORP.) -- iFabric Corp. ("iFabric" or the "Company") (TSX: IFA.TO), today announced its financial results for its third quarter and nine months ended June 30, 2019.*

Q3 2019 HIGHLIGHTS:

- *Revenues in Q3 2019 decreased by 31% or $1,007,152 to $2,284,507 from $3,291,659 in Q3 2018. With regard to Company's operating divisions, revenue decreased by 46% or $1,204,629 in its Intimate Apparel Division and revenue increased by 39% or $252,705 in its Intelligent Fabrics Division. The decrease in Intimate Apparel was primarily attributable to the discontinuance of sleepwear products as well as credits given to a major customer amounting to approximately $450,000 in respect of a strategic initiative to boost future sales by recalling products for the purposes of refreshing packaging. These products will be reshipped in the next quarter. This decrease was partially offset by increased revenues in the Intelligent Fabrics segment resultant from new finished performance apparel programs.*

- *Net loss before tax of $810,045 compared to net earnings of $11,235 in 2018. The decrease in earnings was mainly as a result of lower sales and a lower gross profit contribution for the reasons stated above. Earnings were also impacted by costs associated with the closure by the Company of its UK warehouse during the period, due to current retail uncertainty in the UK pursuant to the exit of the UK from the European market, and the continued weakening of the UK Sterling. Ongoing business with UK customers is being serviced from Canada.*

- *Adjusted negative EBITDA of $753,012 compared to adjusted EBITDA of $115,623 in Q3 2018*

- *Gross profit as a percentage of revenue was 23% in Q3 2019, compared to 47% in Q3 2018. The decrease in gross profit percentage is attributable to a numbers of factors, namely, a higher proportion of Intelligent Fabric sales at lower margins, in Q3 2019 versus Q3 2018, as well as one off packaging refresh and the UK warehouse closure costs as discussed above. Gross margins are anticipated to return to historic levels in future periods. Gross profit in dollars decreased by 66% or $1,015,002 to $521,718 in Q3 2019 compared to $1,536,720 in Q3 2018 and is attributable to the factors discussed above.*

- *The net loss attributable to iFabric's shareholders during Q3 2019 was $642,120 ($0.024 per share, basic and diluted) compared to a net loss of $175,707 in Q3 2018 ($0.007 per share, basic and $0.006 diluted).*

- *Other comprehensive loss, being unrealized currency differences on the translation of foreign operations, amounted to $11,222 compared to other comprehensive earnings of $126,748 in 2018. The total comprehensive loss amounted to $658,041 in Q3 2019 compared to $44,953 in 2018.*

- *Working capital was $7,038,427 compared to $7,680,277 at the end of the previous quarter ended March 31, 2019, representing a reduction of $641,850.*

- *Cash decreased by $72,972 to $2,576,302 compared to $2,649,274 at the end of the previous quarter ended March 31, 2019.*

- *The Company's bank operating line was unutilized as at June 30, 2019, leaving the full amount of $3,750,000 available to finance future business of the Company.*

- *Total liabilities at the end of Q3 2019 were $3,121,361 compared to $2,731,521 at the end of the previous quarter, representing an increase of $389,840.*

- *Shareholder Equity attributable to common shareholders was $9,263,299 as at June 30, 2019 compared to $9,899,650 at the end of the previous quarter representing a decrease of $636,351 attributable to the loss for the quarter*

NINE MONTH HIGHLIGHTS:

- *Revenues decreased by $5,369,498 to $7,260,181 for the nine months ended June 30, 2019 from $12,629,679 for the comparable period in 2018, representing a decrease of 43%. With respect to its two operating divisions, Intimate Apparel revenues decreased by 57% or $5,405,827 while Intelligent Fabrics division revenues decreased by 2% or $53,942.*

- *Gross profit for the nine months ended June 30, 2019 decreased by 61% or $3,882,691 to $2,338,137 (32% of revenues) from $6,220,828 (49% of revenues) for the comparable nine months of 2018. The main contributor to the reduced margin percentages are one off costs with respect to the recall of products for the purposes of installing new packaging. This recall was fully completed in the current quarter and margins are expected to return to historic levels in future. Repackaged products will be reshipped to customers in the next quarter.*

- *Net loss attributable to iFabric's shareholders during the nine months ended June 30, 2019 was $1,585,729 ($0.061 per share, basic and diluted) compared to net earnings attributable to shareholders of $1,149,315 for the nine months ended June 30, 2018 ($0.044 per share, basic and $0.042 diluted). This is mainly as a result of lower revenues, lower gross profit dollars, and increased foreign exchange losses.*

- *For the nine months ended June 30, 2019 an amount of $105,214 was included in other comprehensive earnings, in respect of the accumulated unrealized gain arising on the currency translation of foreign operations, compared to $305,309 included in the same period in 2018. The total comprehensive loss totaled $1,485,412 for the current nine months, compared to comprehensive earnings of $1,454,624 in 2018.*

Complete Financial Statements are available on www.sedar.com

FINANCIAL HIGHLIGHTS

	Quarter Ended June 30		Nine Months Ended June 30	
	2019	2018	2019	2018
	$	$	$	$
Revenue	2,284,507	3,291,659	7,260,181	12,629,679
(Loss) earnings from operations	(726,319)	113,976	(1,715,587)	2,001,669
Share based compensation	16,991	38,875	109,189	128,852
Adjusted EBITDA *(Note)	(753,012)	115,623	(1,722,323)	2,250,479
Net (loss) earnings before tax	(810,045)	11,235	(1,951,931)	1,900,713
Net (loss) earnings after tax attributable to shareholders	(642,120)	(175,707)	(1,585,729)	1,145,849
Other comprehensive (loss) earnings	(11,222)	126,748	105,214	305,309
Total compreshensive (loss) earnings	(658,041)	(44,953)	(1,485,412)	1,454,624
Net income (loss) per share - basic	(0.024)	(0.007)	(0.061)	0.044
Net income (loss) per share - dliuted	(0.024)	(0.006)	(0.061)	0.042

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

CORPORATE UPDATE & OUTLOOK: -

Hylton Karon provides the following comments on the results and future outlook:

- *Due to the successful repackaging of key products, we felt it was prudent to expand this effort beyond the original plan, to ensure they remain top sellers. While this was the main contributor to the quarter's loss, I believe this represents an investment that will pay dividends in both direct sales and goodwill with our customers.*
- *The current quarter saw the launch of our new patented Breastlift adhesive bra. This unique product was launched in 75 stores in the USA and Canada. Retail demand has been so positive; we have now expanded distribution to over 1,250 stores.*
- *Four new patents have been filed in the USA and Canada with respect to performance apparel. In addition, there are other concepts we are about to file additional patents for. We believe these novel additions will be instrumental in securing new business.*
- *Our regulatory efforts with the EPA in USA, are in the final phase. We also recently initiated the regulatory process for Canadian claims. As in the US, there is presently no entity that has been able to secure health claims on textiles in Canada.*
- *Some key agreements with high profile brands are up for renewal. We anticipate announcing these shortly, along with several new agreements which are in negotiation at present. These will cover both chemical and finished product sales.*

- *Our own brand for performance apparel is expected to launch shortly, which is a very exciting new avenue of revenue and will allow for much higher margins on a direct to consumer basis. We are currently implanting our distribution system in the US and will provide a further update in the near term.*
- *On the heels of successful private label performance apparel programs, we have renewed our current lines and have received increased interest in other products with the same retailers as well as adding new retail partners to the equation for next year.*
- *We are branching out with our technology division to not only supply chemicals but have added functional yarns as a new market segment. This allows for integration of technology in the yarn manufacturing phase, as opposed to the textile finishing stage, which provides substantial benefits to manufacturers and end users. We expect that this new strategy will reduce adoption timing for our global brand customers.*

ABOUT iFABRIC CORP:

Headquartered in Markham, Ontario, iFabric Corp www.ifabriccorp.com currently has 26.0 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 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.

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. Forward-looking information includes, but is not limited to, statements with respect to the development potential of the Company's products.

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.

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

Gary Perkins - Investor Relations
Tel: 416.882.0020
Email: garyperkins@rogers.com

Jean-François Dubé (Québec) – Investor Relations
Tel: 514.233.9551
Email: jfdube@mac.com

Website: *www.ifabriccorp.com*

Neither the TSX nor its Regulations Services Provider (as that term is defined in the policies of the TSX) accepts responsibility for the adequacy or accuracy of this press release.