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IBEX REPORTS RESULTS FOR THE YEAR ENDED JULY 31, 2019

MONTRÉAL, Québec, November 7, 2019 – IBEX Technologies Inc. (“IBEX” or the “Company”) (TSX Venture: IBT) today reported its financial results for the fiscal year ended July 31, 2019.

“As predicted, the Company experienced a significant reduction in revenues and earnings in the fiscal year as compared to year ago”, said Mr. Baehr, IBEX President & CEO. “Fortunately, we expect Fiscal 2020 to see a return to positive EBITDA as we are no longer carrying the operating costs of the Iowa facility. With all production now in Montréal we expect to realize annual savings of approximately \$700,000 per annum”.

Note: All figures are in Canadian dollars unless otherwise stated. The Company’s audited consolidated financial statements for the year ended July 31, 2019 and the accompanying notes and the related management’s discussion and analysis can be found on the Company’s website at www.ibex.ca or under the Company’s profile on SEDAR at www.sedar.com.

FINANCIAL RESULTS FOR THE YEAR

Revenues for the year ended July 31, 2019 totaled \$4,308,320 compared to \$4,729,599 in the prior year. The revenues decrease traces mainly to a reduction in sales to two customers, one of whom is facing generic competition in China, and another customer who had been purchasing significant quantities of product in Fiscal 2017 for the development of a new diagnostic test whose development program was completed in Fiscal 2018 leaving that customer with sufficient inventory to cover its introductory market needs during our Fiscal 2019.

As a consequence of the decrease in revenues and increase in expenses, the Company recorded EBITDA of negative \$708,860 vs. positive \$264,927 in same period year ago.

Net loss before income taxes was \$1,327,870 (vs. net loss before incomes taxes of \$33,987 on a comparable basis in Fiscal 2018) tracing to a decrease in revenues of \$421,279 and an increase in expenses of \$872,604. The increase in expenses includes \$227,099 in out-of-pocket expenses (severance and legal fees) and a non-cash impairment of \$344,250 related to the building and machinery and equipment related to the closure of the production facility in Iowa on July 31, 2019.

Net loss after income taxes for the year ended July 31, 2019 was \$1,267,682 compared to net loss of \$95,189 in the prior fiscal year.

FINANCIAL RESULTS FOR THE FOURTH QUARTER OF FISCAL 2019

Revenues for the quarter ended July 31, 2019 of \$1,167,706 were down \$96,794 as compared to \$1,264,500 in the same period of the prior year. The decrease in revenues traces to the factor mentioned above.

The Company recorded EBITDA of negative \$230,822 vs. negative \$112,066 in the same period year ago.



Net loss before income taxes were \$643,227 (vs. net earnings of \$41,944 on a comparable basis in Fiscal 2018) tracing to a decrease in revenues of \$96,794 and an increase in expenses of \$588,377. The increase in expenses includes \$188,451 in out-of-pocket expenses (severance and legal fees) and a non-cash impairment of \$344,250 related to the building and machinery and equipment related to the closure of the production facility in Iowa on July 31, 2019.

The Company recorded net loss after income taxes of \$583,039 compared to net loss of \$19,258 for the same period a year ago.

It should be noted that Earnings before interest, tax, depreciation & amortization (“EBITDA”) is not a performance measure defined by IFRS, but we, as well as investors and analysts, consider that this performance measure facilitates the evaluation of our ongoing operations and our ability to generate cash flows to fund our cash requirements, including our capital expenditures program. Note that our definition of this measure may differ from the ones used by other public corporations:

EBITDA for the three months ended

	July 31, 2019	July 31, 2018
Net loss	(\$583,039)	(\$19,258)
Depreciation of property, plant, equipment and intangible assets	\$69,258	\$68,288
Impairment of property, plant and equipment	\$344,250	-
Interest – Net	(\$1,103)	\$1,834
Income tax (recovery) expense	(\$60,188)	\$61,202
(Loss) earnings before interest, tax, depreciation and amortization	(\$230,822)	\$112,066

Financial Summary for the years ended

	July 31, 2019	July 31, 2018
Revenues	\$4,308,320	\$4,729,599
(Loss) earnings before interest, tax, depreciation & amortization (EBITDA)	(\$708,860)	\$264,927
Depreciation	\$279,780	\$284,376
Impairment of property, plant and equipment	\$344,250	-
Net loss	(\$1,267,682)	(\$95,189)
Loss per share	(\$0.05)	(\$0.00)



EBITDA for the years ended

	July 31, 2019	July 31, 2018
Net loss	(\$1,267,682)	(\$95,189)
Depreciation of property, plant, equipment and intangible assets	\$279,780	\$284,376
Impairment of property, plant and equipment	\$344,250	-
Interest – Net	(\$5,020)	\$14,538
Income tax (recovery) expense	(\$60,188)	\$61,202
(Loss) earnings before interest, tax, depreciation and amortization	(\$708,860)	\$264,927

Cash and cash equivalents decreased by \$560,513 during the year ended July 31, 2019 as compared to the year ended July 31, 2018. Net working capital decreased by \$781,283 during the year ended July 31, 2019 as compared to the year ended July 31, 2018.

Balance Sheet Summary as at

	July 31, 2019	July 31, 2018
Cash and cash equivalents	\$2,579,859	\$3,140,372
Net working capital	\$2,838,173	\$3,619,456
Outstanding shares at report date (common shares)	24,773,244	24,773,244

LOOKING FORWARD

As always, the future financial results of the Company are difficult to predict as the Company's customers have significant variations in their purchasing patterns.

We expect to see revenues in Fiscal 2020 to be roughly equivalent with Fiscal 2019, however, with the closure of the Iowa facility, there will be a substantial reduction in expenses, and we are projecting a small positive EBITDA for the year.

Management believes that the Company has sufficient funds to meet its obligations and planned expenditures for the ensuing twelve months as they fall due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

ABOUT IBEX

IBEX manufactures and markets proteins for biomedical use through its wholly owned subsidiary IBEX



Pharmaceuticals Inc. (Montréal, QC). IBEX Pharmaceuticals also manufactures and markets a series of arthritis assays which are widely used in osteoarthritis research.

For more information, please visit the Company's website at www.ibex.ca.

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Safe Harbor Statement

All of the statements contained in this news release, other than statements of fact that are independently verifiable at the date hereof, are forward-looking statements. Such statements, as they are based on the current assessment or expectations of management, inherently involve numerous risks and uncertainties, known and unknown. Some examples of known risks are: the impact of general economic conditions, general conditions in the pharmaceutical industry, changes in the regulatory environment in the jurisdictions in which IBEX does business, stock market volatility, fluctuations in costs, and changes to the competitive environment due to consolidation or otherwise. Consequently, actual future results may differ materially from the anticipated results expressed in the forward-looking statements. IBEX disclaims any intention or obligation to update these statements, except if required by applicable laws.

In addition to the risk factors identified above, IBEX is, and has been in the past, heavily reliant on three products and five customers, the loss of any of which could have a material effect on its profitability.

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