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IBEX REPORTS RESULTS FOR THE YEAR ENDED JULY 31, 2020

MONTRÉAL, Québec, November 5, 2020 – IBEX Technologies Inc. (“IBEX” or the “Company”) (TSX Venture: IBT) today reported its financial results for the fiscal year ended July 31, 2020.

“IBEX had a very good year, with EBITDA reaching a record level”, said Mr. Baehr, IBEX President & CEO. “The strong financial performance resulted from near-record revenues and a significant reduction in expenses, tracing mainly to the closure of the Iowa production facility. The increase in revenues was driven by strong sales to customers of heparinase-based products”.

Note: All figures are in Canadian dollars unless otherwise stated. The Company’s audited consolidated financial statements for the year ended July 31, 2020 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, 2020 totaled \$5,209,809 compared to \$4,308,320 in the prior year. The revenue increase traces mainly to customers purchasing heparinase-based products. Some of this increase may be related to customers insuring against supply-chain disruptions, and some to the increased use of heparin during the COVID-19 crisis.

As a result of the increase in revenues and the decrease in expenses, the Company recorded a positive EBITDA of \$1,250,690 vs. a negative EBITDA of \$708,860 in same period year ago.

Net earnings for the year ended July 31, 2020 were \$965,689 compared to a net loss of \$1,267,682 in the prior fiscal year. This result includes cumulative translation adjustments reclassified to earnings, and income taxes. The income tax expense and recovery are non-cash components having as counterpart the deferred income tax assets in the consolidated statements of financial position in the Company’s audited consolidated financial statements and notes as of July 31, 2020 and 2019.

Net earnings before cumulative translation adjustments reclassified to earnings and income taxes were \$783,694 (vs. a net loss before incomes taxes of \$1,327,870 on a comparable basis in Fiscal 2019) tracing to an increase in revenues of \$901,489 and a decrease in expenses of \$1,210,075. The decrease in expenses is mainly attributable to

- A decrease in salaries and benefits expense of \$399,668 mainly related to the closure of the facility in Iowa of \$674,250 as of July 31, 2019, partially offset by a profit sharing expense of \$235,476 in the year ended July 31, 2020,
- A non-cash impairment positive change of \$308,758 on the building, machinery and equipment related to the July 31, 2019 closure of the BRP operation facility in Iowa,



- A positive impact of inventory allocation of \$288,465, and
- An increase in other income of \$105,099 (related mainly to the Canada Emergency Wage Subsidy of \$125,762).

Cumulative translation adjustments reclassified to earnings relate to the closure of the Company's operations at its North Liberty, Iowa production facility on July 31, 2019 and the subsequent sale of the facility in June 2020. This disposal resulted in a \$498,368 cumulated gain on translation adjustments being reclassified to earnings for the quarter ended July 31, 2020.

FINANCIAL RESULTS FOR THE FOURTH QUARTER OF FISCAL 2020

Revenues for the quarter ended July 31, 2020 of \$1,446,799 were up \$279,093 as compared to \$1,167,706 in the same period of the prior year. The increase in revenues traces to the factor mentioned above.

The Company recorded a positive EBITDA of \$229,768 vs. a negative of \$230,822 in the same period year ago.

The Company recorded net earnings of \$303,792 compared to a net loss of \$583,039 for the same period a year ago (including the effect of cumulative translation adjustments reclassified to earnings and income taxes). The income tax expense and recovery are non-cash components having as counterpart the deferred income tax assets in the consolidated statements of financial position in the Company's audited consolidated financial statements and notes as of July 31, 2020 and 2019.

Net earnings before cumulative translation adjustments reclassified to earnings (see above explanation) and income taxes were \$121,797 (vs. a net loss of \$643,227 on a comparable basis in Fiscal 2019) tracing to an increase in revenues of \$279,093 and a decrease in expenses of \$485,931. The decrease in expenses is related mainly to

- A non-cash impairment positive change of \$345,758 on the building, machinery and equipment related to the July 31, 2019 closure of the BRP operation facility in Iowa,
- A positive change in other income of \$115,099 tracing mainly to the Canada Emergency Wage Subsidy (CEWS) for \$125,762, and
- A positive impact of inventory allocation of \$96,889

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, 2020	July 31, 2019
Net earnings (loss)	\$303,792	(\$583,039)
Depreciation of property, plant, equipment and intangible assets	\$53,396	\$69,258
Depreciation of right-of-use assets	\$43,367	-
Impairment of property, plant and equipment	(\$1,508)	\$344,250
Interest – Net	\$12,716	(\$1,103)
Cumulative translation gain adjustments reclassified to earnings	(\$498,368)	-
Income tax expense (recovery)	\$316,373	(\$60,188)
Earnings (loss) before interest, tax, depreciation and amortization	\$229,768	(\$230,822)

Financial Summary for the years ended

	July 31, 2020	July 31, 2019
Revenues	\$5,209,809	\$4,308,320
Earnings (loss) before interest, tax, depreciation & amortization (EBITDA)	\$1,250,690	(\$708,860)
Depreciation of property, plant, equipment and intangible assets	\$228,291	\$279,780
Depreciation of right-of-use assets	\$170,353	-
Impairment of property, plant and equipment	\$35,492	\$344,250
Cumulative translation gain adjustments reclassified to earnings	\$498,368	-
Net earnings (loss)	\$965,689	(\$1,267,682)
Earnings (loss) per share	\$0.04	(\$0.05)



EBITDA for the years ended

	July 31, 2020	July 31, 2019
Net earnings (loss)	\$965,689	(\$1,267,682)
Depreciation of property, plant, equipment and intangible assets	\$228,291	\$279,780
Depreciation of right-of-use assets	\$170,353	-
Impairment of property, plant and equipment	\$35,492	\$344,250
Interest – Net	\$32,860	(\$5,020)
Cumulative translation gain adjustments reclassified to earnings	(\$498,368)	-
Income tax expense (recovery)	\$316,373	(\$60,188)
Earnings (loss) before interest, tax, depreciation and amortization	\$1,250,690	(\$708,860)

Cash and cash equivalents increased by \$1,125,658 during the year ended July 31, 2020 as compared to the year ended July 31, 2019. Net working capital increased by \$966,867 during the year ended July 31, 2020 as compared to the year ended July 31, 2019.

With the sale of the facility in Iowa, the Company eliminated the long-term debt associated with its Iowa facility (July 31, 2019 of \$937,127) with a consequent reduction in property, plant, equipment and intangible assets (July 31, 2019 of \$1,087,340).

Balance Sheet Summary as at

	July 31, 2020	July 31, 2019
Cash and cash equivalents	\$3,705,517	\$2,579,859
Net working capital	\$3,805,040	\$2,838,173
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, as it has been illustrated in the quarterly results over the past few years. The impact of COVID-19 adds further uncertainty to the picture.

We do not foresee Fiscal 2021 to be as profitable as Fiscal 2020 as customers who may have advanced purchases in Fiscal 2020 to protect against supply-chain interruptions may reduce some of their inventory in our Fiscal 2021.

The Company continues to work on a number of new heparinase-containing clinical device projects with its key customers, some of which may result in additional revenues in Fiscal 2021 and beyond. However, as with all developmental projects, we cannot give assurances that any of these customer-driven projects will come to market and produce significant revenues.



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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