



IBEX Technologies Inc.  
5485 Paré, Suite 100  
Montréal, Québec, Canada H4P 1P7  
Ph: (514) 344-4004 Fax: (514) 344-8827

## **IBEX REPORTS RESULTS FOR THE SECOND QUARTER AND THE SIX MONTHS ENDED JANUARY 31, 2020**

**MONTRÉAL, Québec, March 26, 2020** – IBEX Technologies Inc. (“IBEX” or the “Company”) (TSX Venture: IBT) today reported its financial results for the six months ended January 31, 2020.

“Despite a sales decline versus the same period year-ago we were pleased to report a positive EBITDA of \$80,986”, said Mr. Baehr, IBEX President & CEO. “This sales decline is due to customer purchasing patterns and is expected to correct itself in the third quarter. We were also pleased to report that the contribution to earnings resulting from the closure of our Iowa operation is beginning to show in the financial results. As to COVID-19: as an “Essential Service” IBEX will continue with the production of reagents and components for critical care diagnostic tests, as long as our staff are healthy” said Mr. Baehr, “and along with existing inventories, we expect to be able to fulfill customer demand”.

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](http://www.ibex.ca) or under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### **FINANCIAL RESULTS FOR THE SECOND QUARTER OF FISCAL 2020**

Revenues for the quarter ended January 31, 2020 totaled \$1,004,861 and were down \$427,771 compared to a very strong quarter (\$1,432,632) in the same period of the prior year. The decrease in revenues traces mainly to changes in quarterly purchasing patterns on the part of several of our major customers.

Operating Expenses at \$1,033,864 were down \$355,970, tracing in part to the closure of our facility in Iowa and a positive quarterly inventory adjustment of \$142,290 (the difference between goods produced for inventory and the goods sold).

As a result, the Company recorded EBITDA of \$80,986 vs. EBITDA of \$111,616 in same period year ago.

*It should be noted that “EBITDA” (Earnings Before Interest, Tax, Depreciation & Amortization) is not a performance measure defined by IFRS, but IBEX, 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 other public companies may use alternative definitions.*



---

#### EBITDA for the three months ended

	January 31, 2020	January 31, 2019
Net (loss) earnings	(\$29,003)	\$42,798
Depreciation of property, plant, equipment and intangible assets	\$59,594	\$69,902
Depreciation of right-of-use assets	\$42,213	-
Interest - Net	\$8,182	(\$1,084)
Earnings (loss) before interest, taxes, depreciation and amortization	<u>\$80,986</u>	<u>\$111,616</u>

The Company recorded a net loss for the period of \$29,003 compared to a net earnings of \$42,798 for the same period year ago. The negative change of \$71,801 is related mainly to the decrease in revenues, partially offset by a decrease in expenses discussed above.

#### FINANCIAL RESULTS FOR THE SIX MONTHS ENDED JANUARY 31, 2020

Revenues for the six months ended January 31, 2020 of \$2,083,601 were down \$388,504 as compared to \$2,472,105 in the same period of the prior year. The decrease in revenues traces to the factor mentioned above.

Operating Expenses at \$2,048,141 were down \$589,907, tracing mainly to the closure of our facility in Iowa and a positive inventory adjustment of \$264,243 (the difference between goods produced for inventory and the goods sold).

As a result of the above the Company recorded EBITDA of \$251,587 vs. a negative \$25,919 EBITDA in the same period year ago.

The Company recorded net earnings of \$35,460 compared to a net loss of \$165,943 for the same period year ago. This positive variation can be mainly traced to the decrease in expenses result from to the closure of our Iowa facility.

Cash and cash equivalents increased by \$423,922 to \$3,003,781 during the six months ended January 31, 2020 as compared to the year ended July 31, 2019. Net working capital decreased by \$5,641 to \$2,832,532 during the six months ended January 31, 2020 as compared to the year ended July 31, 2019.



---

### Financial Summary for the six months ended

	January 31, 2020	January 31, 2019
Revenues	\$2,083,601	\$2,472,105
Earnings (loss) before interest, tax, depreciation & amortization (EBITDA)	\$251,587	(\$25,919)
Depreciation of property, plant, equipment and intangible assets	\$118,033	\$141,069
Depreciation of right-of-use assets	\$84,425	-
Net earnings (loss)	\$35,460	(\$165,943)
Loss per share	-	(\$0.01)

### EBITDA for the six months ended

	January 31, 2020	January 31, 2019
Net earnings (loss)	\$35,460	(\$165,943)
Depreciation of property, plant, equipment and intangible assets	\$118,033	\$141,069
Depreciation of right-of-use assets	\$84,425	-
Interest - Net	\$13,669	(\$1,045)
Loss before interest, taxes, depreciation and amortization	\$251,587	(\$25,919)

### Balance Sheet Summary as at

	January 31, 2020	July 31, 2019
Cash and cash equivalents	\$3,003,781	\$2,579,859
Net working capital	\$2,832,532	\$2,838,173
Outstanding shares at report date (common shares)	24,773,244	24,773,244

### Subsequent Event

Subsequent to the end of the second quarter, the Company accepted an offer from a third party to purchase the land, buildings, and equipment owned by the Company's Bio-Research Products subsidiary in Iowa.



The transaction is expected to close on May1, 2020 subjected to normal closing conditions.

If the sale is completed as is, the Company will record an impairment of approximately \$100,000. Since the property is secured by a \$734,265 USD mortgage, the transaction will have a modest positive cash impact.

From an operational point of view, the Company expects an annual reduction in expenses of approximately \$170,000 USD per annum as a result of this sale of assets.

As previously reported, the production of all major products which IBEX acquired during the purchase of BRP have been moved to Montreal and represent an important augmentation to the IBEX product portfolio.

### **COVID-19**

As an “Essential Service” IBEX will continue with the production of reagents and components for critical care diagnostic tests. However, the fallout from Covid-19 is affecting the way we do business. Administrative staff are working from home and production staff are on site only when required.

With the combination of existing inventories and the reduced production schedule we expect to be able to maintain continuity of supply for our customers unless the current environment changes dramatically.

### **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 Fiscal 2020 revenues to be roughly equivalent to last year, however with the closure of the Iowa facility and the consequent reduction in expenses, we expect to be net earnings positive for the year.

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 any assurances that any of these customer-driven projects will come to market and produce significant revenues.

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 subsidiaries 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](http://www.ibex.ca).

###



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

#### **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.*

#### **Contact:**

Paul Baehr  
President & CEO  
IBEX Technologies Inc.  
514-344-4004 x 143