



## **IPLAYCO Announces Financial Results for its Fourth Quarter and Year Ended September 30, 2016**

**Langley, BC / TheNewswire / December 7, 2016/** Iplayco Corporation Limited (TSX VENTURE: IPC) ("Iplayco" or the "Corporation") announces financial results for its fourth quarter and year ended September 30, 2016. All amounts are in Canadian dollars unless otherwise noted.

This news release contains financial information derived from Iplayco's annual audited consolidated financial statements for the years ended September 30, 2016 and 2015. More detailed information can be found in the Corporation's annual audited consolidated financial statements and Management's Discussion and Analysis for the years ended September 30, 2016 and 2015, which are being filed with the applicable Canadian regulatory authorities.

"We incurred a net loss of \$955,151, or loss per share of \$0.05, for our financial year ended September 30, 2016, due primarily to cost overruns on larger fixed-priced contracts, structural changes to our production capacity, foreign exchange losses, and integration costs with our operations in the Philippines, acquired in June 2016. With approximately half of the revenues from our manufacturing operations derived from larger fixed-priced contracts, we are investing in project management and production capacity in certain departments to alleviate various constraints which led to significant contract cost overruns in 2016. We have in place a hedging strategy for our sales denominated in U.S. dollars and anticipate a reduced impact on our operating results of exchange rate changes between the U.S. dollar and the Canadian dollar in 2017. There are also various costs from integration to severance, which we do not anticipate reoccurring in 2017. With a strong sales backlog, and commitments from our largest customer, Billy Beez, to continue placing large orders with us, we are anticipating a significant improvement in our operating results and a return to profitability in our first quarter ending December 31, 2016. We are also forecasting profitable earnings for our financial year ending September 30, 2017." said Scott Forbes, President & Chief Executive Officer and Director of Iplayco.

### **Results for the three months ended September 30, 2016 ("Q4-16") as compared to the three months ended September 30, 2015 ("Q4-15")**

Sales increased by 4.7% to \$5,488,474 in Q4-16 from \$5,244,429 in Q4-15. Gross profit percentage decreased to 19.3% of sales in Q4-16 from 34.2% in Q4-15. Operating expenses, including foreign exchange gains and losses and finance costs, increased to \$1,589,871, or 29.0% of sales, in Q4-16 from \$1,517,643, or 28.9% of sales, in Q4-15. The net loss in Q4-16 amounted to \$345,782, or net loss per share of \$0.02, as compared to net income of \$216,409, or diluted net income per share of \$0.01, in Q4-15.

### **Results for the three months ended September 30, 2016 ("Q4-16") as compared to the three months ended June 30, 2016 ("Q3-16")**

Sales increased by 19.0% to \$5,488,474 in Q4-16 from \$4,612,437 in Q3-16. Gross profit percentage decreased to 19.3% of sales in Q4-16 from 31.7% in Q3-16. Operating expenses, including foreign exchange gains and losses and finance costs, increased to \$1,589,871, or 29.0% of sales, in Q4-16 from \$1,312,138, or 28.4% of sales, in Q3-16. The net loss in Q4-16 amounted to \$345,782, or net loss per share of \$0.02, as compared to net income of \$98,610, or diluted net income per share of \$0.00, in Q3-16.

### **Results for the year ended September 30, 2016 ("2016") as compared to the year ended September 30, 2015 ("2015")**

Sales decreased by 1.0% to \$17,023,914 in 2016 from \$17,202,988 in 2015. Gross profit percentage decreased to 28.8% of sales in 2016 from 36.8% in 2015. Operating expenses, including foreign exchange gains and losses and finance costs, increased to \$6,220,777, or 36.5% of sales, in 2016 from \$5,614,981, or 32.6% of sales, in 2015. The net loss in 2016 amounted to \$955,151, or net loss per share of \$0.05, as compared to net income of \$517,062, or diluted net income per share of \$0.03, in 2015.



## **About Iplayco Corporation Limited**

Iplayco is a global leader in the design and supply of premium-quality, fun, safe and durable indoor playgrounds for children. In its 17-year history, Iplayco has sold over 2,800 playgrounds to over 60 countries worldwide. Iplayco is very proud to have built the world's largest children's indoor soft-play park for Billy Beez, a family entertainment centre of 2,316.79 square meters (24,937.72 square feet) inaugurated on 25 May 2013 in the Mall of Dhahran, Al Khobar, Saudi Arabia. Iplayco also owns and operates a family entertainment centre ("The Great Escape") in Langley, British Columbia. For more information, please visit [www.iplaycoltd.com](http://www.iplaycoltd.com).

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## **Cautionary Note Regarding Forward-looking Statements**

This news release contains certain forward-looking statements. All statements, other than statements of historical fact, included herein, including without limitation statements regarding the Corporation's business, results or future plans, are forward looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Corporation's expectations are disclosed elsewhere in documents that are available to the public.

## **For more information, please contact:**

Iplayco Corporation Limited  
Max Liszkowski  
Chief Financial Officer and Corporate Secretary  
(604) 607-1111  
[ir@iplayco.com](mailto:ir@iplayco.com)

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