



IPLAYCO Announces Financial Results for its Third Quarter Ended June 30, 2019

Langley, BC / TheNewswire / August 29, 2019/ Iplayco Corporation Limited (TSX VENTURE: IPC) ("Iplayco" or the "Corporation") announces financial results for its third quarter ended June 30, 2019. All amounts are in U.S. dollars unless otherwise noted.

This news release contains financial information derived from Iplayco's unaudited condensed consolidated interim financial statements for the three and nine months ended June 30, 2019. More detailed information can be found in the unaudited condensed consolidated interim financial statements and Management's Discussion and Analysis for the three and nine months ended June 30, 2019, which are being filed on SEDAR with the applicable Canadian regulatory authorities.

Highlights:

- Sales for the quarter ended June 30, 2019 ("Q3-19") of \$4,615,035, up 12.8% compared to the previous quarter ended March 31, 2019 ("Q2-19");
- Gross profit percentage of 9.9%, up 1.6 percentage points compared to Q2-19;
- Selling and administrative expenses of \$1,978,633, down 22.0% compared to Q2-19;
- Net loss from operations of \$1,256,009, compared to net loss from operations of \$1,720,278 in Q2-19;
- Loss per share of \$0.12 in Q3-19.

While Q3-19 sales increased substantially compared to both the previous quarter and the year-ago quarter, profitability was well below Iplayco's historical norms and management has taken several actions as a result. These include the restructuring of certain operations, a stricter focus on collection of trade and other receivables, improvements to inventory management, and a renewed commitment to prudent cost containment in all areas of the business.

In one reflection of these efforts, as of August 28, the Corporation has collected \$2,081,698 of the \$3,168,928 in trade receivables outstanding at June 30, 2019.

Iplayco will maintain its strong focus on cost management in future quarters and expects this to help improve operating cash flow. In addition, the Corporation will soon complete many of the fixed-price projects at its European operations that weighed on profit margins in Q2-19 and Q3-19.

"Iplayco's performance in the past two quarters has been unacceptably below the expectations of management and all stakeholders," said Scott Forbes, President and Chief Executive Officer of Iplayco. "Management has been diligently identifying and addressing all the problems that caused these results. The project management and supply-chain management issues that impaired profitability are being corrected as quickly as possible. I am personally dedicated to ensuring that future sales make an appropriate contribution to operating results. We have also been concentrating on finding profitable revenue opportunities as well as better managing our liquidity. We are confident that the changes we have initiated will enable us to take better advantage of strong product demand and bring performance back to the level of profitability where it should be. The early improvements are encouraging but will take more than another quarter to be fully realized."

Results for the three months ended June 30, 2019 ("Q3-19") as compared to the three months ended March 31, 2019 ("Q2-19")

Sales increased by 12.8% to \$4,615,035 in Q3-19 from \$4,089,957 in Q2-19. Gross profit percentage increased to 9.9% of sales in Q3-19 from 8.3% in Q2-19. Operating expenses, including foreign exchange gains and losses, finance income and finance costs, decreased to \$2,097,612, or 45.5% of sales, in Q3-19 from \$2,579,068, or 63.1% of sales in Q2-19. The net loss from operations amounted to \$1,256,009, or net loss per share of \$0.12 in Q3-19, as compared to a net loss from operations of \$1,720,278, or net loss per share of \$0.17 in Q2-19.

Results for the three months ended June 30, 2019 ("Q3-19") as compared to the three months ended June 30, 2018 ("Q3-18")

Sales increased by 100.3% to \$4,615,035 in Q3-19 from \$2,304,029 in Q3-18. Gross profit percentage decreased to 9.9% of sales in Q3-19 from 34.4% in Q3-18. Operating expenses, including foreign exchange gains and losses, finance income and finance costs, increased to \$2,097,612, or 45.5% of sales, in Q3-19 from \$1,390,106, or 60.3% of sales in Q3-18. The net loss from operations amounted to \$1,256,009, or net loss per share of \$0.12 in Q3-19, as compared to a net loss from operations of \$453,879, or net loss per share of \$0.02 in Q3-18.

Results for the nine months ended June 30, 2019 ("YTD - Q3-19") as compared to the nine months ended June 30, 2018 ("YTD - Q3-18")

Sales increased by 38.8% to \$12,876,825 for YTD - Q3-19 from \$9,278,090 for YTD - Q3-18. Gross profit percentage decreased to 17.0% of sales for YTD - Q3-19 from 40.6% for YTD - Q3-18. Operating expenses, including foreign exchange gains and losses, finance income and finance costs, increased to \$6,391,133 or 49.6% of sales for YTD - Q3-19 from \$4,160,053 or 44.8% of sales for YTD - Q3-18. The net loss from operations amounted to \$3,213,321, or net loss per share of \$0.31 for YTD - Q3-19, as compared to a net loss from operations of \$324,678, or net loss per share of \$0.02, for YTD - Q3-18.

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 20-year history, Iplayco has supplied playgrounds to over 60 countries worldwide. For more information, please visit www.iplaycoltd.com.

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This news release contains "forward-looking statements" and certain "forward-looking information", within the meaning of applicable Canadian securities legislation, concerning the business, operations, financial performance and condition of the Corporation. Forward-looking statements and information can generally be identified by the use of forward-looking terminology such as "may", "will", "should", "expected to", "intend", "continue", "plans", or similar terminology.

Forward-looking statements and information are based upon certain assumptions and other important factors that, if untrue, could cause the actual results, performances or achievements of the Corporation to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which Iplayco will operate in the future including but not limited to: unanticipated costs and expenses and uncertainties relating to the availability and costs of financing needs in the future.

Forward-looking statements and information are subject to known and unknown risks, uncertainties and other important factors that may cause the actual results, level of activity, performance or achievements of Iplayco to be materially different from those expressed or implied by such forward-looking statements and information, including but not limited to: fluctuation in foreign exchange rates and interest rates; stock market volatility; the requirement for regulatory approvals and third party consents; the impact of general business and economic conditions; risks related to international operations and government relations; liability, competition, loss of key employees and other related risks and uncertainties. Although the Corporation has attempted to identify important factors that could cause actual results to differ



materially from those contained in forward-looking statements and information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements or information. Iplayco does not undertake to update any forward-looking information that are contained or are incorporated by reference, except in accordance with applicable securities laws.

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
1 - 604-607-1111
ir@iplayco.com

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