

SOURCE: Imaflex Inc.

## **Imaflex Provides Business Update and Reports Preliminary Unaudited Revenues for the Fourth Quarter and Year Ended 2017**

### *Announces Solid Top-Line Growth for 2017 and Business Expansion*

- *Q4 2017 preliminary unaudited revenues expected to be over \$21 million, up 11% over prior year*
- *Full-year 2017 preliminary unaudited revenues estimated at approximately \$88 million, up 20% over 2016*
- *Production capacity to be expanded by 4 million pounds annually*
- *Shine N' Ripe XL sales impacted by major 2017 storms in southeastern USA*

**Montreal, Québec, CANADA – March 28, 2018** – Imaflex Inc. (“Imaflex” or the “Corporation”) (TSX-V: IFX), today provided a business update and announced unaudited estimated revenues for the fourth quarter and year ended December 31, 2017. All amounts are in Canadian dollars.

### **Preliminary Unaudited Estimated Revenues for Fourth Quarter and Full Year 2017**

Imaflex estimates unaudited revenues of over \$21 million for the fourth quarter of 2017, up around 11% from \$18.9 million in 2016. For calendar 2017, unaudited revenues are expected to be around \$88 million, up 20% over the \$73.5 million recorded in 2016. Growth was driven by strength in the core flexible packaging business and supported by the build-out of the citrus film Shine N' Ripe XL, which accounted for more than \$6 million of sales.

“We had another successful year, capped off by a solid fourth quarter,” highlighted Mr. Joe Abbandonato, President and Chief Executive Officer of Imaflex. Once again, full-year revenues came in at record levels with strong performance seen across the business. “We continue to see solid demand for our flexible packaging products and based on this we have made an important equipment purchase which expands our production capacity and extrusion capabilities in this area.”

### **Production Capacity Increasing by Approximately 4 Million Pounds Annually**

Imaflex has obtained a secured loan of up to CDN \$3.75 million (the “Loan”) to fund the purchase of a new coextrusion blown film line (“extruder”). The Corporation’s multi-layer lines are presently operating near capacity.

“The Loan supports our growth initiatives and allows us to capitalize on the solid demand we are seeing for our flexible packaging multi-layer film offerings,” highlighted Mr. Abbandonato. “This purchase not only increases our production capacity by approximately four million pounds annually, it also broadens our extrusion capabilities to allow us to go after new markets.”

The new extruder is expected to be operational in the first quarter of 2019. Based on customer feedback, the Corporation believes the extruder will run close to capacity, generating additional annualized revenues of approximately CDN \$6.0 million.

The secured Loan is available to Imaflex for a 12-month period, with repayment of principal to commence 13 months after the first advance. The principal is then to be repaid in 60 equal monthly installments. The Loan carries an annual interest rate equal to the Canadian prime lending rate plus 1.75%.

### **Shine N' Ripe XL**

"Whereas at this time last year Imaflex had received material orders for Shine N' Ripe XL, this year's sales have slowed considerably," commented Mr. Abbandonato. "We suspect this is a timing issue as many citrus growers have been actively repairing damaged trees following the major storms in the southeastern USA in late 2017." This in turn has hindered citrus film sales. Collectively, this calls for some caution and based on the current situation, 2018 Shine N' Ripe XL sales could be materially lower than the approximately \$6 million recorded in full-year 2017. The situation remains fluid and upward revenue expectations for 2018 could occur at any time.

Multi-year independent trials, including that done by the Florida Research Centre for Agricultural Sustainability (FLARES), continue to demonstrate the substantial benefits Shine N' Ripe XL offers growers in crop protection and yield enhancement and Imaflex remains firmly committed to the film. The Corporation is working diligently to expand its customer base for Shine N' Ripe XL and a number of field trials are underway with new growers. The Corporation is hopeful that this will translate into a further broadening of its customers and revenue expansion for citrus film going forward.

### **Cautionary note on Preliminary Unaudited Estimated Revenues for 2017**

The Corporation notes that the preliminary unaudited estimated results for the quarter and year ended December 31, 2017 are based on management's initial review of operations. They are subject to adjustments in conjunction with the completion of the Corporation's customary annual closing procedures. Consequently, final results may differ from these preliminary estimates and any changes could be material. Imaflex expects to release final audited 2017 financial results on April 18, 2018.

### **About Imaflex Inc.**

Founded in 1994, Imaflex is focused on the development and manufacturing of innovative solutions for the flexible packaging and agriculture industries. The Corporation's products consist primarily of polyethylene (plastic) film and bags, including metalized plastic film, for the industrial, agricultural and consumer markets. Headquartered in Montreal, Quebec, Imaflex has manufacturing facilities in Canada and the United States. The Corporation's common stock is listed on the TSX Venture Exchange under the ticker symbol IFX. Additional information is available at [www.imaflex.com](http://www.imaflex.com).

### **Cautionary Statement on Forward Looking Information**

*Certain information included in this press release constitutes "forward-looking" statements within the meaning of Canadian securities laws. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the management of the Corporation, are inherently subject to significant business, economic and competitive uncertainties, risks and contingencies. The Corporation cautions the reader that such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of Imaflex to be materially different from the Corporation's estimated future results, performance or achievements expressed or implied by those forward-looking statements and that the forward-looking statements are not guarantees of future performance. These statements are also based on certain factors and assumptions. For more details on these estimates, risks, assumptions and factors, see the Corporation's most recent Management Discussion and Analysis filed on SEDAR at [www.sedar.com](http://www.sedar.com) and on the investor section of the Corporation's website at [www.imaflex.com](http://www.imaflex.com). The Corporation disclaims any obligation to update or revise any forward-looking statements,*

*whether as a result of new information, events or otherwise, except as expressly required by law. Readers are cautioned not to put undue reliance on these forward-looking statements.*

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