



## **IPLAYCO Announces Financial Results for Q4 and Year Ended September 30, 2018 (in U.S. dollars)**

**Langley, BC / TheNewswire / December 4, 2018/** Iplayco Corporation Limited (TSX VENTURE: IPC) ("Iplayco" or the "Corporation") announces financial results for its fourth quarter and year ended September 30, 2018. All amounts are in U.S. dollars unless otherwise noted.

This news release contains financial information derived from Iplayco's audited annual consolidated financial statements for the years ended September 30, 2018 and 2017. More detailed information can be found in the Corporation's annual consolidated financial statements and Management's Discussion and Analysis for the years ended September 30, 2018 and 2017, which are being filed with the applicable Canadian regulatory authorities.

### Highlights:

- Iplayco reports for the first time its annual financial results in U.S. dollars ("USD") instead of in Canadian dollars ("CAD") due to the USD becoming the predominant currency impacting its net cash flows (see "Change in functional and presentation currency");
- Sales for the year ended September 30, 2018 ("2018") of \$12,989,939 decreased by 14.0% compared to the year ended September 30, 2017 ("2017");
- Gross profit percentage decreased to 37.3% of sales in 2018, a reduction of 6.7 percentage points compared to 2017;
- Selling and administrative expenses, including foreign exchange gains and losses and finance costs and income, of \$6,319,843 in 2018, up 11.6% compared to 2017;
- Net loss of \$1,108,017 (-\$0.05 per share) in 2018, compared to net income of \$661,506 (\$0.03 per share);
- Sales expected to increase significantly for the year ending September 30, 2019 ("2019") and net operating results expected to improve significantly in 2019 compared to 2018.

The year-on-year decline in overall sales was mainly attributable to a reduction in business of \$4,460,539 from the Billy Beez entities controlled by Saudi FAS Holding Company ("FAS"). On September 20, 2018, Iplayco acquired and cancelled 10,650,000 of its common shares pursuant to a share purchase agreement with FAS. The acquired shares represented FAS' entire ownership position in the Corporation and constituted 51.03% of all of the Corporation's common shares issued and outstanding.

As previously announced, large orders received in April and August, primarily from our new European operations, were expected to provide an increase in sales for the quarter ended September 30, 2018 ("Q4-18"), as compared to the previous quarter ended June 30, 2018 ("Q3-18"), with a substantial portion of these orders to be realized in 2019. Sales increased by 61% in Q4-18 as compared to Q3-18.

"While annual sales declined and we incurred a loss in 2018 due primarily to set-up costs for our new operations in Europe, we have substantially completed our start-up activities there and anticipate margins to improve in 2019" said Iplayco Chief Executive Officer Scott Forbes. "We also anticipate a significant increase in sales in 2019 as compared to 2018 from strong contributions by our operations in North America, Europe and Asia."

### **Change in functional and presentation currency**

On April 1, 2018, the Corporation determined that the functional currency of its two European subsidiaries changed from the Canadian dollar ("CAD") to the Euro ("EUR") due to their net cash flow exposures being predominantly in EUR. The functional currency of the Corporation and its other subsidiaries changed from the CAD to the U.S. dollar ("USD") due to the diminishing net cash flow exposures in CAD, since the acquisition of the European operations, and the USD becoming the predominant currency impacting net cash flows. This change in accounting treatment is applied prospectively and the assets and liabilities of the Corporation have been translated from the CAD to the



USD at the exchange rate on the date of change of the functional currency.

In addition, the Corporation has changed its presentation currency from CAD to USD. Accordingly, all comparative amounts in the consolidated statements of operations and comprehensive income or loss, the consolidated statements of changes in shareholders' equity and the consolidated statements of cash flows have been revised in USD using the average foreign exchange rates in the comparative periods. The comparative amounts for assets and liabilities in the consolidated statements of financial position have been revised in USD at the closing rate applicable at the end of each reporting period, and those for equity accounts have been re-presented using the rates at the date of the transactions. All resulting exchange rate differences are reported as accumulated other comprehensive income or loss in the consolidated statements of changes in shareholders' equity.

	<b>September 30, 2017</b>	
	Reported in CAD	Revised in USD
<b>Total Assets</b>	\$ 23,100,915	<b>\$ 18,510,258</b>
<b>Total Liabilities</b>	9,753,112	<b>7,814,996</b>
<b>Total Shareholders' Equity</b>	13,347,803	<b>10,695,262</b>

**Results for the three months ended September 30, 2018 ("Q4-18") as compared to the three months ended June 30, 2018 ("Q3-18")**

Sales increased by 61.1% to \$3,711,849 in Q4-18 from \$2,304,029 in Q3-18. Gross profit percentage decreased to 29.2% of sales in Q4-18 from 34.4% in Q3-18. Operating expenses, including foreign exchange gains and losses and finance costs, increased to \$2,159,790, or 58.2% of sales, in Q4-18 from \$1,390,106, or 60.3% of sales, in Q3-18. The net comprehensive loss amounted to \$774,772, or net loss per share of \$0.04, in Q4-18, as compared to a net comprehensive loss of \$462,446, or net loss per share of \$0.02, in Q3-18.

**Results for the three months ended September 30, 2018 ("Q4-18") as compared to the three months ended September 30, 2017 ("Q4-17")**

Sales increased by 31.6% to \$3,711,849 in Q4-18 from \$2,821,070 in Q4-17. Gross profit percentage decreased to 29.2% of sales in Q4-18 from 44.7% in Q4-17. Operating expenses, including foreign exchange gains and losses and finance costs, increased to \$2,159,790, or 58.2% of sales, in Q4-18 from \$1,775,109, or 62.9% of sales, in Q4-17. The net comprehensive loss amounted to \$774,772, or net loss per share of \$0.04, in Q4-18, as compared to a net comprehensive loss of \$428,810, or net loss per share of \$0.02, in Q4-17.

**Results for the year ended September 30, 2018 ("2018") as compared to the year ended September 30, 2017 ("2017")**

Sales decreased by 14.0% to \$12,989,939 in 2018 from \$15,111,977 in 2017. Gross profit percentage decreased to 37.3% of sales in 2018 from 44.0% in 2017. Operating expenses, including foreign exchange gains and losses and finance costs, increased to \$6,319,843 or 48.7% of sales in 2018 from \$5,663,669 or 37.5% of sales in 2017. The net comprehensive loss amounted to \$1,108,017, or net loss per share of \$0.05, in 2018, as compared to comprehensive net income of \$661,506, or diluted net income per share of \$0.03, in 2017.

**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 19-year history, Iplayco has supplied playgrounds to over 60 countries worldwide. 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 "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:**

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