



IPLAYCO Announces Financial Results for its Second Quarter Ended March 31, 2019

Langley, BC / TheNewswire / May 31, 2019/ Iplayco Corporation Limited (TSX VENTURE: IPC) ("Iplayco" or the "Corporation") announces financial results for its second quarter ended March 31, 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 six months ended March 31, 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 six months ended March 31, 2019, which are being filed on SEDAR with the applicable Canadian regulatory authorities.

Highlights:

- Sales for the quarter ended March 31, 2019 ("Q2-19") of \$4,089,957, down 2.0% compared to the previous quarter ended December 31, 2018 ("Q1-19");
- Gross profit percentage of 8.3%, down 25 percentage points compared to Q1-19, due to significant cost overruns on some €7.0 million (approximately US\$7.9 million) of fixed-priced contracts from a new product line developed by Iplayco in Europe;
- Selling and administrative expenses of \$2,537,560, up 52.8% compared to Q1-19, due primarily to additional overhead expenses incurred to support the European operations;
- Net loss from operations of \$1,720,278, compared to net loss from operations of \$237,034 in Q1-19;
- Loss per share of \$0.17 in Q2-19.

"The financial results we announced today for our second quarter are disappointing and unacceptable to everyone who works for us and is involved with our company," said Scott Forbes, President and Chief Executive Officer of Iplayco. "The loss reflects cost overruns on new product lines and other inefficiencies at our operations in Europe. We want shareholders and other stakeholders to know that we have identified the issues that caused the problems and are working to address them. Our goal is to bring the performance of our European unit up to the standards of our North American and Asian operations as soon as possible. Demand for our play structures is quite strong in most markets and we anticipate significantly better performance in the second half of our financial year through September."

Results for the three months ended March 31, 2019 ("Q2-19") as compared to the three months ended December 31, 2018 ("Q1-19")

Sales decreased by 2.0% to \$4,089,957 in Q2-19 from \$4,171,833 in Q1-19. Gross profit percentage decreased to 8.3% of sales in Q2-19 from 33.4% in Q1-19. Operating expenses, including foreign exchange gains and losses, finance income and finance costs, increased to \$2,579,068, or 63.1% of sales, in Q2-19 from \$1,714,453, or 41.1% of sales in Q1-19. The net loss from operations amounted to \$1,720,278, or net loss per share of \$0.17 in Q2-19, as compared to a net loss from operations of \$237,034, or net loss per share of \$0.02 in Q1-19.

Results for the three months ended March 31, 2019 ("Q2-19") as compared to the three months ended March 31, 2018 ("Q2-18")

Sales increased by 35.3% to \$4,089,957 in Q2-19 from \$3,022,616 in Q2-18. Gross profit percentage decreased to 8.3% of sales in Q2-19 from 36.7% in Q2-18. Operating expenses, including foreign exchange gains and losses, finance income and finance costs, increased to \$2,579,068, or 63.1% of sales, in Q2-19 from \$1,315,960, or 43.5% of sales in Q2-18. The net loss from operations amounted to \$1,720,278, or net loss per share of \$0.17 in Q2-19, as compared to a net loss from operations of \$172,854, or net loss per share of \$0.01 in Q2-18.



Results for the six months ended March 31, 2019 ("YTD – Q2-19") as compared to the six months ended March 31, 2018 ("YTD – Q2-18")

Sales increased by 18.5% to \$8,261,790 for YTD – Q2-19 from \$6,974,061 for YTD – Q2-18. Gross profit percentage decreased to 21.0% of sales for YTD – Q2-19 from 42.6% for YTD – Q2-18. Operating expenses, including foreign exchange gains and losses, finance income and finance costs, increased to \$4,293,521 or 52.0% of sales for YTD – Q2-19 from \$2,769,947 or 39.7% of sales for YTD – Q2-18. The net loss from operations amounted to \$1,957,312, or net loss per share of \$0.19 for YTD – Q2-19, as compared to net income from operations of \$129,201, or diluted net income per share of \$0.01, for YTD – Q2-18.

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.

Follow Iplayco Online

Facebook: <https://www.facebook.com/IPLAYCO>
Twitter: <https://twitter.com/IPLAYCO>
YouTube: <https://www.youtube.com/user/Iplayco>
LinkedIn: <https://www.linkedin.com/groups/4119194>
RSS: <http://www.iplaycoltd.com/Rss.html>

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:

Iplayco Corporation Limited
Max Liszkowski
Chief Financial Officer
1 - 604-607-1111
ir@iplayco.com

This announcement is for informational purposes only and does not constitute an offer to purchase, a solicitation of an offer to sell the shares or a solicitation of a proxy.

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