

Attention Business/Financial Editors:

TICKER SYMBOL: IFX

Imaflex Inc. Announces Results for the Second Quarter of 2016

MONTREAL, August 23, 2016 - Imaflex Inc. (the “Company”) (TSXV: IFX) announces results for the quarter ended June 30, 2016.

(unaudited)				
(CDN \$ thousands, except per share amounts)	Q2 2016	Q2 2015	YTD 2016	YTD 2015
Revenue	18,195	18,716	37,573	34,626
Cost of sales (excluding amortization)	15,378	15,915	32,015	30,548
Gross profit (\$) (before amortization)	2,817	2,801	5,558	4,078
Gross profit (%) (before amortization)	15.5%	15.0%	14.8%	11.8%
Amortization of production equipment	398	356	813	717
Gross Profit	2,419	2,445	4,745	3,361
Gross profit (%)	13.3%	13.1%	12.6%	9.7%
Sales and administrative expenses	1,529	1,673	3,242	3,140
FX loss (gain)	96	122	574	(551)
Other expenses	161	154	322	349
Profit (loss) before income taxes	633	496	607	423
Provision for income taxes	110	151	256	371
Profit (loss)	523	345	351	52
Basic and diluted earnings (loss) per share	0.010	0.007	0.007	0.001
EBITDA	1,242	1,062	1,844	1,574

The results include those of Imaflex Inc. (“Imaflex”) located in Montréal (Québec), its divisions Canguard Packaging (“Canguard”) and Canslit (“Canslit”) located in Victoriaville (Québec), and its wholly owned subsidiary, Imaflex USA Inc. (“Imaflex USA”) located in Thomasville (North Carolina).

Management Outlook

Management is once again pleased to report an increase in profitability for the second quarter of 2016. The rebuilding of the legacy business is not yet entirely completed, but quarter after quarter the foundation of our operations is getting stronger.

Management is also pleased to report that the tests for the coating machine needed for our ADVASEAL product were conducted. Our findings were positive: the coating equipment proved to be the correct technology, however additional tests need to be completed in order to ensure that the coater’s drying capacity will permit us to coat at a rate of 1,000 feet per minute. Our technical team, together with the manufacturer’s team, is presently working on this issue and expects it to be resolved by the end of the year.

Sales

Sales decreased by \$ 520,381 during the second quarter of 2016 compared to the same period in 2015. Mulch film sales decreased in the second quarter of 2016 following a high level of sales in the first quarter. The Company faced a very competitive market and management is seeking to return to an upward sales trend for metallized mulch films. The Company benefited from a higher foreign exchange conversion rate for its USD sales which offset part of the impact of the decrease in resin prices from the end of the second quarter of 2015 through the beginning of the second quarter of 2016.

Sales increased by \$ 2,948,382 during the six-month period ended June 30, 2016 compared to the same period in 2015, mainly as a result of the strong performance in the first quarter. The Canadian operations generated an important increase in sales volume which, coupled with the favourable foreign exchange rate, was an important factor in the improvement in sales over the period. Management is now aiming to maintain the production volume that will enable the Company to remain profitable throughout the end of the year.

Gross profit margin

The gross profit before the amortization of production equipment remained stable despite the decrease in sales but increased as a percentage of sales, from 15.0% during the second quarter of 2015 to 15.5% in the second quarter of 2016. Without having to manage the important and rapid fluctuations in the price of raw material at the beginning of the 2015 fiscal year, management was able to focus on operational efficiency. The improvements achieved in the Canadian operations enabled the Company to maintain good profitability despite lower consolidated sales. Following investments in production equipment, gross profit after the amortization of production equipment decreased from \$ 2,444,477 in the second quarter of 2015 to \$ 2,419,608 in 2016 but, as a percentage of sales, increased from 13.1% in the second quarter of 2015 to 13.3% in 2016.

Over the six-month period ended June 30, 2016, the gross margin, both in relative and absolute terms, improved compared to the same period in 2015. The Company encountered important challenges at the onset of the 2015 fiscal year following increases in resin prices and foreign exchange volatility. In 2016, efforts to improve operational efficiency and to increase sales enabled the Company to improve its gross margin. Despite the fluctuations in sales levels, management was able to maintain its profitability in both the first and second quarters of 2016.

Selling and administrative

Selling and administrative expenses decreased in the second quarter of 2016 compared to the same period in 2015, from \$ 1,672,267 in 2015 to \$ 1,529,639 in 2016. Administrative and sales salaries were lower in the second quarter of 2016 and sales commissions also decreased due to the lower level of sales in 2016 compared to 2015. As a percentage of sales, selling and administrative salaries decreased from 8.9% in 2015 to 8.4% in 2016.

Over the six-month period ended June 30, 2016, sales and administrative expenses increased by \$ 102,327 mainly due to the increase in sales and to the appreciation of the USD that led to an increase in expenses denominated in USD. Moreover, professional fees related to projects the Company is involved in also contributed to the increase in 2016.

Net income

The Company's net income increased in 2016 compared to 2015, for the quarter and for the six-month period. The Company was able to significantly improve its operational profitability in the first quarter following an important increase in sales and to maintain it in the second quarter, despite the decrease in sales. The stability in the market enabled the Company to operate in more favourable conditions in 2016 compared to 2015 and the sales level achieved in the first six months of 2016

led to efficient and profitable operations. Even considering the very unfavourable impact of foreign exchange over the six-month period, the improvements achieved still allowed for an important increase in the Company's net income. Management is aiming to continue these positive trends for the remainder of 2016 to further improve results.

Capital Resources

The Company has an operating line of credit with its bankers to a maximum of \$ 10,000,000 bearing interest at a rate of prime plus 1.15%. The line of credit is secured by trade receivables and inventories. As at June 30, 2016, the Company was using \$ 7,312,481 on its line of credit (\$ 6,925,713 as at December 31, 2015). The Company's working capital increased from \$ 4,905,236 as at December 31, 2015 to \$ 5,237,711 on June 30, 2016. The Company experienced a strong performance throughout the quarter which enabled the Company to retain a solid financial position and to generate sufficient funds to support its operations and future growth plans. Following the Company's good financial results, management believes that the Company currently has a healthy capital structure and may consider additional long term debt or equity as possibilities to fund its long term needs. The Company does currently have sufficient funds for its operations and will only choose to obtain additional financing at the right terms.

Critical Accounting Policies

The Company's accounting policies under IFRS have not changed since the Company's last annual financial statements and have been applied consistently to the interim condensed consolidated financial statements for the periods ended June 30, 2016 and 2015.

Imaflex Appoints John Ripplinger as VP Corporate Affairs

Imaflex announces the appointment of John Ripplinger as Vice President Corporate Affairs, effective September 6, 2016. "John is a highly qualified professional with extensive financial expertise and a track record of success working with industry-leading companies," highlighted Mr. Abbandonato. "He also brings broad-based experience managing investor relations programs, making him an excellent addition to our team. In this newly created position, John will play a key role communicating our business fundamentals and building relations with the investment community, as we continue to strengthen, grow and diversify our business."

Prior to joining Imaflex, John worked with BCE, Bell Canada, Bell Nordiq Group, Miranda Technologies, and Neptune Technologies. John holds a Master of Business Administration (MBA) from McGill University.

Safe Harbor Statement

Certain statements and information included in this release constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied in such forward-looking statements. Additional discussion of factors that could cause actual results to differ materially from management's projections, estimates and expectations is contained in the Company's other public filings. Unless otherwise required by the

securities authorities, we do not undertake to update any forward-looking statements that may be made from time to time by us or on our behalf.

Non-IFRS Measure

The Company's management uses a non-IFRS measure in this press release, namely EBITDA. Management wishes to specify that in the performance of the Company's financial results, EBITDA is calculated as "Earnings before finance expenses, taxes, the change in fair value of the derivative financial instrument, depreciation and amortization". While EBITDA is not a standard IFRS measure, management, analysts, investors and others use it as an indicator of the Company's financial and operating management and performance. EBITDA should not be construed as an alternative to net income determined in accordance with IFRS as an indicator of the Company's performance. The Company's method of calculating EBITDA may be different from those used by other companies.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

For further information:

Imaflex Inc.,

Tony Abbandonato, Interim President and C.E.O

Giancarlo Santella, Corporate Controller

Tel: (514) 935-5710

Fax: (514) 935-0264

e-mail: info@imaflex.com

Website: www.imaflex.com