

## BluMetric Announces Profitable Results for FY2018

Ottawa – 28 January 2019 – BluMetric Environmental Inc. (TSX.V: BLM) is pleased to announce its fourth consecutive profitable year.

### Financial Highlights

- **Earnings before provision for income tax** were \$544,000 compared to \$334,000 in the previous year, representing an increase of 63%.
- **A deferred income tax asset** of \$2.1 million was recognized in fiscal 2018, representing mainly loss carry forwards that will be used to offset future taxable income, as well as deductions for tax related to capital (CCA) and scientific research and development (SR&ED). Previously, a full allowance had been taken against this asset.
- **Net earnings** were \$2.7 million for fiscal 2018 compared to \$0.3 million in the previous year. In the fourth quarter, net earnings were \$2.3 million compared to a net loss of (\$54,000) in the same quarter of fiscal 2017. This is largely due to the recognition of the deferred income tax asset of \$2.1 million, as stated above.
- **Revenue** for the year was \$32.2 million, an increase of 6% compared to \$30.5 million for the year ended September 30, 2017. Revenue for the fourth quarter is \$8.6 million, an increase of 13% over the same quarter of fiscal 2016.
- **Gross margin** stayed consistent at 21% year over year.
- **Operating costs** increased to \$5.7 million from \$5.4 million in the prior year, and in the fourth quarter decreased to \$1.5 million from \$1.6 million. The increase for the year is driven largely by the Company's severance payment obligation of \$250,000, less withholdings, in respect of salary, bonus, and vacation pay to the Company's former CEO.
- **EBITDA** (see Note 1 definition below) decreased to \$1.3 million from \$1.4 million in the previous year. In the fourth quarter, EBITDA increased to \$427,000 from \$198,000 in the previous year.

"BluMetric made significant operational strides across all our major business segments in Fiscal 2018 through the adoption of a key-market focus and by targeting professional resources where we excel, which includes an emphasis on technology and innovation," said Scott MacFabe, CEO of BluMetric. "As a result, we are creating strategic opportunities not only through new business development but also through deeper relationships with existing clients thanks to the unique combination of our technical sophistication and agility."

## Operational Highlights

BluMetric's improved operational and financial performance in FY2018 was primarily driven by the completion of a strategic re-alignment designed to narrow both its geographic and business segment focus to the following areas in which it enjoys market leader positioning and sees the potential for sustained, long term growth: (1) Mining, (2) Military, (3) Government, and (4) Commercial and Industrial.

With a continued emphasis on strengthening its technical service offerings, during the year the Company made significant advances in each of these key markets propelled by the adoption of a more strategic approach to business and corporate development that includes actively leveraging past successes to expand and diversify client partnerships and service offerings.

- **Mining:** BluMetric's mining business continued to grow both in terms of revenue generation and the strength of its offerings throughout the year. The Company has secured a number of mining contracts with new and existing clients focused on the development and implementation of remedial strategies, including the care and maintenance of closed mining facilities, in line with a strategy to move beyond the straightforward assessment of problems to more complex engineering solutions and the forging of deeper client partnerships.
- **Military:** Highlighting the quality and reliability of BluMetric's products and engineering capabilities, the Company was awarded a number of military market contracts in late Fiscal 2018. Most recently, BluMetric was awarded a \$4.16 million contract with Seaspan Shipyards to provide highly specialized water purification systems aboard Royal Canadian Navy Joint Support Ships, as detailed in a press release dated November 7, 2018. Being competitively selected for this extremely important initiative helps to position BluMetric to partner with world class defense contractors like Seaspan and to participate in this market on a global scale.
- **Government:** During the year BluMetric completed a number of challenging projects in the Canadian Arctic involving the deployment of new equipment and cutting edge technology to previously underserved regions, an area in which BluMetric sees great promise in. These projects included rapid response to several oil spills, the final commissioning and operation of a satellite telemetry based system, and the implementation of a Chemical Management System in Nunavut to name a few, all of which required a large degree of coordination and specialty knowledge across numerous business areas, highlighting the Company's strong interdisciplinary processes and integrated service offerings.
- **Commercial and Industrial –** BluMetric continued to innovate and create new opportunities with our commercial and industrial portfolio throughout Fiscal 2018. During the year, the Company successfully carried out various pilot testing programs with key clients, including one of the largest waste disposal companies in North America, to confirm the viability of its most promising contaminant removal technologies. Also notable, the Company completed the installation and commissioning of two full-scale ammonia removal systems for commercial wastewater treatment facilities. BluMetric is seeing growing interest in these patented systems in particular as significant advantages such as increased production capacity and revenue, and lower capital and operating costs become increasingly apparent.



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## Outlook

BluMetric has refocused and aligned its sales and marketing team for Fiscal 2019 in order to focus on obtaining new revenue contracts in its key markets while efficiently implementing projects, improving cost controls and completing the sale of its non-core assets. The Company will continue to hone its competitive stance through research and innovation and by positioning BluMetric for strong client-centric growth, which means scaling business not only through new customer generation but also through its existing client base with the provision of high quality, inventive solutions created with the prevention of problems in mind.

## Financial Summary

	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Twelve Months Ended September 30, 2018	Twelve Months Ended September 30, 2017
	(\$000)	(\$000)	(\$000)	(\$000)
Revenue	8,563	7,587	32,247	30,528
Gross profit	1,820	1,694	6,761	6,439
Gross margin %	21%	22%	21%	21%
Operating expenses	1,477	1,580	5,670	5,413
EBITDA <sup>1</sup>	427	198	1,269	1,404
Earnings (loss) before provision for income tax	209	(54)	544	334
Net earnings (loss)	2,325	(54)	2,659	334
Earnings per share –basic	0.08	(0.00)	0.09	0.01
Earnings per share – diluted	0.08	(0.00)	0.09	0.01

Note 1: EBITDA is a non-IFRS measure and is calculated as net income before interest expense, income taxes, depreciation, and amortization.

The full results are available at [www.sedar.com](http://www.sedar.com).



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**About BluMetric Environmental Inc.**

BluMetric Environmental Inc. is a publicly traded environmental consulting and engineered treatment systems company with expertise across disciplines and technologies that allow for the design and delivery of elegant solutions to environmental challenges. Headquartered in Ottawa, Ontario, BluMetric's team of industry experts serves clients in Canada and the United States.

For more information, visit [www.blumetric.ca](http://www.blumetric.ca), or please contact:

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**Forward-Looking Statements**

Some of the statements in this press release, including those relating to the Company's quarterly and annual results, future products, opportunities and cost initiatives, strategies, and other statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", or similar expressions, are forward-looking statements within the meaning of securities laws. Forward-looking statements include, without limitation, the information concerning possible or assumed future results of operations of the Company. These statements are not historical facts but instead represent only the Company's expectations, estimates, and projections regarding future events. The Company does not undertake any obligation to update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events, except as required by law.

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