

BluMetric Announces Fourth Quarter and Fiscal Year 2020 Results

Ottawa, Ontario--(Newsfile Corp. - January 27, 2021) - BluMetric Environmental Inc. (TSXV: BLM), a full-service environmental consulting and engineering cleantech firm, is pleased to announce its financial results for the quarter and year ended September 30, 2020.

Despite the uncertainty and disruption caused by COVID-19 and a difficult second quarter, BluMetric had a strong second half of 2020, recording revenue of \$28.6 million and net earnings of \$471,000 for the year. Most notably, revenue in the fourth quarter was \$10.4 million compared to \$6.6 million for the same period in the previous year. Earnings before provision for income tax were \$1.2 million, the highest in the Company's history, compared to \$479,000 for the same period in the previous year.

"I'm very pleased to deliver these results to our shareholders," says Scott MacFabe, CEO of BluMetric. "The ongoing pandemic made fiscal year 2020 a difficult year for everyone, yet thanks to our dedicated professionals, solid client relationships and strict adherence to our pandemic plan, we were able to continue providing essential services to our customers and deliver a strong Q4 and profitable year. We're looking forward to continuing this momentum into 2021."

BluMetric's services, notably in the Mining, Government and Military sectors, were mostly deemed essential. Additionally, the Company was able to leverage its industrial hygiene expertise to win new COVID-19 related project work supporting various commercial clients. Overall, the Company was able to maintain a base level of work and won additional large one-time contracts to deliver above expectations.

Highlights

- A notable revenue increase driven by two significant contracts; one for the operations and maintenance of [an effluent treatment plant](#) at Giant Mine in Yellowknife, Northwest Territories; and the other for [COVID-19 Preparedness](#) for the Nunavut Department of Education. Together, these contracts accounted for \$2.3 million of the revenue for the year, \$2.0 million of which occurred in the fourth quarter.
- A \$1.7 million increase in revenue for Military sector water tech projects in the fourth quarter.
- A number of new contracts offering COVID-19 related services, including testing and training for personal protective equipment, drafting COVID-19 protocols and overseeing compliance.
- Clients in the Commercial sector were hardest hit with pandemic related shutdowns and project delays, yet the Company's revenue in this market declined only \$400,000 from the previous year.
- Mining market revenue stayed consistent with the prior year.
- Successful implementation of cost control measures to maintain gross margin, while preserving the Company's skilled workforce.
- The development and implementation of a Company-wide Pandemic Response Plan to mitigate the impact of COVID-19 on employees, their families, clients and communities.

Financial Highlights

- **Revenue** for the year was \$28.6 million, a slight increase compared to \$28.3 million for the year ended September 30, 2019. Revenue for the fourth quarter was \$10.4 million, an increase of 57% over the same quarter of fiscal 2019.
- **Gross margin** stayed consistent at 21% year-over-year. Gross margin for the fourth quarter was 27%, a significant increase when compared to gross margin of 21% for the fourth quarter of 2019.
- **Operating costs** stayed consistent at \$4.9 million year-over-year, and in the fourth quarter increased slightly to \$1.4 million from \$1.3 million in the previous year. Decreases in the Company's discretionary spending were largely offset by an increase in anticipated losses from uncollectible accounts.
- **Earnings before provision for income tax** were \$1.2 million compared to \$479,000 in the previous year.
- **Net earnings** were \$471,000 for the 2020 fiscal year compared to \$351,000 in the previous year. In the fourth quarter, net earnings were \$1.2 million compared to \$39,000 in the same quarter of fiscal 2019.
- **Adjusted EBITDA² for the 2020 fiscal year** increased to \$2.4 million from \$1.1 million in the previous year. The year-over-year increase is primarily due to \$1.2 million in government subsidies received under the Canada Emergency Wage Subsidy program.
- **Adjusted EBITDA² for the fourth quarter** increased to \$1.9 million in 2020 from \$175,000 the previous year, primarily due to the \$3.8 million increase in revenue and associated increase in gross profit when compared to the fourth quarter of fiscal 2019. **This is the Company's strongest single quarter achievement.**

Outlook

COVID-19 cases continue to increase, prompting the declaration of a second state of emergency, with stay at home orders announced in both Ontario and Quebec, the two provinces where the Company has the majority of its offices.

Much of BluMetric's project work is deemed essential by applicable governments. Consequently, the Company's Government and Military markets have not been materially impacted by the pandemic and projects in these markets are expected to continue with minimal disruption. The Industrial Hygiene/Occupational Health and Safety service line will continue to offer COVID-19 related consulting offerings which the Company expects will mitigate slowdowns and postponements that may occur with more traditional commercial-industrial projects.

The Company believes that the diversity of its service offerings will continue to mitigate the impact of COVID-19 on the Company's revenue. Further, the Company will continue to minimize its discretionary spending and actively manage its operational costs.

Financial Table

	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Year Ended September 30, 2020	Year Ended September 30, 2019
	(\$000)	(\$000)	(\$000)	(\$000)
Revenue	10,420	6,626	28,621	28,252
Gross profit	2,861	1,422	6,123	5,862
Gross margin %	27%	21%	21%	21%
Operating expenses	1,350	1,274	4,931	4,900
Gain on disposal of property and equipment	-	-	(948)	-
Impairment of goodwill	-	-	1,592	-
Other income	(328)	-	(1,162)	-
EBITDA ¹	1,978	175	2,196	1,068
Adjusted EBITDA ²	1,865	175	2,415	1,068
Earnings before provision for income tax	1,714	37	1,202	479
Income tax expense (recovery)	491	(2)	731	128
Net earnings	1,222	39	471	351
Earnings per share - basic and diluted	0.04	0.00	0.02	0.01

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

Note 2: Adjusted EBITDA is a non-IFRS measure and is calculated as EBITDA before gain or loss on sale of property and equipment, impairment of goodwill and the impact of the Company's IFRS 16 implementation.

The full results are available at www.sedar.com.

About BluMetric Environmental Inc.

BluMetric Environmental Inc. is a publicly traded environmental consulting and engineering company with expertise across professional and trade disciplines and technologies that allow for the design, fabrication and delivery of sustainable solutions to environmental and water challenges. BluMetric has over 150 employees operating in ten offices and over 40 years of expertise. Headquartered in Ottawa, Ontario, BluMetric's team of industry experts serves Commercial and Industrial, Military, Mining and Government clients in Canada and the United States.

For more information, visit www.blumetric.ca, or please contact:

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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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