

# BluMetric Announces Profitable Q3 FY2018

Ottawa, Ontario--(Newsfile Corp. - August 29, 2018) - BluMetric Environmental Inc. (TSXV: BLM) is pleased to announce revenue of \$8.4 million and net income of \$65,000 for the third quarter of fiscal 2018, ended June 30, 2018.

## Financial Highlights

- **Revenue** for the quarter is \$8.4 million, an increase of 13% compared to \$7.4 million for the quarter ended June 30, 2017. The increase in revenue comes primarily from an increase in consulting projects, due in part to a large assignment in the North that was substantially completed during the quarter, as well as an increase in engineered solutions projects.
- **Gross margin** improved to 20% from 19% the same quarter the previous year.
- **Operating costs** increased to \$1.5 million from \$1.2 million the same quarter last year. In the previous year quarter (June 30, 2017) there were vacant positions that have since been filled, as well as bad debt recoveries of approximately \$60,000.
- **Net income** was \$65,000, compared to a net income of \$70,000 in the same quarter the previous year.
- **EBITDA** (see Note 1 definition below) decreased to \$217,000 from \$337,000 in the same quarter the previous year.

"BluMetric is pleased with the completion of several key projects, including various commercial wastewater contracts and technically-challenging government projects, which contributed to a respectable increase in revenue this quarter while showcasing the unique combination of our agility and expertise," said Scott MacFabe, CEO of BluMetric. "As we wrap up Q4 and move into Fiscal 2019, BluMetric continues to sharpen its competitive edge through innovation and by focussing on scaling revenues with existing clients while generating new business in strategic areas."

## Operational Highlights

BluMetric made solid operational advances in Q3, targeting resources and business development activities where the Company excels and sees the strongest potential for meaningful long-term growth. During the quarter the Company achieved the following key successes:

- **Wastewater Treatment:** BluMetric completed the installation and commissioning of two full-scale ammonia removal systems for commercial waste treatment facilities with high strength wastewater. Interest in the Company's patented ammonia removal systems continues to grow as significant advantages such as increased production capacity and revenue, and lower capital and operating costs become increasingly apparent.
- **Government:** BluMetric provided rapid response to several sizable fuel oil spills in the Arctic during the quarter, which necessitated the co-ordination of many resources in challenging settings. The projects required the unique combination of a variety of BluMetric's services/solutions, highlighting the importance of the Company's strong interdisciplinary processes and integrated leadership. In addition, the Company completed the commissioning and operation of a satellite telemetry based system that allows for real-time monitoring and observation of remediation sites located in extremely isolated conditions.
- **Military:** Building on BluMetric's established relationship with the Department of National Defence, subsequent to the quarter end (press released July 31, 2018), BluMetric was awarded a three year, \$14.4 million contract in support of repairing and overhauling, as required by the Royal Canadian Navy, their Shipboard Reverse Osmosis Desalination (SROD) purification units.
- BluMetric continues to create new opportunities through research and innovation. During the quarter, the Company completed an extensive pilot testing program at a mine site for ammonia and metal removal. The Company also successfully completed a sophisticated pilot test on landfill leachate for the removal of several problematic emerging contaminants. Results from these activities confirmed the viability of some of BluMetric's most promising new technologies.

## Outlook

BluMetric is committed to enhancing the elements of its business that set it apart and solidify its competitive advantage. These include the Company's capacity for innovation as well as its ability to meet client needs through a creative process that involves a focus on the prevention of problems. Combined with the Company's ability to collaborate across a unique combination of disciplines, which clients benefit tremendously from, these differentiators are core to positioning BluMetric for growth.

## Financial Summary

	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Nine Months Ended June 30, 2018	Nine Months Ended June 30, 2017
	(\$000)	(\$000)	(\$000)	(\$000)
Revenue	8,416	7,434	23,684	22,942
Gross profit	1,653	1,445	4,941	4,745
Gross margin %	20%	19%	21%	21%
Operating expenses	1,459	1,205	4,193	3,833
EBITDA <sup>1</sup>	217	337	842	1,205
Adjusted EBITDA <sup>2</sup>	245	419	889	1,259

Net earnings	65	70	335	388
Earnings per share —basic	0.00	0.00	0.01	0.01
Earnings per share —diluted	0.00	0.00	0.01	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, gain or loss on foreign exchange, stock-based compensation, gain or loss on sale of property plant and equipment, gain or loss on sale of other assets, gain or loss on debt conversion, gain or loss on debt extinguishment, gain or loss on investments held for sale, and impairment of goodwill.

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

#### **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, the United States, and Central America.

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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