

BluMetric Announces Q3 2023 Financial Results

Ottawa, Ontario--(Newsfile Corp. - August 24, 2023) - BluMetric Environmental Inc. (TSXV: BLM) ("BluMetric" or "the Company"), a full-service environmental consulting and engineering cleantech firm, announces its financial results for the third quarter ended June 30, 2023.

Financial Highlights

- **Revenue** for the quarter ended June 30, 2023, was \$6.9 million, compared to \$8.4 million for the same period in 2022. For the nine months ended June 30, 2023, revenue totaled \$24.8 million, compared to \$24.4 million in the corresponding period of 2022.
- **Gross margin** for the quarter ended June 30, 2023, was 15%, and the year-to-date gross margin for fiscal 2023 amounted to 20%. This compared to 23% for the same quarter in the previous year and 24% year-to-date for fiscal 2022.
- **EBITDA** (see definition below) for the quarter ended June 30, 2023, was negative \$0.7 million, compared to \$0.6 million in the same quarter of the previous year. Year-to-date EBITDA for fiscal 2023 was \$0.6 million, compared to \$2.0 million year-to-date for fiscal 2022.
- **Net loss** for the quarter ended June 30, 2023, was \$0.7 million, compared to net earnings of \$0.3 million in the same quarter of the previous year. Year-to-date net loss for fiscal 2023 was \$0.2 million, compared to net earnings of \$1.1 million year-to-date for fiscal 2022.
- **Net cash** (see definition below) as at June 30, 2023 was \$3.9 million, compared to net cash of \$4.5 million at June 30, 2022.

Business Outlook

BluMetric continues to execute its long-term growth initiatives while navigating a more challenging operational backdrop in the second half of this fiscal year.

During this quarter, the Company faced obstacles in revenue generation due to schedule delays, particularly with respect to the Company's Northern projects. These challenges are expected to continue into the next quarter due to recent widespread forest fires.

There was a decline in gross margin, which was also impacted by one-time costs arising from a custom wastewater treatment system to a mining client. Additionally, the Company made key investments into its employees and its corporate culture, which featured an off-site conference focused on leadership and long-term growth.

Execution challenges on certain projects have influenced this quarter's financial performance. BluMetric is actively addressing these challenges with the goal of restoring a gross margin that aligns with its historical levels.

The Company continues to be pleased with progress in its growth initiatives which has helped drive a strong backlog. This achievement can be attributed to recent strategic business development activities, as well as steady demand for comprehensive environmental solutions within the Company's four key client markets (Commercial & Industrial, Government, Military, and Mining). In particular, the Company is exploring broader market opportunities for its agile water and wastewater products in an effort to monetize its product know-how.

Financial Table

| | Three Months Ended June 30, 2023 | Three Months Ended June 30, 2022 | Nine Months Ended June 30, 2023 | Nine Months Ended June 30, 2022 |
|---|-------------------------------------|-------------------------------------|------------------------------------|------------------------------------|
| | (\$000) | (\$000) | (\$000) | (\$000) |
| Revenue | 6,941 | 8,353 | 24,833 | 24,383 |
| Gross profit | 1,033 | 1,958 | 4,906 | 5,805 |
| Gross margin | 15% | 23% | 20% | 24% |
| Operating expenses | 1,894 | 1,514 | 4,835 | 4,233 |
| Operating profit (loss) | (861) | 445 | 71 | 1,572 |
| Finance costs | 14 | 29 | 56 | 85 |
| Earnings (loss) before provision for income tax | (875) | 416 | 14 | 1,487 |
| Income tax expense (recovery) | (146) | 98 | 208 | 352 |
| Net earnings (loss) | (729) | 318 | (194) | 1,135 |
| Earnings (loss) per share - basic and diluted | (0.02) | 0.01 | (0.01) | 0.04 |
| EBITDA ¹ | (675) | 573 | 563 | 1,954 |
| Free cash flow ² | (981) | 703 | (265) | 1,380 |
| Net cash ³ | | | 3,920 | 4,517 |

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

Note 2: Free cash flow is a non-IFRS measure and is calculated as operating cash flows less capital expenditures and net payment of lease obligations.

Note 3: Net cash (debt) is a non-IFRS measure and is calculated as cash less total funded debt excluding lease liabilities.

The full results are available at <http://www.sedarplus.com/>.

BluMetric to Host Investor Conference Call

BluMetric will host a conference call on **Tuesday, August 29, 2023 at 1:00 PM ET (10:00 AM PT)** to discuss the results. To join the conference call without operator assistance, you may register and enter your phone number at <https://emportal.ink/45DMYO2> to receive an instant automated callback.

You can also dial directly to be entered into the call by an Operator. Please dial **1-888-664-6392** (Toll-Free North America) and enter **confirmation number 47011566**.

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 more than 180 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.

For more information, visit 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 applicable Canadian 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. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. We caution readers of this news release not to place undue reliance on our forward-looking statements as a number of factors could cause actual results or conditions to differ materially from current expectations. Please refer to the risks set forth in the Company's most recent annual MD&A and the Company's continuous disclosure documents that can be found on SEDAR at www.sedarplus.com. The Company does not intend, and disclaims any obligation, except as required by law, to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

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