

## BluMetric Announces 2nd Quarter FY2016 Results

OTTAWA, May 30, 2016 /CNW/ - BluMetric Environmental Inc. (TSXV: BLM), an Ottawa-based cleantech company, announces the following unaudited results for the second quarter of fiscal year 2016.

"We have continued to grow revenues in this, traditionally our weakest quarter," said Roger Woeller, CEO of BluMetric. "The results of this quarter are a testament to a strong performance by our professional services practice. Our reorganized sales organization, oriented to key industry verticals, is showing positive potential for increased revenues, and our robust operations group, with its focus on taking work with good margins and then maintaining those margins, has helped to produce an overall gross margin for the quarter of 24%, the highest in recent record. In sum, we are pleased with this quarter, yet still see room for improvement, especially in the supply of engineered systems and products and services."

### Financial Highlights

- **Net income:** \$289,000 in Q2 of fiscal 2016 compared to \$246,000 in the same quarter of the prior year.
- **Revenues:** \$7.9 million for the quarter ended March 31, 2016 compared to \$7.8 million for the same quarter of fiscal 2015, based mainly on growth in Professional Services.
- **Gross margins:** higher by 4 points quarter-over-quarter. The higher margin is attributed to disciplined project management, which generated projects with higher profitability.
- **Sales, general, and administrative (SG&A) costs:** Increased to \$1.4 million in Q2 of fiscal year 2016 compared to \$1.1 million in Q1 of fiscal year 2015. Significant contributors to the increase are occupancy and telecommunications cost. In the last 12 months two properties have been sold and the Company is now paying rent in those areas.
- **EBITDA:** (see Note 1 definition below) rose to \$663,000 for the three months ended March 31, 2016 compared to \$644,000 in the same period in the prior year, a 3% increase.
- BluMetric remains in violation of a debt covenant under its bank credit facility and is currently operating under a forbearance agreement with its current bank lender. On May 30, 2016, the Company signed a commitment letter with a new bank, which is subject to customary conditions, including the negotiation of definitive agreements and other conditions as set forth in the letter.
- Additionally, the Company is actively engaging with another institution to replace the existing convertible debentures with another medium-term financing arrangement.

### Operational Highlights of the Quarter

- BluMetric was awarded a multi-year contract of at least \$1 million to supply Occupational Hygiene/Health and Safety Services for the Canadian retail outlets and corporate office of a multinational technology company.
- Our board was strengthened by the addition of entrepreneur and investor, Geoff Simonett.
- The professional services group:
  - continued work on mine site assessments, including detailed assessment and design;
  - completed several large federal government projects;
  - undertook complex winter field work in the sub-Arctic;
  - dramatically improved customary low winter utilization rates through winter projects.
- Our engineers have focussed on strategic staffing and product/design standardization along with routine winter work that we expect will lead to improved margins in coming quarters.
- The systems delivery group:
  - attained excellent production and testing results over this quarter for military contracts;
  - completed shipment and began installation of 8 package wastewater treatment plants and 6 oil-water separators to Panama Third Set of Locks site;
  - sold 2 substantial water treatment retrofit jobs totalling almost \$500,000.

### Outlook

With its concentrated attention on identified strategic growth areas such as energy, the north, food processing services, and groundwater monitoring and assessment, BluMetric is reinforcing its business base while expanding into new areas with strong margin potential in which it has significant or unique expertise. We continue to emphasize controlling costs and building margins.

### Financial Summary

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015	Six Months Ended March 31, 2016	Six Months Ended March 31, 2015
	(\$000)	(\$000)	(\$000)	(\$000)
Revenue	7,920	7,781	15,857	15,561
Gross profit	1,913	1,584	3,389	3,309
Gross margin %	24%	20%	21%	21%
SG&A expenses	1,368	1,140	2,605	2,576
EBITDA <sup>1</sup>	663	644	1,044	1,176
Adjusted EBITDA <sup>2</sup>	505	477	943	1,033
Net income	289	246	304	360
Income per share –basic	0.01	0.01	0.01	0.01
Income per share –diluted	0.01	0.01	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, unrealized gains on investments held for sale and impairment of goodwill

For additional information, please refer to the Company's filings at [www.sedar.com](http://www.sedar.com).

### About BluMetric

BluMetric Environmental Inc. is a diverse water, earth, and energy company providing solution-oriented consultation, design, products, and construction services to clients with complex environmental issues in more than 61 countries. With our award-winning team of industry experts and technology, BluMetric provides the finest effective and sustainable solutions to environmental challenges. BluMetric is a publicly traded Canadian company (TSXV: BLM), headquartered in Ottawa, Ontario. For more information, visit [www.BluMetric.ca](http://www.BluMetric.ca).

### 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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