

BluMetric Announces Q2 2023 Financial Results

Ottawa - 25 May 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 second quarter ended March 31, 2023.

Revenue and gross profit for the second quarter remained relatively consistent with the prior year second quarter, with a slight decrease in gross margin attributable to the Company's project mix in 2023 compared to 2022.

"Throughout the second quarter, we remained focused on building a strong backlog, recruiting key business development personnel, and building partnerships to enhance and expand our business" said Scott MacFabe, CEO of BluMetric. To this end, on May 24, 2023, the Company signed a 3-year, \$11.7 million cleantech contract with Rheinmetall Canada to provide self-contained water purification systems to the Canadian Armed Forces. (See press release “BluMetric and Rheinmetall Canada to Deliver Self-Contained Water Purification Systems to Canadian Armed Forces” dated May 25, 2023.)

Revenue in the Commercial and Government markets were relatively consistent with the revenues from the same quarter last year. Revenue from the Mining market increased approximately 50% for both the quarter and year to date, when compared to similar periods in the prior year. This growth was primarily driven by a contract for a water treatment system at a mine site. Revenue from the Military market decreased due to the completion of contracts, and a longer sales and procurement cycle required for new contracts in this market.

Financial Highlights

- **Revenue** for the three and six months ended March 31, 2023, was \$7.4 million and \$17.9 million respectively, compared to \$8.2 million and \$16.0 million in 2022.
- **Gross margin** for the three and six months ended March 31, 2023, was 21% and 22% respectively, compared to 22% and 24% in 2022.
- **EBITDA** (see definition below) for the three and six months ended March 31, 2023, was \$317,000 and \$1.2 million respectively, compared to \$469,000 and \$1.4 million in 2022.
- **Net cash** (see definition below) as at March 31, 2023 was \$2.4 million, compared to net cash of \$2.7 million at March 31, 2022.

BluMetric Environmental Inc.

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Business Outlook

BluMetric's strategic initiatives and business development continue to support a solid project pipeline across all four key client markets.

As noted above, BluMetric has just signed a 3-year, \$11.7 million contract with Rheinmetall Canada, who is the prime contractor, to develop and deliver small, self-contained water purification systems as part of a contract awarded by the Canadian Armed Forces (CAF). This product, named the Advanced Sub-Unit Water Purification System (ASUWPS), will enhance the CAF's ability to support missions by enabling water purification at the sub-unit level. The Company has expanded its production facility and has commenced work on developing a prototype in preparation for this contract and future prospects.

BluMetric is also in the process of developing an additional prototype for a mobile wastewater treatment system, which will be showcased at the Department of National Defence's Innovation for Defence Excellence and Security Pop-Up-City Competition. The event is scheduled to take place in August 2023 at CFB Suffield in Alberta. This competition will allow visitors to witness the real-time operation of BluMetric's state-of-the-art mobile wastewater treatment system.

The Company made strategic hires in business development roles for the Commercial and Industrial market, and the Military market. These positions are key for driving growth in these markets.

As we enter the field work season, BluMetric will continue to build upon its success servicing clients in Canada's North and will leverage its Inuit-owned joint venture arrangement to support projects based in Nunavut.



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Financial Table

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022	Six Months Ended March 31, 2023	Six Months Ended March 31, 2022
	(\$000)	(\$000)	(\$000)	(\$000)
Revenue	7,414	8,214	17,892	16,030
Gross profit	1,544	1,802	3,873	3,847
Gross margin	21%	22%	22%	24%
Operating expenses	1,388	1,454	2,941	2,719
Operating profit	156	348	932	1,128
Finance costs	21	24	43	57
Earnings before provision for income tax	135	324	889	1,071
Income tax expense	55	60	354	254
Net earnings	80	264	536	817
Earnings per share – basic and diluted	0.00	0.01	0.02	0.03
EBITDA ¹	317	469	1,237	1,382
Free cash flow ²	(51)	289	715	972
Net cash ³			2,355	2,687

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 cash flow from operating activities excluding changes in working capital balances less net capital expenditures and net payment of lease obligations.

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

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

Investor Conference Call on Friday, March 26, 2023

BluMetric will host a conference call on **Friday, March 26 at 10:00 am Eastern time** to discuss the results. To join the conference call without operator assistance, you may register and enter your phone number at <https://emportal.ink/3It9AHU> to receive an instant automated call back.

You can also dial direct to be entered to the call by an Operator. Please dial **1-888-664-6392** (Toll-Free North America).



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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 160 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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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.sedar.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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