

## BluMetric Announces Profitable Results for FY2017

Ottawa – January 29, 2018 – BluMetric Environmental Inc. (TSX.V: BLM) is pleased to announce revenue of \$30.5 million and net income of \$334,000 for the year ended September 30, 2017, marking its third consecutive profitable year.

### Financial Highlights

- **Revenue** for the year is \$30.5 million, a decrease of 3% compared to \$31.5 million for the year ended September 30, 2016. Revenue for the fourth quarter is \$7.6 million, an increase of 5% over the same quarter of fiscal 2016.
- **Gross margin** increased slightly to 21% compared to 20% in the previous year. In the fourth quarter of fiscal 2017, gross margin improved to 22% from 15% in the previous year. The Company delivered on new contracts for wastewater treatment systems in fiscal year 2017, whereas in the prior year, there was a drop off in activity for these types of projects.
- **Operating costs** increased to \$5.4 million from \$4.9 million in the prior year, and in the fourth quarter increased to \$1.6 million from \$1.1 million. Fiscal year 2016 included a gain on a property sale, as well as a reversal of an impairment loss on an investment, whereas fiscal year 2017 includes a loss on a property sale. The increase in the fourth quarter is driven largely by an increase in the bad-debt provision in Q4 2017, as well as increased consulting and professional fees.
- **Net income** was \$334,000, compared to a net income of \$588,000 in the previous year. In the fourth quarter, net loss was (\$54,000), a slight improvement over the previous year, which posted a net loss of (\$87,000) in the quarter.
- **EBITDA** (see Note 1 definition below) decreased to \$1.4 million from \$1.9 million in the previous year. In the fourth quarter, EBITDA increased to \$198,000 from \$134,000 in the previous year.
- The Company was not in compliance with the fixed charge coverage ratio covenant related to its demand credit facility as at September 30, 2017. This non-compliance was triggered by its mortgage on its office building at 3108 Carp Road coming due on July 16, 2018 and therefore being classified as a current liability as at September 30, 2017. The Company is arranging alternative financing with respect to this mortgage and expects to have a new agreement in place shortly. This situation has created a cross-default with the Company's term loan agreement. Although the Company has received a waiver from its term loan lender with respect to this cross-default, the Company is required to re-classify the five year term loan at September 30, 2017 to current liabilities under IFRS.

## Operational Highlights and Outlook

BluMetric's key-market focus and client-centred-service approach continue to strengthen the Company's presence in its major segments: Mining, Food & Beverage, Industrial Wastewater, Military, Government (North), and Environmental Site Assessment (ESA).

- Reflecting the increasingly active mining industry, BluMetric's business within the mining sector continued to grow in strength, both in revenue generation and the complexity of the Company's engineering solutions, as it moves beyond the assessment of problems to the development and implementation of remedial strategies. In 2017, the Company's services and solutions to the mining sector covered almost all practice areas, from site characterization and problem definition, to remedial assessment and design, to mine wastewater treatment system design and construction. BluMetric is seeing synergies between all its offerings to the mining sector.
- BluMetric continues to serve all tiers of government, primarily through long-standing contract mechanisms and vendor agreements, at all levels of government. In particular for projects in the North, the Company is seen as a leading provider of consulting services ranging through hydrogeology, geomatics, industrial hygiene, and large-scale site remediation in a region differentiated by logistical and resource constraints.
- BluMetric is seeing new opportunities in waste management, as it was contracted by one of the largest waste management companies in North America to design and construct a landfill leachate pilot system for one of their landfills in eastern Ontario. The pilot system has been constructed and will be commissioned in spring of 2018.
- BluMetric will continue to refine its sales targeting in response to shifts in its clients' needs, including sensitivity to regional requirements.

"Our sales efforts will focus on North and Central America, which represent the geographic regions with the largest growth potential for BluMetric," said Dan Scroggins, Interim CEO of BluMetric. "Our sector-specific sales focus has begun to show its effectiveness, and we will stay the course with that while we continue to build on the cost-containment and administrative improvements we have made in the past years. Our goal is not just to stabilize our business, but to focus on value-added solutions for our clients and build investor value for the future."

## Financial Summary

	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Twelve Months Ended September 30, 2017	Twelve Months Ended September 30, 2016
	(\$000)	(\$000)	(\$000)	(\$000)
Revenue	7,587	7,258	30,528	31,494
Gross profit	1,694	1,089	6,439	6,348
Gross margin %	22%	15%	21%	20%
Operating expenses	1,580	1,053	5,413	4,927
EBITDA <sup>1</sup>	198	134	1,404	1,876
Adjusted EBITDA <sup>2</sup>	196	188	1,456	1,742
Net earnings (loss)	(54)	(87)	334	588
Earnings per share –basic	(0.00)	(0.00)	0.01	0.02
Earnings per share –diluted	(0.00)	(0.00)	0.01	0.02



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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 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.

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

**About BluMetric Environmental Inc.**

BluMetric Environmental Inc. is a publicly traded cleantech company with a portfolio of industry-leading products, processes, and services in the environment sciences and engineering sectors. We take pride in our strong record of providing sustainable solutions to the world's 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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