

# BluMetric Announces Profitable Q2 FY2018

Ottawa, Ontario--(Newsfile Corp. - May 30, 2018) - BluMetric Environmental Inc. (TSXV: BLM) is pleased to announce revenue of \$7.7 million and net income of \$169,000 for the second quarter of fiscal 2018, ended March 31, 2018.

## Financial Highlights

- **Net income** was \$169,000, compared to a net income of \$90,000 in the same quarter the previous year.
- **Revenue** for the quarter is \$7.7 million, an increase of 7% compared to \$7.2 million for the quarter ended March 31, 2017. This is mainly due to an increase in wastewater treatment contracts.
- **Gross margin** decreased to 21% compared to 22% in the same quarter the previous year.
- **Operating costs** were consistent year-over-year at \$1.3 million.
- **EBITDA** (see Note 1 definition below) decreased to \$325,000 from \$353,000 in the same quarter the previous year.
- BluMetric was not in compliance with one of its covenants related to its demand credit facility as at March 31, 2018. This situation has created a technical cross-default with the Company's five-year term-loan agreement. Although the Company has received a waiver from its term-loan lender with respect to the cross-default, IFRS nonetheless requires the Company to re-classify the five-year term loan at March 31, 2018 to current liabilities. As of May 23, 2018, the Company's credit facility agreement has been amended and the covenant that was in violation as at March 31, 2018 has now been removed.

"BluMetric is generating new business opportunities not only through a refined geographic focus but also through significant advances in research and innovation designed to take the Company to the next level," said Scott MacFabe, CEO of BluMetric. "Through the provision of solutions for existing clients that are inventive and dependable, and the use of innovative technology to address emerging contaminants and to secure new clients moving forward, we are positioning ourselves for strong client-centric growth and the creation of solid value for shareholders in the longer term."

## Operational Highlights

BluMetric made solid operational strides during the quarter in line with a recent push in business development across key segments and a focus on uncovering and creating new opportunities through research and innovation. The Company is pleased to report several notable developments this quarter:

- Scott MacFabe was appointed as Chief Executive Officer starting March 1, 2018, contributing an extensive and varied background in environmental consulting and management.
- To support increasing opportunities for the Company in mining amid the sector's resurgence, BluMetric opened a new office in Thunder Bay on April 1, 2018 to service existing and future clients in northwestern Ontario. The Company has secured a sizeable 3-year project as a baseline and launching point for further business development and growth in the region.
- BluMetric continued to build on its mining backlog, including the engineering and design of remedial solutions and the care and maintenance of closed mining facilities.
- Several large projects in the Arctic were carried out involving the deployment of new equipment and cutting edge technology, enabling the company to target remote and previously underserved locations - an area in which BluMetric sees great potential.
- BluMetric completed construction of a trailer mounted pilot system that became operational in the quarter. This pilot was deployed with one of the largest solid waste disposal companies in North America to provide process ratification on the treatment of leachate as well as to a small number of mining companies for ammonia removal and cyanide segregation and reduction.

## Outlook

Following recent business model enhancements in support of a sector-specific sales strategy, BluMetric continues to strengthen the Company's activities and presence in its major market segments: Mining, Food & Beverage, Industrial Wastewater, Military, Government, and Environmental Site Assessment and Remediation. In particular, the Company is positioning itself to participate more fully in a strong and revitalized mining sector through both geographic growth and the expansion of its service offerings.

In addition, BluMetric is focused on enhancing business development with a renewed emphasis on innovation and meeting long-term client needs through the creation of holistic solutions designed with the prevention of problems in mind. Leveraging industry experience and know-how gained off a track record that spans 40+ years, the Company sees this as a notable differentiator in terms of its value proposition and key to BluMetric's positioning for growth moving forward.

## Financial Summary

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017	Six Months Ended March 31, 2018	Six Months Ended March 31, 2017
	(\$000)	(\$000)	(\$000)	(\$000)
Revenue	7,708	7,219	15,268	15,507
Gross profit	1,616	1,604	3,288	3,300
Gross margin %	21%	22%	22%	21%

Operating expenses	1,311	1,349	2,734	2,629
EBITDA <sup>1</sup>	325	353	625	868
Adjusted EBITDA <sup>2</sup>	341	360	644	841
Net earnings	169	90	269	318
Earnings per share -basic	0.01	0.00	0.01	0.01
Earnings per share -diluted	0.01	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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