

BluMetric Announces Financial Results for Q3 FY2020

Ottawa, Ontario--(Newsfile Corp. - August 31, 2020) - BluMetric Environmental Inc. (TSXV: BLM) ("BluMetric" or the "Company") , a full-service environmental consulting and engineering cleantech firm, today announced its financial results for the quarter ended June 30, 2020, recording revenue of \$6.9 million and net earnings of \$673,000.

BluMetric's third quarter was better than expected, despite uncertainty and disruption caused by the COVID-19 pandemic. The Company experienced a notable increase in revenue from its Government market, approximately \$550,000 as compared to the quarter ended June 30, 2019, driven in part by the contract for the [provision of an effluent treatment plant](#) at Giant Mine in Yellowknife, Northwest Territories, as well as monitoring projects for the Yukon Government. Revenue from the Company's Military and Mining markets was fairly consistent with Q3 FY2019. Projects in these markets were considered essential and continued largely uninterrupted. Revenue from the Company's Commercial and Industrial market declined by approximately \$400,000 from the previous year, as clients in this sector were hardest hit with pandemic-related shutdowns and project delays.

"The theme for our past quarter is one of resilience," said Scott MacFabe, CEO of BluMetric. "Our client mix provided resilience through market diversification, and the resilience of our team of professionals has allowed us to continue to deliver needed solutions efficiently and safely, as has been reflected in our third quarter results. As conditions continue to open up, we are excited about ongoing opportunities to leverage that resilience and our strong reputation in key markets."

Q3 FY2020 Highlights

- **Earnings before provision for income tax** were \$943,000 and net earnings were \$673,000 at June 30, 2020. Included in earnings for the quarter is \$833,000 in government grants received as a subsidy for wages. Without this subsidy, earnings before provision for income tax were \$110,000. This is compared to earnings before income tax of \$12,500 in the same quarter of the previous year.
- **Revenue** for the quarter ended June 30, 2020 was \$6.9 million, a slight decrease compared to \$7.0 million for the quarter ended June 30, 2019.
- **Gross margin** increased to 20% for the quarter, compared to 18% for the same quarter of the previous year. This increase is mainly a result of the implementation of staffing strategies as a result of the pandemic.
- **Operating costs** decreased slightly to \$1.1 million from \$1.2 million in the same quarter of the previous year. The Company continues to reduce and hold on discretionary spending. The decline in operating costs as a result of these initiatives was offset by an increase in the Company's provision for credit losses on receivables.
- **EBITDA and Adjusted EBITDA** (see Note 1 and Note 2 definition below) increased to \$1.2 million at June 30, 2020 from \$154,000 at June 30, 2019.
- The Company entered into an amended credit facilities agreement with its bank on July 13, 2020. This agreement amended both the composition of the Company's borrowing limit, as well as the associated covenants. The borrowing limit is now a \$2,500,000 shared limit between its overdraft facility and letter of credit, whereas previously the Company had \$2,000,000 for its facility and \$500,000 for letters of credit. Additionally, some changes were made with respect to covenants under the agreement.

Outlook

As travel restrictions ease, BluMetric is leveraging its long-standing presence in the North, positioning key resources to serve project needs. Government spending under existing standing offers, previously under-utilized, is now picking up. Project demand remains strong in Nunavut and generally across the Government sector. The Company is well-positioned to deliver on these projects due to strategic staffing placements in the Territories.

The Company will begin a phased approach to office re-entry, based on guidelines from public health officials and informed by its own expertise in occupational health and safety. The Company will keep the safety of its people and clients a priority as this process unfolds, and looks forward to enhanced collaboration opportunities.

Uncertainty remains with respect to the next phases of the pandemic. BluMetric continues to pay close attention to developments and impacts. Maintaining a balanced portfolio across the Company's key markets will allow it to remain resilient and capitalize on new opportunities. Of note, the Company's expertise in occupational hygiene has resulted in sizeable new engagements to provide expertise and training related to COVID-19 protocols and the management of risks within institutional and commercial settings.

Financial Table

	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Nine Months Ended June 30, 2020	Nine Months Ended June 30, 2019
	(\$000)	(\$000)	(\$000)	(\$000)
Revenue	6,858	7,035	18,202	21,626
Gross profit	1,342	1,297	3,263	4,440
Gross margin %	20%	18%	18%	21%
Operating expenses	1,118	1,170	3,580	3,625
Gain on disposal of property, plant and equipment	-	-	(948)	-
Goodwill impairment	-	-	1,592	-
Other income	(833)	-	(833)	-
EBITDA ¹	1,177	154	218	893
EBITDA ¹ - Excluding IFRS 16	1,067	154	(94)	893
Adjusted EBITDA ²	1,177	154	862	893
Adjusted EBITDA ² - Excluding IFRS 16	1,067	154	550	893
Earnings (loss) before provision for income tax	943	13	(512)	442
Income tax expense	270	3	239	130
Net earnings (loss)	673	10	(751)	312
Earnings (loss) per share - basic and diluted	0.02	0.00	(0.03)	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 before gain or loss on sale of property, plant and equipment and impairment of goodwill.

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

About BluMetric Environmental Inc.

BluMetric Environmental Inc. is an established 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 over 150 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 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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