

BluMetric Ends 2022 Fiscal Year With Positive Results

Ottawa, Ontario--(Newsfile Corp. - January 26, 2023) - BluMetric Environmental Inc. (TSXV: BLM), a full-service environmental consulting and engineering cleantech firm, is pleased to announce its financial results for the quarter and year ended September 30, 2022.

"In 2022, the Company invested in people, technology and innovation in order to drive future growth. We have a robust customer base as a result of our focus on client service, which, combined with our talented team and the oversight of our Board of Directors, bodes well for the future of the Company," said Scott MacFabe, CEO of BluMetric.

Highlights

Revenues in the **Commercial/Industrial** and **Government** markets grew in 2022 compared to 2021. The reduction in higher margin COVID-related projects was offset by new contract awards, particularly in remediation work for brownfield development, as the economy emerged from the COVID pandemic slowdown. Continued investment in expertise in remediation and risk assessment, positions the Company well for future land development projects.

Revenues in the **Mining** and **Military** markets decreased from 2021, as BluMetric successfully completed significant contracts in both these sectors. Margins in the mining market increased in 2022, as the Company focused on higher value services. Investments in leadership and technology in these sectors in 2022 has the Company well-positioned to compete and win more work going forward.

Operating expenses increased in 2022 primarily due to higher spending in information technology as well as increased activities post-pandemic.

BluMetric continued to actively leverage the successes of past projects to expand and diversify client relationships, strategic partnerships and service offerings and invest in technology and innovation. The Company's water and wastewater cleantech solutions and services continue to be a source of revenue strength and project success.

Financial Highlights

- **Revenue** for the year was \$34.3 million compared to \$35.5 million for the year ended September 30, 2021. Revenue for the fourth quarter of fiscal year 2022 was \$9.9 million compared to \$9.7 million in the fourth quarter of fiscal year 2021.
- **Gross margin** for fiscal year 2022 was 22% compared to 27% for fiscal year 2021. Gross margin for the fourth quarter of fiscal year 2022 was 18% compared to 24% over the same quarter in fiscal year 2021.
- **Operating expenses** for fiscal year 2022 were \$5.8 million compared to \$4.8 million for fiscal year 2021. Operating expenses for the fourth quarter of fiscal year 2022 was \$1.6 million compared to \$1.3 million in the fourth quarter of fiscal year 2021.
- **EBITDA** (see Note 1 below for definition) for the 2022 fiscal year decreased to \$2.2 million from \$5.2 million in the previous year. EBITDA for the fourth quarter decreased to \$289,000 in 2022 from \$1.2 million in same quarter of fiscal 2021.
- **Net cash** (see Note 3 below for definition) at September 30, 2022 was \$3.6 million, a \$800,000 improvement from \$2.8 million at September 30, 2021.

Outlook

BluMetric is benefitting from increased activity in markets that were impacted by COVID-related slowdowns as businesses emerge from the pandemic, and anticipates improved sales across all markets, despite new economic pressures resulting from the current inflationary environment.

BluMetric's market diversity, client-responsive service and reputation has supported the Company's ability to adapt to changing economic conditions. Additionally, the Company is working to capitalize on strong relationships with clients and Indigenous partners to continue to unlock value for clients and new opportunities for the Company. BluMetric builds partnerships with its customers by delivering a long-term, holistic approach to managing their complete environmental needs and health and safety responsibilities.

BluMetric's newly expanded cleantech production facility is expected to support increased demand for the Company's water and wastewater technology and services. The Company expanded its suite of products for water and wastewater treatment, launching development of a mid-sized emergency potable water treatment system and a mobile wastewater treatment plant. These resilient water solutions are highly flexible and cost efficient, allow for rapid deployments, and are drawing international interest as they are well placed to support critical water needs in areas of global conflict.

The Company's strong financial position provides the flexibility to respond to new opportunities as they arise, as BluMetric continues to pursue new revenue contracts, actively manage costs and ensure sufficient liquidity.

Financial Table

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Year Ended September 30, 2022	Year Ended September 30, 2021
	(\$000)	(\$000)	(\$000)	(\$000)
Revenue	9,935	9,699	34,318	35,479
Gross profit	1,757	2,345	7,562	9,421
Gross margin %	18%	24%	22%	27%
Operating expenses	1,602	1,286	5,834	4,783
Operating profit	155	1,060	1,727	4,639
Finance costs	13	30	99	312
Earnings before provision for income tax	142	1,029	1,628	4,327
Income tax expense (recovery)	(47)	(257)	305	601
Net earnings	189	1,287	1,323	3,726
Basic earnings per share	0.01	0.04	0.05	0.13
EBITDA ¹	289	1,206	2,243	5,242
Free cash flow ²			672	2,975
Net cash ³			3,590	2,793

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 operating cash flows less capital expenditures and net payment of lease obligations.

Note 3: Net cash (debt) 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 Thursday, March 2, 2023

Due to the close proximity of reporting periods, BluMetric will host a conference call on **Thursday, March 2 at 1:00 pm Eastern** time to discuss both FY 2022 and Q1 2023 results. To join the call, please dial **1-888-664-6392** (Toll-Free North America) and enter **confirmation number 07337596**.

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 170 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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