

BluMetric Reports Q3 FY2019 Earnings

Ottawa, Ontario--(Newsfile Corp. - August 29, 2019) - BluMetric Environmental Inc. (TSXV: BLM), a full-service environmental consulting and engineering cleantech firm, today announced its financial results for the period ended June 30, 2019, recording revenue of \$7.0 million and net earnings of \$10,000 for Q3 of its fiscal 2019 year.

Q3 FY2019 Financial Highlights

- **Earnings before provision for income tax** were \$12,000 and **net earnings** were \$10,000 for the three months ended June 30, 2019, compared to earnings before income tax and net earnings of \$65,000 in the same quarter of the previous year.
- **EBITDA** (see Note 1 definition below) decreased to \$154,000 for the three months ended June 30, 2019 from \$217,000 at June 30, 2018.
- **Gross margin** for the quarter fell from 20% to 18% compared to the same quarter of the previous year.
- **Revenue** for the quarter declined to \$7.0 million from \$8.4 million when compared to the same quarter of the previous year for a decline of 16%.
- **Operating costs** decreased to \$1.2 million from \$1.5 million in the same quarter of the prior year.

Both revenues and net income were down when compared to the third quarter of the previous year. This was mainly the result of slower than usual spending within its Government market vertical, particularly on the federal level, in connection with this fall's upcoming election. In addition, Q3 of FY2018 had a high level of activity in engineered solutions projects, which did not repeat in Q3 of FY2019.

"Although the Company experienced weaker financial results this period, Q3 held some significant operational advances as far as positioning BluMetric for diversified and increased growth in the mid and longer term," said Scott MacFabe, BluMetric's CEO. "In particular we are excited with developments in our efforts to expand our client base and services in the domestic market and access the U.S. market through an agreement with a California based industry leader in the cleantech space."

Operational Highlights

During the third quarter, the Company achieved the following successes:

- **U.S. Market Teaming Agreement** - As announced in the press release dated July 10, 2019, the Company is proud to have partnered with a leading, 100% environmental American cleantech company in a mutually beneficial agreement. Through this teaming agreement, BluMetric will support its American partner in accessing new opportunities in Canada and will also allow BluMetric to service Canadian clients with a U.S. presence. Additionally, this teaming agreement provides a basis to expand BluMetric's reach for water technology solutions.
- Throughout the quarter, investments were made to support the development of new water treatment technology related to the production of clean water in remote settings. These investments will continue in response to the interest and demand identified in the mining sector and First Nations communities throughout Canada. Creating cost-effective water solutions for governments and private industry opens up new revenue opportunities for BluMetric.
- The Company initiated construction and remedial engineering oversight for a major mining company in Q3, while also securing additional engineering design projects with a prominent mining firm in northern Ontario.
- Amid lower activity and revenue from the government market this quarter, BluMetric is pleased to note an increase in revenues from Yukon based projects including from contaminated site assessment work, which was initiated in Q2 and is leading to a larger multi-year project. The Company has also signed on for various groundwater protection plan studies in this territory. Additionally, BluMetric completed several northern remediation projects in the Arctic further showcasing the Company's ability to execute complex field programs in remote settings.
- Environmental due diligence and risk assessment work remained steady during the quarter as development demand continues, particularly in the Toronto area.

Outlook

The decline in Government spending during the quarter is attributed to the pending federal election and is expected to continue to impact BluMetric's shorter term financial results. The Company expects spending to pick up once the election is over and remains optimistic with this market's prospects. In particular, BluMetric is focusing on the new government funding initiatives and programs as they relate to northern contaminated sites, an area in which BluMetric excels and has a proven track record on. Efforts were invested during Q3 of FY2019 to secure long-term standing offer agreements, which is how these funds will be allocated from the government to the private sector.

BluMetric will continue to invest in research and development of new environmental products and solutions, which will enable the Company to become a dominant player in the environmental sector. Additionally, access to the US market through the teaming agreement further enhances BluMetric's growth prospects.

Financial Summary

	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Nine Months Ended June 30, 2019	Nine Months Ended June 30, 2018
	(\$000)	(\$000)	(\$000)	(\$000)
Revenue	7,035	8,416	21,626	23,684
Gross profit	1,297	1,653	4,440	4,941
Gross margin %	18%	20%	21%	21%
Operating expenses	1,170	1,459	3,625	4,193
EBITDA ¹	154	217	893	842
Earnings before provision for income tax	12	65	442	335
Income tax expense	2	-	130	-
Net earnings	10	65	311	335
Earnings per share - basic	0.00	0.00	0.01	0.01
Earnings per share - diluted	0.00	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.

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

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 over 170 employees operating in nine offices and over 40 years of expertise. Headquartered in Ottawa, Ontario, BluMetric's team of industry experts serves Commercial, 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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