

BluMetric Announces First Quarter FY2016 Results

OTTAWA, Feb. 29, 2016 /CNW/ - BluMetric Environmental Inc. (TSXV: BLM), an Ottawa-based cleantech company, announces the following unaudited results for the first quarter of fiscal year 2016.

"We have in the last five quarters consistently met our primary goal of sustainable and profitable growth," said Roger Woeller, CEO of BluMetric. "We are doing this by reinforcing the foundation of our strong existing historical business as well as investing at a significant level in our staff, new products, and technology. We still have much to do, but our success invigorates our initiative."

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

Financial Highlights

- **Net income:** \$16,000 in Q1 of fiscal year 2016 compared to \$114,000 in the same quarter of the prior year.
- **Revenues:** \$7.9 million for the quarter ended December 31, 2015 compared to \$7.8 million for the same quarter of fiscal 2015, based mainly on growth in Professional Services.
- **Gross margins:** Lower by 3 points quarter-over-quarter. The lower margin is partially attributed to a change in the revenue mix between Professional Services and Water Systems as the gross margin on engineered solutions projects tends to be higher than fee-for-service projects.
- **Sales, general, and administrative (SG&A) costs:** Decreased to \$1.2 million in Q1 of fiscal year 2016 compared to \$1.4 million in Q1 of fiscal year 2015. This decrease reflects the impact of the Company's ongoing cost-reduction measures.
- **EBITDA:** (see Note 1 definition below) changed to \$0.4 million for the three months ended December 31, 2015 compared to \$0.5 million in the same period in the prior year.
- BluMetric remains in violation of a debt covenant under its bank credit facility and is currently operating under a forbearance agreement with its current bank lender. The Company continues to actively pursue a replacement credit facility.
- BluMetric completed a debt-to-equity conversion of \$892,025 of certain existing debt for common shares of the Company (as announced September 28, 2015), improving the balance sheet and demonstrating the support of BluMetric's employees and stakeholders.

Operational Highlights of the Quarter

- BluMetric added several significant additional multi-year contracts with new and existing clients, including water monitoring and engineering projects in Northern Ontario.
- The Company completed delivery of eight packaged wastewater treatment plants and six oil/water separators, as part of previously announced contracts, to the Panama Canal Authority expansion project. Installation continues.
- Our first COBRA (Combined BioReActor) plant for a client in Guatemala has begun commissioning and will be the Company's flagship implementation for this new proprietary product.
- BluMetric successfully overhauled and repaired two ROWPUs (Reverse Osmosis Water Purification Units) for the Canadian Department of National Defence, as per our contract.
- BluMetric consolidated its engineering team to optimize interaction between this critical function and all other areas of the Company, including research and innovation, sales engineering during business development efforts, and project execution.

Outlook

BluMetric continues to strengthen its base business under the newly unified brand, supported by the reorganization of the Systems Delivery management group as well as newly streamlined design and fabrication processes. Our identified growth areas are proving fruitful to our improved business development team, especially in areas such as energy, the north, food processing services, and groundwater monitoring and assessment - all areas in which BluMetric has special expertise. We continue to emphasize controlling costs and building margins.

Financial Summary

	Three Months Ended December 31, 2015	Three Months Ended December 31, 2014
	(\$000)	(\$000)
Revenue	7,937	7,779
Gross profit	1,476	1,725
Gross margin %	19%	22%
SG&A expenses	1,237	1,436
EBITDA ¹	381	532
Adjusted EBITDA ²	273	532
Net income	16	114
Income per share -basic	0.00	0.00
Income per share -diluted	0.00	0.00

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, unrealized gains on investments held for sale and impairment of goodwill.

For additional information, please refer to the Company's filings at www.sedar.com.

About BluMetric

BluMetric Environmental Inc. is a diverse water, earth, and energy company providing solution-oriented consultation, design, products, and construction services to clients with complex environmental issues in more than 61 countries. With our award-winning team of industry experts and technology, BluMetric provides the finest effective and sustainable solutions to environmental challenges. BluMetric is a publicly traded Canadian company (TSX-V: BLM), headquartered in Ottawa, Ontario. For more information, visit www.BluMetric.ca.

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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