

BluMetric Announces Q1 2024 Financial Results

Ottawa, Ontario--(Newsfile Corp. - February 29, 2024) - BluMetric Environmental Inc. (TSXV: BLM) ("BluMetric" or "the Company"), a full-service environmental consulting and engineering cleantech firm, announces its financial results for the first quarter ended December 31, 2023.

Financial Highlights

- **Gross margin** for the quarter ended December 31, 2023, was 42% compared to 32% (as restated; see note below) for the same quarter in the previous year.
- **Revenue** for the quarter ended December 31, 2023, was \$8.5 million compared to \$10.5 million for the same period in 2022.
- **EBITDA** (see definition below) for the quarter ended December 31, 2023, was \$0.6 million, compared to \$0.9 million in the same quarter of the previous year.
- **Net earnings** for the quarter ended December 31, 2023, was \$0.2 million compared to \$0.5 million in the same quarter of the previous year.
- **Working capital** (see definition below) as at December 31, 2023 was \$11.2 million, compared to \$11.4 million as at December 30, 2022.
- **Net cash** (see definition below) as at December 31, 2023 was \$0.8 million, compared to net cash of \$2.9 million at December 31, 2022. The Company expects an increase in its net cash as it is awaiting a large payment from a government client whose fiscal year end is March 31.
- **Sales orders** closed during the trailing twelve month period ending December 31, 2023 of \$50.6 million.

"We had a good start to the year showcased by our continued profitability and gross margins reflecting more ideal contracts," stated Scott MacFabe, CEO at BluMetric Environmental Inc. "While maintaining a long-term focus on profitability and a robust balance sheet, we continue to strike a balance by making strategic investments for growth. The next twelve months will be an important period as we execute on our record backlog, aim to expand the geographical reach of our cleantech systems, and explore potential acquisitions."

Business Outlook

This quarter continued to demonstrate management's commitment to sustainable profitability while simultaneously investing in future growth and resiliency. The Company believes that its financial position, consisting of adequate working capital and minimal debt, offers the ability to deliver on its record order backlog.

With the addition of key sales personnel in 2023, along with the growth of cleantech business in Atlantic Canada, BluMetric established a satellite office. The office will support BluMetric's business development and the service and support of its key clients in the region. This ongoing investment in the Company's cleantech water systems aims to enhance both geographical reach and personnel capabilities in engineering and operations.

In addition, BluMetric has launched a new Operations and Maintenance (O&M) division, which will deploy an expanding team of field service representatives across Canada and the globe.

Subsequent to the quarter, BluMetric announced a \$5.3 million extension for a service and support contract for Canada's Department of National Defence Reverse Osmosis Water Purification Units (ROWPU), which is expected to be delivered in calendar year 2024. In addition, the Company won an \$0.4 million proof of concept contract from a multinational defence contractor to optimize onboard potable water quality.

These contracts highlight the Company's versatile cleantech service capabilities which extend across both land and sea applications. They are also an important part of the overall growth strategy to build a larger base of recurring and higher margin revenues.

Overall, BluMetric sees upcoming quarters focused on execution to capitalize on opportunities through its recognizable presence in environmental consulting services and clean water technologies.

Financial Table

	Three Months Ended December 30, 2023	Three Months Ended December 30, 2022 (restated¹)
	(\$000)	(\$000)
Revenue	8,525	10,478
Gross profit	3,584	3,396
Gross margin	42%	32%
Operating expenses	3,148	2,620
Operating profit	436	776
Finance costs	57	21
Earnings before provision for income tax	378	755
Income tax expense (recovery)	137	299
Net earnings	241	456
Earnings per share – basic and diluted	0.01	0.02
EBITDA ²	613	920
Free cash flow ³	386	536
Working capital ⁴	11,194	11,394
Net cash (debt) ⁵	757	2,216

Note 1: During the preparation of the financial statements for the period ended December 31, 2023, the Company determined that the indirect labour costs that do not contribute to revenue generating projects should be reclassified as overhead expenses under the Sales, general and administrative caption. The Company had previously accounted for the amounts under the Cost of sales caption. There is no effect on basic or diluted net earnings per share.

Note 2: EBITDA represents net income before interest expense, income taxes, depreciation of property and equipment, and amortization of intangible assets. The Company uses this measure as part of assessing operating performance. There is no direct comparable IFRS measure for EBITDA.

Note 3: Free cash flow is a non-IFRS measure and is calculated as operating cash flows less net capital expenditures and net payment of lease obligations.

Note 4: Working capital is a non-IFRS measure and is calculated by subtracting current liabilities from current assets. There is no directly comparable measure under IFRS.

Note 5: Net cash (debt) is a non-IFRS measure and is calculated as cash less total funded debt excluding lease liabilities. The Company uses this measure as part of assessing liquidity. There is no directly comparable measure under IFRS.

The full results are available at [sedarplus.ca](https://www.sedarplus.ca).

Pursuant to the Company's Board compensation policy, BluMetric has granted options of 199,000 common shares to Directors and Employees of the Company. These options are granted effective February 28, 2024, vest over two years, and are exercisable into common shares of BluMetric at a price of \$0.48 per share for a period of seven years.

BluMetric to Host Investor Conference Call

BluMetric will host a conference call today on **Thursday, February 29, 2024, at 1:00 PM ET (10:00 AM PT)** to discuss the results. To join the conference call without operator assistance, enter your details and phone number at <https://empportal.ink/3S9Zcc0> for an instant callback. While we recommend joining closer to the start time, participants can join up to 30 minutes early, connecting to the call with hold music until the scheduled start.

You can also dial directly to be entered into the call by an Operator. Please dial **1-888-664-6392** (Toll-Free North America) and enter **confirmation number 57247649**.

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 175 employees operating in ten offices and over 45 years of expertise. Headquartered in Ottawa, Ontario, BluMetric's team of industry experts serves Commercial and Industrial, Military, Mining and Government clients.

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.sedarplus.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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