

BIOREM Reports Second Quarter 2018 Financial Results

Guelph, ON, August 28, 2018 – BIOREM Inc. (TSX-V: BRM) (“Biorem” or “the Company”) today announced its results for the three and six-month periods ended June 30, 2018. Biorem’s complete second quarter financial statements and MD&A have been filed on SEDAR (www.sedar.com).

Financial Summary:

in Canadian dollars, '000's except earnings per share				
	Three-months ended		Six-months ended	
	June 30		June 30	
	2018	2017	2018	2016
Revenue	5,186	5,672	9,069	8,755
Gross profit	1,120	1,261	1,936	2,405
Operating expenses	852	1,329	1,833	2,460
Ebitda*	279	(58)	115	(37)
Net earnings (loss)	267	(68)	99	(50)
EPS - basic	0.01	-	-	-
EPS - fully diluted	0.01	-	-	-

* Earnings before interest, taxes and amortization, a non IFRS financial measure

Biorem’s revenues for the second quarter were \$5.2 million a 46% increase over the previous quarter and 8.5 % or \$800,000 below revenues reported in the same quarter in 2017. Year-to-date revenues totaled \$9.1 million, comparable to the \$8.8 million reported for the first six months of 2017. The increase in revenues in the second quarter was due to a higher order backlog at the beginning of the period.

Gross profit for the quarter was \$1.1 million or 21.6% of revenue compared to \$1.2 million of gross profit representing 22.2 % of revenue recorded during the second quarter of 2017. Total operating expenses (net of other income) for the quarter were \$856,000 against \$1,329,000 in the same period the prior year. The decrease in operating expenses was primarily due to a \$282,000 foreign exchange loss recorded the second quarter of 2017 while in the second quarter of 2018 a \$156,000 foreign exchange gain was recognized. Ebitda for the quarter was \$279,000 compared to a \$58,000 ebitda loss in the second quarter of 2017.

Net earnings for the quarter were \$267,000, with year-to-date earnings totalling \$99,000 compared to a net loss of \$50,000 for the first half of 2017.

“Financial performance for the second quarter was in line with management expectations and consistent with the same quarter a year ago”, said Derek S. Webb, President and CEO. “Of particular interest is the \$6.3 million in order bookings in the quarter bringing total orders booked in the first half of 2018 to \$12.3 million and an order backlog of \$22.5 million at June 30, 2018. Included in the \$6.3 million of second quarter bookings was \$2 million of orders booked for projects in China. Orders received subsequent to June 30, 2018 have increased the order backlog to \$26 million. Order opportunities and booking rates continue to be high.”

Cash on hand decreased during the quarter to \$3.6 million from \$5.8 million on March 31, 2018. Earnings from operating activities generated \$306,000 of cash but increased operating activities during the quarter resulted in \$2.5 million of cash being invested in non-cash working capital particularly accounts receivable and unbilled revenue.

Bookings during the quarter were \$6.3 million resulting in an order backlog of \$22.5 million on June 30, 2018.

About BIOREM Inc.

BIOREM is a leading clean technology company that designs, manufactures and distributes a comprehensive line of high-efficiency air emissions control systems used to eliminate odors, volatile organic compounds (VOCs), and hazardous air pollutants (HAPs). With sales and manufacturing offices across the continent, a dedicated research facility, a worldwide sales representative network and more than 1,200 installed systems worldwide, BIOREM offers state-of-the-art technology-based products and peace of mind for municipalities, industrial companies and their surrounding communities. Additional information on Biorem is available on our website at www.biorem.biz.

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