

## 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](http://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](http://www.biorem.biz).

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