

Biorem Reports Second Quarter Results

Guelph, Ontario – August 29, 2019 – BIOREM Inc. (TSX-V: BRM) (“Biorem” or “the Company”) today announced its results for the three and six-month periods ended June 30, 2019. Biorem’s complete second quarter financial statements and MD&A have been filed on SEDAR (www.sedar.com).

FINANCIAL HIGHLIGHTS:

in Canadian dollars, '000's except earnings per share				
	Three-months ended		Six-months ended	
	June 30		June 30	
	2019	2018	2019	2018
Revenue	5,946	5,186	10,007	9,069
Gross profit	1,335	1,120	2,039	1,936
Operating expenses	1,079	852	1,903	1,833
Ebitda*	295	279	199	115
Net earnings	258	267	139	99
EPS - basic	0.007	0.007	0.004	0.003
EPS - fully diluted	0.007	0.007	0.004	0.003

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

Biorem’s revenues for the second quarter were \$5.9 million, a 46% increase over the previous quarter and 15 % and \$761,000 above revenues reported in the same quarter in 2018. Year to date revenues totalled \$10.0 million, comparable to the \$9.1 million reported for the first six months of 2018. 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 \$1.3 million or 22.4% of revenue compared to \$1.1 million of gross profit representing 21.6 % of revenue recorded during the second quarter of 2018. Total operating expenses (net of other income) for the quarter were \$1,079,000 against \$852,000 in the same period the prior year. The increase in operating expenses was primarily due to an \$130,000 increase in legal expenses and a \$130,000 reduction in foreign exchange gain recorded. Ebitda for the quarter was \$295,000 compared to \$279,000 of ebitda in the second quarter of 2018.

Net earnings for the quarter were \$258,000, with year to date earnings totalling \$139,000 compared to net earnings of \$98,000 for the first half of 2018.

“Financial performance for the second quarter and year to date are in line with management expectations,” said Derek S. Webb, President and CEO. “Bidding activity remains very high and while bookings have been moderate to date they are expected to increase over the second half of the year. In addition, Business development activities in china continue to be accelerated and management anticipates continued growth in 2019.”

Cash on hand decreased during the quarter to \$5.8 million from \$6.5 million on March 31, 2019. Earnings from operating activities generated \$320,000 of cash but increased operating activities during the quarter resulted in \$941,000 of cash being invested in non-cash working capital particularly accounts receivable and a reduction in accounts payable.

Bookings during the quarter were \$3.3 million resulting in an order backlog of \$23.0 million on June 30, 2019.

Appointment of Vivian Yuan as Director

The Company further announces that the board of directors has appointed Vivian Yuan as a director effective August 28, 2019. Ms. Yuan has 20 years’ experience in venture capital as well as in the environmental protection industry. The appointment is subject to the approval of the TSX.

Management is very pleased at the appointment of M.S Yuan to the Board. Since the transaction in 2016, she has been a very strong supporter of BIOREM and has provided instrumental support with our growth initiatives in China. As we look to expand further, her experience and connections are expected to be a strong asset for continued growth.

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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