

Biorem Reports Third Quarter Results

Guelph, Ontario – November 20, 2019 – BIOREM Inc. (TSX-V: BRM) (“Biorem” or “the Company”) today announced its results for the three and nine-month periods ended September 30, 2019. Biorem’s complete third 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		Nine -months ended	
	September 30		September 30	
	2019	2018	2019	2018
Revenue	6,266	4,392	16,273	13,461
Gross profit	1,731	1,049	3,769	2,985
Operating expenses	1,048	816	2,951	2,649
Ebitda*	703	256	901	354
Net earnings	682	232	821	331
EPS - basic	0.02	0.01	0.02	0.01
EPS - fully diluted	0.02	0.01	0.02	0.01

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

Biorem’s revenues for the third quarter were \$6.3 million, a 5% increase over the previous quarter and 43% and \$1.9 million above revenues reported in the same quarter in 2018. Year to date revenues totalled \$16.3 million, a 21% increase over the \$13.5 million reported for the first nine months of 2018.

Gross profit for the quarter was \$1.7 million or 27.6% of revenue compared to \$1.0 million of gross profit representing 23.9 % of revenue recorded during the third quarter of 2018. Total operating expenses (net of other income) for the quarter were \$1,048,000 against \$816,000 in the same period the prior year. The increase in operating expenses was primarily due to an increase in sales and marketing expenses and an increase in legal expenses. Ebitda for the quarter was \$703,000 compared to \$354,000 of ebitda in the third quarter of 2018. Ebitda for the nine months ended September 30, 2019 was \$901,000.

Net earnings for the quarter were \$682,000, with year to date earnings totalling \$821,000 compared to net earnings of \$331,000 for the first nine months of 2018.

“Revenues for the first nine months of the year have a set a record for the Company and net earnings are also in the top of the range for the first nine months of a year,” said Derek S. Webb, President and CEO. “While bookings of \$3.9 million were lighter than in previous recent quarters this is largely due to timing and we expect significant booking in the fourth quarter to bring total 2019 bookings to an amount exceeding the 2018 bookings of \$25.5 million. Some supply chain issues are likely to have a negative impact on fourth quarter revenues pushing some revenue into the first quarter of 2020.”

The Company’s working capital grew by \$815,000 during the quarter to \$10.3 million on September 30, 2019. Cash on hand decreased during the quarter to \$5.3 million from \$5.8 million on June 30, 2019. Earnings from operating activities generated \$830,000 of cash but increased operating activities during the quarter resulted in \$876,000 of cash being invested in non-cash working capital particularly a reduction in accounts payable and unearned revenue.

Bookings during the quarter were \$2.9 million resulting in an order backlog of \$20.0 million on September 30, 2019.

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.

For further information contact:

Derek Webb, President and Chief Executive Officer
dwebb@biorem.biz
Tel: (519) 767-9100

or

Douglas Newman, Chief Financial Officer
dnewman@biorem.biz
Tel: (519) 767-9100