

BIOREM Reports First Quarter 2019 Financial Results

GUELPH, ON, May 29, 2019 /CNW/ - BIOREM Inc. (TSX-V: BRM) ("Biorem" or "the Company") today announced results for the three month period ended March 31, 2019. Biorem's complete 2019 first quarter financial statements and MD&A have been filed on SEDAR (www.sedar.com).

Financial Summary:

(in CAD\$'000 except per share data)	Three-months ended		
	March 31,	December 31	
Revenue	4,061	3,883	10,871
Gross profit	704	815	3,393
Ebitda*	(96)	(165)	1,412
Net earnings (loss)	(119)	(169)	4,334
Basic earnings per share	0.00	0.00	0.11
Diluted earnings per share	0.00	0.00	0.11

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

Revenues for the quarter totalled \$4.1 million a \$178,000 or 4.6% increase from revenues of \$3.9 million recorded during the first quarter of 2018 and a 63% decrease over the previous quarter. The decrease in first quarter revenues was due to delayed client construction schedules, shifting project deliveries into the 2019 second and third quarters.

Gross profit in the quarter of \$704,000, represented 17% of revenue, compared to \$815,000 and 21% of revenue in the first quarter of 2018 and \$3.4 million and 31% of revenue in the immediately preceding quarter. The decrease in gross margin percentage from the same period a year ago was due to, on average lower margins on the projects completed in China in the first quarter of 2019 compared to 2018. The decrease in gross profit percentage over the prior quarter was due to the allocation of first quarter 2019 fixed engineering costs over a comparably lower revenue amount. Operating expenses for the quarter were \$1.4 million, which was an increase of \$200,000 from the \$1.2 million in operating expenses incurred for the same period ended in the prior year. The company recorded a gain from foreign exchange of \$573,000.

The Company booked new orders totalling \$9.4 million in the quarter resulting in a backlog of orders at March 31, 2019 of \$26.5 million compared to an order backlog of \$21.6 million at March 31, 2018.

"The lower Q1 revenues are an example of the quarterly fluctuations we can experience due to project delivery timing," said Derek S. Webb, President and CEO. "Bidding activity and order bookings have been strong in the first five months of 2019, and provide good visibility for the next several quarters. Normal quarterly fluctuations due to construction schedules are expected to create some variability in quarterly revenues for the balance of the year."

The Company's cash position stood at \$6.5 million on March 31, 2019, compared with the \$4.0 million held on December 31, 2018. Working capital at the end of the quarter was \$9.2 million slightly down from \$9.7 million held at December 31, 2018 and up \$2.0 million from \$7.2 million at March 31, 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 worldwide sales representative network and more than 1,300 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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