Bluedrop Releases Q1 2018 Financial Results

Q1 Revenues Up – Driven by the Training and Simulation business

ST. JOHN'S, Newfoundland and Labrador--(BUSINESS WIRE)--February 28, 2018--Bluedrop Performance Learning ("Bluedrop") (TSX-V: BPLI) today reported its financial results for the three months ended December 31, 2017.

Revenues for the three months ended December 30, 2017 were $5.1 million, up from $4.7 million, an increase of 9% on the same period in the previous year. Gross profit for the period was $1.9 million, a decrease of $0.3 million over the three month period ended December 31, 2016. Pre-tax income was a loss of $0.4 million for the three month period compared to a loss of $0.4 million in the same period in the previous year. After tax income for the period was a loss of $0.3 million compared to after tax loss of $0.4 million for the same period in the previous year.

Revenues increased in the first quarter this year compared to the same period last year as a result of higher revenues in the Training and Simulation business unit offsetting lower revenues in the Learning Networks business unit. An increase in simulator construction and courseware development in the current year quarter in the Training and Simulation business unit accounted for the $1.2 million increase in revenues or 36% over the comparable quarter last year. Revenues of $0.6 million in the Learning Networks business unit for the current year quarter were down 56% compared to the same period last year due to lower product and service revenues recognized in the period.

Expenses were $2.3 million in the first quarter this year, a decrease of $0.2 million over that of the comparative quarter last year. The Company invested $0.5 million in research and development in the first quarter of this year compared with $0.7 million in the first quarter last year. Government assistance and other funding decreased by $0.3 million compared to the prior period. The quarter saw a decrease in government assistance and research and development costs as the Boeing Rear Crew Mission Trainer reached completion in the fourth quarter of fiscal 2017. Other expense categories in the consolidated statement of comprehensive income for the three months ended December 31, 2017 were lower by $0.3 million in the aggregate compared to the same quarter last year.

Bluedrop continued to reduce its debt level in the quarter with the early repayment in November 2017 of the $3.0 million convertible debenture due to Difference Capital. Working capital remained positive for the current year period at $2.3 million compared to $2.6 million at year end. The company had cash on hand of $1.8 million at the end of the quarter this year and there was an increase of $0.6 million in cash compared to the same period in the previous year.

For further details please see the Financial Statements and Management's Discussion and Analysis for the quarter ended December 31, 2017 which are available on the Company's web site at www.bluedrop.com or on SEDAR at www.sedar.com.

Commenting on the results for the quarter, Founder and CEO Emad Rizkalla said "The revenue increase in the Training and Simulation business unit in the quarter was very positive and the business unit remains on track for another strong year. Revenues for the Learning Networks business unit were disappointing as we experienced delays in closing some larger projects. We always take a longer-term view of the business and getting the timing right on larger contracts is not always possible but with our strong pipeline we feel we are in a good position to improve the in-year performance for the Learning Networks business unit. We continue to investment in our products and in sales and marketing activities as we believe this will reward us with more new product sales and expanded margins over the coming years. These investments can take time and we believe they will shape the future for Bluedrop and help secure its status as a market innovator and leader, providing even more compelling solutions for our customers."

About Bluedrop

Bluedrop Performance Learning Inc. (TSX-V: BPLI) is an innovator in workplace training for individuals, corporations, military personnel and the public sector. Bluedrop is transforming the workplace globally by designing, developing and delivering practical, actionable and affordable training content that improves individual and overall performance of organizations. For more information, visit www.bluedrop.com**.**

This news release may contain "forward-looking information" as defined in applicable Canadian securities legislation. All statements, other than statements of historical fact included in this release, constitute forward-looking information that involve various risks and uncertainties. Forward-looking information is based on a number of factors and assumptions which have been used to develop such information but which may prove to be incorrect, including, but not limited to, assumptions in connection with the operational efficiencies associated with the integration of technological and financial systems and general economic and market conditions. There can be no assurance that such information will prove to be accurate and actual results and future events could differ materially from those anticipated in such forward-looking information.

Important factors that could cause actual results to differ materially from Bluedrop's expectations include general global economic conditions. For additional information with respect to risk factors applicable to Bluedrop, reference should be made to Bluedrop's continuous disclosure materials filed from time to time with securities regulators, including, but not limited to, Bluedrop's Annual Information Form and Management's Discussion and Analysis of Results of Operations and Financial Condition for the year ended September 30, 2017. The forward-looking information contained in this release is made as of the date of this release and Bluedrop does not undertake to update publicly or revise the forward-looking information contained in this release, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

CONTACT:
Media contact:
Bluedrop Performance Learning Inc.
Bernie Beckett, 709-739-4938
Chief Financial Officer
berniebeckett@bluedrop.com