

Biorem Reports Second Quarter Results

Guelph, Ontario – August 11, 2020 – BIOREM Inc. (TSX-V: BRM) (“Biorem” or “the Company”) today announced its results for the three and six-month periods ended June 30, 2020. 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	
	2020	2019	2020	2019
Revenue	5,957	5,946	12,855	10,007
Gross profit	1,424	1,335	2,772	2,039
Operating expenses	961	1,079	1,680	1,903
Ebitda*	504	295	1,215	199
Net earnings	338	258	801	139
EPS - basic	0.009	0.007	0.021	0.004
EPS - fully diluted	0.009	0.007	0.021	0.004
* Earnings before interest, taxes and amortization, a non IFRS financial measure				

Biorem’s revenues for the second quarter were \$5.9 million a 14% decrease over the previous quarter and on par with the \$5.9 million of revenues reported in the same quarter in 2019. Year to date revenues totalled \$12.9 million, a 22% increase over the \$10.0 million reported for the first six months of 2019. The increase in revenues for the first six months of 2020 was due to a \$30 million order backlog at the beginning of the year compared to a \$22 million order backlog at the beginning of 2019.

Gross profit for the quarter was \$1.4 million or 23.9% of revenue compared to \$1.3 million of gross profit representing 22.5 % of revenue recorded during the second quarter of 2019. Total operating expenses (net of other income) for the quarter were \$961,000 against \$1,079,000 in the same period the prior year. The decrease in operating expenses was primarily due to a decrease in sales travel expenses related to the Covid19 pandemic. Ebitda for the quarter was \$504,000 compared to \$295,000 of ebitda in the second quarter of 2019.

Net earnings for the quarter were \$338,000, with year to date earnings totalling \$801,000 compared to net earnings of \$139,000 for the first half of 2019.

“Management is pleased with the financial performance for the second quarter of this year. A robust management response to the Covid pandemic enabled all aspects of our Operations to continue with little disruption”, said Derek S. Webb, President and CEO. “While we continue to be cautious regarding potential future disruptions in our supply chain and on construction sites due to a possible resurgence of the virus, the outlook for the rest of the year looks positive and is expected to meet with our expectations”.

“New orders have continued to be secured, with approximately \$7.7 million being closed in the second quarter. This results in the BIOREM order backlog being \$30.9 million on June 30, 2020. This provides a strong foundation for revenue over the next twelve months.”

Cash on hand increased during the quarter to \$8.0 million from \$6.5 million on March 31, 2020. Earnings from operating activities generated \$507,000 of cash and a reduction in non-cash working capital added a further \$992,000 of cash.

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 1,500 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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