BIOREM Reports First Quarter 2021 Financial Results

GUELPH, ON, May 19, 2021 /CNW/ - BIOREM Inc. (TSXV: BRM) ("Biorem" or "the Company") today announced results for the three month period ended March 31, 2021. Biorem's complete 2021 first quarter financial statements and MD&A have been filed on SEDAR (www.sedar.com).

Financial Summary:

	Three-months ended		
	March 31,		December 31
(in CDN$'000 except per share data)	2021	2020	2020
Revenue	3,429	6,898	7,934
Gross profit	278	1,349	3,653
Ebitda*	(175)	723	1,562
Net earnings (loss)	(421)	463	1,133
Basic earnings (loss) per share	(0.01)	0.01	0.03
Diluted earnings (loss) per share	(0.01)	0.01	0.03

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

Revenues for the quarter totaled $3.4 million a $3.5 million or 50% decrease from revenues of $6.9 million recorded during the first quarter of 2020 and a 57% decrease over the previous quarter. The lower in revenues reported in the quarter was largely the result of project delays related to customer scheduling and the impact of COVID-19 restrictions and shutdowns on key projects and markets. This temporary decline was not caused by any lack of orders.

Gross profit in the quarter of 278,000, represented 8% of revenue, compared to $1,349,000 and 19.6% of revenue in the first quarter of 2020. The decreased in gross profit during the quarter was solely related to the decline in project deliveries in the quarter.

Operating expenses for the quarter were $836,000, which was an increase of $118,000 from the $718,000 in operating expenses incurred for the same period ended in the prior year. The company recorded a loss from foreign exchange in the quarter of $98,000 while in the same period in 2020 the Company recorded a gain of $283,000.

The Company booked new orders totalling $2.8 million in the quarter resulting in a backlog of orders at March 31, 2021 of $30.5 million compared to an order backlog of $31.0 million at March 31, 2020.

"Both the value of orders booked and revenue recognized in the first quarter of 2021 were below recent quarterly norms." said Derek S. Webb, President & CEO. "Both reductions are related to project delays and are not indicative of future trends or reduction in activities. Several tenders that Biorem is well positioned to win were delayed due to COVID19 –related slowdowns and municipal financing issues. This slowdown extended to many of the orders currently in hand, which also experienced construction delays. Both areas are expected to improve in the latter part of the year."

"Management is encouraged about progress on the exciting R&D project with the city of New York, announced in late 2020. BIOREM's equipment has shipped to site and has been recently installed and commissioned. We expect to begin generating data regarding bio-aerosol mitigation within the next several months. Several key objectives of the study will be to determine whether BIOREM's novel biological reactors are effective in preventing the transmission of bioaerosols such as Legionella and Covid from waste water processing infrastructure. The program has recently been expanded through a partnership with several municipalities and research institutes in the Province of Quebec. We are very excited to be collaborating with these numerous partners and optimistic about the innovative and relevant application of our technology", said Mr. Webb.

The Company's cash position stood at $10.2 million on March 31, 2021, compared with the $8.9 million held on December 31, 2020. Working capital at the end of the quarter was $10.2 million a $300,000 decrease from $10.5 million held at December 31, 2020 and up $800,000 from $9.4 million at March 31, 2020.

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 1,600 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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