Biorem Reports 2021 Financial Results

GUELPH, ON, March 28, 2022 /CNW/ - BIOREM Inc. (TSXV: BRM) ("Biorem" or "the Company") today announced its results for the three and twelve-month periods ended December 31, 2021. Biorem's complete fiscal 2021 year-end financial statements and MD&A have been filed on SEDAR (www.sedar.com).

FINANCIAL HIGHLIGHTS:

in '000's except earnings per share	Three-months ended December 31 2021	2020	Twelve-months ended December 31 2021	2020
Revenue	10,839	7,934	24,478	24,375
Gross profit	3,705	3,653	6,236	7,017
Operating expenses	1,283	2,229	4,166	4,298
Ebitda*	2,446	1,562	2,068	3,042
Net earnings	1,567	1,133	1,297	2,089
EPS - basic	0.05	0.03	0.04	0.05
EPS - fully diluted	0.05	0.03	0.04	0.05

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

"Over the course of 2021, a number of unique challenges converged on Biorem. While still dealing with many of the pandemic related supply chain disruptions, inflationary pressure on many of the raw components used during the fabrication of our equipment increased significantly. Given that existing contracts did not have price escalation clauses to handle the magnitude of the shift in direct material costs, our engineering and operations Teams utilized a number of innovative approaches to reduce the financial impact," said Derek S. Webb, President and CEO.

"The new approach taken on supply chain management combined with our innovative solutions to dealing with travel restrictions during the pandemic combined to create value for our clients as project schedules and costs were maintained or improved upon. This has further created demand for working with Biorem as a reliable supplier during tumultuous times. While bidding and booking activity was slightly lower in 2021 versus 2020, momentum began to pick up in the late fourth quarter and continues into 2022. Biorem ended the year with a backlog of $24.9 million and indications are that booking activity will increase in the new year to restore the backlog to above the $30M level we have been accustomed to as a result of aggressive sales initiatives over the last several years."

"The Corporation was successful in completing a share repurchase of 23,434,000 shares from a foreign institutional investor in early December. The restructured shareholder base will serve as the foundation for the next stage of growth for the company. Management is excited at this next phase in our history as we address both liquidity and growth simultaneously."

"In 2021, our core business was strong and delivered $24M in revenue with $2.4 million in ebitda. During this same period, the China business unit struggled, primarily due to the ongoing severe pandemic restrictions within the country. These challenges are expected to continue well into 2022.

TWELVE MONTHS ENDED DECEMBER 31, 2021

For the twelve months ended December 31, 2021 revenue totaled $24.5 million compared to $24.4 million for the same twelve months in 2020. Net earnings for the year were $1.3 million compared to net earnings of $2.1 million in 2020. Earnings per share for the year was $0.04 against earnings per share of $0.05 basic and fully diluted reported in 2020.

Gross profit for the year was $6.2 million, an 11% decrease from gross profit of $7.0 million recorded for the year-ended December 31, 2020. The decrease in gross profit was largely attributable to increases in material and freight costs on projects delivered during the year.

Total operating expenses for the year were $4.2 million compared to $4.3 million of operating expenses in 2020.

On December 31, 2021 the Company had cash on hand of $4.5 million and working capital of $2.9 million compared to $8.9 million and $10.5 million respectively in December 31, 2020. The decrease in cash on hand and working capital at year end was the result of the share repurchase the Company closed in December 2021.

Total order bookings for the year were $17 million, a 37% decrease in bookings over the $27 million booked in 2020. The Company's order backlog stood at $24.9 million on December 31, 2021 compared to $31.0 million on December 31, 2020.

Three Months ended December 31, 2021

Revenue in the fourth quarter of 2021 was $10.8 million compared to $4.6 million in the previous quarter and $7.9 million in the fourth quarter of 2020. The significant increase in the 2021 fourth quarter revenues compared to the previous quarters was largely due to differences in project delivery time lines in the quarters and to some project delivery delays in the prior quarters. Orders booked in the quarter totaled $4.0 million.

Gross profit of $3.7 million in the fourth quarter amounted to 34% of revenue, which was significantly higher than the 24.8 % gross profit margin in the previous quarter but lower than the 46% achieved in the same quarter the prior year. The increased margin was the result of the higher revenues recorded in the quarter without any increase in engineering or project management overhead costs.

Total operating expenses (net of other income) for the quarter were $1.3 million, a 42% decrease from the operating expenses of $2.2 million incurred during the fourth quarter of 2020. The comparative decrease from the fourth quarter a year ago was due to reductions in legal expenses and bad debt provisions recorded in the quarter.

Ebitda for the quarter was $2.4 million compared to ebitda of $1.4 million in the fourth quarter of 2020.

Net earnings for the quarter were $1.6 million compared to net earnings of $1.1 million in the fourth quarter of 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 worldwide sales representative network and more than 1,800 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.

SOURCE Biorem Inc.

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