

## BlueRush Reports Fiscal 2019 Third Quarter Financial Results

### *- Surging IndiVideo™ demand drives strong SaaS revenue and margin growth -*

TORONTO, June 27, 2019 /CNW/ - BlueRush Inc. ("BlueRush" or the "Company") (TSX-V: BTV), an emerging Software as a Service ("SaaS") company providing personalized customer engagement solutions for leading and progressive brands around the world, today announced its financial results for the three-month ("Q3 2019") and nine-month ("YTD 2019") periods ended April 30, 2019.

"Our IndiVideo platform is gaining momentum," said Steve Taylor, CEO of BlueRush. "Recent IndiVideo customer wins drove significant growth in our SaaS revenue and margins in our fiscal third quarter, as well as a major increase in deferred revenue. IndiVideo generated recurring revenue of \$50,000 in the month of April, exceeding our target of \$45,000. Subsequent to quarter end, committed monthly recurring revenue from IndiVideo surpassed \$100,000. We believe we have only scratched the surface of IndiVideo's potential, and as we further enhance the platform's features and generate increased market awareness, we are confident that our business growth will continue to accelerate. The recent industry awards won by IndiVideo highlight the fact that it is truly a best-in-class SaaS solution."

#### **Q3 2019 Highlights:**

- Overall revenue increased 8% to \$968,972, compared to \$897,358 for the three-month period ended April 30, 2018 ("Q3 2018").
- SaaS revenue increased 26% to \$356,274, compared to \$283,038 for Q3 2018, primarily reflecting continued growth in demand for IndiVideo.
- IndiVideo generated recognized revenue of \$83,638, compared to \$6,300 in Q3 2018.
- Deferred SaaS revenue increased to \$726,753 as at April 30, 2019, compared to \$109,804 as at April 30, 2018.
- SaaS gross profit was \$252,601, compared to \$187,864 in Q3 2018.
- Gross margins in the SaaS business increased to 71%, compared to 66% in Q3 2018.
- On February 1, 2019, Michael Beckerman and Paul G. Smith were elected to the Company's Board of Directors.

#### **Subsequent Event:**

- On June 13, 2019, BlueRush announced that the IndiVideo platform has surpassed \$100,000 in committed monthly recurring revenue ("MRR"). The revenue will be fully recognized in the coming quarters as new IndiVideos are completed and brought online.

**Strong IndiVideo growth** - The Company's flagship product, IndiVideo, continues to generate strong top-line growth due to increased demand from major international financial institutions. IndiVideo generated recognized revenue of \$83,638 in Q3 2019, compared to \$6,300 in Q3 2018. For YTD 2019, IndiVideo revenue was \$144,987, compared to \$8,700 for the nine-month period ended April 30, 2018 ("YTD 2018"). In April 2019, IndiVideo had more than \$50,000 of revenue, surpassing the Company's previous target of \$45,000. Currently, IndiVideo has committed MRR of more than \$100,000. The Company expects this momentum to continue in future quarters due to continued growth and realization of committed MRR.

**IndiVideo wins numerous industry awards** - IndiVideo has received the following awards and nominations since the start of Q3 2019. As personalized video rapidly enters the mainstream, awards like these validate the platform's leading position in the market:

- The platform's interactive personalized pension statement experience was awarded "Best Financial Services Online Video" as part of the 2019 Internet Advertising Competition ("IAC") awards in April 2019, which have honoured excellence in online advertising since 2003.
- IndiVideo was voted "Best of Show" at FinovateSpring, a demo-based fintech conference, in San Francisco in May 2019.
- The platform has also been selected as a semi-finalist for Bank Director's 2019 Best of FinXTech Awards.

**Additional platform enhancements** - IndiVideo uses Microsoft's Power BI tool to deliver new insights about customer behaviour. Through Power BI, IndiVideo can segment by individual data points such as age and income, while also creating a full engagement funnel to help customers understand viewership and interactions with IndiVideo. Furthermore, the Company has mobilized a Power BI task force to further improve the performance of the IndiVideo platform's analytics.

BlueRush generated consolidated revenue of \$968,972 in Q3 2019, compared to \$897,358 in Q3 2018. The

increase primarily reflects growth in subscriptions and support revenue, as the Company continues to transition to a SaaS business model. Cost of sales and aggregate expenses for Q3 2019 were \$393,583 and \$1,371,813, respectively, compared to Q3 2018 cost of sales and aggregate expenses of \$453,274 and of \$1,442,045, respectively. Decreased cost of sales is primarily a result of improved processes and deployment for both IndiVideo and DigitalReach, while aggregate expense reduction is a result of fewer share based payments awarded.

The Company recorded a net loss of \$791,477, or \$0.01 per share, in Q3 2019, compared to a net loss of \$997,961, or \$0.02 per share, in Q3 2018, reflecting increased SaaS revenue, lower cost of sales and aggregate expenses in Q3 2019.

BlueRush's interim unaudited consolidated financial statements and accompanying Management's Discussion & Analysis for the three and nine month periods ended April 30, 2019 have been filed on SEDAR and are available at [www.sedar.com](http://www.sedar.com) and the Company's website at [www.bluerush.com](http://www.bluerush.com).

### **Retainer Agreement with Investment Dealer**

BlueRush also announced that it has entered into a retainer agreement (the "Agreement") with Mackie Research Capital Corporation ("Mackie"). Under terms of the Agreement, Mackie will trade shares of BlueRush on the TSX Venture Exchange (the "TSXV") for the purposes of maintaining a reasonable market and improving the trading liquidity of BlueRush's common shares. The Agreement is ongoing with fees of \$3,500 per month, paid quarterly in advance by BlueRush. The Company and Mackie will act at arm's length, but Mackie may provide investment banking services to BlueRush, and Mackie and/or its clients may have an interest, directly or indirectly, in the securities of BlueRush. There are no performance factors contained in the Agreement between Mackie and the Company, and Mackie will not receive any shares or options from the Company as compensation for services it will render under the Agreement. The capital used to perform the services outlined above will be provided by Mackie. The Agreement, which is in compliance with the policies and guidelines of the TSXV and other applicable legislation, is subject to regulatory approval.

### **About BlueRush**

BlueRush develops and markets IndiVideo™, a disruptive, award-winning interactive personalized video platform that drives return on investment throughout the customer lifecycle, from increased conversions to more engaging statements and customer care. IndiVideo enables BlueRush clients to capture knowledge and data from their customers' video interaction, creating new and compelling data driven customer insights.

For more information visit [www.bluerush.com](http://www.bluerush.com).

### **About Mackie Research Capital Corporation**

Mackie is one of Canada's largest independent full service investment firms, and proudly traces its roots back to 1921. Mackie is privately owned by many of its 300 employees. As a fully integrated national investment dealer, Mackie offers a full complement of capital markets and wealth management services to private clients, institutions and growth companies.

### **Forward-Looking Statements**

*Certain statements contained in this press release constitute "forward-looking information" as such term is defined in applicable Canadian securities legislation. The words "may", "would", "could", "should", "potential", "will", "seek", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions as they relate to the Company, including: the Company's business continuing to accelerate; growth in committed MRR continuing in future quarters; and the results of Mackie's market-making; are intended to identify forward-looking information. All statements other than statements of historical fact may be forward-looking information. Such statements reflect the Company's current views and intentions with respect to future events, and current information available to the Company, and are subject to certain risks, uncertainties and assumptions. Material factors or assumptions were applied in providing forward-looking information, including: personalized video being further adopted by companies and the Company increasing sales for its SaaS based products. Many factors could cause the actual results, performance or achievements that may be expressed or implied by such forward looking information to vary from those described herein should one or more of these risks or uncertainties materialize. These factors include, without limitation: the TSX Venture Exchange not approving the warrants for debt transaction; changes in law; the ability to implement business strategies and pursue business opportunities; state of the capital markets; the availability of funds and resources to pursue operations; a novel business model; dependence on key suppliers and local partners; competition; the outcome and cost of any litigation; as well as general economic, market and business conditions, as well as those risk factors discussed or referred to in disclosure documents filed by the Company with the securities regulatory authorities in certain provinces of Canada and available at [www.sedar.com](http://www.sedar.com). Should any factor affect the Company in an unexpected manner, or should assumptions underlying the forward-looking information prove incorrect, the actual results or*

events may differ materially from the results or events predicted. Any such forward-looking information is expressly qualified in its entirety by this cautionary statement. Moreover, the Company does not assume responsibility for the accuracy or completeness of such forward-looking information. The forward-looking information included in this press release is made as of the date of this press release and the Company undertakes no obligation to publicly update or revise any forward-looking information, other than as required by applicable law. The Company's results and forward-looking information and calculations may be affected by fluctuations in exchange rates.

### **Non-IFRS Measures**

*This press release makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS, and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of BlueRush's financial information reported under IFRS. BlueRush uses non-IFRS measures including "committed MRR". The term "committed MRR" is a measure of contracted monthly recurring revenue from customers that have agreed to purchase an IndiVideo but the project has yet to begin and funds may or may not have been received to date. The Company believes committed MRR is useful additional information as it provides an indication of future revenue. Committed MRR is not a recognized measure under IFRS and may not translate into future revenue, and accordingly, investors are cautioned in using it. The Company calculates committed MRR by summing the MRR of new and existing customer contracts that are signed but have not yet achieved certain milestones allowing the Company to formally recognize the revenue. BlueRush's method of calculating committed MRR may differ from other issuers and, accordingly, committed MRR may not be comparable to similar measures presented by other issues.*

*Neither 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.*

SOURCE BlueRush Inc.

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