

BlueRush Reports Fiscal 2019 First Quarter Financial Results

TORONTO, Dec. 20, 2018 (GLOBE NEWSWIRE) -- BlueRush Inc. ("BlueRush" or the "Company") (TSX-V: BTV), an emerging Software as a Service ("SaaS") company providing personalized customer engagement solutions for leading financial services companies, today announced its financial results for the three-month period ended October 31, 2018 ("Q1 2019").

"The improving financial results from our SaaS-based business segment demonstrates the positive momentum we are achieving through this transition and the strong value creation potential this model has for BlueRush going forward," said Steve Taylor, CEO of BlueRush. "The recent investments we made to enhance our IndiVideo and DigitalReach platforms has further strengthened our competitive position and enhanced our margins. We anticipate continued growth throughout the fiscal year as we generate more follow-on business with customers and partners."

Q1 2019 Highlights

- SaaS revenue increased 17% to \$273,277, compared to \$234,118 for the three-month period ended October 31, 2017 ("Q1 2018"), reflecting the Company's continued progress in transitioning to a recurring-revenue, SaaS based business model;
- SaaS gross profit increased 29% to \$183,133, compared to \$142,495 in Q1 2018;
- Gross margins in the SaaS business increased from 61% in Q1 2018 to 67% in Q1 2019;
- Services revenue grew 26% to \$592,942, compared to \$470,266 in Q1 2018;
- Successful integration of DigitalReach™ with IndiVideo™ and the Microsoft Power BI analytics platform to enhance data-driven customer insights;
- Completed a \$2 million, non-brokered private placement of convertible debentures, with support from new and existing investors; and
- Dave Badun CPA, CA, commenced role as new Chief Financial Officer.

Growth in the SaaS business – BlueRush generated 17% revenue growth and increasing momentum in its SaaS segment in Q1 2019, the recurring revenue component of its business, which has been a key focus for the Company. As a result of ongoing SaaS sales efforts, BlueRush had deferred revenue of \$303,931 at the end of Q1 2019, compared to \$Nil at the end of Q1 2018. This deferred revenue will be recognized over the coming quarters.

IndiVideo and DigitalReach are driving higher gross margins – The improvement in SaaS gross margins from 61%, or \$142,495, in Q1 2018 to 67%, or \$183,133, in Q1 2019, is a direct result of the Company's research and development ("R&D") investments, which resulted in a number of product enhancements including shorter production turnaround times, along with an important shift to the Microsoft Azure platform during fiscal 2018. IndiVideo and DigitalReach are now deployed on a cost-efficient and multi-tenant environment.

Growth in the services business – BlueRush's services business segment generated 26% revenue growth in the quarter and the amount of deferred revenue at the end of the period increased to \$842,100, up from \$151,470 at the end of Q1 2018. This growth in services is both an extension of well-executed past projects, along with the compelling results obtained from the SaaS business unit. This deferred revenue will be recognized over the coming quarters.

BlueRush customer successes – BlueRush advanced the development of enhanced features for IndiVideo to further increase its marketability to major financial institutions worldwide. Recent customer successes include:

- The design, development and implementation of a Mortgage Affordability IndiVideo for use by one of Canada's top five banks, supported a greater than 40% increase in conversion (i.e. potential customers clicking to be pre-approved for a mortgage), resulting in BlueRush quoting and winning several additional opportunities with this major customer.
- The creation and distribution of monthly IndiVideos to more than two million customers of a major pension fund in South America, which supported a 67% increase in customer actions, defined as voluntary account openings and/or increased contributions amongst customers who viewed the personalized videos.

BlueRush integrates DigitalReach with IndiVideo and Microsoft Power BI – Integration with the Microsoft analytics platform was implemented to help BlueRush deliver a new source of customer insights and further enhance the stickiness of its SaaS contracts. Enhanced feature benefits include:

- BlueRush integrated its two SaaS platforms, enabling DigitalReach to host and serve IndiVideo content and track associated consumption data as a complement to its library of traditional video and text content.

- BlueRush added data analysis through integration with the Microsoft Power BI platform. Power BI is a business analytics service that provides a user-friendly output for DigitalReach data. This integration enables critical data analysis functionality to enhance the Company's proposition as a customer understanding tool.

The Company clarifies its compensation to an arm's length consultant, previously announced on November 19, 2018. The consultant has been issued 280,000 stock options at \$0.105 per share expiring after 24 months and vesting quarterly over a 12-month period for services over the next 24 months. In addition, BlueRush and the consultant have agreed to complete a warrant for debt transaction, pursuant to which it will issue the consultant 320,000 common share purchase warrants in satisfaction of \$35,000 for services since October 2017. Each warrant shall entitle the consultant to acquire one common share of the Company at a price of \$0.105 per share for 24 months. The warrants will be issued upon acceptance by the TSX Venture Exchange.

BlueRush's interim unaudited consolidated financial statements and accompanying Management's Discussion & Analysis for the three-month period ended October 31, 2018 have been filed on SEDAR and are available at www.sedar.com and the Company's website at www.bluerush.com.

About BlueRush

BlueRush offers Software as a Service ("SaaS") based content engagement platforms that enable organizations to achieve greater engagement and conversion metrics with existing customers and new prospects. BlueRush has a particular focus on the financial services industry in areas such as mortgage, loan and credit card origination, as well as supporting pension fund and insurance use cases. BlueRush develops and markets IndiVideo™, a disruptive interactive personalized video platform that drives return on investment ("ROI") through customer interactions, 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. IndiVideo can also be integrated with DigitalReach™, BlueRush's SaaS-based content engagement platform, that delivers improved sales conversion metrics for more than 75,000 financial advisors at leading financial institutions. The combination of IndiVideo and DigitalReach is unique in the marketplace and provides BlueRush with a strong value proposition.

For more information, please visit www.bluerush.com. More information on the BlueRush SaaS products can be viewed for DigitalReach at www.digitalreach.ca and for IndiVideo at www.individeo.com.

For further information please contact:

Steve Taylor, CEO	Dave Badun, CFO
Tel: 416-457-9391	Tel: 416-624-8382
steve.taylor@bluerush.com	dave.badun@bluerush.com

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 anticipating continued growth throughout the fiscal year; deferred revenue being recognized over the coming quarters; and the closing of the warrant for debt transaction; 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: approval of the TSX Venture Exchange of the warrants for debt transaction; 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. 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.

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.

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