

## **BlueRush Announces Q3 Revenue Increase of 14% and Gross Margins on SaaS Business Increase 83%**

TORONTO, July 03, 2018 (GLOBE NEWSWIRE) -- **BlueRush Inc. (“BlueRush” or the “Company”)** (TSXV:BTV), a digital experience and technology leader creating Software as a Service (SaaS) solutions for leading financial institutions announces financial results for the three and nine month period ending April 30, 2018.

BlueRush CEO Steve Taylor said, “We have made tremendous progress in a very short time in terms of growing out sales funnel, developing key partnerships with companies like Microsoft, and working through our technical roadmap. The gross margin improvement in our SaaS business is a meaningful demonstration of our transition into a SaaS vendor. Our solutions now deploy from an Azure-hosted multi-tenant environment meaning we can activate customers more quickly and more cost effectively while providing them with the best available software security and performance. This quarter marks a significant milestone for BlueRush.”

Steve Taylor also said, “Another important part of our strategy was to begin to grow outside of Canada. We have made rapid progress on this front with projects commencing in the US and in South America through our wonderful partners at Kunder.”

### **Third Quarter Financial Highlights**

- **SaaS revenue grew 10% in Q3 of 2018 compared to Q3 2017**
- **Gross Margin grew 83% on the SaaS portion of the business (from 49% in Q3 of 2017 to 82% in Q3 of 2018)**
- **Overall revenues grew 14% over Q3 2017**

**Growth in the SaaS business** - Management is pleased to see growth in the recurring revenue component of the business as this has been the key focus of our efforts and investments over the past year.

**DigitalReach and IndiVideo are now driving higher gross margins** - The dramatic improvement in SaaS gross margins are a direct result of our R&D investments in the past three quarters. DigitalReach and IndiVideo are now deployed on a cost-efficient and multi-tenant environment. We continue our transition away from legacy vendors and toward Microsoft Azure which we highlighted in previous disclosures.

**Measurable results are now driving follow-on business with customers and partners** - IndiVideo in particular has demonstrated the ability to drive compelling and measurable results for our customers. These programs are leading to additional opportunities and have become compelling use-cases in our sales process. The video market as a whole is one of the fastest growing segments of online media.

**BlueRush is uniquely positioned to exploit the exploding online video segment** - IndiVideo is a hyper-scalable personalized video platform that is being used by a growing list of world-class companies. Our book of case-studies continues to grow and the use cases for this platform continue to expand. The vast majority of our opportunities with IndiVideo are greenfield which suggests that we are at the front-end of this market opportunity. Here are some data points on the growth in the online video market:

- Internet video traffic made up 69% of all global consumer Internet traffic in 2017. By 2021 online videos will make up more than 80% of all consumer internet traffic (85% in the US alone) (Cisco 2017).
- In 2018, 2.38 billion people will watch streaming or downloaded video content, and 78% of these views will occur on a mobile device (eMarketer 2018).
- 95% of consumers watch video to learn more about a product or service, and 97% of marketers use video the better convey their brand proposition to customers (HubSpot 2018).
- Views of branded video content have increased 258% on Facebook and 99% on YouTube as of June 2017, and research shows customers experience a 64% lift in purchase intent after watching a branded video (Tubular Insights 2017).

**BlueRush worked on key projects and continued to invest in the development of features and major enhancements for its SaaS-based products for IndiVideo and DigitalReach to further increase their marketability to major financial institutions worldwide.** Both products are gaining traction in the marketplace and are seeing a growing sales pipeline. Here are some highlights:

- Significant enhancements to scalability of IndiVideo in preparation for ultra-high-volume delivery of personalized videos supporting numerous customer data sets with the highest security standards.
- Design and development of the Mortgage Affordability IndiVideo for use by one of Canada’s top 5 banks and to be deployed for a major Spring Campaign.

- Commenced work on several Individeo projects as well as financial tools for a major Ontario-based credit union.
- Set-up and implementation of DigitalReach for Carte Wealth Management's (new client) entire advisor force.
- Next generation version of DigitalReach will include multiple enhancements to both the administrative and marketing sides as well as a new recipient viewer.
- Contracted enhancements and next version of SmartAdvisor for its partner that have the potential to be delivered to a wider Broadridge user base.

**Partners are giving us a global footprint** - In the Q2 2018 disclosure we announced that we were building a partnership with Microsoft. In Q3 we were able to achieve co-sell status with Microsoft based on our transition to the Azure Cloud which gives us significant sales and marketing leverage at a global scale. We believe strongly that Microsoft has the most robust partner program of any cloud provider as well as the most scalable and secure cloud infrastructure.

Our partnership with Kundar in South America continues to grow. In Q3 we created a unique and first of its kind solution for AFP Habitat whereby Two Million pensioners would see their monthly pension statements delivered as IndiVideos.

Our partnerships with One Touch and Broadridge continue to develop and we will continue to seek new partnerships that either extend our product capabilities, provide distribution opportunity, or both.

BlueRush's financial statements for the three and nine months ended April 30, 2018 and accompanying Management's Discussion & Analysis (MD&A) have been filed on SEDAR and are available at [www.sedar.com](http://www.sedar.com).

The information on our refreshed website [www.BlueRush.com](http://www.BlueRush.com) reflects the new changes in the Company's direction.

More information on the BlueRush SaaS products can be viewed for DigitalReach, [www.digitalreach.ca](http://www.digitalreach.ca) and Individeo, [www.individeo.com](http://www.individeo.com).

### **About BlueRush**

BlueRush is uniquely positioned within the online video market. Video is the fastest growing online content segment with leading analysts predicting that over 80% of content will be consumed as video by 2021. BlueRush develops and markets a disruptive Interactive & Personalized Video Platform called IndiVideo. IndiVideo utilizes proprietary technology that allows for two unique advantages vs competitor personalized video technologies;

- 1) Lower cost to mass-scale personalized videos
- 2) Ability to deploy behind any corporate firewall for increased security

These advantages are critical as it allows marketing departments to control their costs and deploying behind the firewall not only provides increased security but greater connectivity to the client's data.

The Company has a particular focus on delivering measurable value to the Financial Services vertical in areas such as mortgage, loan and credit card origination as well as supporting Pensions Fund and Insurance use cases. In one recent example, a major Canadian Bank saw a 43% increase in online conversions in the mortgage area using IndiVideo. IndiVideo is integrated with BlueRush's SaaS-based content engagement platform DigitalReach which delivers improved sales conversion metrics for over 75,000 financial advisors in some of the world's most respected financial institutions. The combination of IndiVideo and DigitalReach is unique in the marketplace and provides BlueRush with a differentiated value proposition.

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