



# VIRIDIS ENERGY INC.

## **Viridis Energy Reports Nine Months & Third Quarter 2015 Financial Results Gross Profit Increases to \$717,000 in Third Quarter**

**Vancouver, BC – November 16, 2015** – Viridis Energy Inc. ("Viridis" or the "Company") (TSXV:VRD) (OTC:VRDSF), today reported its financial results for its nine months and third quarter ended September 30, 2015. Revenues increased to \$22.9 million during the nine-month period ended September 30, 2015, an increase of \$2.98 million or 15% from \$19.9 million for the comparable period in 2014. The increase in revenue for the nine month period ended September 30, 2015, compared to the prior year period is attributed to an increase in sales from Viridis Merchants Inc. ("VMI") and Scotia Atlantic Biomass ("Scotia"). This was partially offset by a decrease in sales from Okanagan Pellet Company Ltd. ("OPC") due to the implementation of the three-phase plan previously reported.

For the three month period ended September 30, 2015, the Company recorded revenues of \$8.36 million compared to \$7.60 million in the third quarter of 2014, an increase of \$757,000 or 10% from the comparable period in 2014. During the quarter, the Company sold over 33,000 tons, with an average price of \$250 per ton, up from \$190 per ton in the same period in 2014.

Gross profit increased to \$717,000 for the third quarter of the current year compared to a gross profit (loss) of \$(556,000) for the comparable period in 2014. The increase in gross profit for the quarter is primarily attributed to efficiencies implemented at Scotia, coupled by lower raw material costs. Gross profit for the nine-month period was \$404,000, compared to gross profit (loss) of \$(550,000) in 2014.

Consolidated gross margin for the quarter was 8.6%, representing a positive contribution from each operating division.

For the three month period ended September 30, 2015, general and administrative ("G&A") costs decreased from \$1,030,000 to \$890,000. Operating expenses increased by \$912,000 to \$2.03 million from \$1.12 million for the comparable period in 2014 primarily due to the inclusion of \$984,000 of expenses related to the temporary suspension at OPC.

The Company's incurred a net loss of \$(4.9 million) for the nine-month period ended September 30, 2015 compared to a net loss of \$(4.4 million) for the comparable period in 2014. The change is primarily the result of the operational challenges at Scotia earlier in the year and the OPC temporary suspension in operations as it underwent necessary upgrades and improvements.

EBITDA was a loss of \$(2.6 million) for the nine month period ended September 30, 2015, compared to an EBITDA loss of \$(1.5 million) the same period last year.

For the nine months ended September 30, 2015, the net loss increased by \$500,000 to \$(4.91 million) from \$(4.41 million) for the same nine month period last year.

The Company's net loss decreased by \$140,000 to \$(1.73 million) for the quarter ended September 30, 2015 from \$(1.87 million) in the comparable quarter last year.

"As expected, third quarter revenue and gross profit showed a considerable improvement in the business, most notably Scotia and VMI. We have right sized our operations at Scotia, and I am pleased to report a full quarter of positive EBITDA. VMI had a solid quarter although Q3 is still a partial off-season period, and we look forward to a stronger fourth quarter for our aggregation business," said Christopher Robertson, Viridis' chief executive officer, "Last quarter we revised revenue guidance for the full year to \$30 million and we are on target to deliver. Positive EBITDA is likely to occur for the full quarter in Q1 2016," he added.

At September 30, 2015, the Company had cash and cash equivalents (including restricted cash) of \$590,000, a decrease of \$1.46 million from the December 31, 2014 balance. The Company's accounts receivable were \$1.8 million, with approximately 97% being current. Inventory increased to \$4.3 million as the heating season began. Accounts payable and accrued liabilities decreased by \$450,000 to \$3.4 million at September 30, 2015 from \$3.8 million for the year ended December 31, 2014.

Consistent with the prior quarter of 2015, Viridis' common shares outstanding on September 30, 2015 totaled 13,845,190 shares. The Company's fully diluted share totaled 14,510,190, inclusive of all options with an average exercise price of \$1.47 and warrants with an average exercise price \$3.50.

**Conference Call Details:**

Conference Call Details:

Date/Time: Tuesday, November 17, 2015 – 7:30 a.m. (PST)

Telephone Number: 1-888-347-6492

International Dial-In Number: 1-412-902-4288

Canada Dial-In Number: 1-855-669-9657

Internet Access: <https://www.webcaster4.com/Webcast/Page/1125/11413>

It is recommended that participants phone-in at least 10 minutes before the call is scheduled to begin. A replay of the conference call in its entirety will be available approximately one hour after its completion via the Internet Access link above.

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## **About Viridis Energy Inc.**

Viridis Energy Inc. (TSXV:VRD) (OTC:VRDSF) is a publicly traded, "Cleantech" manufacturer and distributor of renewable energy providing wood pellet biomass to global residential and industrial markets. Located in Vancouver, B.C., Viridis Energy Inc. operates Okanagan Pellet Company Ltd. (BC), Scotia Atlantic Biomass Company Limited (Nova Scotia) and Viridis Merchants Inc. (Delaware), with over 300,000 tons of trading and manufactured capacity on both coasts of North America. For more information on Viridis Energy Inc. please refer to the company website at [www.viridisenergy.ca](http://www.viridisenergy.ca).

## **Forward-looking Statements**

Certain statements in this release are forward-looking statements, which reflect the expectations of management regarding the Company's future operations. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. These forward-looking statements reflect management's current views and are based on certain expectations, estimates and assumptions which may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a continued downturn in general economic conditions in North America and internationally, (2) the inherent uncertainties associated with the demand for biomass in Europe and Asia, (3) the risk that the Company does not execute its business plan, and the inability for the Company to complete the implementation of the Scotia Atlantic three step plan (4) inability to finance operations and growth (5) inability to retain key management and employees, (6) an increase in the number of competitors with larger resources, and (7) other factors beyond the Company's control. These forward-looking statements are made as of the date of this news release and the Company intends to update such forward looking information in the Company's MD&A in the event that actual results differ materially from such forward-looking statements contained herein. Additional information about these and other assumptions, risks and uncertainties are set out in the "Risks and Uncertainties" section in the Company's MD&A filed with Canadian securities regulators.

Neither the 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.

**\*\*\* Financial Statements Follow \*\*\***

# Viridis Energy Inc.

## Condensed interim consolidated statements of financial position

(Expressed in Canadian dollars)

As at September 30, 2015 and December 31, 2014

(Unaudited)

	September 30, 2015 unaudited	December 31, 2014 audited
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 378,287	\$ 1,868,014
Restricted cash	211,843	190,320
Accounts receivable	1,834,756	1,400,077
Inventory	4,282,568	1,910,772
Prepaid expenses	481,611	379,263
	<b>7,189,065</b>	<b>5,748,446</b>
<b>Property, plant and equipment</b>	<b>9,146,303</b>	<b>9,334,553</b>
	<b>\$ 16,335,368</b>	<b>\$ 15,082,999</b>
<b>LIABILITIES and SHAREHOLDERS' EQUITY</b>		
Bank overdraft	\$ 50,896	\$ -
Lines of credit	3,550,024	-
Accounts payable and accrued liabilities	3,380,610	3,830,403
Deferred income	389,120	123,422
Current portion of loans payable	1,052,084	942,293
	<b>8,422,734</b>	<b>4,896,118</b>
<b>Loans payable</b>	<b>9,906,138</b>	<b>7,038,017</b>
	<b>18,328,872</b>	<b>11,934,135</b>
<b>Shareholders' equity</b>		
Share capital	\$ 31,550,008	\$ 31,550,008
Contributed surplus	4,141,665	4,141,665
Accumulated deficit	(36,283,168)	(31,962,485)
Accumulated other comprehensive loss	(235,057)	(7,664)
Equity attributable to shareholders of the company	<b>(826,552)</b>	<b>3,721,524</b>
Non-controlling interest	<b>(1,166,952)</b>	<b>(572,660)</b>
	<b>(1,993,504)</b>	<b>3,148,864</b>
	<b>\$ 16,335,368</b>	<b>\$ 15,082,999</b>

**Viridis Energy Inc.**  
**Condensed interim consolidated statements of loss**  
**(Expressed in Canadian dollars, except number of shares and per share amounts)**  
**For the three and nine months ended September 30, 2015 and 2014**  
*(Unaudited)*

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
Sales	\$ 8,359,236	\$ 7,601,786	\$ 22,868,014	\$ 19,892,788
Costs of sales	(7,642,359)	(8,157,892)	(22,464,424)	(20,442,657)
<b>Gross Profit (Loss)</b>	<b>716,877</b>	<b>(556,106)</b>	<b>403,590</b>	<b>(549,869)</b>
<b>Operating expenses</b>				
Selling and marketing	(157,994)	(90,543)	(505,269)	(325,456)
General and administrative	(888,772)	(1,028,290)	(2,913,346)	(2,899,684)
Temporary plant suspension ongoing expenses	(984,341)	-	(984,341)	-
	(2,031,107)	(1,118,833)	(4,402,956)	(3,225,140)
<b>Loss before other items</b>	<b>(1,314,230)</b>	<b>(1,674,939)</b>	<b>(3,999,366)</b>	<b>(3,775,009)</b>
<b>Other items</b>				
Foreign exchange (loss) gain	(68,567)	2,783	(41,346)	(15,720)
Loss on disposal of property plant and equipment	-	-	(5,994)	-
Finance expense	(345,834)	(177,422)	(852,290)	(538,817)
Accretion expense	-	(21,932)	(15,979)	(84,495)
	(414,401)	(196,571)	(915,609)	(639,032)
<b>Loss before income tax</b>	<b>(1,728,631)</b>	<b>(1,871,510)</b>	<b>(4,914,975)</b>	<b>(4,414,041)</b>
Income tax	-	-	-	-
<b>Net loss</b>	<b>\$ (1,728,631)</b>	<b>\$ (1,871,510)</b>	<b>\$ (4,914,975)</b>	<b>\$ (4,414,041)</b>
<b>Net loss attributable to:</b>				
Shareholders of the company	\$ (1,622,067)	\$ (1,590,560)	\$ (4,320,683)	\$ (4,133,091)
Non-controlling interest	(106,564)	(280,950)	(594,292)	(280,950)
<b>Net loss</b>	<b>\$ (1,728,631)</b>	<b>\$ (1,871,510)</b>	<b>\$ (4,914,975)</b>	<b>\$ (4,414,041)</b>
<b>Net loss per share</b>				
Basic and diluted	\$ (0.12)	\$ (0.11)	\$ (0.31)	\$ (0.32)
<b>Weighted average number of common shares outstanding</b>				
Basic and diluted	13,845,190	13,845,190	13,845,190	13,058,716

## Viridis Energy Inc.

### Condensed interim consolidated statements of comprehensive loss (Expressed in Canadian dollars)

For the three and nine months ended September 30, 2015 and 2014

(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
Loss for the period	\$ (1,728,631)	\$ (1,871,510)	\$ (4,914,975)	\$ (4,414,041)
Other comprehensive (loss):				
<b>Items that may be reclassified to profit and loss</b>				
Foreign currency translation adjustment	(194,694)	-	(227,393)	-
Comprehensive loss for the period	\$ (1,923,325)	\$ (1,871,510)	\$ (5,142,368)	\$ (4,414,041)
<b>Comprehensive loss attributable to:</b>				
Shareholders of the company	\$ (1,816,761)	\$ (1,590,560)	\$ (4,548,076)	\$ (4,133,091)
Non-controlling interest	(106,564)	(280,950)	(594,292)	(280,950)
Comprehensive loss for the period	\$ (1,923,325)	\$ (1,871,510)	\$ (5,142,368)	\$ (4,414,041)