

# **Management's Discussion & Analysis**

**Financial Quarters Ended  
December 31, 2021 and  
December 31, 2020**  
(expressed in Canadian Dollars)

February 24, 2022

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This Management Discussion and Analysis "MD&A" explains the material changes in BluMetric Environmental Inc's ("BluMetric" or the "Company") financial condition and results of operations for the three months ended December 31, 2021. The MD&A should be read in conjunction with the Company's financial statements and related notes for the period ended December 31, 2021 as well as the MD&A and audited financial statements and notes for the year ended September 30, 2021. The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company.

This discussion and analysis of the financial condition and the results of operations contain forward-looking statements about expected future events and the financial and operating performance of the Company. These statements, which include descriptions of the Company's business strategy, potential variances impacting the Company's internal and external performance drivers, and the Company's ability to meet its ongoing working capital needs through the ensuing 12 months, are included in the "Discussion of Results of Operations", "Liquidity", and "Business Outlook" sections which follow. These statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. This MD&A also makes reference to certain non-GAAP measures to assist users in assessing BluMetric's performance. Non-GAAP measures do not have any standard meaning prescribed by International Financial Reporting Standards ("IFRS") and are therefore unlikely to be comparable to similar measures presented by other issuers. These measures are identified and described under the section "Financial Terms and Definitions".

## **Business Update – COVID – 19 Pandemic**

The global COVID-19 pandemic is now in its second year and continues to create volatility at local, national and global levels.

BluMetric has adapted its operations to effectively service its clients during the pandemic. Central to this has been the Company's Pandemic Response Plan, developed by its Industrial Hygiene/Occupational Health and Safety service line, which establishes health and safety processes to meet or exceed applicable guidelines set by government health authorities. The plan ensures that BluMetric prioritizes the health of its employees, their families, the community, and the Company's clients.

BluMetric's project work for the military market has been deemed essential throughout the pandemic. Other areas, such as real estate and industrial-commercial projects experienced some COVID-19 related postponements or slowdowns but have since shown signs of recovery. Additionally, the industrial hygiene/occupational health and safety service line was able to respond to the demand from customers for solutions to manage and mitigate COVID-19 impacts on their operations.

Significant uncertainty continues regarding both the impact of COVID-19 on the Company and its markets as Canada continues to roll-out vaccines and new COVID-19 variants emerge. Accordingly, estimates of the extent to which the pandemic may materially and adversely affect the Company's operations, financial results and condition in future periods are subject to significant uncertainty.

The Company continues to pursue new revenue contracts, actively manage costs and ensure adequate liquidity. BluMetric continues to monitor and actively manage the impacts from COVID-19 on its projects and operations and is well positioned to react quickly to changes in the business climate.

## **Business Overview and Strategy**

BluMetric is a Canadian company that provides cost-effective and sustainable solutions to help its clients overcome even the most difficult environmental and business challenges. Through a track record that spans 40 years, the Company has evolved into a full-service integrator of environmental solutions known for innovative work in the fields of water/wastewater treatment and professional environmental services.

With a focus on four key markets —Commercial and Industrial; Government; Military and Mining; — BluMetric's main services and products include:

- Engineering, Rehabilitation and Design
- Wastewater and Water Treatment Solutions
- Hydrogeology and Hydrology
- Environmental Due Diligence Assessments
- Waste Management (Solid, Liquid, Hazardous)
- Industrial Hygiene and Occupational Health and Safety
- Management Systems and Training

BluMetric's comprehensive, affordable offerings are tailored to the specific needs of not only each industry, but also each client. With innovation, agility and client-responsive service as its hallmarks, the Company builds partnerships with its customers by delivering a long-term, holistic approach to managing their complete environmental needs, and health and safety responsibilities. It is this high degree of service that differentiates BluMetric from competitors.

BluMetric's team of approximately 160 dedicated and passionate employees and its client-centric approach form the underpinning of its success, contributing to the following core elements of its value proposition:

- Solution-oriented consultation, design, products and construction services
- Turn-key solutions – BluMetric provides a complete end-to-end solution from assessment and evaluation to implementation to ongoing service and management
- World class expertise in the analysis, management and treatment of water in the environment
- Water treatment solutions that are compact, energy efficient, reliable and simple to operate

The Company has 10 offices across Ontario, Quebec, Yukon and Northwest Territories. BluMetric is proud to be a trusted provider of services to many of Canada's northern Indigenous communities.

### **Technology and Innovation**

Innovation is driven by client demands as they face more stringent environmental regulations. BluMetric's creative process for addressing problems consists of developing solutions that are both scientifically sound and economically viable.

Despite the business interruption caused by COVID-19, which has placed some research and innovation initiatives on hold, the Company has expanded its standard products for water and wastewater treatment. This is largely in response to the developing needs for emergency water and wastewater systems due to global climate change. Designs have recently been completed and prototyping phases have started for a mid-sized Portable Water Treatment System and a Mobile Wastewater Treatment Plant. These resilient water solutions are highly flexible and cost efficient and allow for rapid deployments for temporary needs, such as mineral exploration and humanitarian relief.

Additionally, the Company still sees demand for solutions that reduce the ammonia concentration in wastewater due to stricter effluent limits for the mining market. BluMetric's ammonia removal process has been used in several full-scale treatment systems for mining customers.

BluMetric is committed to pursuing new opportunities in technology and innovation with respect to cost effective water solutions as they arise.

## **Sales and Marketing**

BluMetric's business development efforts are primarily focused on four key markets where the Company has identified the greatest demand for its products and services:

- Commercial and Industrial
- Government (with specific expertise in Northern Canada)
- Military
- Mining

BluMetric uses a client-centric approach to business development, which involves an emphasis on understanding each client's environmental issues and then identifying and preventing potential problems. This approach allows BluMetric to provide a complete and integrated solution.

Satisfied clients provide repeat business as well as incredibly valuable word-of-mouth referrals. BluMetric continues to actively leverage the successes of past projects to expand and diversify client relationships, strategic partnerships and service offerings.

## **Board of Directors**

The Board currently consists of five members, three of whom are independent. The independent directors reflect a wide range of senior experience in the management of publicly traded and privately held companies. The Board members have expertise in business development, finance, operations, management, and governance.

## **Executive Management**

The Senior Management team comprises: Scott MacFabe, Chief Executive Officer; Vivian Karaiskos, Chief Financial Officer; Wayne Ingham, VP, Director of Strategic Business Development; and Andy Benson, VP, Director of Operations. This team has extensive business and environmental experience and is well supported by highly qualified and experienced managers.

## **Our People**

The BluMetric team consists of approximately 160 experienced and motivated hydrogeologists, engineers, occupational and industrial hygienists, environmental auditors, environmental scientists, chemists, project managers, finance professionals, trades and support personnel. They are experts in providing a comprehensive range of environmental services and engineered solutions, from contaminated site assessment and remediation to complete turn-key wastewater treatment systems.

Staffing levels fluctuate with the hiring of contract staff and students to meet project demands. The Company strives to recruit and retain highly skilled employees who are able to use their technical expertise to deliver creative solutions to complex environmental issues.

## Diversity

BluMetric is committed to the principles of diversity. The Company strives to create and support an inclusive work environment that respects and values the contributions of all employees and their individual differences.

BluMetric's employees come from a wide range of cultural, ethnic, educational and religious backgrounds. Additionally, women represent 49% of the workforce from welders and field technicians to the executive team. BluMetric's goal is to capitalize on the strength derived from diversity while affording its team members the greatest opportunity to excel, grow, and contribute to business and society.

## Results of Operations

	Three Months Ended		Change \$	Change %
	December 31, 2021 \$	December 31, 2020 \$		
Revenue	7,816,254	8,152,189	(335,935)	(4%)
Gross profit	2,044,915	2,219,568	(174,653)	(8%)
Gross margin %	26%	27%		
Operating expenses	1,265,374	1,151,100	114,274	10%
EBITDA <sup>1</sup> and Adjusted EBITDA <sup>2</sup>	912,282	1,221,050	(308,768)	(25%)
Earnings before provision for income tax	746,891	948,928	(202,037)	(21%)
Income tax expense	194,690	249,085	(54,395)	(22%)
Net earnings	552,201	699,843	(147,642)	(17%)
Weighted average common shares outstanding	29,064,173	28,675,695		
Earnings per share – basic and diluted	0.02	0.02		
Total assets	16,619,894	14,541,707		
Working capital	10,412,516	5,091,601		
Non-current liabilities	1,414,949	825,214		
Shareholders' equity	10,538,930	6,779,603		

*Note 1: EBITDA is a non-IFRS measure (see 'Financial Terms and Definitions') and is calculated as net income before interest expense, income taxes, depreciation, and amortization.*

*Note 2: Adjusted EBITDA is a non-IFRS measure (see 'Financial Terms and Definitions') and is calculated as EBITDA before gain on disposal of assets held for sale.*

### Discussion of Results of Operations for the Quarters Ended December 31, 2021 and 2020

Revenue for the quarter ended December 31, 2021 was \$7.8 million compared to \$8.2 million for the quarter ended December 31, 2020.

	Three months ended December 31, 2021 \$	Three months ended December 31, 2020 \$	Change \$	Change %
Commercial and Industrial	3,082,775	3,027,973	54,802	2%
Government	2,208,392	2,095,143	113,249	5%
Military	1,147,016	1,172,233	-25,217	-2%
Mining	1,378,071	1,856,840	-478,769	-26%
	7,816,254	8,152,189		

Revenue from all markets was relatively consistent in Q1 2022 compared to the same quarter in the prior year, except for Mining.

The Commercial and Industrial market increased slightly to \$3.1 million in Q1 2022 compared to \$3.0 million in Q1 2021.

The Government market continues to see strong activity. Q1 2021 saw a large increase in revenue primarily due to projects awarded for the provision of COVID cleaning supplies for schools in each community throughout Nunavut. This was a one-time project. Current projects are focused on more traditional environmental services, and offset the decrease from the COVID related projects not repeating.

Consistent with Q4 2021, revenue from the Military market included a slight reduction in the production schedule of the Company's shipboard reverse osmosis desalination (SROD) contract, which was largely offset by the production schedule for the Company's Seaspan Shipyard SROD contract.

The Mining market decrease is a result of two large mining projects that were completed in FY 2021. The Company is shifting its focus toward higher value services and adding to its client portfolio, especially in northern Quebec, and has started work on a new customer in this area. A new market leader for the Mining market was hired at the end of September 2021 and is focused on business development opportunities in this sector.

Gross profit was \$2.0 million and gross margin was 26% for Q1 2022 compared to \$2.2 million and 27% for Q1 2021.

Operating costs increased slightly compared to the prior period to \$1.3 million from \$1.2 million, mainly due to increases in IT costs related to computer leasing costs, licensing requirements and consulting services. Occupancy costs also increased in Q1 2021 as the Company started leasing office space in Ottawa whereas it previously owned an office building, as well as increases in costs such as travel and marketing which were not incurred in Q1 2021 due to the pandemic restrictions. These increases were partially offset by a reduction in credit loss provisions as some large outstanding receivables were collected.

Finance costs were \$33,000 for the quarter ended December 31, 2021 compared to \$120,000 reported in Q1 2021. On April 20, 2021, the Company re-financed its \$2.0 million term loan with an interest rate of 3.28% per annum compared to an effective interest rate of 14% on the previous loan.

Net earnings for Q1 2022 were \$552,000 million compared to \$700,000 for Q1 2021.

**EBITDA and Adjusted EBITDA (see "Financial Terms and Definitions")**

	Three Months Ended	
	December 31, 2021 \$	December 31, 2020 \$
Net income	552,201	699,843
Finance costs	32,650	119,540
Income tax expense	194,690	249,085
Depreciation and amortization	132,869	152,582
<b>EBITDA and Adjusted EBITDA</b>	<b>912,410</b>	<b>1,221,050</b>

For the period ended December 30, 2021, the Company recorded EBITDA and Adjusted EBITDA of \$912,410 compared to \$1.2 million for the period ended December 30, 2020.

The decrease in EBITDA and adjusted EBITDA is mainly due to decreased project revenue (\$336,000 decrease in revenue in Q1 2022 compared to Q1 2021).

For more detail, see "Discussion of Results of Operations" and "Quarterly Results".

## Quarterly Results

Quarterly financial information for the eight quarters ended December 31, 2021

(in 000's, except as otherwise indicated)

	Q1 2022 Dec 31, 2021 \$	Q4 2021 Sept 30, 2021 \$	Q3 2021 June 30, 2021 \$	Q2 2021 March 31, 2021 \$
Revenue	7,816	9,699	8,488	9,139
Cost of sales	5,771	7,354	6,295	6,475
Gross profit	2,045	2,345	2,193	2,664
Gross margin%	26%	24%	26%	29%
Operating expenses	1,265	1,286	1,147	1,199
Finance costs	33	30	40	122
Earnings before provision for income tax	747	1029	1005	1343
Income tax expense (recovery)	195	(257)	318	291
Net earnings	552	1,286	687	1,052
Weighted average common shares outstanding - basic	29,064,173	28,773,174	28,836,574	28,683,473
Earnings (loss) per share – basic and diluted	0.02	0.04	0.02	0.04
	Q1 2021 Dec 31, 2020 \$	Q4 2020 Sept 30, 2020 \$	Q3 2020 June 30, 2020 \$	Q2 2020 March 31, 2020 \$
Revenue	8,152	10,420	6,858	5,028
Cost of sales	5,933	7,559	5,516	4,538
Gross profit	2,220	2,861	1,342	490
Gross margin%	27%	27%	20%	10%
Operating expenses	1,151	1,350	1,118	1,308
Goodwill impairment	-	-	-	1,592
Other income	-	(328)	(833)	-
Finance costs	120	125	114	115
Earnings (loss) before provision for income tax	949	1,714	943	(2,525)
Income tax expense (recovery)	249	491	270	(257)
Net earnings (loss)	700	1,222	673	(2,268)
Weighted average common shares outstanding - basic	28,675,695	28,675,695	28,675,695	28,675,695
Earnings (loss) per share – basic and diluted	0.02	0.04	0.02	(0.08)

The Company experiences variability in its results of operations from quarter to quarter due to the nature of the markets and geographies in which it operates. Typically, in the second quarter, the Company experiences slowdowns related to winter weather conditions and holiday schedules. Activity in the fourth quarter generally increases as a result of projects in the North that run in the summer season. Additionally, the Company has a number of discrete contracts that occur throughout the year and can significantly impact the results of any one quarter.

Below are some key highlights for fluctuations quarter over quarter. For information on the operating results please see the Discussion of Results of Operations in each MD&A for each respective quarter.

**Highlights on quarter over quarter variances include:**

1. Q1 2022 vs Q1 2021 – Q1 2022 reflects a decrease in revenue from the Mining market as a result of two large projects which were completed by Q4 2021. The Company is focusing on business development opportunities in this market moving forward.
2. Q4 2021 vs Q4 2020 – Q4 2020 includes a large project for the provision of COVID cleaning protocol training and supplies for schools in each community throughout Nunavut, as well as two large mining projects which were completed by Q4 2021. Q4 2021 includes a large project related to COVID-19 compliance observation, a number of government contract call ups under existing standing orders, as well as a site remediation project for the development of a brownfield property. The Company also received other income of \$328,000 in the period ended September 31, 2020 as a subsidy for employee wages.
3. Q3 2021 vs Q3 2020 - Q3 2021 includes a large project related to COVID-19 for compliance observation which contributed \$1.0 million in revenue during the quarter. The Company recognized other income of \$833,000 in Q3 2020 related to a subsidy for employee wages.
4. Q2 2021 vs Q2 2020 – Q2 2021 includes a number of large projects related to COVID-19 for compliance observation and for the provision of COVID cleaning supplies for schools in each community throughout Nunavut. Combined, these projects contributed \$2.2 million in revenue during the quarter. Additionally, an increase of activity on one of the Company's contracts in the Military market contributed an additional \$1.2 million to revenue in Q2 2021 over Q2 2020. The Company recognized an impairment of its goodwill of \$1.6 million in Q2 2020.

### Summary of Cash Flows

	Three Months Ended	
	December 31, 2021 \$	December 31, 2020 \$
<b>Cash provided by (used in)</b>		
Operating activities, excluding changes to working capital	843,625	1,170,924
Changes related to working capital	(1,030,538)	(733,921)
Operating activities	(186,913)	437,003
Investing activities	(49,212)	(43,089)
Financing activities	(240,948)	(205,341)
Change in cash and cash equivalents	(477,073)	188,573
Cash and cash equivalents – Beginning of period	4,727,420	2,470,002
Cash and cash equivalents – End of period	4,250,347	2,658,575

Cash used from operating activities was approximately \$187,000 in the first quarter of 2022 compared with cash produced from operating activities of \$437,000 in the same period in 2021. Roughly half of the decrease was a result of lower revenue and gross profit. The remaining decrease came from changes in working capital, due to the pre-purchase of some items to take advantage of volume discounts as well as timing of payments of trade accounts payable.

Investing activities consumed \$49,000 of cash in the first three months of 2022 compared to cash consumed by investing activities of \$43,000 in the same period for 2021.

In Q1 2022, cash used in financing activities was \$241,000 compared to cash used by financing activities of \$205,000 in the same period of 2021. The higher use of cash in Q1 2022 relates to a repayment of restructured trade debt that had been previously postponed to the Company's bank, which was offset by the exercise of stock options which generated cash of \$120,000.

## Liquidity

The Company's short-term credit facilities consist of an operating credit line in the amount of \$2.5 million, which is a shared limit between its overdraft facility and letters of credit. The facility carries a floating interest at prime plus 2.25%, is collateralized by a first ranking general security agreement over all of the Company's present and future assets, is subject to margining based on the amounts of eligible accounts receivable and has no contractual maturity.

For the period ended December 31, 2021, the effective interest rate under this facility was 4.7% (2020 – 4.7%). As at December 31, 2021, the Company had drawn \$nil on its operating facility and \$nil in letters of credit (December 31, 2020 – \$nil and \$nil respectively). The Company's eligible accounts receivable exceeded the margining threshold, making the \$2.5 million facility fully available to the Company.

On April 20, 2021, the Company entered into a letter of agreement with its bank for a new \$2.0 million term loan. The term loan has a closed four-year term and carries an interest rate of 3.28% per annum with monthly blended payments of \$44,517 commencing May 31, 2021. It matures April 30, 2025, will be carried at amortized cost and is subject to the same covenants as the Company's short term credit facilities. The interest rate of 3.28% for the new term loan compares to an effective interest rate of 14% on the Company's prior loan and is expected to generate significant interest savings for the Company over the next four years.

As at December 31, 2021, the Company had approximately \$6.8 million in availability between its operating line and cash balances and was in compliance with all its covenants.

## Business Outlook

***The following comments include forward-looking information and users are cautioned that actual results may vary.***

BluMetric is focused on making key investments in personnel to support growth and market expansion. The Company is planning to invest in leadership in the Commercial and Industrial market to take advantage of emerging opportunities. Furthermore, BluMetric will continue to build on a strong 2021 servicing clients in Canada's North, as well as its other government clients. In addition, the Company is considering acquisition opportunities to accelerate growth.

BluMetric believes that leveraging its position as an established provider of Industrial Hygiene / Occupational Health and Safety expertise to assist new and existing clients with COVID-19 related challenges, as well as being diversified in its service offerings and market sectors will continue to position BluMetric for future year growth.

## Business Risks

The reader is referred to the discussion on Business Risks found in the Company's MD&A for the year ended September 30, 2021.

The Company is subject to risks and uncertainties in the normal course of business that could materially affect the financial condition of the Company. These risks and uncertainties include, but may not be limited to, the following:

- The COVID-19 pandemic;
- Macroeconomic risk of recession in key markets or the economy as a whole;
- Reliance on key clients;
- Failure to retain and develop key personnel;
- Competition from companies which are better-financed or have disruptive technologies;
- Potential claims and litigations; and
- Cybersecurity threats.

COVID-19's impact on Canada was strongly felt in March 2020. Local governments in the jurisdictions served by BluMetric declared a state of emergency and implemented physical distancing measures to reduce the spread of COVID-19, which included the closure of non-essential businesses and travel restrictions. Since March 2020, Canada and the United States have loosened and tightened pandemic related emergency restrictions based on the number of COVID-19 cases and rate of spread. Large unknown risks as a result of COVID-19 remain.

Potential impacts on BluMetric related to COVID-19 include:

- Government response and related shut-downs to remediate on-going waves of COVID-19;
- Vendor price increases as they attempt to pass-through higher costs;
- Continued or additional suspensions at some of the Company's projects;
- Delays at other projects to ensure health and safety standards are met;
- Supply disruptions related to materials or labour;
- Deferrals in the bidding process for some projects;
- Pressure on charge rates;
- Clients seeking price concessions due to weak economic conditions; and
- Pandemic fatigue.

The duration and full financial effect of the COVID-19 pandemic is still unknown at this time and is subject to significant uncertainty. Accordingly, the COVID-19 pandemic may materially and adversely affect the Company's operations and financial results.

Factors mitigating the impact of COVID-19 include:

- The deemed "essential" nature of many of BluMetric's projects;
- Diversification of the Company's service offerings by market sectors;
- The implementation of a Pandemic Response Plan to ensure compliance with health and safety guidelines;
- Utilizing the Company's position as an established provider of Industrial Hygiene / Occupational Health and Safety expertise to assist new and existing clients with COVID-19 related challenges.
- Business processes implemented since the beginning of the pandemic which allow the Company to agilely manage its discretionary and non-discretionary costs in response to changing conditions; and
- Increased liquidity, if needed, from a higher borrowing limit on its operating credit line as a result of renegotiating its credit facility agreement and moving from a limit of \$2.0 million for overdraft and \$500,000 for letters of credit to a \$2.5 million shared limit between overdraft and letters of credit.

### **Capital Resources**

The Company's future growth strategy contemplates investment in various technologies and processes requiring capital for prototyping purposes. Accordingly, the Company may opportunistically approach capital markets for additional equity funding if conditions are favourable.

### **Critical Accounting Estimates and Judgements**

The reader is referred to the detailed discussion on critical accounting estimates and judgements found in Note 2 of the Company's audited financial statements and related notes for the year ended September 30, 2021.

### **Contractual Obligations**

The reader is referred to Note 22 of the Company's audited financial statements for the year ended September 30, 2021.

### **Off-Balance Sheet Arrangements**

Many of the Company's operating leases have fallen under IFRS 16 as implemented on October 1, 2019 and are now capitalized on the Statement of Financial Position. For contractual commitments not recognized on the Statement of Financial Position, the reader is referred to Note 22 of the Company's audited financial statements for the year ended September 30, 2021.

### Transactions with Related Parties

All related-party transactions are conducted under terms and conditions reflecting prevailing market conditions at the transaction date and are recorded at the amounts agreed upon by the parties.

Key management personnel of the Company are members of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer and members of the executive team.

The remuneration of key management personnel, including directors, during the period was as follows:

	Three Months Ended	
	December 31, 2021 \$	December 31, 2020 \$
Salaries	239,250	200,431
Short-term benefits	23,921	25,374
Share-based compensation	4,699	3,986
	267,870	229,791

### Proposed Transactions and Subsequent Events

There are no proposed transactions or subsequent events for the quarter ended December 31, 2021.

### Summary of Outstanding Shares and Dilutive Instruments

The Company currently has the following shares and dilutive instruments outstanding:

Shares: 29,395,695 common shares  
 Options: 120,000 options

### Inter-Corporate Relationships

There are no inter-corporate relationships for the quarter ended December 31, 2021.

## Financial Terms and Definitions

### Definition of Non-GAAP Measures

This Management Discussion and Analysis includes reference to and uses terms that are not specifically defined in IFRS and do not have any standardized meaning prescribed by IFRS. These non-GAAP measures may not be comparable to similar measures presented by other companies. The Company believes that the measures defined here are useful for providing investors with additional information to assist them in understanding components of the financial results.

**EBITDA.** EBITDA represents net income before interest expense, income taxes, depreciation of property and equipment, and amortization of intangible assets. The Company uses this measure as part of assessing operating performance. There is no direct comparable IFRS measure for EBITDA.

**Adjusted EBITDA.** Adjusted EBITDA additionally excludes items that are significant and irregular, such as the gain on disposal of assets held for sale and goodwill impairment.

Management believes that Adjusted EBITDA as defined above is an important indicator of the Company's ability to generate liquidity through operating cash flow to fund future working capital needs, service outstanding debt and fund future capital expenditures and uses the metric for this purpose. Adjusted EBITDA is also used by investors and analysts for valuation purposes. The intent of the Adjusted EBITDA is to provide additional useful information to investors and analysts and the measure does not have any standardized meaning under IFRS. Adjusted EBITDA should therefore not be considered in isolation or used in substitute for measures of performance prepared in accordance with IFRS. Other issuers may calculate Adjusted EBITDA differently.

### **Management's Responsibility for Financial Reporting**

The condensed interim financial statements of BluMetric Environmental Inc. and all the information in this Management Discussion and Analysis have been prepared by management, which is solely responsible for the integrity and fairness of the data presented, including the many amounts, which due to necessity, are based on estimates and judgments. The accounting policies followed in the preparation of these annual financial statements conform to IFRS Financial Reporting Standards. When alternative accounting methods exist, management has chosen those that it deems most appropriate in the circumstances. Financial information presented throughout this report is consistent with that in the financial statements.

BluMetric maintains systems of internal accounting and administrative controls to provide reasonable assurance that the financial information is relevant, reliable and accurate and that transactions are authorized, assets are safeguarded and proper records are maintained.

The Board of Directors is responsible, principally through its Audit Committee, for ensuring that management fulfills its financial reporting responsibility.

### **Additional Information**

Additional information on the Company can be found at [www.blumetric.ca](http://www.blumetric.ca) and at [www.sedar.com](http://www.sedar.com).