

**BluMetric Environmental Inc.****Fourth Quarter & Fiscal Year 2025 Earnings Conference Call**

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## CORPORATE PARTICIPANTS

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## CONFERENCE CALL PARTICIPANTS

### **Stephen Kammermayer**

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### **Samir Jhaveri**

*Private Investor*

## PRESENTATION

### Operator

Good morning, ladies and gentlemen, and welcome to the BluMetric Environmental Inc. Fiscal Year 2025 Q4 Conference Call. At this time note that all participants are in a listen-only mode. Following the presentation, we will conduct a question-and-answer session. If at any time during this call you require immediate assistance, please press star zero for the operator. Also note that this call is being recorded on Wednesday, January 28, 2026.

I would now like to turn the conference over to Brandon Chow. Please go ahead.

**Brandon Chow** — Principal & Founder, Panolia Investor Relations Inc.

Thank you, operator. Welcome, everyone, to BluMetric Environmental's quarterly and annual earnings conference call. This call will cover BluMetric's financial and operating results for the 2025 fourth fiscal quarter and fiscal year ended September 30, 2025. Following prepared remarks, we will open the conference call to a Q&A session. Our call today will be led by Scott MacFabe, BluMetric's CEO, and Dan Hilton, the Company's CFO.

Before we begin with our formal remarks, I would like to remind everyone that some of the statements on this conference call may be forward-looking statements. Forward-looking statements may include, but are not necessarily limited to, financial projections or other statements of the Company's plans, objectives, expectations, or intentions. These matters involve certain risks and uncertainties. The Company's actual results may differ significantly from those projected or suggested in

any forward-looking statements due to a variety of factors which are discussed in detail in our regulatory filings.

There may also be references to certain non-IFRS measures such EBITDA, backlog, working capital, free cash flow, and net cash. These non-IFRS measures are not recognized measures under International Financial Reporting Standards and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Please see our disclosures for further information and reconciliations of these non-IFRS measures.

I will now hand the call over to Scott MacFabe. Please go ahead, Scott.

**Scott MacFabe** — Chief Executive Officer, BluMetric Environmental Inc.

Thank you, Brandon, for the introduction. Welcome, everybody, to our fourth quarter and fiscal year 2025 earnings call for BluMetric Environmental. We appreciate all of you taking the time to join us on today's conference call and, per usual, I'll start off by providing an overview of the quarter and Dan will go over our financial results in more detail.

Firstly, we'd like to start off by giving those new to the story a reminder of what we do. BluMetric creates a better environment for business. What does that mean? Well, BluMetric is a full-service water technology and environmental engineering firm. We design, fabricate, and deliver sustainable solutions to complex water and environmental challenges and have a rich history that spans over 50 years. We have evolved into a specialized integrator of environmental solutions in the fields of water and

wastewater treatment and professional environmental services for the natural and built environments.

We aspire to be the environmental solutions and WaterTech company of choice globally.

Now let's discuss this quarter and fiscal year in more detail. The fourth fiscal quarter saw a significant increase in revenues of 63%, due primarily to the production and delivery of WaterTech Canada's ASUWPS units to Rheinmetall Canada and the addition and post-acquisition organic growth of Gemini Water, also known as WaterTech USA. The fourth quarter was no exception where we saw continued strong growth organically of Gemini and we're very happy with the results so far. This has been attributable to the investments we have made in people, sales, processes, and people. This is consistent with our approach for acquisitions in general.

One of the projects WaterTech USA has been working on is a flagship St. Kitts Bird Rock facility, which is our largest seawater reverse osmosis project to date. We've absorbed some costs in good faith to ensure a smooth completion and transition of the facility during the commissioning to strengthen and maintain the long-term client relationship in the region. We're negotiating change orders and other methods for recuperating some of these costs, but the discussions have not been yet completed. This led to significant hit to the gross margin in the fourth quarter and we expect the gross margin in the next quarter and fiscal 2026 to be more in line with historical levels. We believe this was the right decision as it helped us win the first operations and maintenance contract in the Caribbean with the St. Kitts government. This was announced last calendar year on December 22<sup>nd</sup>. The St. Kitts project is expected to be an important case study and serve as a template for future potential projects which we are actively marketing.

As evidenced with continued contract wins with our first O&M announcement, we continue our marked traction in the Caribbean while we look for expanding our portfolio to include full end-to-end water solutions. This means not only offering potable water solutions but also wastewater treatment and being able to service, operate, and maintain these facilities for the long term. Our ability to deliver on every step of the water project from front end, design, engineering, installation helps our clients expedite through delivery and commissioning while reducing their overall costs. This can be replicated to other areas, including parts of Texas, who are facing similar water needs.

In terms of our markets, the 2025 fiscal year saw an impressive 233% year-over-year increase in revenues in our Commercial & Industrial market. Being mostly due to Gemini Water, this revenue was entirely classified for this market. This was offset by a softening in the overall market for Professional Services, which has since recovered to a more normalized level in the fourth quarter. As you may recall, we saw lower utilization earlier in the year and decided to retain our personnel, which appears to have been the right move in order to service the recovery in revenues. The Military market saw an increase of 38% in revenues due to the refurbishment of water purification systems for the Canadian Department of National Defence and the production of our ASUWPS unit for Rheinmetall. Our Mining market saw slight decreased revenues as we continued shifting toward higher-value services and we expect this to improve as Canadian mines develop and see better unit economics from increasing commodity prices.

Furthermore, subsequent to the fiscal year we announced the acquisition of DS Consultants. As we mentioned in previous conference calls, we were looking for professional services targets who could complement what we do in the built environment, improve our presence and capabilities in the Greater Toronto Area, and find businesses which are complementary, not competing, with our existing offerings.

DS fits all of these criteria and gives us significant footprint in the area along with 155 full-time employees. This brings our total employee headcount up to approximately 370 people right now. Similar to Gemini Water, our goal is to provide resources and support to help DS Consultants thrive and achieve its targeted growth goals, including progress annual EBITDA targets of \$4 million, \$5 million, and \$6 million over the next three years. As a reminder, Professional Services has always been central to BluMetric's history and long-term success. It's a business which has historically been profitable and helped fund our higher-growth WaterTech initiatives. I look forward to reporting on how our progress is going as we start the integration process and start seeing DS contribute to our P&L. This will be seen in its entirety in the second fiscal quarter of 2026 and onward.

Overall, 2025 was a transformative year for BluMetric. We were able to execute on our growth milestones and lay down the foundation for a solid fiscal 2026. Our key investments in manufacturing assets, people, technologies will all help us drive further adoption in our niche markets and bring us to a pathway to becoming \$100 million annual revenue plus company. This will be contingent on our continued execution and we'll make sure we strive for excellence across all of our major functions. With the recent acquisition of DS Consultants, successfully closing on our brokered offering, and visibility on contracts, we're setting ourselves up nicely for the coming year ahead. We're a unique company with unique water technologies and this, combined with talented, committed people, creates a flywheel for us to become a larger and more dominant player in our markets.

I'd now like to hand this over to Dan for a more detailed overview of the financials. Please go ahead, Dan.

**Dan Hilton — Chief Financial Officer, BluMetric Environmental Inc.**

Thank you, Scott. Today I'll be presenting BluMetric's 2025 fiscal fourth quarter and year end results in more detail.

Revenue for the 2025 fiscal year was \$62.6 million compared to \$34.8 million in the prior year. Revenue for the fourth quarter of the fiscal year was \$18 million compared to \$11.1 million in the same period in 2024. As Scott mentioned, the revenues for both periods increased primarily due to the rapid growth of WaterTech USA and delivery of the Rheinmetall ASUWPS unit.

Across the Company's key markets for the fiscal fourth quarter, the Commercial & Industrial markets revenue increased year over year due to WaterTech USA, which was offset by weaker performance by Professional Services, which also contributed to this market segment. While we saw weakness in Professional Services for the first three quarters, we're happy to report that things have since improved in the fourth, resulting in total revenues for Professional Services almost matching the same levels as in the previous fiscal 2024 year. As we have previously discussed, it was important to retain our personnel, as it wouldn't have been possible to execute this recovery if we had to do a workforce reduction earlier in the fiscal year.

The Government saw a modest increase and continues to play a stable component in our overall customer base. We highlighted the reasons for the Military market revenue increases and expect to see production of the ASUWPS systems with Rheinmetall Canada continue for approximately four more quarters. Lastly, the Mining market decreased due to a general sector slowdown and recalibration of our go-to-market efforts. As evidenced by recent announcements, we are now starting to see the mining

sector pick up again with many of our clients requesting proposals. As a reminder, we generally expect to see fluctuations in our core markets as we continue executing and some will make up for others, depending on the quarter. Having a strong presence in our full markets helps to manage these natural fluctuations.

Our gross margin for the fiscal year was 29% compared to 40% for the prior fiscal year. Gross margin for the fourth fiscal quarter was 23% compared to 34% in the prior year. The decrease in the gross margin for the fiscal year is mainly attributable to the change in sales mix, whether it's been a material increase from the relative sales of WaterTech over Professional Services during the period.

For the fiscal fourth quarter, the consolidated gross margin was reduced by \$1.1 million of gross profit as a result of costs absorbed in the St. Kitts project to strengthen a long-term and strategic relationship with that client. Of these overruns, approximately \$600,000 relates to the operation, labour, and consumables of the facility prior to the O&M contract and the balance related to project close overruns, for which a \$90,000 change order remains under negotiation. As a result, our bottom line would have been stronger if we had not absorbed these costs. As Scott mentioned, we are in discussions with the client with the goal to recoup some of these in the next quarter. Our original mandate was to construct the facility, which has been done successfully. Operating the facility was not part of this original budget; however, water availability is of critical importance in that region and the decision was made in cooperation with the government to continue to allow the system to produce water during Q4, ahead of our previously-announced O&M contract. Our relationship with the government is strong as a result and the smooth transition of this facility will assist future business development opportunities with the local government and throughout the region.

Operating expenses net of amortization increased by \$4.2 million to \$16.4 million for the fiscal year compared to the prior year. The increase was driven by operating expenses related to Gemini in the amount of \$1.9 million compared with \$27,000 in the prior year. These additional expenses are proportionately lower than the associated gross profit, resulting in economies of scale. The increase was also driven by lower person utilization throughout the organization, driven by market uncertainty, primarily in the third quarter.

Adjusted EBITDA for the fiscal year increased to \$2.4 million compared to \$2 million for the prior year. The increase in EBITDA is mainly due to higher revenues offset by the cost absorbed with the St. Kitts project and further investments to support a higher level of revenues and operations. The investments in our completed showcase project in St. Kitts, professional services practice, and establishing an operation and maintenance division, along with preparations for higher growth, have eroded fiscal 2025 EBITDA; however, it has positioned us well for 2026.

A net loss of \$1.8 million was recorded for the fiscal year compared to net earnings of \$64,000 in the prior year. On September 30, 2025, BluMetric had a net cash balance of \$2.1 million compared to a net balance of \$157,000 at September 30, 2024. As at September 30, 2025, the Company had approximately \$6.1 million in cash availability between its operating line and cash balances and is not bound by any debt covenants.

This past year has been transformative for BluMetric, witnessing strong growth due to the success of our WaterTech USA and Canada divisions and ongoing investments across our markets. While some business segments faced challenges, we demonstrated resilience, particularly with professional

services rebounding by year end and the mining sector beginning to show renewed activity. Strategic decisions, such as retaining key personnel and absorbing certain project costs, enabled us to reinforce important client relationships and maintain our momentum.

Our foundation remains solid. As we look forward, our focus will be on sustaining this trajectory. We are a world-class environmental consultant and water technologies firm, delivered by world-class people who do meaningful work every day. Water is ever scarcer and the environmental concerns of our clients continue to require our world-class assistance.

I'd like to thank everyone for taking the time to allow us to present our results and I'll now hand it back over to Scott.

**Scott MacFabe — Chief Executive Officer, BluMetric Environmental Inc.**

Thank you, Dan. That was a great update. And I echo the excitement surrounding the opportunities that lie ahead this year. We'll now take questions from participants and we'll pass it back over to the operator.

## **Q & A**

### **Operator**

Thank you, sir. Ladies and gentlemen, if you do have any questions, please press star followed by one on your touchtone phone. You will then hear a prompt that your hand has been raised. Should you wish to decline from the polling process, please press star followed by two. If you are using a

speakerphone, you will need to lift the handset first before pressing any keys. Please go ahead and press star one now if you have any questions.

First we will hear from Stephen Kammermayer at Clarus Securities. Please go ahead, Stephen.

**Stephen Kammermayer** — Analyst, Clarus Securities

Good morning, guys.

**Scott MacFabe** — Chief Executive Officer, BluMetric Environmental Inc.

Good morning, Stephen. How are you?

**Stephen Kammermayer** — Analyst, Clarus Securities

Good. Just wanted to touch on the costs absorbed in the quarter for the St. Kitts project. I just want to make sure that that's not going to be ongoing and that those costs will be covered, I guess, in the new O&M contract as you guys start to operator that.

**Scott MacFabe** — Chief Executive Officer, BluMetric Environmental Inc.

Yeah, sure. Dan, you can start and I'll colour it in if I need to.

**Dan Hilton** — Chief Financial Officer, BluMetric Environmental Inc.

Yeah, sure. Absolutely. Thanks for the question, Stephen. Certainly, as you can imagine, this particular facility is different than many of the facilities we build for other clients like Carnival and Disney

and so on, the private islands. This was an operating water desalination plant to relieve material capacity issues in St. Kitts and it was an election promise of the prime minister to ensure that there was water delivered to those people. So we did do what we had intended to and delivered the project on time and water has been operating for several months now, relieving a lot of stress on that island, and part of the transition of that facility took longer than expected. We were never intending to operate the facility. Our goal was to manufacture it. However, due to some labour disputes on the island that the government was dealing with, we did end up operating the facility during Q4 and are now in discussions with the government to try and recoup our costs related to that. And that was about, with chemicals and the additional unexpected costs, consumed about \$600,000. There's also some small, ah, a \$90,000 change order that we put in place that we're dealing with on the prime. So both of those items we're hoping to continue to negotiate and resolve successfully and then we'll be able to record appropriately a recoup of those revenues in a future period.

You're correct in your question, it is a one-time event. That facility, we now have transferred that over to the government, and we do have, as we previously announced, an operation and maintenance contract in place and we're recovering any costs that we incur as we assist them and oversee their management of the facility.

**Scott MacFabe** — Chief Executive Officer, BluMetric Environmental Inc.

Stephen, I would also add that we're very proud of the team. They delivered this project on time, slightly ahead of, and in fact, this is the first time in over 20 years that the island has 24-hour water available to it. It's been a dire situation for many and too long. And so, as you hopefully can imagine,

when you have an operating system that we've executed on flawlessly, and then you turn the tap on and you're producing potable water, it goes into the system, people are excited, as they should be, and it's what they deserve. But at the same time, getting the client and the administration to catch up on the contracting, get their people in the right place to be able to execute, we didn't feel it was an appropriate response to say we're just going to shut this off until we get the contract resolved. We can be difficult if we need to be, but this was not the time or place. And so, as a result, we did make a conscious decision to continue operating until we could resolve this, and at the end of the day, that has bought a tremendous amount of goodwill and it also puts us in very good stead with other projects in the region. So these are not easy decisions to make and we understand that they do, in some ways, affect and do affect our bottom line. We understand the focus on EBITDA, we also see a tremendous scale-up of the business, which we intend to harvest to produce a better EBITDA, but right now, the timing of how this worked out in closing the year, was a bit difficult, but we do consider it a one-time event.

**Stephen Kammermayer** — Analyst, Clarus Securities

Okay. No, I mean it sounds like you ran it and absorbed the cost to be a good corporate citizen. And if I heard correct, you're negotiating to recoup some of these costs. Did I hear that right?

**Dan Hilton** — Chief Financial Officer, BluMetric Environmental Inc.

Yeah, that's correct, both with the government as well as with the prime on the contract. So the amount with the prime, which is related to the production of the facility, is about \$90,000. We expect to be able to recoup that. The amount that's with the government is still under negotiation and we certainly hope to be able to recoup the vast majority of that, but that's still being discussed. And as a

sign of good faith and our strong relationship with the government, there are other opportunities on the same island that they've introduced us to and we're actively bidding on those. So I remain confident we'll be able to recoup some of those funds, but we're still negotiating.

**Stephen Kammermayer** — Analyst, Clarus Securities

Okay. Okay. No, that's great. And then just moving over to Gemini here, talking to you guys and reading the MD&A here, it seems like that's going full out on capacity. Is there any impetus now or in the near future to even expand that capacity more? I mean I realize you just doubled it in the last nine months, but are you looking at expanding that at all?

**Scott MacFabe** — Chief Executive Officer, BluMetric Environmental Inc.

Yes, we are. In fact... Go ahead, Dan. You can colour that in a bit, if you like. That's fine.

**Dan Hilton** — Chief Financial Officer, BluMetric Environmental Inc.

Scott and I were both down there actually meeting with the management team in late December and we had the landlord tour an adjacent contiguous space. It's another 25,000 square feet. And so, based on the demand that we're seeing, we definitely believe that's a decision that we will need to make in the current quarter. It would double our footprint once again in Florida. We're going through the phase right now of optimizing what that space configuration would look like with the landlord and some designers prior to making a decision, but I think we're optimistic, I would say, based on the demand that we're seeing, that that space would be of value to us over the coming year. When we signed the original lease, we had a right of first refusal on that space, and so we do have to make a

decision before the end of the summer, but I think we are in a position where we'll be able to make that decision, I think, this quarter.

**Stephen Kammermayer** — Analyst, Clarus Securities

Okay. And then, no, that's excellent. And then just maybe one more, if I can, just on the DS integration. I know you've only had it for a few months now, but how is that going and is there anything, any hiccups that you're experiencing yet or is it pretty smooth to date?

**Scott MacFabe** — Chief Executive Officer, BluMetric Environmental Inc.

I think the DS Consulting integration is going really well and from the standpoint that we're in familiar businesses and we're familiar with each other and there really isn't a competitive faction in here at all. It's really we're already proposing on new larger assignments together that we couldn't have pursued otherwise on our own. We're sharing resources. We're sharing staff. We're looking to expand them into geographies we currently are in, as in up in Sudbury to access the mining market, into Quebec and Montreal to access the Quebec market, and really just taking advantage of our existing assets, our existing operating base, which is just the benefit of having that available and part of our integration and growth strategy for them. So they're very excited about that, taking advantage of that, and their clients are too, so we love having that addition to the team. And also seeing better synergies with our existing staff in Toronto with them because they are a much stronger, bigger presence in the GTA than we are. So it's early stages, but I can say that we're very happy with how things are progressing. It's going to be a really nice add.

**Stephen Kammermayer** — Analyst, Clarus Securities

Good. Okay. Sounds like everything is going well with that. That's all the questions I had. Thanks, guys.

**Scott MacFabe** — Chief Executive Officer, BluMetric Environmental Inc.

Take care, Stephen.

**Operator**

Ladies and gentlemen, a reminder to please press star one should you have any questions. And next question will be from Samir Jhaveri. Please go ahead.

**Samir Jhaveri** — Analyst, Private Investor

Hi there, guys. So you've done a number of acquisitions over the last couple of years and the EBITDA has suffered, but there's a trajectory in terms of recovery and the one-time costs kind of going away. Can you talk a little bit about the cadence this year for both revenue and what you see in terms of EBITDA as you get the scale effects coming through the acquisitions but also for the DS acquisition? Just if you could give us a sense of what the revenue is over the last couple of years and what you expect it to be and how to hit the \$5 million and \$6 million in targets.

**Scott MacFabe** — Chief Executive Officer, BluMetric Environmental Inc.

Yeah. I'll start and, Dan, if you want to colour in later, that'd be good.

Thanks for the question. It's a great one. We don't want to... On one hand, we look at what we've accomplished this year, and we're extremely pleased with our top line of course, but at the same time we understand that there's an expectation to scale up the EBITDA commensurate with that kind of business that we're now a \$62 million top-line business and now we've added DS. And so, when you put all that together, it's a really nice setup, but the last thing we want is for the investment community to think that we've abandoned our attention to EBITDA production. That's not the case at all. But now we have a lot more to work with and a lot more to work on in order to produce the kind of results that we know that people are expecting. We have a stated ambition of growing the business to \$100 million top line and around 10% EBITDA and the scale up of the business should provide us the opportunity to execute on that.

So, Dan, maybe you want to provide a few more details in terms of the cadence and change.

**Dan Hilton** — Chief Financial Officer, BluMetric Environmental Inc.

Yeah, absolutely. I guess there's a couple of things. I need to be sensitive a little bit with respect to DS Consultants, only because, historically, they have not had audited financials. Their financials have been reviewed. And so that's part of the reason we've been somewhat reluctant to share their historical data. But I'm happy to share a few metrics that I think will frame up the scale of the operation and then provide a timeline, I guess, as to when we can talk about it in more detail.

The \$4 million, \$5 million, and \$6 million EBITDA targets that were established by their management team, they expect to achieve those fully. And that first year \$4 million target is not a stretch target. That's what they've expressed to us they've achieved in the past fiscal year. So we believe

that is a very achievable number. And then \$5 million and \$6 million would be the stretch goals as we help to encourage them to integrate with us and look for cross-selling opportunities and so on. They have disclosed to us historically, in the last year, that their top line is about \$24 million. So that gives you a sense of their EBITDA margin that they've reported.

Now the lack of information that we're hearing in our public documentation really relates to the fact that we've not had an opportunity yet to compile their financial results. Obviously, we did a lot of due diligence and we've used some professionals to assist, but the challenge really is for us to get in there and just actually close out a period. We closed that transaction in December, which is our Q1, so we release our Q1 results the last week of February, so about a month from today, and in those results we will have the entire month of December of DS Consultants revenue included and those will be numbers that we've participated in pulling together and we'll have certainly significantly higher levels of assurance on what they've achieved and it's our expectation in our Q1 MD&A and documentation that we share with the market that we'll be able to get into a much more confident analysis of DS Consultants and where we see them landing. But what they've presented historically is \$24 million top line and the \$4 million EBITDA that we expect them to achieve in 2026 is consistent with what they've delivered historically.

On a pro forma basis, if you were just to add together the historic revenues of BluMetric and DS Consultants as they presented them, you end up with a number between \$85 million and \$90 million. We obviously hope to grow this year and so we've stated publicly in a few of the documents that we've shared that we have ambitions to have a 10% EBITDA at \$100 million in revenue. We believe that's achievable. Certainly, as a small microcap, it's challenging with the additional cost that you absorb, but

at \$100 million or more in revenue, we believe, as we look at our own operations and some of our peers, that 10% is the target that we set ourselves for EBITDA and so that's what we'd hope to achieve in the near term.

**Samir Jhaveri** — Analyst, Private Investor

So if I do kind of the math, you're kind of running north of \$85 million on a quarterly run rate if you just kind of normalize it. So where could we expect, if they've got \$4 billion, you're already at kind of a 4%, 5% EBITDA margin for this year excluding any kind of BluMetric historical contribution and these one-time costs should be going away or be recovered, so are you already kind of pushing that high single digit, 7%, 8% on a pro forma basis? Is that a fair assumption?

**Dan Hilton** — Chief Financial Officer, BluMetric Environmental Inc.

Yeah, I think that's reasonable. I think that high single digits is where, on a pro forma basis, we would sit today, I mean barring any one-time unusual costs, but we certainly don't have insight into anything along those lines at the moment. So yeah, hitting 10%, as I mentioned, is, I think, a realistic target for us at \$100 million, and yeah, I think your conclusion is reasonable.

**Samir Jhaveri** — Analyst, Private Investor

Okay. And so just to clarify, you've got a lot of scale now compared to two years ago. The focus really is kind of sweating the assets, increasing that EBITDA and free cash flow this year. Is that a fair assessment?

**Dan Hilton** — Chief Financial Officer, BluMetric Environmental Inc.

I would absolutely say that's a high priority for us. We certainly don't want to stall growth opportunities. And as I mentioned earlier, there is significant traction in the water and especially wastewater space with our US subsidiary. So we're not going to slow down growth, but there is no question that the scale that we've created, which we believe is now very sustainable at these levels, gives us the opportunity to focus on EBITDA and that's a priority for the year.

**Samir Jhaveri** — Analyst, Private Investor

Okay. And then just final question for me is the Rheinmetall, you've talked about the next four quarters in terms of run rate for that business, can you remind us what that level of revenue is and then kind of what happens post the four quarters? Is it an extension? Is it expansion within the rest of NATO that kind of determines that? Can you just run us through kind of the lapping of that a year from now?

**Dan Hilton** — Chief Financial Officer, BluMetric Environmental Inc.

Yeah, absolutely. So the Rheinmetall contract, the ultimate buyer on that is the Canadian Department of National Defence through Rheinmetall. Rheinmetall is the integrator. They're doing the trailer and we do all the water technology that resides on the trailer. Each of those units that we produce, there's 26 to be delivered in total, sells for low \$400,000 each. So that contract is sort of in the, call it, \$12 million range. And that will run through the next several quarters.

Rheinmetall has an opportunity through D&D to extend for an additional 10 units. We've had some preliminary discussions that suggest there's interest, but nothing at the moment that we can

announce or that we could say have locked in, although I would say that there are tremendous tailwinds at the moment in the military market. We're seeing a lot of activity. We're in lots of discussions, both on the Rheinmetall contract and others with DND, and so we're hopeful that their procurement process will give them the freedom to spend as they've been committing to publicly, but we've not yet seen any of those contracts. So option exists for additional units for sure and there's also other programs that are similar to that that we're in discussions with the military with but timing is up in the air. We're hopeful with everything we're hearing and the political pressure to meet our NATO spending commitments, but we haven't seen anything papered yet.

**Samir Jhaveri** — Analyst, Private Investor

Okay. Thanks very much, guys. I don't know how to get off of this, so I don't know if I get pushed back into queue.

**Scott MacFabe** — Chief Executive Officer, BluMetric Environmental Inc.

Thanks.

**Operator**

Ladies and gentlemen, again, should you have any questions, please press star followed by one on your touchtone phone.

And at this time, Mr. MacFabe, we have no other questions registered. Please proceed.

**Scott MacFabe** — Chief Executive Officer, BluMetric Environmental Inc.

Thank you, operator. Appreciate everybody's participation this morning on our call. A lot to review. But we're very proud of what we've accomplished and where we have great tailwinds pushing us forward into this year. So we're excited about the future and we definitely are looking forward to executing as discussed. So stay tuned and very shortly you'll see an update from us at the end of February. So, with that, I wish you all a good day and thank you for your support.

**Operator**

Thank you, sir. Ladies and gentlemen, this does indeed conclude your conference call for today. Once again, thank you for attending, and at this time we do ask that you please disconnect your lines.