

Transcript of
BioLargo, Inc.
Year End 2020 Earnings Results Conference Call
March 31, 2021

Participants

Brian Loper - IR, ClearThink Capital
Dennis Calvert - Chief Executive Officer

Presentation

Operator

Good day, ladies and gentlemen and welcome to the BioLargo Year End 2020 Earnings Results Conference Call. All lines have been placed on a listen-only mode and the floor will be open for questions and comments following the presentation. [Operator Instructions]

At this time, it is my pleasure to turn the floor over to your host, Brian Loper. Sir, the floor is yours.

Brian Loper - IR, ClearThink Capital

Thank you very much. Good afternoon, everybody. Thank you for joining us on this exciting day. My name is Brian Loper, I'm with ClearThink Capital, the IR representative for BioLargo. So by now, everyone should have had access to the earnings press release, which was issued earlier today prior to market open. The call is being webcast and is available for replay.

In our remarks today, we will include statements that are considered forward-looking within the meanings of securities law, including forward-looking statements about future results of operations, business strategies and plans, our relationships with our customers, market and potential growth opportunities. In addition, management may make additional forward-looking statements in response to your questions.

Forward-looking statements are based on management's current knowledge and expectations as of today, and are subject to certain risks and uncertainties and may cause the actual results to differ materially from the forward-looking statements. A detailed discussion of such risks and uncertainties are contained in our most recent Form 10-Q, Form 10-K and in other reports filed with the SEC.

The company undertakes no obligation to update any forward-looking statements. On this call, we will refer to non-GAAP measures that when used in combination with GAAP results provide us with additional analytical tools to understand our operations. We've provided reconciliations to the most directly comparable GAAP financial measures in our earnings press release, which will be posted on our website at biolargo.com.

And with that, I will now hand over the call to BioLargo's Chief Executive Officer, Dennis Calvert.

Dennis Calvert - Chief Executive Officer

Hey, Brian, thank you very much, and it's really a pleasure to be here and be able to present and speak with everyone. We've had a great year. Everyone saw the press release this morning, we're going to cover a lot of territory really fast. As you know at BioLargo, there's a lot of dynamic developments and we hope to provide additional insight so that as you analyze our business, you'll have a sense of where we are and where we're headed and why we're so excited about the business. So this is our 2020 earnings results webcast and conference call, symbol BLGO, as we say, we'll make life better.

This has been quite a journey as we say, we've done a lot of hard work to be at this position to now see the fruits of our investment of time, energy and money begin to pay off. As we say we help solve some of the toughest problems with great technologies, all designed with the purpose to focus on making life better. We commonly refer to our business in really two categories. One is our Environmental Group, and then our Medical Division. And the reason they're different really is, because they are very different.

In the Environmental Group, we are the principal shareholder. We're the funder. It's an extension of our technologies. We do have a parent company and Presidents and Chief Executives of these companies operating on a day-to-day basis. We're intimately involved, highly cooperative with each other and focused on some of the toughest environmental challenges that face our world.

Clyra, on the other hand, is a minority interest. It's a company we helped found. It's got its own shareholders, it's got investors, it's got management and it's got distinctly different assets and a different strategy. We're currently consolidating the financial results of Clyra, we do believe that will eventually change as it continues to mature and expand its business. We'll try to help in the distinction between the two as we analyze the financial status.

Now as we say some of the hardest work is done. What does that mean? Well, this is about a 13-year journey. I mean, it is marked by incredible technical advancements. One of our assets has received almost over 80 grants, 20 patents in total. We've got 20 international collaborations, it's really technologies validated at the highest level. And now an early-stage commercial adoption. That's the key. The hardest work is done.

You know, for a small company to conceive, invent, prove, patent, commercially validate, break it apart, put it back together and then really figure out how to get it into the commercial market. It's really quite a chore. And we have multiple technologies in our portfolio, which we'll speak about briefly. In principle, we think each one represents a significant commercial opportunity and a chance to be a disruptor in the respective markets and an industry leader, as an adopter for tackling some of the biggest problems.

We have world-class clients. We have significant commercial opportunities that are now under contract like our Sunworks Farms, it's advancing through its funding and the design phase now for our AOS technology. Garratt-Callahan is a new relationship for developing some equipment and early-stage sales and marketing development for some of our technologies. And of course,

we have a center in Montreal working with one of its preeminent wastewater treatment operations validating our AOS for the next phase of getting that into the commercial market.

This last year is marked by significant turnaround. Revenues are climbing and debt is decreasing and almost going to zero. So I want to – speak specifically about that. We’ve put some footnotes at the bottom of this slide. The very important you know we have about \$456,000 in debt, \$50,000 of that will be a two-year, very friendly convertible and then we have another convertible note that comes due in August that’s convertible at \$0.14 well into the money with a very friendly investor. That’s having accumulated almost \$5 million in debt about a year and a half ago. It’s a pretty remarkable turnaround.

We use that money of course to advance the science, invest in R&D, build out our engineering group and add talent to the team, grow this business so that it could achieve some critical mass all of which has been achieved. We are now focused primarily and not just primarily, almost exclusively on equity-only [financing]. We’re particularly careful to preserve our status to take the money that we need for really advancing our commercial prospects as we head towards higher revenues and ultimately profit.

We’d stayed before that we believe that as all overhead stayed the same as it is today and we just increased the revenue with our basic margins somewhere around \$1,250,000 million a quarter would really head into that area where we could pay our bills from operations. Just to give you a sense of the how far away that is, last quarter and the fourth quarter we did about \$900,000 so it’s not too far. It’s not too far. We do have some assets that are coming online that are really critical like our AEC for PFAS and our AOS with first commercial adoptions and all of those will contribute marginal profit cash flow to the business and really help us accelerate to a position of being self-sufficient from sales. Boy we’re anxious for that.

It’s critical to note that there’s a distinction between the debt associated with Clyra versus the data associated with BioLargo. Why is that so? Well, remember we’re 45% shareholder at Clyra. Clyra raises its own capital and has its own investors. It’s essentially responsible for its own debt mostly tied to an acquisition of the SkinDisc technology. It’s a very dynamic business, not easy, exciting because the opportunities are so significant and certainly it’s a highly regulated business as well.

It operates very distinctly different, but because of our relationship, our significant shareholder base and our assistance, we are consolidating that financial statement on our balance sheet and our income statement. So what does that mean? Well, it means when they have a debt it shows up on our balance sheet. But at the end of the day, BioLargo doesn’t pay it. It’s really important to note that. And of course, as it matures and its reporting status changes on our balance sheet than our income statement, that will be much different than it is today.

Okay. So, what are the key numbers? Well, I think the big number here is, there’s a bunch of big numbers. We’re trading about 865,000 shares a day that’s a pretty good liquid position, we’re proud of that. We spent a lot of time and energy to really get the story out and spread our base. We’ve had well over 1,000 new stockholders come into the company over the last 30, 45 days

which is pretty remarkable and we posted record revenues for the year and for the quarter ending fourth quarter 2020.

As we said, we've reduced our debt obligations by almost \$5 million over about a year and a half to two years, \$2.8 million in 2020 plus another \$650,000 in the first quarter. Pretty remarkable, and to be able to survive that to and we're thankful for that money and helped us grow our business. We're also thankful to have the assets to capital to now be to retire those debts and really shift dramatically towards that equity-only financing transactions.

The important pieces of the puzzle when you study our 10-K is to note that our non-cash charges to earnings were just really significant. In fact, 56% of the total net loss. And so one of the common questions people want to know and understand which I think is really critical is how does that happen? Well so here's the answer. There's a number of reasons right. You've got non-cash things like options that vest over time, non-cash charges to earnings like when someone receives stock in lieu of cash, okay those are non-cash charges earnings.

But the biggest segment is interest, and it's a reflection of really taking in some pretty tough financing that is now coming to an end. So what's the message? It's coming to an end. So what'll happen just by virtue of the retirement of that debt from \$5 million down to now approximately \$456,000, because when interest expenses and our charges, even derivative charges to those non-cash earnings are going to be de minimis and it really sets the stage of course as we expand our revenue base and head into profitable areas and the potential for profitability and ultimately profitability.

We think this is a really critical move to sort of clear the decks and get on with the next phase of our company. We'll make sure that you note we've got some specifics down in the footnotes, it's also extremely well documented in our 10-K. We've referenced it in our press release, it's really important to dissect that just a bit.

But here's the bottom line. The debt that's coming due for us to make sure we've handled either through conversion or a payoff is \$456,000 and then another \$50,000 due in two years. Okay we also have an SBA loan which is a 30-year maturity like 2.5%, 3% very low, and then, you know just that portion of our business is just significantly in order, it poses no threat to the continued success of our company.

The 2020 accomplishments were very well spelled out in our press release. Take a look if you haven't seen it. Reach out to our IR firm, Brian and his team and Stephen at ClearThink Capital. We're happy to speak with you and help you really dissect the company. There's a lot going on here. A lot of moving parts that you can summarize so simply with technology and science solving some of the biggest problems in the environmental space. That's who we are.

So, what are the highlights? Well, as we said, increasing revenue. New technologies, there's a couple, things like the AEC that's our PFAS removal which came out a little bit more. And then we got a couple of really significant relationships. We just formed a joint venture in South Korea with one of the leading wastewater treatments, a 20-year-old privately held incredibly successful company BKT, with their US affiliate, Tomorrow Water. Great partners, great partners doing

some really heavy lifting to seat that the market in South Korea and Asia, featuring some of our technologies of which we're a 40% partner in. They've made significant investments. It's great.

Garratt-Callahan county, a brand new relationship just a couple of months ago. They came to us and said, "Hey we think that you're the perfect company to make a new piece of equipment that we can sell all over North America with our 100 and something year old company that are focused on serving customers. And we said, "Of course, yes, right" and now we're working through the potential for real expansion to also expand selling some of our other technology-based products, and so that is underway.

We're very excited about that relationship and we've got a lot of relationships where distributors are developing leverage, right, leverage for commercial sales and opportunities all of that has a significant momentum in our company. It's not fast, I will say, it takes a lot of blocking and tackling sort of laying down the foundational bricks, relationships, trust, technical knowledge, implementation. But the groundwork has really been set in such a nice way. It creates a significant opportunity for our success.

Demonstration pilots, yes. The AOS. Oh my goodness, Sunworks that's about as close to a \$1 million project all in and it's been in preparation for years and finally, right, we're coming into that spot where we're doing design work and implementation of full wastewater and water recycling system for zero liquid discharge, ZLD, zero liquid discharge. Big deal. We're also working in Quebec with one of the preeminent places for focus on technology-based solutions for wastewater treatment. Critical keys, lots of years of work, now coming into its full commercial moment, right. Very exciting.

Regulatory registration work. Oh my goodness. What a maze that is? We've been involved now directly with EPA for about five months working on our CupriDyne-based disinfectants and sanitizers with a potential of even SARS-CoV-2 claims, because as you know we've done some work to prove and validate its efficacy there, including Clyraguard. Clyraguard, the product that was developed by our medical subsidiary, focused on disinfectant for PPE which now we're head over heels involved with EPA and getting through that registration work to make sure that we've got the kind of claims that allow us to sell it and the way in the design that its purposeful use can be realized.

And of course, for everyone on the phone, somehow, we've survived through this COVID has been a crazy year. We've thrived in so many ways, we've been honored for some of our response to COVID. And of course, our business has just plowed through it. I mean, we have really shown sort of a durability and that is remarkable. And of course, we attribute that to our staff, our team. And of course, technology that at the end of the day stands the best of time and we win, and we know that and that's why we do this long, hard work that we've done.

The AOS, there it is. That's the culmination of years of work from idea to execution on the first commercial unit. And it is noted for its remarkable one of the kind superior performance in destroying micropollutants that are trapped in water, things like pharmaceutical byproducts. It's an amazing feat, it is a technical leap forward. We think it's got a significant opportunity around the world. And our first unit just went into Montreal, and they're going to run it through the

paces. and run it through the paces means, take it to its limits, test it to the point where it breaks and figure out where, you know how that units going to operate in the field. That's where we're at. It's very exciting.

The AEC. The Aqueous Electrostatic Concentrator, right? What is that? It's a PFAS accumulator. It basically attracts and removes PFAS. PFAS is the fluorinated compounds, these forever chemicals that are found now all over the world, in environment, in water, in drinking water, industrial water, adjacent to Air Force bases in the soil. PFAS is a fluorinated compound that's been linked with adverse health effects.

It was sold into the market by big, big companies like DuPont, like 3M and there's others by the way. They get the big and a lot of press. And what's happening is, the world is figuring out that this stuff needs to come out of the water. It's an emerging market, people are spending money today. Biden in just the first couple of days, President Biden's administration targeted PFAS as one of the key targets for elimination as an environmental hazard, deservedly so.

So we have now spent two years developing a solution that's heading into commercial piloting as we speak, and its basic value proposition is simple. Where other technologies like carbon can take out PFAS out of the water, the waste product would be truckloads versus our small barrel loads of contaminant. So we have a highly efficient, environmentally sensitive footprint, economical way of selectively extracting PFAS concentrating across the membrane, and then recycling that membrane with a cost effective solution for industry.

Just the other day, I – we had a team meeting. And I asked the team and said, you know, “If we put the word out that we were fully loaded, fully capitalized and ready to do this across the world, how many pilots could we get? Long pauses and would it be 20? And I said, it'd be a lot more than that, right. The concept is, that if someone is managing PFAS, and they learn about our solution, there's an immediate “yes” because the market is starved for an economically viable solution. And that's us.

So we're very excited. This will, as we say, you have to walk before you run, start with pilots, work your way up the food chain. These projects can range in the low end of the quarter to a 1/2 million, really all the way up to \$30 million. They involve equipment, design, engineering and construction and then maintenance and service, it's a full-fledged business plan unto itself. We believe that we'll get through the early stages on our own, we have all the facilities and capital and resources to get through the early adoption cycle. That's where we're at now.

And then secondarily, we'll be looking for partnerships around the world. And we think that's a technology that can export across the globe. And it's estimated the US market will be about \$3 billion a year for the next 20-plus years. And it is a significant opportunity. And again, I must say that we've done enough work to where we know it works. And we know it's scalable and we're in the process of doing that commercial validation as we speak.

Everyone primarily knows our most mature segment is industrial air quality, which is odor and VOC control. In the last 60 years or more than that maybe 90 years we've won a couple of just enormously important municipal client accounts, the largest west of the Mississippi, I mean these

are showcases for our team and their excellence in manufacturing, construction, installation service and design, right. And then of course, for the chemistry, because it works so well as an oxidizer for VOCs and for odorous compounds. It works, it works, it works.

Now widely adopted in the waste handling industry, expanding into wastewater treatment, expanding into all sorts of food production. You know we're finding our way. And, again, I would attribute this to a team of people that are consistently at it. They work. It's hard work. They work hard, they earn every account. But the word is getting out and the competitors are not happy. I can tell you that.

So the catalysts, what's coming? Well, there's a lot coming, you know, as I always say, I hear once in a while someone will say to me, "Oh, yeah, I remember BioLargo, I heard that about a year ago." And if you haven't looked at our business in a year, you got about half the story. And the reason is, because it's so dynamic. You know, what's happening for BioLargo is, we have a critical mass of talent, some basic capital, cleaned up balance sheet, commercial validations, growing commercial success, right. And with that momentum becomes credibility and access to opportunities that are continually expanding.

And so our existing relationships were great examples of that, where we've done the hard work, we're now recognized as a company that can take a technology from idea to validation to commercialization, to acceptance, all the way through the whole cycle. It's an extraordinary feat. And what's unusual in our portfolio, there's not one, there's a number of significant technologies all finding their way.

Okay. So, you know, what's the point? Well, we need to get this company into the business of making money, right. Can you take in a technology and turn it into a monetizing strategy, and the unique thing about our company is that, we have so many ways we can do that. In some, we can be a seller and others we can partner and others we can license. And the business options that come to us are as varied as the customers, because we have such a complete portfolio of environmental solutions for big problems, right.

The Garratt-Callahan, we think it's going to – it's got a chance to really significantly expand, right. I mean, just think, you know, in our odor and VOC, we've got a small staff of sales and marketing. And, you know, along comes a big national company, a 100-year history that says, "You know, I think our clients can really benefit from this" and we say, "We'll serve you, we'll serve you to serve them and make sure that your clients get exactly what they want" right. It's a great partnership.

PFAS, same thing. That's just out of the gate. We expect to be in commercial trials, really, we're building our first unit now, the second will come right behind it. We're, you know, we're at the last minute tweaks before we say, "Okay, we've got a unit ready to go into the field." I'd hoped to have it done by April, it's probably more like, May, June, okay. But we, you know, we are knocking on the door. So it's very exciting.

AOS we talked about that. There's new technologies, again, just think about our company, who are we, right? We're science and engineering, that can take ideas from start to finish and new

opportunities are expanding just as fast as we can focus on them. And that's a chore. You know, we mentioned, for example, our mineral extraction technology, that's a really fascinating project, we were brought in by a client, and helped – help them recognize a strategy for converting a mineral deposit from a tailings operation from a problem that would take \$30 million to solve to move. So you develop the land to an investment opportunity with a price worth of you know, over \$1.7 billion. It's just an amazing opportunity. And those are expanding for us, which is one of the reasons our company is so dynamic.

So in the end, right, in the end there's a family of companies here, a small group and our full-time staff is just under 30 with our contractors and our consultants, it's probably into the mid 30s, 36, 37 people as a whole slew of PhDs and engineers that have worked all over the world for industry. We present ourselves with science and technology that's been validated the highest level, focused on high value solutions that we believe have a chance to, as we say, make life better.

I mean, it's just – it's a great company. And we're very proud this last year was awesome. And we think as we say, we're probably not satisfied as we've just scratched the surface of our commercial opportunities. And so, now as we look forward, right, this hard, difficult, expensive journey to be in this position, we see the future as optimistic, bright and right in front of us. So we're very excited.

So if I may, I'll close with that. And let's open it up for questions.

Operator

Thank you. The floor is now open for questions. [Operator Instructions]

Brian Loper - IR, ClearThink Capital

Brian Loper here again. So, Dennis on the webcast, we do have one, or several questions here. One is, is your cash position your biggest concern for 2021? How likely is it that you will be able to cover expenses without additional fundraising?

Dennis Calvert - Chief Executive Officer

Yes, that's a good question. Yes, so, the answer is no, we will need money. The reality is that we are still advancing science through a commercial adoption cycle. We just reported in our release this morning, that have about \$1.2 million in cash, we have dramatically changed the way we raise money to an equity-only transaction. And our strategy has always been to raise only what we need to get through the cycle to have positive cash flow.

So what could it look like, right, that's one of the questions, I think that might help answer that question. The AEC is a good example, AEC goes into the field, gets commercial validation. So let's just talk about that one alone. Those units, we've got to spend money to make them then we have to support them in the field, then we go through something like a 60-day to 90-day cycle, and then a customer says, "Let's do one, let's engage, make one of these for me" okay.

So that's the cycle, that's probably 60 days, right. Then they say, "Let's do it". Okay, so we got to make it, and we got to install it, test it, prove it, scale it up, plus the construction, those

projects could be mobile, they can be small, small arranged, \$0.25 million, \$0.5 million, roll up a portable unit, that's fine, receive monthly payments, they also might go into the millions requiring a construction job that takes six months to nine months, which means, you've got an interim payments and a sign off.

Now the good news is, the big enough to where there's money to be made for us. Okay, but it takes a lot of work. And so during that process, while we're expanding with revenues, we're going to need working capital. And so we do have a relationship with Lincoln Park Capital, this is very instrumental for us. It does give us access to that resource if we need it as we always say, "We just want to take what we need".

And so historically, we've been able to operate our company from – if you exclude the Clyra Medical, and you exclude these significant R&D projects, generally, we've been able to support this business with just a few \$100,000s, a couple of \$100,000s a month, around \$225,000 historically. It's not a lot of money for what we're doing. Not a lot of money for what we're doing.

And so as we say, we've got this down to a spot where we want to take the money so that we can invest capital and deliver a return on investment. And now with the commercial traction and the significance of our assets, we're in a great position to do just that. I don't think you can expect us to take a PFAS solution and bootstrap that to a business in the in the tens if not hundreds of millions of dollars in revenue without raising capital. And we do believe that presents that kind of opportunity.

Same thing even with the Garratt-Callaghan project, you know, that could be easily in the 10s or \$20 millions a year sort of business, you can't expect us to do that with \$1.2 million in the bank today. We're going to need some more capital. I think too fundamentally we are looking at the opportunity to uplist when it's right. We've always said that it's not a secret. But we also are really strategic in our thinking to make sure that we do that when the wind is in our sails. When the pull is obvious, when the support from our investor base is clear and when we really can recognize a valuation that we think is more reflective of our underlying value than it is today. That would be our strategy. Next?

Brian Loper - IR, ClearThink Capital

All right. Thank you, Dennis. That question was from Gary Moore. So thank you, Gary. All right. Our next question is from a Bjoern Sude. Hope I said that right. All right he says, Thanks for the great presentation. Your mineral extraction process project reminds me a bit of metal projects in the mining industry. Do you already have an idea of the net present value of the project?

Dennis Calvert - Chief Executive Officer

It's a great question. So, that business opportunity is really dynamic in that it's not settled yet. So we were brought into a situation where we were compensated as a consultant to assist a client in valuating all options on the best economic pathway forward for that client, which is fine. And we're very good at that by the way.

In that process, we also developed some technology that we believe and we have proven will allow us to upgrade the deposits into a pharma grade end product. As a result of the value of that commodity product is very high.

So our business proposal has been if our client wants to capitalize it, we can assist them as an owner, as an operator, as a designer, essentially as a project manager with a small carried interest in the project. If that's not acceptable for any reason, we also would be prepared to potentially exploit the entire project by bringing working capital to bear for the build out of a pilot plus the commercial expansion with a forecasted top line revenue of about, as we said, greater than \$1.7 billion over the lifespan of the project which in this case could be well into the 25-year or 30-year lifecycle. So it's significant.

I think it's too early for me to predict net present value for us. The business deals in flux. It is what it is. We can't control the outcome, our customer partner needs to decide which route they go and as that comes to bear, we'll certainly share more information. We think we're in a great spot, because either way, it's great for BioLargo and it's great for this client. So that's why we talk about it. Okay, next?

Brian Loper - IR, ClearThink Capital

Excellent, thank you. Our next question is from Mr. Steven Carmack. And he says, can you talk more about your military contracts? Luke Air Force Base near me just announced that they have switched to bottled water because of PFAS. Are contracts by individual sites across the entire branch? Or could you just talk about the PFAS market in general?

Dennis Calvert - Chief Executive Officer

Yeah, sure. I'm going to go fast on that. So our first foray, so let me say first, way back over years, we've actually been a supplier of ONM products, Odor & Moisture Control products to the military. And so we're an approved suppliers through that extensive supply chain already. And sometimes it's been a meaningful part of our business. It's not today, it's a small part of our business, highly commoditized, great products.

When our engineering group came in, we were brought in as a subcontractor to a prime [contractor] for air quality. And so we're currently working on seven bases focused on air quality. It's a great relationship, this is very common strategy for a small company to have a big company, right, is to work your way in as a subcontractor to a prime with a very well-established company with a big balance sheet. That's kind of the way it works.

Perfect. Okay, so what's next? Well, now that we have a PFAS solution, right, including the potential of a portable modular system that can put on a trailer rolled up for a pump and treat operation and remediating soil and groundwater, it's the perfect strategy for the Air Force bases around the country. So here's the deal, in order to win those clients who have to do the pilot work, that's where we're at.

Anybody has the same question, which is, wherever you put it in, wherever you pilot, does it work? Is it going to break? Is it going to stay alive and do the job? That's what these pilots are for? And the minute they're done, those opportunities expand. So the good news is, we're an

approved vendor, we know the space, we're very good at what we do. We have great reputation that partners that can pull us in, we have direct access on our own. And here's the deal, you got to get the pilot work done before you sell the account. It's coming soon. So we're pretty excited about it. Next?

Brian Loper - IR, ClearThink Capital

Great. I think we have time for one more question. So this one's from Mr. Patrick Gingerelli. He says, can you talk about CupriDyne? Is it the best odor solution on the market? While we show year-over-year growth, I thought the sales would really explode when we brought on a veteran in the industry and all connections you brought with them. Do you have any production restraints?

Dennis Calvert - Chief Executive Officer

Yeah, it's a great question. Yeah, and so you know, I would mirror those thoughts really. I'd say, first of all, the answer is yes. From a technical perspective, we fully believe and have massive evidence, it's the number one [technical] performer in the market. No question.

We also don't have productions backlog at all. We can produce to enormous scale. And so that's not the issue, right. What we've learned is that, the concept of Odor Control, Odor and VOC Control is very sort of personal matter. In fact, there's this concept even called nose blindness. If you ask somebody who works on a landfill, their landfill smells bad. He said, "No, it smells like a landfill".

I mean, it's kind of – it's an interesting dynamic in the market, where mostly people manage to their highest risk threat, which is Air Quality Management District complaints. And as people say, "I'm not getting complaints, I don't have any odor". Of course, that's not true, right. And so it's taken a long time, years for us to establish ourselves as number one, and also as a reliable trusted supply chain partner that can design, build and install and solve problems that by the way, until we showed up, were never being solved.

So just imagine, just imagine someone came in and you've been in – you've been in that part of the business for a long time, you always had this odor. You've been using masking agents like perfumes, you've been using them for 20 years. They instead of smelling like sulfur, they smell like cherry sulfur. Not good, right. But basically, there's not been a good solution. So somebody comes along and says, "Hey, I've got a great solution. What's your response? Yeah, I believe it when I see it".

So that attitude permeates these industries. And so it has been a significant challenge to overcome that basic objection. And so we do it every day, over and over and over and over and over. We do it on site, we do it with technology, we do it with third-party data. But basically, we've had to earn our way. And that has been the challenge. So the tribute to our group is our team at O&M is that they never gave up and they got better and better and better and better. And now, as a result of that experience, we can go in just about any situation, and come in with an arsenal of case studies, data, affordability, design capability, installation, maintenance and service to solve a problem from start to finish and finish it completely for a complete elimination or control of a highly continuous production of odorous compounds like a landfill or a you know dairy farm or a dairy processing center.

I mean, these are common, these are common wastewater treatment, you know wastewater treatment's just not going to an all of a sudden not smell. What you can do is you can put odor abatement systems in place. Okay, so are we proud of it? Yeah, absolutely. Do we think we've arrived? Absolutely not. So the frustration over really trying to break through that market to show that there is a technical solution where there's never been one before. That's what we're doing. It's hard work. And now, the beauty in our business is we're seeing expanded opportunities through relationships like BKT. And in Korea, like our cannabis partner Cannibusters, remember that. Sorry I can't remember the number. But we've done probably over 35 or 40 installations stale, it's expanding and it is working.

Okay, how many should we do, 200? I mean, you know, yeah, and I can always tell everybody, you know, nobody's puts more pressure on us than us. You know, our performance metric for what we want to achieve is astronomically high. So again, we've got great technology, great solutions, we're growing into it. And we're expanding through relationships, that's going to mark the next phase of this company, adoption by partners who take us to their customers for piece of the revenue and the profit potential, ultimately to serve clients around them, around this country and around the world. And so that's one of the things that you know every day we get up and get excited about. So I hope that answers the question.

Brian Loper - IR, ClearThink Capital

That's great. Great, thank you very much, Dennis. Well, it's about 2:40. Unless you have anything else you'd like to add, I think that we can close out the call today.

Dennis Calvert - Chief Executive Officer

I'll give a closing statement. And then just encourage everyone, please email us. Reach out as you can. You know that it's extraordinarily dynamic time in our life cycle. This is and I stated in the press release and fully believe it. This is the best time in the history of the company. And we believe that the future is extraordinarily bright for us. I hope you'll take a deep dive and stick with us and thank you very much for your time today.

Operator

Thank you. This concludes today's conference call. We thank you for your participation. You may disconnect your lines at this time and have a great day.