

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 30, 2025

DIRTT ENVIRONMENTAL SOLUTIONS LTD

(Exact name of Registrant as Specified in Its Charter)

Canada
(State or Other Jurisdiction
of Incorporation)

001-39061
(Commission File Number)

98-1813900
(IRS Employer
Identification No.)

7303 30th Street S.E.
Calgary, Alberta
(Address of Principal Executive Offices)

T2C 1N6
(Zip Code)

Registrant's Telephone Number, Including Area Code: (403) 723-5000

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act: None

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.02 Termination of a Material Definitive Agreement.

In 2019, DIRT Environmental Solutions, Inc. (the “Tenant”), a subsidiary of DIRT Environmental Solutions Ltd. (the “Company” or “DIRT”), entered into a 15-year lease (the “Lease”) for a build-to-suit building located at 2225 Williams Industrial Boulevard, Rock Hill, South Carolina (the “Building”) with SP Rock Hill Legacy East #1, LLC (“Landlord”) and Stag Industrial Holdings, LLC (“Seller”), which provided the Company with approximately 130,000 square feet of manufacturing space for a combined tile and millwork facility. In September 2023, the Company elected to permanently close the manufacturing facility located at the Building. As of November 30, 2025, the Company’s remaining rent obligations associated with the Lease were estimated at US\$10.5 million on an undiscounted basis.

In September 2025, PDM US, LLC (“PDM”) entered into a Purchase and Sale Agreement with the Landlord for the Building. On November 12, 2025, the Tenant entered into a Lease Termination and Release Agreement (“Agreement”) with PDM to terminate the Lease contingent upon the closing of the Purchase and Sale Agreement. Effective December 30, 2025, the Lease was terminated pursuant to the Agreement, and the Tenant was relieved from any future rent obligations under the Lease in exchange for an early termination fee of US\$1 million paid by the Tenant to PDM.

The foregoing summary of the Agreement does not purport to be complete and is qualified in its entirety by the full text of the Agreement, a copy of which will be filed as an exhibit to DIRT’s Annual Report on Form 10-K for the fiscal year ending December 31, 2025.

“This action represents an important step in rationalizing DIRT’s real estate footprint and is expected to deliver recurring annual cost savings of approximately US\$1.6 million beginning in January 2026. As part of our volume- and margin-focused transformation, we remain committed to revisiting and optimizing all aspects of our business,” said Benjamin Urban, CEO of DIRT.¹

Item 2.06 Material Impairments.

Following the termination of the Lease, the Company reassessed its asset groups and evaluated such asset groups for impairment. As of September 30, 2025, the right-of-use asset related to this lease was US\$5.9 million and the lease liability was US\$7.7 million. The Company expects to recognize a one-time, non-cash impairment expense related to leasehold improvements of approximately US\$2.3 million. While this charge is expected to negatively impact reported results in the current period, the lease termination is expected to reduce ongoing operating expenses and be accretive to earnings in future periods.

Item 7.01 Regulation FD Disclosure.

On December 30, 2025, the Company issued a press release announcing the lease termination. A copy of that press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated into this Item 7.01 by reference.

The information set forth under Item 7.01, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

Forward-Looking Statements

Certain statements in this Current Report on Form 8-K are forward-looking statements that involve a number of risks and uncertainties. For such statements, the Company claims the protection of the Private Securities Litigation Reform Act of 1995. Actual events or results may differ materially from the Company’s expectations. Additional factors that could cause actual results to differ materially from those stated or implied by the Company’s forward-looking statements are disclosed in the Company’s reports filed with the Securities and Exchange Commission.

¹ US\$1.6 million is comprised of the sum of the monthly base rents (US\$0.08 million from January 2026 to December 2026) and operating costs of US\$0.05 million. The Lease stipulates a step-up in monthly base rents of 2.25% per annum, effective in September of each year during the Lease term.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit	Description
99.1*	<u>Press release dated January 5, 2026</u>
104	Cover Page Interactive Data (embedded within the Inline XBRL document).

* Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DIRTT Environmental Solutions Ltd.

Date: January 5, 2026

By: /s/ Fareeha Khan

Fareeha Khan
Chief Financial Officer

DIRTT Confirms Early Termination of Lease Agreement for Former Rock Hill Facility

CALGARY, Alberta, January 5, 2026 – DIRT Environmental Solutions Ltd. (“DIRTT”, the “Company”, “we”, “our”, “us” or “ours”) (TSX: DRT; OTCQX: DRTTF), a leader in industrialized construction, announced today that it has entered into an agreement for an early termination of the lease at its former Rock Hill, South Carolina manufacturing facility, effective December 30, 2025.

In September 2025, PDM US, LLC (“PDM”) entered into a purchase and sale agreement with the landlord, SP Rock Hill Legacy East #1, LLC, for the facility. In connection with that transaction, DIRT entered into a Lease Termination and Release Agreement with PDM, contingent upon the closing of the purchase and sale agreement. With this agreement finalized, DIRT has been relieved of all future rent obligations in exchange for a reduced early termination fee of \$1.0 million.

DIRT originally executed a 15-year build-to-suit lease for the Rock Hill facility in 2019. As part of broader operational initiatives, the Company permanently closed the facility in September 2023, shifting capacity to its Calgary manufacturing facilities. As of November 30, 2025, DIRT’s remaining rent obligations under the lease were estimated at approximately \$10.5 million on an undiscounted basis. “This action represents an important step in rationalizing DIRT’s real estate footprint and is expected to deliver recurring annual cost savings of \$1.6 million beginning in January 2026,” said Benjamin Urban, CEO of DIRT. “As part of our volume- and margin-focused transformation, we remain committed to revisiting and optimizing all aspects of our business.”

As of September 30, 2025, the right-of-use asset related to this lease was \$5.9 million and the lease liability was \$7.7 million. The Company expects to recognize a one-time, non-cash impairment expense related to leasehold improvements of approximately \$2.3 million. While this charge is expected to negatively impact reported results in the current period, the lease termination is expected to reduce ongoing operating expenses and be accretive to earnings in future periods.

DIRT operates a multi-facility manufacturing footprint across North America, with four specialized facilities in Calgary, Alberta, producing casework, timber, metal, and finishes, and a major production plant in Savannah, Georgia.

About DIRT Environmental Solutions

DIRT is a leader in industrialized construction. DIRT’s system of physical products and digital tools empowers organizations, together with construction and design leaders, to build high-performing, adaptable, interior environments. Operating in the workplace, healthcare, education, and public sector markets, DIRT’s system provides total design freedom, and greater certainty in cost, schedule, and outcomes. DIRT’s interior construction solutions are designed to be highly flexible and adaptable, enabling organizations to easily reconfigure their spaces as their needs evolve. Headquartered in Calgary, AB Canada, DIRT trades on the Toronto Stock Exchange under the symbol “DRT” and on the OTCQX under the symbol “DRTTF”.

Certain statements contained in this release are “forward-looking statements” within the meaning of “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities Exchange Act of 1934 and “forward-looking information” within the meaning of applicable Canadian securities laws. All statements, other than statements of historical fact included in this news release are forward-looking

statements including statements regarding anticipated annual savings in connection with the termination of the Rock Hill lease and DIRT's ability to optimize its business. When used in this news release, the words "anticipate," "believe," "expect," "intend," "may," "will," "should," "would," "could," "can," "plan," the negatives thereof, variations thereon and other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words.

Forward-looking statements are based on certain estimates, beliefs, expectations, and assumptions made in light of management's experience and perception of historical trends, current conditions and expected future developments, as well as other factors that may be appropriate. Forward-looking statements necessarily involve unknown risks and uncertainties, which could cause actual results or outcomes to differ materially from those expressed or implied in such statements. Due to the risks, uncertainties, and assumptions inherent in forward-looking information, you should not place undue reliance on forward-looking statements. Factors that could have a material adverse effect on our business, financial condition, results of operations and growth prospects include, but are not limited to, risks described under the section titled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024, and in our subsequently filed Quarterly Reports on Form 10-Q and also in the Company's other continuous disclosure filings available under the Company's profile on SEDAR+ at www.sedarplus.ca and on EDGAR at www.sec.gov. Our past results of operations are not necessarily indicative of our future results. You should not rely on any forward-looking statements, which represent our beliefs, assumptions and estimates only as of the dates on which they were made, as predictions of future events. We undertake no obligation to update these forward-looking statements, even though circumstances may change in the future, except as required under applicable securities laws. We qualify all of our forward-looking statements by these cautionary statements.

FOR FURTHER INFORMATION PLEASE CONTACT ir@dirtt.com