Q1 2026 Earnings Call

AirJoule Technologies Corporation (Nasdaq: AIRJ)

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AIRJOULE TECHNOLOGIES PARTICIPANTS

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Pat Eilers, Executive Chairman

Bryan Barton, Chief Commercialization Officer

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Amit Dayal, H.C. Wainwright

Jeff Campbell, Seaport Research Partners

Alex Fuhrman, Lucid Capital Markets

Ryan Pfingst, B. Riley Securities

Sean Milligan, Needham and Company

TRANSCRIPT

Operator

Greetings, welcome to the AirJoule Technologies First Quarter 2026 Earnings Call. At this time, all participants are in a listen-only mode. A question-and-answer session will follow the formal presentation. If anyone should require operator assistance during the conference, please press *0 on your telephone keypad. Please note that this conference is being recorded. It is now my pleasure to turn the call over to your host Tom Divine, Vice President of Investor Relations and Finance. Thank you, you may begin.

Tom Divine

Thank you, and good morning. With me today for our first quarter 2026 earnings call are Matt Jore, Chief Executive Officer; Pat Eilers, Executive Chairman; Bryan Barton, Chief Commercialization Officer; and Stephen Pang, Chief Financial Officer. During this call, we will be referring to a presentation which is available on the webcast platform and on the investor section of our website.

I would like to point out that many of the comments made during the prepared remarks and during the Q&A section are forward-looking statements that involve risks and uncertainties that could affect our actual results and plans. Many of these risks are beyond our control and are discussed in more detail in the risk factors and the forward-looking statement sections of our filings with the SEC. Although we believe the expectations expressed are based on reasonable assumptions, they are not guarantees of future performance, and actual results or developments may differ materially. And now, I will turn it over to Matt Jore.

Matt Jore

Thanks, Tom. Good morning, everyone, and thank you for joining us for our first quarter 2026 earnings call.

On our last earnings call in March, we framed 2025 as the year we built the foundation for commercialization through our initial deployments at our joint venture with GE Vernova, and 2026 as the year we move from those one-off deployments to productized commercial sales. We are executing against that plan. So far in 2026, we have made disciplined progress on the AirJoule Core platform, completed the build of our first AirJoule Prime full-scale system at our Newark, Delaware facility, and continued advancing customer engagements toward commercial pipeline building in 2027 and beyond.

Before I describe that progress in more detail, I want to spend a little time on the macro. The water resilience tailwinds we have discussed on prior calls have not slowed -- they have accelerated.

Water scarcity is becoming more central to industrial planning every quarter, not less. In recent weeks, multiple hyperscalers have abandoned multi-billion-dollar data center projects in the face of community opposition tied to water access. Institutional investors representing more than a trillion dollars in assets have pressed those same companies for site-by-site disclosure of their water use. When the largest cloud operators in the world walk away from projects of that scale over water access, the signal to the rest of the market is unmistakable. At least a dozen U.S. states have introduced data-center moratorium bills this year, and Bloomberg has documented that roughly two-thirds of the

data centers built in the U.S. since 2022 sit in areas already under measurable water stress. Drought, regulatory pressure, and the accelerating water demands of compute and infrastructure are all intensifying, not abating. This is exactly the problem AirJoule was built to help solve.

Now let's discuss how AirJoule fits into this picture, particularly with respect to data centers. We applaud the work the industry has done to drive water consumption down. Closed-loop systems, direct-to-chip cooling, and continuous improvements in water-use effectiveness, or WUE, are real progress. The most efficient WUE levels we see today are on the order of 0.1 liters per kilowatt-hour at the most advanced hyperscale facilities. However, these facilities are hundreds of megawatts or even gigawatts in scale, so the absolute volume of water consumed is still substantial and requires significant water permits. Beyond the initial draw to fill the system, there are continuing requirements for closed-loop water replenishment, humidification, and domestic uses. For the millions of gallons of water that even the most efficient data centers still consume, AirJoule can reduce dependence on municipal supply and aquifer access through onsite water generation.

Turning back to our progress so far in 2026.

On productization, our AirJoule Core platform improved performance and durability through systematic optimization of airflow, thermal management, and contactor coating process. The Core design is essentially locked. On certification, we have advanced our UL and water-quality work to ensure our systems are compliant with the most stringent regulatory standards, and Bryan will share more on that in just a moment.

On our flagship Prime platform, our first full-scale AirJoule Prime system has been built at our Newark, Delaware facility and is operational. This is a meaningful milestone. The Prime is a system we engineered for scale from day one, and we will spend more time discussing it shortly.

On commercialization, we are seeing strong customer demand across an important range of markets, and Bryan will walk through where we are deepening the most active engagements.

On the balance sheet, our combined cash position supports our operations through 2027 with no debt, and Stephen will provide more detail in a minute.

The bottom line is this: we are on course. We have developed our technology and are now a product company. Our internal organization reflects that, with strong product engineering leadership and every workstream aligned to a product roadmap. What we are doing this year lays the foundation for scaled commercial pipeline building in 2027 and beyond.

With that, I would like to turn it over to Mr. Pat Eilers, our Executive Chairman.

Pat Eilers

Yeah, thanks, Matt, and good morning, everyone. Before Bryan walks through our product and commercial update, I would like to share an update on governance and our progress in the Middle East.

As disclosed in our proxy statement filed on April 15th, effective May 28, 2026, Max Baucus will be stepping down from the AirJoule Technologies Board of Directors. On behalf of the entire Board, I want to thank Max for his service to the company. Max served six terms in the US Senate representing Montana and served as US Ambassador to China. He has been a tremendous director since our formation. He brought a depth of experience in public policy, international affairs, and industrial strategy that has been invaluable as we have built AirJoule into the company it is today. We are grateful for his contributions and wish him well in everything that comes next.

I am also pleased to announce that Stu Porter has assumed the role of Lead Independent Director of the Board and will also serve as Chair of our nominating and governance committee. Stu has been an active and engaged director since the company's formation, and his leadership in these new roles will strengthen our governance and support our path to commercialization.

Turning to the Middle East. Concern about water security in the region continues to grow given the region's dependence on desalination. AirJoule remains actively engaged with UAE government and regulatory leaders to build awareness of how our technology can bolster water infrastructure resiliency through distributed AirJoule placements. UAE leadership has signaled a clear intent to lead on water security through innovative technology, and we believe the AirJoule value proposition is a strong fit.

Our commercialization path in the Middle East region begins with initial proof-of-value installations at potential UAE clients. From there, we plan to scale across the UAE, the broader GCC, and Global South markets that can benefit from those reference deployments. Through the balance of 2026, we expect to build AirJoule's profile at influential industry and thought-leadership gatherings, often in coordination with the Global Climate Finance Council, Masdar, and the UAE Ministry of Foreign Affairs. These efforts will lead up to our participation in the UN Water Conference, which will be co-hosted by the UAE and Senegal in Abu Dhabi in December 2026.

With that, I'll turn it over to Bryan to discuss our product and customer progress.

Bryan Barton

Thanks, Pat. I want to walk through four areas this morning: our Core platform, which will have two product variants, our first Prime build, and our commercial engagements. And then I will close with a brief look at the rest of 2026.

Starting with the AirJoule Core platform. In 2025 we made a deliberate decision to focus our build activity on the Core platform because Core and Prime share a common sorbent-chamber architecture, which means every Core deployment also de-risks the path to Prime.

This year, we have improved the performance and durability of the Core system through systematic optimization across three areas: airflow distribution, thermal management, and contactor coating. The first-generation Core design is now locked. We may make minor dimensional adjustments as we finalize manufacturing, but we are at a form factor that we can scale. We now have updated product spec sheets available on our website at airjouletech.com, and I would encourage anyone interested in the technical specifications to take a look.

We are planning to launch the Core platform in two product variants targeting two distinct markets. The first is the AirJoule Core AWG variant, with a target commercialization launch of late 2026. The primary customer focus for Core AWG is the U.S. military and small residential deployments. With the U.S. military, we are collaborating through our existing Cooperative Research and Development Agreement , or CRADA, with the U.S. Army Engineer Research and Development Center. The CRADA brings together AirJoule's waste-heat-to-water platform and ERDC's tactical water-recovery research to deliver resilient water supply solutions for forward-deployed personnel.

The second variant is the AirJoule Core DH, with a target commercial launch in 2027. Core DH is materially the same product as Core AWG -- the same hardware -- optimized through process configuration and controls for dehumidification applications. This variant targets the global installed base of conventional desiccant-wheel dehumidification systems for humidity control between 30 and 50% relative humidity.

I want to spend a moment on the dehumidification opportunity, because this is the first time we are presenting concrete performance data publicly.

AirJoule’s metal-organic framework sorbent regenerates at 60 to 70 degrees Celsius, compared with the 120 to 150 degrees required for conventional desiccant wheels. That difference is fundamental: it enables heat-pump driven regeneration in place of electric reheat or natural gas.

Our initial performance data shows up to approximately 40% energy savings versus incumbent desiccant-wheel technology in our target operating ranges, and we expect further improvements over the next few quarters leading up to the product launch.

Our initial target markets for Core DH are dry-storage and cold-storage facilities operating between 30 and 50 percent relative humidity. Last year, we announced an MOU with a defense contractor to collaborate on this dehumidification application. This engagement

has informed our Core DH development, and we expect other markets and applications to follow.

Now let me turn over to the AirJoule Prime. As Matt mentioned, we have hit a meaningful milestone with the completion of our first full-scale AirJoule Prime system, which is now operational outdoors at our Newark facility. We will provide a meaningful update on its performance on our next earnings call.

The AirJoule Prime has been engineered for scaled manufacturing from day one. The Prime contains 16 vacuum chambers, sourced from established suppliers at low cost, with the balance of the bill of materials made up of off-the-shelf components such as valves and pumps. The only custom component is the sorbent-coated contactor, which we are manufacturing in house.

The overall design of Prime is set. Further refinement will be limited to sorbent-level improvements and individual-component tuning. All the work we did across 2025 to optimize Core, particularly the thermal management and airflow, directly informed the Prime design and is expected to translate into Prime performance.

The Prime is designed to deliver up to 2,000 liters per day at less than 200 watt-hours per liter when paired with low-grade waste heat, with a maximum power draw of just 12.5 kilowatts and configurability across waste-heat sources from 60 degrees Celsius and above.

Over the next several months, we will continue to optimize the system in Newark. This first Prime unit is planned for deployment in Europe as part of our Net Zero Innovation Hub collaboration. We are also building another Prime system to serve as our internal showcase unit at our Newark facility, supporting customer demonstrations and proof-of-value engagements throughout the year.

Regarding product certification, we will pursue UL certification of the AirJoule systems for electrical components, while water-quality certification will be addressed on a case-by-case basis depending on customer requirements and location. And importantly, our products already meet FDA bottled water standards and will be compliant with California water-quality standards, which are the most stringent regulatory standards in the United States. We believe that designing for compliance with the most demanding applications positions us well across the rest of our addressable market.

Let me turn now to customer engagements that lead to a commercial pipeline in 2027 and beyond.

First, hyperscale data centers. As we've talked about previously, AirJoule's value proposition for data centers is that we can utilize low-grade waste heat to produce pure distilled water onsite. On-site water generation delivers operational resilience and

supports the water stewardship and community license that hyperscale operators increasingly require.

We are currently working with a leading hyperscale operator on a detailed evaluation of AirJoule Prime's economic and technical performance at discrete data center locations. This work has deepened our understanding of the value AirJoule can deliver when tethered to waste heat.

Building from this understanding, we recently published a white paper articulating AirJoule's economic benefit across both water-cooled and air-cooled data center configurations. AirJoule can help address the water permit constraints for new data center construction by generating distilled water on site from atmospheric humidity. And, given that a 100 MW data center can generate $3 to $5 million per day of revenue, AirJoule capex can be recovered in just days of avoided permit delay.

We are also building momentum through the Net Zero Innovation Hub for Data Centers. Waste heat reuse from data centers has emerged as an important regulatory priority in Europe under the EU Energy Efficiency Directive, and we are in close conversations with the consortium's members to address that need. As referenced earlier, our first Prime unit is planned for deployment in Europe in conjunction with the Net Zero Innovation Hub to demonstrate AirJoule's integration into a data center and its ability to convert waste heat into pure water.

Second, residential development. We are deepening a co-development framework with a global partner targeting water-scarce U.S. residential markets in the U.S. Southwest. The Southwest is increasingly an environment in which residential development projects are restricted due to a lack of water security. Our AirJoule platform addresses that constraint directly, and during the first quarter we completed a deployment of an AirJoule Core system at the Red Dot Ranch Foundation site in Pescadero, California. The pilot validated off-grid water generation that supports Red Dot Ranch's climate-positive housing development.

Third, water delivery and trucked distilled water. The global water-distribution market is approximately $50 billion, and in many U.S. markets distilled water sells for above $1 per gallon, driven not by raw supply but by the logistics of trucking water from distant wells to the customer. In collaboration with a waste heat partner, AirJoule's waste-heat-to-water economics can result in operating costs below 10 cents per gallon, positioning us favorably in this supply chain. We have early-stage conversations underway with waste heat providers, distributors, and end users about future collaborations.

And finally, the Middle East. In January, we announced an exclusive distribution agreement with TenX Investment across six Gulf countries: the UAE, Oman, Qatar, Saudi Arabia, Bahrain, and Kuwait. We are pacing deployment activity to align with regional conditions and the availability of production-ready hardware later in 2026.

Putting it all together, we are excited about the opportunities ahead of us. We're seeing growing traction for our data center application. Opportunities in the residential development space continue to deepen with our co-development partner. And the launch of our dehumidification product is attracting interest from customers.

Through the rest of 2026, we will complete the commissioning of our first Prime system at Newark and prepare for its deployment in Europe via the Net Zero Innovation Hub. We will deliver our first commercial Core systems. We will publish additional dehumidification performance data and build out customer engagements for the Core DH variant. And we will continue to build the deployed base and contracted customer relationships that support scaled commercial activity in 2027.

With that, I will turn it over to Stephen for the financial update.

Stephen Pang

Thank you, Bryan. I will walk through our financial results for the first quarter of 2026 and then provide some color on our outlook and liquidity position.

Before turning to operational highlights, I do want to address one item in our results. We recorded a non-cash impairment charge of approximately $55 million flowing through our AirJoule JV equity method investment line. This follows last quarter's adjustment and, like that charge, is accounting-related.

Our fair value assessment of the JV investment is ordinarily performed annually, but given the decline in our share price last quarter, we performed an interim assessment. Because the test is measured as of quarter-end and our share price was at a trough on that date, the assessment resulted in a write-down for the quarter. I'd note that our share price has recovered meaningfully since the close of the period.

I want to underscore what is unchanged: this charge has no impact on cash, no impact on the operational performance at the JV, and no impact on our broader commercial trajectory. The JV's technology development, customer pipeline, and execution against milestones continues to track in line with our expectations, as you have heard on this call.

Turning to the financial results. For the first quarter, AirJoule Technologies reported net operating expenses of $3.6 million. This is inclusive of $0.8 million in administrative and engineering expenses reimbursed to us by the JV under a statement of work.

Our net loss for the quarter was $49.8 million. The primary component below the operating line was the loss from investment in the AirJoule JV of $63.1 million driven primarily by the impairment I mentioned. This was partially offset by a $14.7 million tax benefit.

Turning back to the joint venture. Total JV operating expenses for the first quarter was approximately $5.5 million. The JV received $10 million in capital contributions from AirJoule Technologies during the quarter to support ongoing productization, manufacturing, and commercial deployment activities.

AirJoule Technologies ended the first quarter with $31.1 million of cash on the balance sheet. Combined cash across the systems with the JV was $35.0 million with no debt. Our guidance for full year 2026 cash spend at AirJoule Technologies and JV is unchanged from our prior guidance. Our liquidity is sufficient to fund our operations, the JV, and our planned commercial deployments through 2027.

Looking ahead, we expect modest paid-deployment revenue at the JV during 2026, with more meaningful commercial revenue beginning in 2027 as our Core product completes certifications and our first Prime deployments also come online.

We maintain strong flexibility in managing our capital position and balance sheet. We will also remain opportunistic and disciplined in evaluating any financing and strategic opportunities that enhance our balance sheet and also support long-term value creation.

With that, I will pass it back for the Q&A portion of the call.

Operator

[Operator Instructions] Our first question comes from the line of Amit Dayal with H.C. Wainwright. Please proceed with your question.

Amit Dayal (H.C. Wainwright)

Good morning, everyone. Thanks for taking my questions, and congrats on getting the first fully assembled unit ready. My question is pretty basic: what will it take now for customers to potentially pull the trigger on placing orders for these units? Do they need some type of pilot deployment before they place larger orders? If you could walk us through the sales process from here to potentially getting these deployed in the field. Thank you.

Bryan Barton

Thanks, Amit, for the question. We actually see a couple of different ways that customers can convert. Some of them do want to see pilots. Some of them are happy seeing the system operational with real-world performance data. And of course, there are also customers that are hungry for water, so to speak, that are eager to move forward as well. So we are having a range of conversations with various customers and taking them through that process. Every customer is unique in terms of what they need to see in order to pull the trigger.

Amit Dayal (H.C. Wainwright)

Understood. Thank you. And then as you make some tweaks and improvements to the assembled unit, how much more improvement in performance do you think there is that you could extract from these levels?

Bryan Barton

Yes, I am looking forward to being able to answer that question more wholly. With the system just now becoming operational, we are looking forward to starting the optimization process -- what's called the shakedown -- so we can really see the initial performance and then how much further we can drive it with various improvements. Improvements can range from individual component optimization, for example, fans and pumps and their efficiencies, as well as sorbent-level changes, such as the thickness or quantity of sorbent in each contactor. So we can expect to see tweaks and improvements to performance over the coming months, and we will provide a more meaningful update on our next quarterly call.

Amit Dayal (H.C. Wainwright)

Understood. And then just last one -- this fully assembled unit, are you potentially going to place it at a customer site, or are you going to keep it in-house for improvements?

Bryan Barton

Good question. We will discuss the details of this unit's deployment in future calls. We have not disclosed the specifics around that, but it will be deployed.

Amit Dayal (H.C. Wainwright)

Thank you, guys. That's all I have.

Operator

Thank you. Our next question comes from the line of Jeff Campbell with Seaport Research Partners. Please proceed with your question.

Jeff Campbell (Seaport Research Partners)

Good morning, and congratulations on all the work and the developments. I guess my first question is, now that the Core and the Prime designs are stable, can you provide some color on your roadmap to reduce unit costs?

Bryan Barton

Yes. Thanks, Jeff. The primary activities on reduction of unit costs are occurring throughout the remainder of 2026. These are similar to my previous comment -- finding the most cost-effective, quality, and efficient pumps and fans, as well as other components throughout the system. That work has begun for Core and is beginning for Prime, and we anticipate moving substantially through this process over the coming quarters, leading up to the launch of the Core AWG system at the end of the year, and then fully completing that process before the launch of the Prime and the DH unit. We will provide a more meaningful update as we move through that. It will take time to validate the quality and performance of the different components we have inbound, but that is substantially the bulk of the activity.

Jeff Campbell (Seaport Research Partners)

And as long as we are at it, I thought I'd ask -- is the sorbent that you want to use now stable as well, or do you still look at other MOFs, perhaps from research that's happening at GE Vernova?

Bryan Barton

Yes. We are exploring alternative MOFs within our standard research pipeline so that we are fully aware of all sorbents -- MOFs and non-MOFs -- that can have an impact on our Core performance. I'd like to say we are MOF-agnostic, and we want the best technology in our product. But today, the sorbent that we've scaled and that is available in large quantities at a cost-effective price is performing very well. It is setting the benchmark for us. Any other material would have to deliver substantial performance to validate its position in a variant of the product.

Jeff Campbell (Seaport Research Partners)

Maybe it's a little bit early, but probably not for the way you guys look ahead. I am just wondering if you could tell us what planning or work you're doing toward the contract manufacturing shift in 2028, and are you still targeting that year? And when in the year do you expect that to begin to really ramp up?

Bryan Barton

Yes. We have had initial conversations with contract manufacturing assembly houses, and as we've shared on previous calls, our system is largely off-the-shelf components, so there are assembly houses and contract manufacturing partners that are perfectly positioned to take our assembly instructions and scale to provide the volumes of Primes and Cores that we need. We have begun those conversations. We are, of course, not ready to disclose any details around the maturity, but we are planning for when that will happen so that we can be prepared. 2028 sounds right in terms of the volume scale we are anticipating and into future years, but we are really leading with customer pull in terms of volume, and the capability to meet that volume will match.

Jeff Campbell (Seaport Research Partners)

Okay. That's enough. I'll take the rest of them offline and give it back to the queue. Thanks.

Bryan Barton

Thanks, Jeff.

Operator

Thank you. Our next question comes from the line of Alex Fuhrman with Lucid Capital Markets. Please proceed with your question.

Alex Fuhrman (Lucid Capital Markets)

Hey, guys. Thanks very much for taking my question, and congratulations on all the progress that you're making toward commercialization. Now that you have the Core design essentially locked, can you tell us what still needs to be done to finalize the design for Prime? It sounds like the underlying technology behind the two systems is essentially the same. Are you hoping to have a better sense of how Core performs in the field and then use some of those insights to tweak the final design for Prime?

Bryan Barton

Yes. Thanks, Alex, for the question. Substantially all of the engineering was completed through Core, because effectively it is the same sorbent-chamber architecture that we just put 16 sorbent chambers into. Moving forward with Prime, we will be optimizing that Core engineering design. So we do not see any substantial engineering modifications. There could be things as we start to shake down the system, but moving forward, Core will not really inform Prime. We have Prime now in our hands, so we will start to shake down and optimize, and then treat it independently as it moves forward.

Alex Fuhrman (Lucid Capital Markets)

Okay, that's really helpful. Thanks. And then you mentioned a number of different use cases and end markets on the call. Obviously, the military is a big one that could be commercialized pretty soon here. Data centers are, of course, a big one as well. You mentioned residential development. Where are you seeing the most demand now, and how do you prioritize going after these different end markets? Is it fair to assume the AI data center opportunity is, for the most part, tied to the larger Prime system?

Bryan Barton

Yes, that is a fair assumption, Alex. We have talked a lot about data centers and water scarcity and our ability to impact that market segment, and we are having substantial conversations there. I think there is significant pull in that direction. One other comment: different markets take different times. There are different regulatory frameworks and different proof points and validations before different markets will embrace and adopt in a meaningful volume way. For example, data centers are going to move at a different pace than U.S. residential, than U.S. military, than desiccant dehumidification with the Core DH product. So we are trying to manage all of those different go-to-market timing dynamics here as well.

Alex Fuhrman (Lucid Capital Markets)

Okay, that's really helpful. Thank you.

Operator

Thank you. Our next question comes from Ryan Pfingst with B. Riley Securities. Please proceed with your question.

Ryan Pfingst (B. Riley Securities)

Hey, good morning, guys. Thanks for taking the questions. Maybe a follow-up to the last one. For the Core deployments expected in the fourth quarter, which customer do you think is most likely first to place an order, or is a better way to think about it that multiple customers are ready and just waiting for the required certifications to be completed?

Bryan Barton

Yes. Thanks, Ryan. In a lot of ways, the initial Core deployments are still positioning customers that are principally interested in Prime, although there are Core customers as well. For example, Core DH -- that product is going to go to market through pilot programs, and that is how we will convert customers on Core. We also talked about U.S. military engagement and providing them with Core AWG products. Hopefully that provides some color. We will disclose more in terms of who is actually engaged in due time with the disclosures we can provide.

Ryan Pfingst (B. Riley Securities)

Appreciate that. And then could you give us an update on customer interest in the water purchase agreement model, and if that's something where we can see an agreement come together in late '26, or is that more of a 2027 event?

Bryan Barton

Yes. Go ahead, Pat.

Pat Eilers

Thanks, Bryan. Bryan has been answering the questions that have come in so far. He is leading our joint venture and is also our Chief Commercialization Officer, so he is answering a lot of these questions. He is also a Ph.D. in chemistry. One of the things these questions denote is that you are asking about the differentiation between Core and Prime, and what is really critical to this last question -- the water purchase agreements -- is the utilization of waste heat. You get a much, much better opportunity when you are actually recovering that waste heat that is available everywhere. Your energetics go down to such a large degree that the levelized cost of water is impacted less than it is when you are out there dehumidifying, because we have a standalone heat-pump system for the dehumidification project. So I think that is a really important delineator between Core and Prime. With respect to your last question, Ryan, on water purchase agreements, I remain most excited about that. When you use waste heat to drive that cost down, and as Bryan talked about in his prepared remarks, you tie that into distribution within a 100-mile radius, there are a number of sites -- whether they are data centers or other sites -- where waste heat will drive our regeneration costs down and therefore water costs down. So I see the water purchase agreements coming this year, at least planning to get the commitments, in parallel with equipment sales for Prime. Bryan, if you were going to add to that, please.

Bryan Barton

No, thank you, Pat. Ryan, anything else? Okay, thank you, Ryan.

Operator

Thank you. Our final question this morning comes from the line of Sean Milligan with Needham and Company. Please proceed with your question.

Sean Milligan (Needham and Company)

Hey, guys. Thanks for taking the questions and all the updates today. I just wanted to touch base on the slides. You have a slide that has the CapEx for AirJoule relative to the CapEx for the data centers for 100-megawatt siting. I thought that was pretty interesting. Can you talk about -- is that the siting density that you're thinking about when you talk about having these discrete conversations with data centers? Or would initial sitings be lower? I am just trying to get a sense for whether that is going to be a standard siting for data centers.

Matt Jore

Sean, I think you are asking about the capital size of the deployment of CapEx sites?

Sean Milligan (Needham and Company)

Yes. So the slide that says 1% to 3% of total facility build costs would represent AirJoule CapEx. I guess that's pretty sizable relative to what I was thinking. So I am just trying to get a sense -- is that based on the siting you mentioned, talking to a data center customer with discrete siting opportunities? I am curious what is informing that sizing you are giving in that slide.

Bryan Barton

I see. Thank you for that question -- this is an important topic to clarify. On the slide, we are mentioning the $3 to $5 billion total CapEx for a 100-megawatt data center. What we have done is look at the amount of water that data center needs in totality, and if you replaced all of the water with AirJoule CapEx, it would be 1% to 3% of that total build. So this is like a worst-case, or maybe a best-case scenario in terms of the volume of water that would fit the bill at these types of deployment sizes. As you might anticipate, this would be a very sizable project to replace 100% of a data center's water demand, and I do not anticipate that out of the gates at any initial projects.

Sean Milligan (Needham and Company)

Okay. And then the customer you are talking to -- are the conversations being driven more by water issues where they are siting their data centers, or just the ability to get more efficient at the data center? I guess it goes back to -- I am curious how much of this is about where future sites could be opened up versus just getting more efficient at current sites.

Bryan Barton

Yes. Most of our conversations are around new data center builds where they have permitting and pushback in water-scarce regions, where they are having some trouble securing the permits that are necessary. AirJoule comes as a solution to get the project back on track. That is where those conversations live. If you are building a data center and you have all the water you need, you are not our customer. But if there is water scarcity or quality or regional pushback, those are where we can come in.

Sean Milligan (Needham and Company)

Great. Thank you.

Pat Eilers

If you don't mind, I'll just add one more comment to Bryan's. This is Pat Eilers. With these data centers, there is a whole sustainability aspect to it, as well as an insurance

opportunity with distributed water. It does provide resiliency and sustainability, which is not lost on many of the hyperscalers, even if AirJoule were not the primary source. So that is just additional color on the data center opportunity.

Operator

Thank you. That concludes today's question-and-answer session. I'll turn the floor back to Mr. Jore for any final comments.

Matt Jore

Thanks, everyone, for joining us this morning. The first quarter of 2026 was a quarter of disciplined execution against our 2026 objectives that we outlined in March. Our Core platform is maturing, our first Prime is built and operational, and we are seeing strong customer demand across a range of markets.

I'm super excited that we are scaling our commercial pipeline in 2027 and beyond. Productization of Core, the first Prime deployment in Europe via the Net Zero Innovation Hub, the launch of our dehumidification platform, and the customer engagements Bryan walked through this morning all support this exciting path. We really thank you.

Operator

Thank you. This will conclude today's conference. You may disconnect your lines at this time. Thank you for your participation.