NASDAQ:AIRJ Q3 2026 Earnings Call Transcript

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Conference Operator | Operator:

Greetings. Welcome to the AeroJoule Technologies third quarter 2026 earnings call. At this time, all participants are on 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 star zero 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. Please go ahead.

Tom Divine | Vice President of Investor Relations and Finance:

Thank you and good morning. With me today for our third quarter 2026 earnings call are Matt Jore, Founder and Chief Executive Officer, Pat Eilers, Executive Chairman, Stan Disko, Chief Operating Officer of BitSync, Bryan Barton, President of our AirDuel JV, and Steven Pang, Chief Financial Officer. During this call, we will refer to a presentation available through the webcast platform and in the investors section of our website. I would like to point out that many of the comments made during our prepared remarks and the question and answer session 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 greater detail in the risk factors and forward-looking statement sections of our filings with the SEC. Although we believe the expectations expressed in these statements are based on reasonable assumptions, they are not guaranteed that future performance and actual results or developments may differ materially. And now, I will turn it over to Matt.

Matt Jore | Founder and Chief Executive Officer:

Thanks, Tom. Good morning, everyone, and thank you for joining us. On our last call, we talked about moving AirJoule Technologies from technology validation into defined commercial channels. In the third quarter, we took several important steps forward. We added BitSync's operating, manufacturing, and customer delivery capabilities. We continued moving AirJoule systems into customer environments where we can measure performance and establish commercial value. And based on what we've learned from that work, we brought greater focus to our product roadmap. Beyond those milestones, three moves define this quarter. First, we're expanding our addressable market by focusing on what customers need and determining the best way to deliver it. Build, Partner, or Buy. We build our AirJoule water generation and dehumidification products through our joint venture with GE Vernova. We partner to reach new customers and markets as we've done with Kubota in the residential developer market. And this quarter, we expanded our data center capabilities through the acquisition of BitSync. BitSync provides modular data center infrastructure along with cooling systems and electrical equipment for data centers The acquisition adds manufacturing capacity, deployed equipment, established customer relationships, and $15 million in signed purchase orders. It also gives us an immediate position in the fast-growing modular data center vertical that increasingly values standardized factory-built systems that can be deployed quickly and expanded in increments as customer demand grows. This is strategically important for us BitSync gives us a commercial foundation in data center infrastructure today, while creating a path to add Prime as a modular water layer in the future. BitSync's systems reject low-grade heat, and Prime is designed to use low-grade heat to produce water. We are evaluating how these capabilities could ultimately be brought together. Second, we sharpened our product roadmap around two purpose-built products. Prime is our atmospheric water generator platform designed to deliver water at the scale our customers need. Core DH is our dehumidification platform with a simpler design, fewer

components, and a focus on reducing energy consumption and cost. This focus builds on what we learned from real-world deployments of Core AWG, our first product designed for both water generation and dehumidification. That experience helped validate our technology and provided valuable insights into the distinct requirements of each application. Those insights led us to separate water generation and dehumidification into two purpose-built products, allowing us to optimize each for better performance and more attractive economics. We are now concentrating our development and commercialization efforts on Prime and CoreDH, targeting further revenue-generating deployments in 2027. We will continue using our existing core AWG systems for customer demonstrations, operating data collection, and additional technology validation. Third, our fieldwork has shown us where AirJoule product creates economic value. For Prime, the value is water where supply is scarce, unreliable, or standing in the way of permitting or growth. For residential developers, access to water can determine whether or when a project gets built. Our goal with Kubota is to unlock those projects. At data centers, water requirements vary considerably by cooling architecture and location. Newer facilities increasingly use closed-loop liquid cooling, so the opportunity is to produce water behind the meter for the applications where on-site supply creates the greatest value. Those may include water for closed-loop fill and make-up, humidification, process and personnel needs, resilience, and reducing incremental demand on local water supplies. As data center capacity becomes more modular and distributed, supporting infrastructure must be able to scale with it. Cryon could provide onsite water generation that scales alongside computing, power, and cooling infrastructure. Particularly at sites where water availability constrains development, permitting, or operations. For manufacturing and industrial customers, the value of generating high-quality distilled water on site may come from replacing trucked water, supplying processed water, improving water quality, or reducing the risk and cost of operational disruptions. In the defense market, we are seeing greater attention to water self-reliance and operational resilience. The Pentagon's recently announced Fortress America initiative aims to strengthen military installations' ability to operate independently of external infrastructure, with a reported goal of sustaining essential operations, including access to water and power, for at least 90 days without outside support. For dehumidification, the value is energy. Core DH targets more than 40% energy savings compared with desiccant systems in dry storage, cold storage, and humidity-controlled manufacturing. We prioritize applications where that value is measurable. The customer need is defined, and the path to paid adoption is credible. In prior earnings calls, we talked about our customer engagement cycle and how we view the sequential stages of commercialization. For each market vertical, we move through the same four stages, evaluate, deploy, validate, and commercialize. In the evaluate stage, we identify specific markets and customers where we can provide value. After we work with the customer on product market fit and complete techno-economic analyses, we then deploy systems in the customer's operating environment to measure performance. We use the results from the deployment stage to validate the market opportunity. and we commercialize when the economics support paid, repeatable orders. Each quarter, we'll report where each market vertical stands and what we are measuring. Here's where we stand today. BitSync is in the commercialization stage with $15 million of signed purchase orders to be delivered over the next year. In water generation, we're advancing prime across several market verticals, each at different stages of commercialization. Data centers have moved into the deployment stage and today, We're pleased to announce that we've delivered our first AirJoule Prime system to Data4, a leading European data center operator with approximately 1.5 gigawatts of capacity across six European countries. Data4 is a founding member of the Net Zero Innovation Hub for data centers, along with Google, Microsoft, and others. The purpose of the Prime deployment at Data4 is to showcase the AirJoule system to these hub members. Our residential program with Kubota kicked off with the delivery of two Core AWG systems to Irvine, California and Corpus Christi, Texas. Kubota is using the AirJoule systems to showcase the technology to residential developer customers. Industrial food and beverage and defense applications remain in the evaluation stage. In dehumidification, Core DH is in the deployment stage. During the third quarter, we completed an initial pilot project with a channel partner customer. This commercialization framework also governs how we invest. Putting systems in customers' hands is how we learn what they need, and the data we collect decides where our capital goes. We fund the next stage when the evidence supports it. I'll now turn the call over to Stan Disko, founder and chief operating officer of BitSync. for an introduction to the business and an update on its near-term priorities. Bryan will then discuss our AirJoule deployments and product development work.

Stan Disko | Founder and Chief Operating Officer, BitSync:

Stan? Thank you, Matt, and good morning, everyone. I'm excited to join the AirJoule Technologies team and to continue leading BitSync in this new chapter. BitSync builds Nexus, a modular data center platform designed to be a single answer for AI infrastructure at any scale. Our initial Nexus blocks are designed to support NVIDIA GB300 and Cerebra CS3 systems with the flexibility to accommodate different AI computing architectures. Nexus is delivered as standardized factory-assembled blocks in a range of base sizes, each with liquid cooling, power distribution, and battery backup built in. Our 3MW block, for example, supports 2.5MW of critical IT load. For customers, the value of Next is straightforward. Choose the block size that fits the site and the hardware, then add identical blocks as demand grows. Every block is the same proven design at a different scale, so there's no re-engineering from one deployment to the next. This reduces the need for customized construction and integration of the site, which can help customers bring computing capacity online sooner and Align Infrastructure Investment at a pace that reflects the actual demand. Our factory-based production model is an important part of how we deliver the value. We build and test every block in our factory before shipping it to a prepared customer site. This allows us to standardize quality control, repeat proven designs, and complete more of the integration work before the equipment reaches the customer. The result is superior product reliability and faster speed to compute. In recent weeks, we moved into our new 65,000 square foot factory in Chesney, South Carolina, where we're now installing production equipment. We expect to begin initial production this month with full production capability in place by the end of the year. Traditional stick-built data centers can take more than a year to construct. Nexus offers a fundamentally different approach using standardized pre-engineered blocks that can be manufactured and deployed in a fraction of that time. While initial customer configuration requires design and approval, once reference design are established, additional blocks can be produced in a matter of weeks. This repeatable modular approach helps customers accelerate capacity expansion, Reduce on-site construction complexity and scale infrastructure as demand grows. In addition to deployment speed, the Nexus design is engineered for continuous operation. Redundant power paths are designed to keep every rack at full power if any one path goes down. And major cooling components are designed to be serviced without taking the block offline. Together, this architecture is intended to combine rapid modular deployment with our reliability and maintainability customers expect in critical data center infrastructure. We have secured $15 million in signed purchase orders, and we expect to deliver our first Nexus blocks in the coming months. Beyond our existing orders, we're seeing growing interest from our customers in our modular data solutions, dry coolers, and electrical switchgear. Our immediate priorities are clear. Complete a production ramp in Chastney, execute against our existing customer commitments and deliver the first-in-axis systems. Bryan, over to you.

Bryan Barton | President, AirJoule JV:

Thanks, Dan. I will cover our two product offerings, water generation and then dehumidification. For each market vertical, I will cover where it stands, what we are measuring, and what comes next. For Prime, we have a modular water generation platform that can serve a range of applications. We're sharpening our focus on the end markets, for producing pure water on-site creates the greatest economic value, including data centers, residential development, industrial applications, and defense. I'll walk through each of these four market verticals, where we're seeing opportunities and the progress we're making toward commercialization. I'll start with data centers. As Matt mentioned, our first AeroJoule Prime system has been delivered to data core in France. Installation and commissioning will take place over the coming weeks, with operation expected to begin by the end of the year. This is our first opportunity to demonstrate prime using waste heat from an operating data center to produce water. Through our collaboration with the Net Zero Innovation Hub for data centers, we will evaluate the system under real operating conditions and measure water production, energy consumption, uptime, temperature, and humidity. We expect to provide initial operating update in Q1, 2027, subject to commissioning and the collection of sufficient data. This deployment also comes at a time when Europe is moving toward mandatory waste heat utilization for data centers. Under the EU's revised energy efficiency directive, data centers exceeding one megawatt of total rated energy input are required to utilize waste heat where technically and economically feasible. We believe this regulatory shift creates a

compelling tailwind for technologies that can transform waste heat into valuable resources, including water. Our deployment with DataFOR will provide a real-world reference point for other data center operators evaluating similar applications. We plan to share what we learn with participating operators and infrastructure providers as they evaluate their waste heat recovery and water management strategies. Next, residential, where our program with Kubota is in the deployment stage. As mentioned last quarter, Kubota agreed to purchase two of our core AWG units. One system has been commissioned in Irvine, California, and is currently operating as a showcase unit for residential developers. We expect the second system in Corpus Christi to complete commissioning in December, where it will also be used as a demonstration for customers. These two projects with Kubota are important for a number of reasons. First, they are customer-facing demonstrations across different climates and residential development markets. Second, they allow Kubota to demonstrate the technology to developers evaluating potential solutions to water constraints. Kubota pairs its water recycling systems with our water generation systems to offer developers a complete water solution for new communities. Third, they allow Kubota and AirJoule to measure system performance under field conditions. And finally, these systems will support the applicable drinking water certification processes through the Texas Commission on Environmental Quality and the California State Water Resource Control Board. Field evaluations in progress toward drinking water approval are the gates to potential follow-up orders for prime units. Beyond data centers and residential, we are in the evaluation stage with industrial and food and beverage customers. One manufacturer we're working with spends heavily to treat poor-quality local water and still faces interruptions. They're interested in AirDuel for on-site production of the high-quality water necessary for their operation. Food and beverage customers describe a similar need, along with sustainability goals and tighter discharge permits. Defense applications remain in the evaluation stage, and we continue to engage with military and national security stakeholders. In September, we took part in the U.S. Army's inaugural Expeditionary Water Technology Demonstration. And in December, we'll be in Washington, D.C. to present AirJoule at the Department of War's Applied Invasion Workshop, focused on installation resilience. We're also expanding opportunities to showcase our water generation technology internationally. In the UAE, we're preparing to demonstrate our core AWG system at Expo City, Dubai. And looking ahead, we have additional demonstrations planned throughout 2027 at universities, industrial customer sites, and government facilities. Next, dehumidification, where core DH is in the deployment stage. CoreDH targets more than 40% energy savings compared with desiccant systems based on our internal head-to-head testing. There's an installed base of approximately 1.2 million desiccant wheel systems, and our initial market is dry storage and cold storage facilities. Customer discussions center primarily on energy savings, but CoreDH also produces distilled water, which adds additional value stream. The channel partner pilot Matt mentioned ran for several weeks and achieved strong moisture removal performance. It also generated valuable data in operational learnings. That partner wants to bring CoreDH to market, and we are evaluating what the next steps look like. We're applying the learnings from the pilot to product design, including opportunities to simplify thermal management. Where we expect to improve reliability and reduce component costs. Over the coming quarters, we will focus on refining core DH product for specific dry storage and cold storage applications. Using customer feedback and additional targeted deployments to validate performance and economics as we advance toward commercial commitments. Importantly, we view our entry into the desiccant dehumidification sector as an entry point into the broader dehumidification market with a longer-term opportunity in the HVAC sector. Across both product lines, we follow the same four-stage process, evaluate, deploy, validate, and commercialize. We evaluate customer needs and economics, deploy systems to measure real-world performance, validate market demand and customer value, and commercialize when the evidence supports repeatable paid orders. I will now turn the call over to Steven for our financial results and our preliminary 2027 outlook.

Steven Pang | Chief Financial Officer:

Thank you, Ryan. I will review the Bitsync acquisition terms, our third quarter results, liquidity, and the preliminary 2027 Bitsync outlook on this call. Before the financial results, I want to clarify our go-forward reporting structure. FitSync is a wholly-owned subsidiary of AirJoule Technologies, and we consolidate its

results into our financial statements beginning on the acquisition closing date of September 10, 2026. AirJoule LLC remains a 50-50 JV with GE Vermova and is accounted for under the equity method. The JV's revenue and operating expenses are therefore not consolidated into AirJ's revenue and operating expense lines. AirJ records its share of the JV results below operating income. In September, we acquired 100% Fitsync for $27 million in total upfront consideration, of which $18 million in cash and $9 million in AirJay stock. We issued 1.86 million AirJay shares at a 15-day VWAP of $4.84 per share. The transaction also includes an earn-out of up to $40 million in additional equity, contingent on Fitsync achieving specified revenue milestones from 2027 through 2029. It can be earned if BitThink achieves more than 80% of the applicable annual revenue targets of $30 million in 2027 and $63.6 million in 2028. These thresholds for contingent acquisition considerations reflect the seller's aspirations for BitThink's top business prospects. However, they do not represent our revenue guidance. Approximately 60% of the total consideration depends on future performance aligning the BitThink team with ARJ shareholders. will carry the contingent consideration liability on our balance sheet and measure it quarterly consistent with our other earn-out liabilities.

Bryan Barton | President, AirJoule JV:

Now turning to our third quarter operating results.

Steven Pang | Chief Financial Officer:

AirJ's total operating costs and expenses were $5.5 million in the third quarter. That figure is net of $0.7 million of administrative and engineering expenses reimbursed by the AirJoule JV under the statement of work. It includes $2.7 million of non-cash stock-based compensation which also reflects a true-up of expenses for performance-based awards and $0.7 million of expenses associated with a bid-strike acquisition, including legal and due diligence costs. Our net loss for the quarter was $19.8 million. The largest driver was a non-cash impairment charge of $23.5 million recorded in our equity loss from the Airtel JV, which represents our 50% share of a $46.9 million impairment of in-process R&D at the JV. This was partially offset by a $5.4 million non-cash gain from the change in fair value of our earn-out shares and subject-testing share liabilities and an income tax benefit of $6.1 million. The JV normally tests the value of these assets once a year on October 1st. Given the decline in our share price and other quantitative factors, we did run an interim test as of September 30th in this quarter. The updated evaluation reflects our current commercialization timeline with additional revenue-generating deployments of prime and core DH targets for 2027. This charge has no impact on cash or liquidity, and it does not change the plan we have laid out on this call. Total operating expenses at this AirJoule joint venture achieved in November were $4.7 million in the third quarter. During the quarter, AirJ contributed $3.5 million to the JV for productization, manufacturing, and commercial deployment-related activities. that funding supports the prime deployments at Data Force Campus in France, the Cabota pilot project, two additional prime system builds, and the development of Core DH. At quarter end, AirJ and the JV held a combined 31.4 million in cash with no debt. We are reaffirming the previous guidance for combined AirJ and AirJJV cash spending in 2026 of 27 to 28 million, excluding distinct activities. Our preliminary 2027 revenue outlook for BitSync is $15 to $20 million. This is BitSync revenue that we expect to consolidate into AirJ's financial statements. We already have $15 million of signed purchase orders from modular data centers scheduled for delivery over the coming year. The remainder of the range reflects additional orders expected from inbound customer inquiries. Product delivery and revenue recognition will ultimately depend on manufacturing execution, customer slug readiness, and applicable acceptance requirements. We currently expect this thing to generate neutral deposit-free cash flow in 2027, excluding ARJ corporate expenses, acquisition-related adjustments, and JV funding. With our four-year results in March 2027, we will plan on providing a more detailed, distinct outlook, including updated assumptions for revenue, profitability, and cash flow. We also expect to provide a 2027 spending outlook for ARJ and the joint venture with our four-year results in March. Our capital allocation priorities will match BitSync's existing customer commitments and fund-defined commercialization milestones for the AirJoule platform. With that, I'll turn the

call back to Matt.

Matt Jore | Founder and Chief Executive Officer:

Thanks, Stephen. The third quarter broadened AirJoule Technologies' commercial foundation and sharpened our priorities for execution. BitSync adds operating infrastructure capabilities, manufacturing capacity, established customer relationships, and a revenue backlog. Our AirJoule roadmap now centers on two purpose-built products, Prime for Water and Core DH for dehumidification. And our four-stage commercialization framework gives you a consistent way to track our progress in each market vertical. As we wrap 2026, we have a larger market opportunity, a more focused commercial strategy, and tangible milestones ahead. With that, we'll open the call for questions.

Conference Operator | Operator:

Thank you. The floor is now open for questions. If you would like to register a question, please press star 1 on your telephone keypad at this time. The confirmation tone will indicate that your line is in the question queue. You may press star 2 if you would like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up the handset before pressing the star keys. Again, that's star 1 to register a question at this time. Today's first question is coming from Alex Furman of Lucid Capital Markets. Please go ahead.

Alex Furman / Ryan Sinks | Analysts, Lucid Capital Markets / B. Riley Securities:

Hey guys, thanks very much for taking my question and congratulations on all the progress you've made this year. I wanted to ask about the BitSync acquisition and the $15 million in purchase orders that you have. It looks like a pretty big catalog of cooling and switch gear products I see on the website. Can you give us a little bit more color on which products account for the bulk of that $15 million that's already been ordered?

Steven Pang | Chief Financial Officer:

Hey, Alex. This is Steven here. Thanks for joining the call this morning. That purchase order supports the entire modular data center infrastructure block that we'll be providing. So many of the specific equipment that you referenced here on the website drives the componentry and designs of that block and enclosure. So the purchase order here supports the entire deployment of that system rather than individual components that you've listed out. Certainly we can sell individual components should that demand come from respective customers, but for the current purchase order that we're referencing, that will be that entire Nexus block that Sam referenced earlier on this call.

Alex Furman / Ryan Sinks | Analysts, Lucid Capital Markets / B. Riley Securities:

Got it. Okay, that makes sense. And then it looks like they're going to need another $15 million in sales next year to hit the full earn-out target and then more than double that. Next year, you know, if those numbers were to be hit, do you envision it would be a similar kind of mix of business selling the whole system and just more of them?

Steven Pang | Chief Financial Officer:

Yeah, this is our preliminary look. As you know, it's the first time we've provided revenue guidance as it relates to this business. And that's really right now all grounded by that purchase order that you referenced here on this call. We're seeing a lot of inbound customer interest from other parties beyond the purchase order that we're referencing here and that interest is similar in nature. Generally, it's for the entire block rather than individual designs. Okay, that's great to hear.

Alex Furman / Ryan Sinks | Analysts, Lucid Capital Markets / B. Riley Securities:

Thank you very much.

Conference Operator | Operator:

Thank you. The next question is coming from Samir Joshi of HG Wainwright. Please go ahead.

Samir Joshi | Analyst, H.C. Wainwright:

Hey, good morning. Thanks for taking my questions. Just continuing on the Vixen team, The factory in Chesney, what level of production does it support and what are the planned capex over, say, 2027, 2028 at this place?

Steven Pang | Chief Financial Officer:

Yes, Samir, this is Stephen here again. The capacity in Chesney... South Carolina is a 65,000 square foot facility that's ramping in terms of the capabilities as you've heard from Stan earlier. That can certainly support not only the $15 million purchase order here along with the entire earn-out consideration that we referenced here on the call for 2027. Clearly the seller had high expectations and aspirations which is how we aligned to that number but the facility in Chesney can certainly support the full production line to drive that ultimate burnout guidance if that's where the demand supports. In addition to that, the CapEx question that you raised, that is also assumed in our preliminary guidance of being neutral or free cash flow positive for 2027. So that is baked into that broader kind of free cash flow guidance that we're providing you today. Understood.

Samir Joshi | Analyst, H.C. Wainwright:

and I know this next question, it's early days probably, but the AWG plus bits and cooling kind of combination, have you started marketing that, just testing the waters, what is the response you're getting from initial reach out? Just a little bit of color on that would help.

Bryan Barton | President, AirJoule JV:

Yeah, I'll take that question.

Steven Pang | Chief Financial Officer:

We're certainly seeing interest We're certainly seeing good interest in partly the industrial logic for the acquisition was really to be able to cross-sell both products in an initial manner and then longer-term explore the integrated product that we touched on here on this call. So there's already been conversations that both

teams have had where the conversations from the AWG product has led to interest for business products and vice versa. So that initial kind of touch point, which we expected to see from our customers that we've been interfacing with, certainly has occurred. And then, again, longer term, Matt touched on what we aim to do from an integration standpoint around the two products.

Matt Jore | Founder and Chief Executive Officer:

Yeah, and Samir, this is Matt. I would use the term co-locate. These are two standalone business units, and the product stands alone, so the word integration doesn't necessarily mean a new product. It means it could be side-by-side. Wherever there's a cooling demand, which we're seeing huge amounts of coming in to the BitSync offering, there may be a water demand, and so we would hopefully set side-by-side and co-locate The Prime Systems. So, just to be clear about that. Thank you.

Samir Joshi | Analyst, H.C. Wainwright:

Yes, yes. And I guess what you're also trying to say there is that if one is installed at a site, you can always upsell the other one. Exactly. Exactly.

Stan Disko | Founder and Chief Operating Officer, BitSync:

Yep.

Samir Joshi | Analyst, H.C. Wainwright:

Let me ask you one more. On the defense applications... Are you looking at countries X, U.S., and are there, like, what is the sort of demand scenario there? The market size, maybe.

Matt Jore | Founder and Chief Executive Officer:

Did you say international, Samir?

Samir Joshi | Analyst, H.C. Wainwright:

Yes, and specifically for the defense applications.

Matt Jore | Founder and Chief Executive Officer:

Yeah, interesting. I'm not sure Pat Eilers spends quite a bit of time over in the Middle East with our president of our international business, Ramdas Rao, and we see a lot of interest there. I don't know that we can specifically talk about the defense, Pat, but we certainly have interest at government levels.

Pat Eilers | Executive Chairman:

Yeah, we will be back, and we have a unit Today in Dubai, it will be showcased at Abu Dhabi Power and Water Week during the UN Global Water Conference. It is a joint effort by Senegal and the United Arab Emirates. This will be taking place December 7th through December 9th. We will be one of eight technologies, not just water but power, et cetera, for resiliency for the United Arab Emirates at this

conference. So we're excited about that.

Samir Joshi | Analyst, H.C. Wainwright:

Thanks for that, Heather. I will take my other questions offline. Congrats once again. Thanks, Amir.

Conference Operator | Operator:

Thank you. The next question is coming from Ryan Sinks of the Riley Securities. Please go ahead.

Alex Furman / Ryan Sinks | Analysts, Lucid Capital Markets / B. Riley Securities:

Hey, guys. Thanks for taking the questions. For the data for deployment, How should we think about how progress will be tracked there, or what are some of the key milestones, you know, once the prime is commissioned in December?

Bryan Barton | President, AirJoule JV:

Thanks, Bryan. This is Bryan. Thanks for the question. Yeah, so the deployment in Data 4 is really also in consortium with Net Zero Innovation Hub, and as shared in the call, this will be, you know, Commission in the coming weeks and operating before the end of the year. The milestones here are really around showcasing the capability to the Net Zero Innovation Hub members, which, of course, includes Google and Microsoft and DataForce, and really kind of showcasing the water production, energy consumption, uptime, humidity conditions, and then really understanding how the air-dwell time can actually integrate with data centers thermal infrastructure and then how that can unlock in the ecosystem some of the water constraints that these operators have.

Steven Pang | Chief Financial Officer:

Thanks, Ryan. And then a quick follow-up on BitSync and maybe on the sales cycle there. Could you walk us through the typical timeline from assigned PO to recognized revenue? Just trying to think about the potential for upside in 2027 here. Yeah, Ryan, I can take that question. The POs typically come with a significant deposit at the time that the PO is signed in and there's also incremental milestone payments that come along with it during the build cycle. Stan referenced just the time the deployment is really the focus for many of the customer interests and inquiries that we're seeing and certainly that's driving the initial PO that we're referencing here. The customer has access to power and they're looking to deploy these modular units in a very timely fashion to support the ultimate deployment of the servers and the chip designs that are going into it. So certainly we would envision that purchase order to be satisfied over the course of 2027 and that timeline can come in a manner Thank you. Thank you.

Conference Operator | Operator:

The next question is coming from Pat McCann of Deep Oral Capital. Please go ahead.

Pat McCann | Analyst, Deep Oral Capital:

Hey, good morning. Thanks for taking my questions. I had first just a quick clarification on the core and prime, and you mentioned kind of the more targeting each into its specific vertical. Were there any changes made to or any modifications to I guess the design of those two different products as part of that tailoring. I mean, is it more of a decision to have those two assets go in two different directions or are you actually making any modifications to the design of them that will make them each respectively, you know, Maybe a cheaper to build or are there any, you know, could you give any color? How should I understand, I guess, that decision or that, I guess, development?

Bryan Barton | President, AirJoule JV:

Yeah, thanks, Pat, for the question. Yes, in fact, I think as the core system was originally developed as a technology showcase, right, to show the water generation capabilities as a water generator and as a decommodifier. Prime. So from that, the two products that we're now focused on really gauging from commercial demand with the customers is the Prime as the water generator because our customers are typically needing water that's right size in terms of volume with Prime. And then on the dehumidification side, the core system is going through some engineering changes that will make it simpler as a system and more efficient. and then more capable of serving the customers in the dehumidification verticals that we referenced. So there were some tweaks made to the engineering design so that it could better serve those customers.

Pat McCann | Analyst, Deep Oral Capital:

Thanks. And then one other question I was just wondering is with the Nexus block, if you could give any additional information around, you know, sort of a revenue – for a block and with the various components that go into one of those blocks, maybe what the higher revenue items are and maybe that would help us think about kind of what the important opportunities are if, as you mentioned earlier in the call, certain customers want to make purchases of individual components, just wondering, What are the bigger ticket items that go into the block and then maybe what the revenue per block tends to be?

Steven Pang | Chief Financial Officer:

Yeah, this is David here. The initial purchase order is for approximately 15 megawatts. And over time, we expect to provide more color around what future purchase orders can support from a capacity standpoint, but certainly for the first one. That's the total capacity that we'll be providing. In terms of the individual components and some of the larger drivers of that component breakdown, dry coolers, it certainly makes up a large piece of it along with chillers. And you're seeing more interest from dry coolers specifically from customers as the reference architecture and chip designs today can support higher operating temperatures. and dry coolers are able to provide this free cooling and lower power draw requirement. So certainly seeing a lot of interest from customers around that particular component. But like I said, the broader kind of suite of electrical distribution equipment, BDUs, dry coolers, along with chillers are all comprised of that broader nexus block that we touched on.

Pat McCann | Analyst, Deep Oral Capital:

Much appreciated. I'll hop back in the queue.

Conference Operator | Operator:

Thank you. Ladies and gentlemen, this brings us to the end of today's question and answer session and today's conference. We would like to thank you for your participation and interest in AirJoule Technologies. You may disconnect your lines at this time or log off the webcast and enjoy the rest of your day.