Energous Corporation First Quarter 2026 Financial Results
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Corporate Speakers

- Mallorie Burak; Energous Wireless Power Solutions; Chief Executive Officer, Chief Financial Officer, Director
- Giampaolo Marino; Energous Wireless Power Solutions; Chief Strategy, Growth Officer
- Gregory Sadikoff; Energous Wireless Power Solutions; Chief Accounting Officer

Participants

- Jon Hickman; Ladenburg Thalmann; Analyst
- Mark Gomes; Pipeline Data; Analyst
- John Henderson; Inflections Consulting; Analyst
- Michael Molnar; MYDA Advisors; Analyst

PRESENTATION

Operator^ Good day. And welcome to the Energous Wireless Power Solutions First Quarter 2026 Financial Results Conference Call. (Operator Instructions) Please note, this event is being recorded. Before the call begins, Energous would like to remind participants that during today's call the company will make forward-looking statements. These statements are subject to inherent risks and uncertainties detailed in the company's filings with the Securities and Exchange Commission.

Actual results may differ materially from those anticipated. Except as otherwise required by federal law, Energous disclaims any obligation to publicly release updates or revisions to any forward-looking statements to reflect changes in expectations. I would now like to turn the conference over to Mallorie Burak, Chief Executive Officer and Chief Financial Officer. Mallorie, please go ahead.

Mallorie Burak^ Thank you. And welcome, everyone. I appreciate you all joining us on this conference call today, our first since 2024. On this call we will discuss a series of firsts, in other words, new milestones we have achieved on our path to profitability and cash flow breakeven and why we believe we are positioned to continue our growth. We thank our stockholders and investors for your patience and continued belief in what we are building.

I want to take the time today to properly reintroduce our company, where we came from, what we have built, why the momentum we established in 2025 is real and accelerating and what the first quarter of 2026 is telling us about the trajectory ahead. I will then turn it over to Giampaolo Marino, our Chief Strategy and Growth Officer, to provide context on our technology platform and the industry environment driving enterprise adoption. Greg Sadikoff, our Chief Accounting Officer, will then walk through the Q1 financials in detail.

Energous was founded in 2012 with a vision to eliminate the wires and charging constraints that define consumer electronics at the time. Our research and development produced the world's first FCC Part 18 certification for at-a-distance wireless charging and a patent portfolio that today exceeds 300 patents.

In 2022, we made the strategic decision to reposition Energous entirely around enterprise IoT, specifically, the opportunity to power a new generation of battery-free sensors, tags and monitoring devices in commercial environments where always-on maintenance-free sensing is increasingly becoming an operational requirement. The verticals we identified including supply chain, cold chain compliance, logistics, retail inventory management and asset tracking, share a common characteristic.

The scale of deployment makes battery dependency economically and operationally prohibitive. That is the problem we now solve. We spent 2022 and 2023 building the technology, earning regulatory certifications, establishing commercial partnerships and conducting the proof-of-concept trials that would allow enterprises to validate our technology. Our operations and results today reflect a company that has crossed from technology validation into volume production.

Our commercial platform is built around the PowerBridge family of wireless power transmitters, purpose-built for enterprise environments requiring reliable, scalable, always-on wireless power delivery.

Our flagship product, the PowerBridge PRO is designed for deployment in retail, logistics, distribution, cold storage and production facility environment. The PowerBridge PRO has shipped in meaningful volume, has yielded 0 returns since commercial production began in 2024 and has received regulatory approval including FCC, U.K. and EU market approval, enabling immediate commercialization across U.S., U.K. and European markets.

In 2025, the PowerBridge portfolio grew with the launch of the PowerBridge PRO+, featuring an integrated gateway and specifically designed to be an innovative addition to the company's wireless power network solutions. Alongside our transmitter hardware, we offer a complete end-to-end ambient IoT solution, integrating our wireless power transmitters with battery-free sensors, gateways and our cloud-based software platform, e-Compass, providing customers with real-time asset and inventory visibility, environmental monitoring and operational analytics. This end-to-end capability matters.

Our customers are not just purchasing a point-in-time hardware product. They are deploying a wireless power network infrastructure that provides real-time visibility into operations and eliminates the ongoing cost and reliability risk of battery-dependent IoT systems.

Our product family also includes the e-Sense tag which we also introduced in 2025, broadening the range of use cases our platform addresses and increasing the value we deliver for deployment. The e-Sense tag provides dependability in low temperatures, is waterproof and reusable. When paired with the PowerBridge transmitters, Energous can offer customers an efficient and effective solution that is ideal for complex use cases such as cold chain monitoring, where other applications' performance often degrades when exposed to extreme temperatures.

Our production infrastructure includes two contract manufacturers.Our established international manufacturing partner provides cost-effective, high-volume production capacity that underpins our existing customer shipments. Earlier this year, we added a second contract manufacturer based entirely in the United States.

The U.S. manufacturing capabilities we have now established has enabled us to engage the customer opportunities that would previously have been inaccessible, and it positions us well given the broader domestic supply chain priorities we are seeing across enterprise procurement. I want to be direct about why we believe Energous has durable competitive advantages.

First, regulatory. Our regulatory credentials in wireless power are not easily replicable. They require years of iterative development, testing and deep regulatory expertise across multiple jurisdictions, a foundation that we have built over time and continue to apply as we expand into new markets.

Second, intellectual property. Our 300-plus patent portfolio creates a commercial barrier to market entry. Any competitor seeking to operate in RF-based wireless power for IoT applications must navigate this IP position.

Third, market experience. We have now conducted proof-of-concept deployments and commercial installations across dozens of enterprise environments. The operational knowledge embedded in those deployments including how our networks perform in real environments with real installation requirements, is not something a new entrant can acquire quickly. Fourth and most importantly, the ability to meet commercial needs. Enterprises are choosing wireless power networks over just ambient harvesting alternatives because they need guaranteed reliable power delivery.

Our PowerBridge infrastructure delivers consistent, defined power within a coverage area. The dedicated power required to consistently and frequently transmit data to the cloud is what mission-critical applications require and which ambient harvesting can’t independently provide sufficiently.

With respect to the current momentum, in 2025, Energous moved from validation to production. We reported revenue of approximately $5.6 million for the full year, a 633% increase over 2024 and the highest annual revenue in the company's history. We shipped more than 25,000 PowerBridge transmitters. We reported four consecutive quarters of revenue growth with Q4 revenue of approximately $3 million, representing a 139% sequential increase from Q3. Behind those financial metrics were two pivotal commercial deployments.

During 2025, we began large-scale commercial deployments with two of the largest enterprises in the world. Both of these programs represent exactly what we designed our platform to do, solve a real costly operational problem at enterprise scale with infrastructure that performs reliably without battery dependency.

The commercial infrastructure we built last year including recently expanded manufacturing capacity, a strengthened balance sheet and a growing portfolio of active deployments is enabling us to pursue opportunities at a pace and scale that was not possible 12 months ago. Giampaolo, our Chief Strategy and Growth Officer, will now discuss the technology landscape and industry tailwinds in more depth, and he will also cover our proof-of-concept pipeline and technology differentiation. Giampaolo?

Giampaolo Marino^ Thank you, Mallorie. The demand environment for wireless power networks in enterprise setting is structural and strengthening. Let me identify the specific drivers we are seeing in our customer interactions.

Supply chain visibility has moved from a competitive advantage to an operational and regulatory requirement. The disruption of recent years and the increasing liability exposure around cold chain compliance, food safety and pharmaceutical logistics have made real-time always-on sensing a baseline expectation at large enterprises. The question is no longer whether to instrument a supply chain with sensing technology, but rather how to do at scale without the ongoing cost and the failure risk of battery-dependent systems.

Our RF-based wireless power network technology is an end-to-end platform, combining transmitter systems, receiver integrated circuits, antenna systems and supporting software to enable at-a-distance wireless power delivery for low-power IoT devices. A key architectural advantage of our platform is one-to-many power delivery. A single PowerBridge transmitter can deliver power to multiple receiver-enabled devices with range simultaneously. This is what makes our technology economically scalable at enterprise level. The infrastructure cost per sensing point decrease as the deployment density increases.

Our platform supports interoperability between transmitters and battery-free receivers regardless of the device manufacturer or the system integrator, an open ecosystem approach consistent with how widely adopted wireless technology like Wi-Fi and Bluetooth operate. Our semiconductor devices provide the underlying IP building blocks for our transmitters and receivers technologies. These chipsets allow us to continue evolving our product family efficiently as we address new applications and market requirements.

e-Compass, our cloud-based analytics platform, transforms the data generated by the battery-free sensor networks into a real-time operational intelligence including asset location, environmental condition and compliance status, delivered through a software interface that integrates into a customer's existing enterprise system. We believe this data is invaluable for feeding AI models, compiling compliance data and generating real-time and predictive analytics to improve operational management.

I'd like to take a few minutes to walk through our commercial agreements portfolio. We think about our pipeline in three distinct stages: active commercial deployment, active proof-of-concept programs and our broader pipeline outlook. Our current production infrastructure deployments with Fortune 10 enterprises are generating revenue today and continuing to scale.

Our first Fortune 10 commercial deployment is with a leading national retailer, focused on inventory management and cold chain compliance monitoring across its retail store locations. The first phase deployment program started at approximately 4,700 U.S. locations. And as one of our most recent updates, the customer has completed installation at over 1,500 of those locations.

The primary application is pallet-level asset tracking across operational facilities, collecting real-time data as assets travel through dock doors and freezer and cooler storage areas, preventing spoilage, product diversion and inventory loss, while addressing regulatory compliance requirements and operational cost reduction at scale. To our knowledge, Energous is the only provider capable of delivering up to 99% asset visibility in fixed enterprise environments which is made possible by our PowerBridge PRO transmitters which deliver two watts of conducted power or eight watts EIRP, up to 8x the power output of our nearest competition.

In cold chain environment, where a single blind spot can mean spoilage, loss or compliance failure, the power advantage is not a feature. It is the reason why we are in this program. Our second Fortune 10 commercial deployment is with a major enterprise in the e-commerce fulfillment, reverse logistics and grocery sector. This customer has increased the cadence of its engagement with us and has expanded its program across multiple use cases and geographies.

Importantly, this program has now expanded internationally with over 14 completed installations outside of the United States to date. And we are planning to continue supporting this customer's international expansion of its infrastructure modernization project to complete installation at approximately 35 facilities in 2026. This deployment validates that our platform performs at scale beyond the U.S. market and reflects the growing global demand for wireless power network infrastructure. The active proof-of-concept programs we are advancing today are designed to provide reference deployment for production-scale performance, often across multiple facilities.

Several of our current programs are specifically structured to scale from initial site deployments to broader multi-location rollouts in the near term. A few sample use cases and opportunities we are addressing today include a large-scale proof-of-concept with a U.S.-based subsidiary of a multibillion-dollar international parent company, focused on modernizing semi-perishable inventory tracking across its production and distribution operation.

This program is notable because it deploys our full end-to-end ambient IoT solution, wireless power networks comprised of battery-free sensors, RF transmitters, gateways and e-Compass cloud analytics working together to deliver real-time inventory visibility at key production facility.

We have also initiated a structural proof-of-concept evaluation with a national quick service restaurant operator. The QSR vertical, in addition to grocery, is a significant market expansion for Energous across several dimensions. Food safety, compliance, inventory visibility and environmental monitoring in food preparation and storage environment are all applications where battery-free wireless sensing has a clear operational advantage.

To our knowledge, we are the only provider today with a solution proven to operate efficiently in low range temperature. Battery performance degrades in cold storage. Our wireless power infrastructure does not have the constraint in lower temperature ranges, and that is what makes this application category unique, addressable by Energous. The potential deployment scale in a national QSR program, measured in thousands of locations per customer relationship, represents a meaningful revenue opportunity.

Finally, we are progressing with government and regulated sector organizations, where the most important requirements are domestic manufacturing, infrastructure security and system reliability. Our new U.S. manufacturing capability positions us to directly meet those requirements. I should also note that through Amazon Web Services, our cloud infrastructure partner, ISV Accelerate Program, we are supporting proof-of-concept evaluation with enterprise customers, engaged through the co-selling relationship.

It gives us access to enterprise customer conversation at a scale we could not reach independently. This channel has become a genuine commercial pipeline source, and we are advancing active evaluation through it, evidenced by the 50-plus customer launches reported on the AWS partner page. We expect several of our active programs to reach commercial decision during 2026. As our customers advance their timelines, we are committed to providing increasing specificity on the composition and scale of our pipeline. I will turn it back to Mallorie now.

Mallorie Burak^ Thank you, Giampaolo. Before Greg walks through the financials, I want to address our balance sheet and capital position directly. Following fiscal year 2025 through March 23, 2026, we raised net proceeds of approximately $31.9 million through our ATM equity program, resulting in a cash position of approximately $37 million at the end of the first quarter.

As Giampaolo just described, as we move from development stage engagements to active commercial deployment, supporting multiple simultaneous customer programs, each involving engineering support, customer integration, inventory positioning and certification of our work, our working capital requirements grow in proportion to that activity.

With approximately $37 million in cash as of the end of the first quarter and two contract manufacturing relationships in place, we believe we are well positioned to support our pipeline through commercialization. We have no plans for additional ATM usage this year.

Our priority is executing on our commercial programs and translating that activity into revenue growth that makes our path to profitability and cash flow breakeven increasingly visible. I will now turn it over to Greg Sadikoff, our Chief Accounting Officer, to review the first quarter 2026 financial results. Greg?

Gregory Sadikoff^ Thank you, Mallorie. Good afternoon. I will now review our financial results for the first quarter ended March 31, 2026. Earlier today, we issued our earnings release announcing the operating and financial results for the three months ended March 31, 2026. Focusing on the GAAP financial statements, during the three months ended March 31, 2026 and 2025, we recorded revenue of $3.1 million and $0.3 million, respectively. Revenue recorded in the first quarter of 2026 represents our fifth consecutive quarter of revenue growth.

Commensurate with the increase in revenue, our cost of revenue in the first quarter of 2026 was approximately $2 million, yielding a 36% gross margin versus a 27% gross margin reported in the first quarter of 2025. The increase was primarily due to higher volume of our PowerBridge PRO transmitter shipped during the first quarter of 2026.

Total operating expense for the three months ended March 31, 2026 decreased by approximately $0.8 million to $2.9 million from $3.7 million in the first quarter of 2025, representing a 21% year-over-year improvement. The GAAP net loss reported for the three months ended March 31, 2026 was $1.7 million versus a net loss of $3.4 million in the prior-year period, representing a 51% improvement year-over-year. With that, I will turn the call back to Mallorie for closing remarks.

Mallorie Burak^ Thank you, Greg. I would like to close with some perspective on where we stand. Two years ago, when I joined Energous, we were continuing to develop our technology

and operating with a challenged balance sheet. In addition to strategic execution, it has been equally as important to me to rebuild credibility with investors. I have personally spoken to a broad population of investors, and it is my sincere hope that our performance over the last two years has demonstrated that commitment. And the Energous team is excited about the prospects ahead.

Today, we have demonstrated five consecutive quarters of revenue growth. We launched three new products, creating a compelling end-to-end wireless power network solution and have more than 39,000 PowerBridge transmitters deployed. We have two active large-scale commercial deployments with Fortune 10 enterprises, one with over 1,500 U.S. locations completed and expanding, and one now operating internationally across multiple geographies and use cases.

We have a structured proof-of-concept pipeline spanning retail, manufacturing, food service and government sectors. We have an active co-selling partnership with a major cloud infrastructure provider. Our flagship products have achieved regulatory approvals in key jurisdictions. I believe that we have crossed the turnaround chasm. The transformation is real and it is documented.

Our job now is execution, converting pipeline into deployments, expanding within existing customers and scaling our platform across new industries and geographies, and continuing to innovate. We believe the platform, the infrastructure, the partnerships and the capital are in place to do exactly that. We are grateful for your attention today, and we look forward to continuing this dialogue, and we'll now open the call for questions.

QUESTIONS AND ANSWERS

Operator^ (Operator Instructions) Our first question comes from Jon Hickman with Ladenburg Thalmann. You may proceed.

Jon Hickman^ Hi Mallorie, can you hear me okay?

Mallorie Burak^ Yes hi Jon.

Jon Hickman^ Hi. So can you -- I know you have a goal of trying to grow each quarter. You've done it for five quarters. Can you -- or maybe give us a little insight into the ability to keep that trend going for the rest of the year?

Mallorie Burak^ Yes. So maybe I'll start, and then Giampaolo can chime in as well. So we're working really hard to not just try to produce sequential growth on the top line, but also working toward a path to profitability and cash flow breakeven. So we're doing those in parallel. A lot of the top line growth is based on our ability to convert proof-of-concept deployments that we have going on. Many of those are co-selling efforts with AWS and converting those into commercial deployment. And so --

Jon Hickman^ The question was just answered, about the gross margins. Thanks.

Operator^ Thank you. Our next question comes from Mark Gomes with Pipeline Data. You may proceed.

Mark Gomes^ Yes. I don't know what happened on the call there. It sounds like you're in the middle of giving an answer, and then something happened there. So maybe you want to finish that response, and then I can answer -- ask my questions. Thanks.

Mallorie Burak^ Sure. Thanks, Mark. Yes. No. I was just saying that we're highly focused on working with the pipeline that we have to convert it into revenue. And we're bringing up the U.S. contract manufacturer into higher volumes and just being prepared to fulfill demand as we can convert it.

Mark Gomes^ Great. Can you talk about the AWS relationship in more detail and how important the ISV Accelerate Program is and kind of the pace and magnitude of the launches that we've seen on the partner side moving from 5-plus to 50-plus? And I know you clarified in the press release, but like what does that say for the relationship you have with them? And maybe you can give us some color in terms of kind of what the response seems to be in those POCs so far, kind of give us an indication of your ability to continue to grow and accelerate over the next couple of years.

Giampaolo Marino^ Yes. Mark, this is Giampaolo. I'm going to address this. And obviously Mallorie, she can chime in as far as AWS. I think the relationship is -- it's a very strong relationship that we have built with AWS over probably the last two years, 2.5 years. I think we've had a lot of discussion. We've had lots of training between Energous and the AWS RSMs which is obviously the sales managers, sort of to demonstrate how our solution works and why our solution is actually something that AWS needs and wants and wants to push, right? I always say that the relationship is mutually beneficial.

It's a quid quo pro meaning we push data into the AWS cloud. AWS basically makes money off of data, right? But most importantly, when we talk about real-time asset tracking visibility across retail supply chain, manufacturing, this is the missing link that AWS has not had in the past, right? When they come across, obviously application that has got to do with real-time asset tracking, cold chain monitoring, they don't have -- or they did not have in the past a robust and compelling solution that really brings lots of value and ROI within a year.

And so, they have recognized that with Energous, and this is the reason why we are in a lot of discussions with some of their end customers, where we get introduced by AWS. And sort of like those discussions turn sometimes quickly into POCs because we come across pretty much the same pain point that we have seen at these Fortune 10 customers, right, lack of visibility, lack of real-time data, inability to really monitor assets as they move through complex supply chain. And we solve that pain point very nicely, and this is the reason why we are in those conversations with them. In terms of momentum -- yes, sir?

Mark Gomes^ Yes. Is that why they're subsidizing the POCs? From what I understand, ISV Accelerate means that they put money towards those POCs and that they compensate their own salespeople for selling the solution.

Giampaolo Marino^ Yes, certainly. Yes, oftentimes, we see AWS stepping in, sort of like sponsoring the POCs to enable customers to really test the technology, quickly assess the value and obviously move them quickly from a POC phase into what we want, the deployment phase. So sometimes, that sponsorship help accelerate the momentum in terms of like, okay, let's get the POC going. Let's validate the data. Let's validate the technology. And

then, let's move quickly once we do that into more of a deployment discussion with the end customer.

Mark Gomes^ Okay. And then, you were going to comment on the momentum there?

Giampaolo Marino^ Yes, absolutely. I think you mentioned, right, we went from like five to 50-plus. So there's definitely a lot of momentum. Mallorie said that before during the call we have definitely crossed that inflection point. And so, now we are at a point where a lot of other customers within retail, within manufacturing, within logistics are not anymore on the fence about this technology, are not anymore on the fence about ambient IoT, and they want to get a piece of it.

And so, this is really -- and this reflects the acceleration momentum that we see through POCs because the world is out there, what we are doing with the two Fortune 10 customers. So anybody else within the same space or market wants to get a piece of the technology because the benefits are very tangible.

Mallorie Burak^ Yes. And just to add to what Giampaolo said, I think it's -- I think we pointed this out in the earnings release, but I think it's just important to also say it again here. The 50-plus launches on the AWS partner page, that doesn't necessarily reflect that as 50-plus customers. So the way --

Mark Gomes^ Right. No. That's clear.

Mallorie Burak^ The way they recognize a launch is that it's more like an order. So a single customer might have multiple orders because maybe they're testing different use cases or deploying to different facilities and stages. So I just want to make sure that's clear.

Mark Gomes^ Yes. No. That's been clear. But what we -- what I've been focused on being aware of that is that it's still -- it's gone from five to 50-plus. So that was kind of notable. So I wanted to hear about that. One other news in supply chain -- I know you don't talk about who your customers are. So I'm not implying that this is one of your customers. But Amazon announced the supply chain services kind of going head-to-head against UPS. Are the services that they're looking to provide something where you guys might be a fit? I'm not saying are a fit. I'm saying, is there a play there for you guys?

Giampaolo Marino^ So let me -- Mark, let me actually answer the question by looking at UPS, right? So we know that UPS basically uses a company that is called Trackonomy. And they sort of like have pretty much -- when you look at it from a technology standpoint, they sort of like have the same pretty much base layer technology, but it's battery based, right? And they use basically battery-based BLE that basically helps UPS assets get a lot more visibility as they travel, right?

So yes, I mean I think we have a superior technology because not only we eliminate the batteries, but -- and so, we reduce cost of ownership. But I think we have a much more accurate technology that can really pinpoint where things are, even within very complex operational facilities. So I think it's -- yes, I think it's converging to a direction where -- why not, right? Why Amazon could not be -- make use of what we are building today?

Mark Gomes^ Great. I've got more questions, but I'll come back in the queue. Also sounds like UPS maybe -- the opportunity to switch over to you guys if you have superior technology, but I'll cede the floor for a minute.

Operator^ Thank you. Our next question comes from Jon Hickman with Ladenburg Thalmann. You may proceed.

Jon Hickman^ Hey hi I just wanted a follow-up question on -- the customers that you talk about, Fortune 10, a big customer in overseas in the tobacco world, would -- do you have the time or bandwidth to handle maybe a more mundane company in the bottom of like S&P 500? Are you even looking at that kind of business? Or --

Giampaolo Marino^ Yes. Mallorie, I'll take this, and please chime in. I think, Jon, we're looking at every opportunity that comes our way, right, because once you have deployed with the technology, then you're starting to learn that the use cases are very similar from opportunity to opportunity. So for us, it becomes more of a land and expand sort of like exercise.

But nevertheless, I think it's also very important to highlight the fact that we have very strong partners that we work with throughout basically the POC and deployment phase, and those partners are also critical to enable us to basically capitalize on multiple opportunity, right? It's not that we do everything on our own. We work with system integrators, with installers who are coming in and are helping really us scale the solution and sort of like move to the next use case within the same customer or move to the next customer.

Jon Hickman^ So Mallorie, do you think there will come a time this year when you might be able to name a name?

Mallorie Burak^ Oh my gosh, we would love to name a name. Unfortunately, right now the customers we have won't grant us permission to do it. But yes, we're definitely trying to work with customers that will let us use their name.

Jon Hickman^ And Giampaolo, can you maybe qualify how large that quick service restaurant proof-of-concept is (inaudible)?

Giampaolo Marino^ Yes. I mean I can say that it's a major QSR here in the United States with thousands of retail stores across nationwide. So it's pretty sizable.

Jon Hickman^ Okay thank you. I'll leave the floor.

Mallorie Burak^ Thanks Jon.

Operator^ Thank you. Our next question comes from John Henderson with Inflections Consulting. Please proceed.

John Henderson^ Hey Mallorie hey Giampaolo how are you? Congratulations on the seminal inflection point. Just had a quick follow-up question on the AWS opportunity. Can you quantify for investors, to help educate us, within their reverse logistics partnership that you guys have with them, like how many potential customers would benefit from your solution, both end-to-end and the hardware stack? Just trying to understand what the long-term

opportunity is. We see the 50 launches. It's phenomenal. But I think if you can kind of help educate investors, that would be great.

Giampaolo Marino^ Yes. I'm going to start. I would say, when we talk about AWS, right, and you look at the scale of customers AWS has within retail IoT, manufacturing and logistics, we're talking about thousands of customers there, right? So the scale is huge. I think we are trying to obviously work very closely with them so that we can potentially reach as much -- as many customers as we can.

And as I mentioned before what we see is that the use cases, the pain points that our -- these customers have are pretty similar from customer to customer. And -- but yes, given the scale of AWS and given the relationship of the number of customers they have, it's pretty big. I mean really thousands of retail IoT, manufacturing and logistics customers with very similar use case with very similar pain point.

John Henderson^ Great. Thanks so much. Appreciate it.

Mallorie Burak^ Thanks John.

Operator^ Thank you. Our next question comes from Michael Molnar with MYDA Advisors. You may proceed.

Michael Molnar^ Hey Mallorie. I appreciate the clarity on the ATM and all the progress you've made over the last year. So well done. Giampaolo, a question for you on the international opportunity. Is it -- is the go-to-market process there similar to what you experienced here in the U.S.? Or is there a sort of degree of difficulty or customization that an international -- a non-U.S. client requires? And would that ultimately imply less opportunity there or lower margins for that business? Or do you see it as just as robust as what you could do here in the U.S.?

Giampaolo Marino^ Yes. It's a great question. I think in terms of use cases, very similar use cases we are driving in Europe or internationally, based on what we see here in the U.S. So I would say that from a margin standpoint, it's pretty much flat. It's pretty much the same. There is -- there are no differences from one region to the other.

Technically, though, there are some differences which are making our deployment a little bit different from what we see here in the U.S. And the technical aspect is, in Europe, in country -- in Europe, basically, you see two different types of frequency of operation when it comes down to like RF energy, right? So you see 917 megahertz and also 865 megahertz, okay? So there are countries that want to operate strictly at 865 megahertz versus other countries that they want to operate at 917 megahertz. And that, I think, is the biggest difference that we see between obviously Europe and U.S.

But we are -- we have products that are capable of meeting both requirements. We have PowerBridge PRO transmitters that can operate at 917 megahertz, and we also have PowerBridge PRO transmitters that can operate at a lower frequency. So it's not a challenge, but I think it's a technical difference that I think needs to be highlighted.

Michael Molnar^ Okay. I got it. And Mallorie, you added a contract manufacturer. And I think when we spoke a couple of months back, you had mentioned there was some spend

associated with spooling up these relationships. Is that pretty much behind you now? And what sort of capacity do you have in place from a revenue perspective with two contract manufacturers here in the U.S.?

Mallorie Burak^ So we're still in the process of ramping the U.S. contract manufacturer to accommodate, what I would call significant volume. So there is some tooling and test fixtures and things like that, that we need to invest in. I think that will be settled within Q2. In terms of capacity, what I'll say is, between the two contract manufacturers, I believe we're in very good shape to be able to accommodate any kind of accelerated growth that we may see as these POCs and enterprise expansions ramp up.

Michael Molnar^ Okay. Great. Well thank you both for your time. Well done, and happy to see you doing a call again and providing so much information and clarity as you progress. So well done. Thanks for your time.

Mallorie Burak^ Thanks Michael.

Operator^ (Operator Instructions) Our next question comes from Mark Gomes with Pipeline Data. You may proceed.

Mark Gomes^ Yes. So obviously food and drugs are getting a lot of attention. You've got the government mandates as kind of the driver kind of there. What other areas or use cases are you seeing popping up? And are there prospective customers approaching you and saying, hey, can we use your technology this way?

Giampaolo Marino^ Yes, Mark, it's a great question. It's Giampaolo. I'm going to try to answer, and obviously Mallorie, she can chime in any time. I would say that manufacturing, it's also a market segment where we do see our solution being a great fit. As I mentioned during the call we are working with a manufacturing facility here in the U.S. So manufacturing -- I think, pharmaceutical, obviously -- we've been talking about logistics, retail, you just name it.

And when I say manufacturing, right, Mark, I know I don't give you a strict answer, but manufacturing is a very broad term. So within the manufacturing space, there's definitely multiple interesting segments that are looking at our solution as a potential solution to be adopted across their operations.

Mark Gomes^ Great. And then, one last one for me is, with all the attention with regard to these government mandates, we also know that AI has been kind of a good enabler here. What would you say -- like everybody got excited around this space with the government mandates, but how would you characterize AI? Is it much smaller driver, equal driver, a bigger driver? How should we look at that?

Giampaolo Marino^ Yes. I think AI is an important driver. But again, we always like to say that if you don't feed the AI with a meaningful data, then there is no AI, then AI doesn't really scale. And this is what we are doing here, right? We are creating a physical AI layer at the center level where now data gets generated seamlessly and that data gets fed into AI models that are used to make better and much more efficient decision.

And so, I think the two, they really go hand-to-hand, right? You need the data to have a much more efficient AI. And so, this is basically what we are doing, right? We are right at that intersection point where we're generating the data, and then we're pushing the data into AI models, and we're enabling AI to really thrive and make better decisions that will basically improve customer operation and efficiencies.

Mark Gomes^ Great. Well keep it going, guys. Congratulations on the progress. And looking forward to hearing about more. Thanks.

Mallorie Burak^ Thanks Mark

Operator^ Thank you. This concludes the conference. Thank you for your participation. You may now disconnect.