Energous(Q2 2026 Results)

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Corporate Speakers:

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

Participants:

- Jon Hickman; Ladenburg Thalmann; Analyst
- Scott Buck; Titan Partners; Analyst

PRESENTATION

Operator^ Good day and welcome to Energous Wireless Power Solutions' Second Quarter 2026 Financial Results Conference Call. (Operator Instructions) Please note that this event is being recorded. As a reminder, during today's call the company will make forward-looking statements.

These statements are subject to inherent risk and uncertainties detailed in the company's filings with the Security and Exchange Commission. 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. Ma'am, please go ahead.

Mallorie Burak^ Thank you. And thank you, everyone. I would like to first thank you for joining us on our Second Quarter 2026 Earnings Call. For those who joined us on the first call in May, welcome back.

For those who are newer to the Energous story, I would like to encourage you to review the replay of our Q1 call which provides a full company overview and the commercial foundation for what I will be discussing today. I will keep the background context brief today and focus on what has changed and what is building.

The short answer is a great deal is building. Our active deployments are expanding in scope, geography, and use cases at a pace that gives us increasing confidence in the long-term revenue trajectory of this business.

Our proof of concept pipeline has grown both in size and quality of the opportunities, and our technology platform has advanced in ways that are directly driving commercial demand.

Before I get into the commercial updates, I want to address our second quarter financial results directly and with full transparency because the gross margin line requires context that the numbers alone do not provide.

Revenue for the three and six months ended June 30, 2026, was approximately $3.1 million and $6.2 million respectively, versus approximately $1.0 million and $1.3 million in the same periods in 2025, a 217% and 368% improvement over the same prior year periods.

Driven by our performance in the first half of 2026, Energous achieved a new historic revenue milestone, having surpassed $10 million in revenue over the trailing 12 months.

For the six months ended June 30, 2026, gross profit was $1.2 million, representing a 176% increase versus the same prior year period. Gross margin was 19% for the six months ended June 30, 2026.

Gross margin during the second quarter was below the levels we achieved in the recent quarters. This was driven by three primary factors, all of which we believe are temporary in nature and associated with the execution of our long-term growth strategy.

First, as we introduced important hardware enhancements across our product portfolio, all of which were driven by our Fortune 10 customers, who were also requiring delivery of those upgraded products in the second quarter, we were limited to U.S.-based capacity as our contract manufacturer overseas was unable to retool its line in time to produce any volume in the second quarter.

As a result of these limitations, our U.S.-based contract manufacturer incurred one-time costs associated with retooling and upgrading production lines. These investments were necessary to support the enhanced product design, improve manufacturing capability, and position us for higher production volumes going forward.

While these transition costs impacted this quarter's margins, they are not expected to continue at the same level going forward. Second, we experienced supply chain disruptions affecting several critical components.

The disruptions were partly attributable to the AI-driven vacuum effect that resulted in finite global supplies of critical components being directed to hyper-scalers. To maintain production schedules and meet customer commitments for Q2, we sourced components from alternative suppliers at a higher than normal cost. Although these actions created incremental material cost pressure, they enabled us to avoid significant production delays and preserve our delivery commitments.

As supply availability normalizes and our primary sourcing channels stabilize, we expect this cost pressure to diminish. Third, we made a deliberate decision to prioritize product availability for large strategic customers. In certain situations, we absorbed higher input costs rather than delay shipments or disrupt customer deployments.

While this resulted in lower gross margins in the near term, we believe it was the right strategic decision to judiciously ramp our U.S.-based capacity in order to protect customer relationships, support continued revenue growth, and reinforce our reputation as a reliable supplier. Taken together, these factors reduced gross margins during the second quarter but should be viewed as transitional rather than structural.

Importantly, demand for our product remains strong. Our competitive position continues to improve, and none of these factors change our long-term margin objectives to reach 40%-plus gross margins.

Looking ahead, the production line upgrades are substantially complete in the U.S. and are in progress at our overseas contract manufacturer with a goal of producing a limited volume of products overseas during the third quarter and expanding that volume in the fourth quarter.

We are actively managing supply chain conditions, and the extraordinary costs associated with component sourcing are expected to moderate over time.

As these temporary headwinds subside and operational efficiencies are realized, we expect gross margins to progressively improve over the coming quarters. Our strategy has always been to optimize long-term shareholder value rather than maximize quarterly results.

We believe the investments we made this quarter strengthened our manufacturing capability, protected key customer relationships, and positioned the business for sustained growth. We remain confident in our ability to return gross margins toward our historical range while continuing to deliver revenue growth.

I also want to note that effective July 1st, we implemented a price increase across our product lines. This pricing action, combined with the production normalization and revenue scaling, supports our confidence in the Q3 and Q4 margin recovery I just described.

One additional highlight worth noting, in the second quarter of 2026, five customers accounted for approximately 74% of our revenue.

Compare that to a year ago when two customers accounted for approximately 94% of revenue. That shift reflects meaningful diversification of our commercial base across multiple enterprise relationships and verticals.

And it is a trend that we expect to continue as our pipeline advances. I will now provide updates on each of our active commercial programs before turning it over to Giampaolo for the broader pipeline and technology discussion.

Our active commercial deployments are the programs where our technology is live in production environments, generating revenue today, and scaling in scope and geography. I want to give investors specific updates on each program because the trajectory of these relationships is the most important indicator of where the business is headed.

Our first and largest active commercial deployment is with a leading national retailer across its distribution and retail network. This program targets approximately 4,700 U.S. retail locations, and we have delivered thousands of PowerBridge Pro units to ensure that the project remains on track to complete installations across those retail stores based on the customer's schedule. That milestone completion is significant.

It will mark the full build-out of the initial program scope and establishes a baseline for expansion discussions already underway. Approximately 90% of the rollout has now been completed, representing a major milestone for both the customer and Energous.

What is particularly exciting about this relationship is it is not standing still while the initial store rollout completes. The customer is actively testing additional use cases within retail stores that go beyond the original cold chain compliance including state of inventory plan and in-store internalized parcel delivery applications.

We also believe that both distribution centers and their trucking fleet could represent expanded deployment opportunities in the future.

These conversations reflect a customer that has gained confidence in the technology's production scale performance and is now exploring what else it can do within the same installed infrastructure. Beyond the retail store program, we are also working with this customer across approximately 50 of its membership warehouse locations.

We are supporting a cold chain initiative with this major retail customer by helping enable real-time visibility into pallet movement throughout the receiving process. The objective is to improve operational efficiency and strengthen cold chain compliance by providing continuous insight into asset dwell time from the loading dock to refrigerated storage.

The plan is to expand that program to approximately 550 locations at the beginning of next year with what we believe could be a broader rollout in 2027. We are encouraged by the trajectory of this relationship and the scope of what it could represent over the next 12 to 24 months.

Our second Fortune 10 commercial deployment is with a major enterprise in the e-commerce, technology, and cloud services sector, is accelerating in a way that we believe investors should understand because the scale of what is developing is substantial. When we reported on this program in Q1, we noted 14 international installations outside the U.S.

That number has grown and more importantly, the scope of the program has expanded significantly in both geographies and use cases. This customer is now actively deploying across multiple international markets with several new countries on the expansion roadmap.

The international dimension of this program alone represents a deployment opportunity that is many multiples of what we initially described. Equally important is the use case expansion within this relationship.

We are currently supporting a total of five distinct use cases that are in active deployment. None of the five are fully deployed yet at scale. Each is in earlier stages of what we believe will ultimately be a very large multi-use case, multi-geography, and multi-facility program.

The breadth of what this customer is building with our technology across use cases and geography simultaneously is a testament to the platform's versatility and the depth of this commercial relationship.

One additional proof of concept I'd like to touch on is an update on a program that was characterized only broadly in our Q1 commentary.

We're in an active commercial program with a major federal government agency focused on the transport and processing of letters and packages across its facility network. This program is directly enabled by our U.S.-based contract manufacturing capability which meets the domestic manufacturing requirements that are a condition of federal procurement.

That strategic infrastructure investment is paying off in exactly the way that we anticipated when we made it. The proof of concept program is currently active.

It generated meaningful revenue in the second quarter and was one of our top five customers. The use case centers on dock door operations, specifically checking items in and out and loading materials onto trailers, where real-time wireless tracking eliminates manual processes and improves throughput accuracy.

We are in discussions about a multi-stage deployment that could span up to 500 sites over the next two to three years. In the near term, we believe this program has the potential to ramp to a substantially larger number of active sites within the next 12 months.

The government sector represents a category of enterprise customer where domestic manufacturing requirements, infrastructure security standards, and system reliability benchmarks all work in our favor. This program is early stage in the context of its full potential, and we look forward to providing further updates as it advances.

I will now turn it over to Giampaolo, our Chief Strategy and Growth Officer, to discuss our technology platform advances, the Wiliot partnership, our proof of concept pipeline, and the broader commercial dynamics we are seeing. Giampaolo?

Giampaolo Marino^ Thank you, Mallorie. I intend to cover four areas today. An important product capability update that is driving increased demand, an update on the Wiliot partnership and what it means for our pipeline, a program-by-program update on our proof of concept portfolio, and a discussion on how the enterprise sales cycle is evolving in ways that we think investors need to understand to properly evaluate our pipeline.

On our Q1 call we described our PowerBridge platform as a wireless power network powering ambient IoT, delivering wireless power to battery-free devices, and sending the data they produce to the cloud, providing real-time visibility into the physical layer. That is essentially what we are selling, real-time visibility.

That description remains accurate, but something important has evolved in how customers are deploying and requesting our technology. And I want to explain it because it directly drives demand growth. Previously our PowerBridge transmitters were primarily deployed alongside the nearby Bluetooth gateway to route the data from battery-free sensors into the cloud. While effective, this required separate gateway hardware at each deployment site.

We have now added integrated data capability directly into the PowerBridge ProPlus class which means that the data device simultaneously delivers wireless power and provides a data pathway into the cloud without requiring a separate Bluetooth gateway infrastructure.

The product application is significant. The PowerBridge ProPlus with integrated gateway capability simplified deployment architectures, reduced hardware footprint per site, and give customers an easier, more reliable path for sensor data to travel into the cloud infrastructure.

For enterprise customers managing deployments across hundreds of thousands of sites, eliminating a component reduces installation complexity and ongoing maintenance requirements at scale. Customer demand for this capability has been strong.

We are seeing requests from both existing customers and a new pipeline of opportunities specifically seeking the integrated data plus power solution. We also believe this capability has commercial potential beyond our end-to-end solution.

Our Wiliot partnership is one example of where the PowerBridge ProPlus is being evaluated for broader deployment. Turning to our Wiliot partnership, they continue to be a strong partner, and I want to provide context on the nature of that relationship and what it means for our commercial pipeline in a way that we have not fully articulated before.

Wiliot has done an outstanding job advancing the industry with its battery-free sensing platform and data intelligence capabilities.

What was often overlooked, however, is that every physical AI solution ultimately depends on a reliable energy layer. Sensors can only generate persistent intelligence if they have access to persistent energy.

In deployments where ambient energy alone cannot consistently support enterprise-scale performance, RF wireless power infrastructure can provide a predictable energy layer that helps enable continuous sensing and trusted operational data. That's where Energous contributes, providing the infrastructure that connects the physical world to enterprise AI.

As enterprise deployments scale from pilots to production, the conversations shift from simply connecting sensors to ensuring they can operate reliably and continuously. That's where energy infrastructure becomes increasingly important.

Battery-free sensing, persistent connectivity, and enterprise AI all depend on a trustworthy source of energy. The programs we are supporting together demonstrate how RF wireless power infrastructure complements battery-free sensing to deliver the persistent stream of operational data that enterprise customers require.

Looking ahead, we believe the role of persistent energy infrastructure will become increasingly important as physical AI deployments expand across larger, more complex operating environments.

On our Q1 call we described our proof of concept pipeline as spanning retail distribution, supply chain, and inventory management, food service, manufacturing, and government sector.

Since that call, the pipeline has continued to develop. I want to provide a program-by-program update on the initiatives we have previously characterized and introduce several new ones.

But before I do, I want to directly address the question of commercial decision timing that we introduced on the Q1 call because it requires context that is important for investors to have. On our Q1 call we said we expected several active programs to reach a commercial decision during 2026.

I want to provide investors with a more complete picture of what that means and how the enterprise sales cycle actually works for technology of this nature, because timing of a contract signature is not the right indicator of commercial progress. The enterprise sales cycle for wireless power network infrastructure has shortened significantly as the technology has matured.

We are now seeing cycles of six to nine months for new enterprise programs, down from 18 to 24 months two years ago. That compression reflects how much more familiar enterprise customers are with ambient IoT technology and how much clearer the value proposition has become.

But six to nine months is still a deliberate process and investors should understand what that process looks like. It begins with identifying the use case and the customer's specific requirements, agreeing on the key performance indicators, and the success criteria that the proof of concept is designed to validate. That alignment phase alone can take more than a month.

The proof of concept deployment phase can take up to three months from start to finish, and depending on the results and the number of use cases being evaluated, the program may expand to include additional facilities or additional use cases before a commercial decision is made. Some customers moved directly from a successful POC to deployment.

Others initiate a large-scale, multi-location POC before committing to a full rollout. Every customer has its own requirements and its own decision process. What is important for investors to understand is that this process is a sign of the technology's maturity, not a sign of pipeline stagnation.

The fact that our enterprise customers are investing months of internal resources and procurement processes into evaluating our technology is evidence that they are treating this as a serious infrastructure decision, not an experiment.

The programs that take the longest to reach a commercial decision are often the ones with the largest potential deployment scale. I also want to note an important distinction in how we manage our pipeline. In programs where we are partnering with Wiliot, the pace of proof-of-concept initiation is largely driven by Wiliot and its customer relationships. In programs where we deploy our end-to-end solution directly, we control the pace of deployment and the customer relationship more directly, often with the support of AWS.

Both channels are valuable and both are growing.

One more important point on pipeline quality versus pipeline count. A year ago, the average size of a commercial opportunity entering our pipeline was meaningfully smaller than what we are seeing today.

The pipeline of opportunity we're building now is exponentially larger in aggregate than what we were managing 12 months ago, and the magnitude of the opportunity within each individual customer relationship is many multiples of what it was previously.

Every program that is now entering our pipeline operates at a scale that would have been exceptional a year ago and is becoming the new normal. That shift in the quality and scale of our pipeline is the most important commercial development of 2026 that we have not yet fully communicated to investors.

I want to now provide updates on several of our active proof of concept programs. We have completed the initial proof of concept deployment with a major national quick service restaurant operator. This customer was one of our top five during the quarter.

The evaluation demonstrated the technology's performance in exactly the food preparation and cold storage environments where battery-free wireless sensing is most valuable, including the lower range temperature environments where, to our knowledge, we are the only provider with a proven solution.

We are now in active conversations with this operator about plans for a rollout across its store network. Equally important, we are also in conversations with distributors and other participants in their ecosystem who represent additional and independent commercial opportunities. This is an important data point, as national QSRs often require that their suppliers implement new operational infrastructure to augment traceability.

These suppliers' customers include some of the most well-known QSR chains in the world. A national QSR relationship, if it progresses to full rollout, represents a deployment potential measured in thousands of locations.

In addition, gaining access to its suppliers as well creates exponential sales opportunities for us. We look forward to providing further updates on this program as the planning conversations advance.

Separately, we are currently in an active proof of concept deployment with a national grocery chain operating hundreds of stores. The grocery vertical is one where cold chain compliance, inventory visibility, and food safety monitoring create a compelling and immediate value proposition for wireless power network infrastructure.

Importantly, this opportunity is with our end-to-end solution, is in active evaluation, and we look forward to providing updates as it advances. Beyond the programs I have described, our pipeline continues to expand.

We have initiated additional proof of concept engagements in recent weeks across new enterprise relationships and new verticals that are not yet at the stage to discuss more specifically.

What I can say is that the quality and scale of these new opportunities reflect a market that is increasingly familiar with wireless power network infrastructure and increasingly ready to deploy it.

Overall, the aggregate picture of our commercial pipeline today is fundamentally different from what it was 12 months ago, and I want to make sure investors understand why. It's not just that we have more programs.

It is that each program is operating at a scale of potential deployment that is at multiples of what we would have seen in 2025. The Fortune 10 programs alone represent potential deployments across thousands of locations each.

The QSR relationship represents potential across thousands of locations if it is progresses to full rollout. The Federal Logistics Program has a multi-stage roadmap spanning hundreds of sites. The Warehouse Club Expansion Program adds hundreds of locations beginning next year.

The pipeline we are managing today is one where a single commercial decision by one or more of our advanced stage partners will be transformative for our revenue trajectory. We expect to be able to report on meaningful commercial advances across several of these programs over the balance of 2026 and into 2027. I will now turn it back to Mallorie.

Mallorie Burak^ Thank you, Giampaolo. Before Greg walks through the financials in detail, there are a few additional items I want to address.

Our ATM facility remains in place, and we have made no use of it since our Q1 call. During last quarter's call I committed that there were no plans for additional ATM usage this year and that commitment stands.

We believe our cash position at quarter end of $31.2 million is sufficient to support our commercial programs and we remain confident in our ability to execute without additional equity financing.

I want to briefly address a question we have been hearing about the customer launch count visible on our AWS partner profile. Investors have frequently referenced our partner webpage with AWS which shows a customer launch badge.

This number reflects formal co-sell engagements initiated between AWS account managers and Energous through the AWS partner system. It is a top-of-funnel pipeline activity metric that includes both proof of concept completions, commercial deployments, and in many cases, one end customer may represent a significant number of launches, as they define it.

The trajectory of this number is consistent with how a healthy enterprise co-sell pipeline matures. Early in a partnership, the primary activity is AWS account managers broadly identifying and introducing a solution across their customer base which drives the launch count higher.

As the most qualified opportunities move into active evaluation and deeper engagement, the rate of new launches naturally normalizes.

It is also worth noting that the number can decline as programs conclude their formal co-sell engagement period, graduate to direct commercial relationships, or are closed out of the system for administrative reasons.

A declining or plateauing count is not a signal that our commercial momentum is slowing. The right place to focus is on what is happening within those engagements. Our AWS partnership is an active co-selling relationship that is generating real enterprise conversations across meaningful verticals.

We are advancing the most mature of those programs toward commercial decisions, and that progression is the metric that matters. Several of the opportunities we've discussed today are relationships from our AWS partnership.

I also want to briefly note one other significant milestone that occurred between our Q1 call and today that provides additional context on where this company stands. We received FCC certification for the PowerBridge ProPlus during July, our most advanced transmitter featuring integrated gateway data connectivity.

As Giampaolo described, this certification enables a simplified deployment architecture that is directly driving customer demand. The PowerBridge ProPlus is now fully certified for U.S. commercial deployment, and customer interest has been strong since certification.

Importantly, our PowerBridge ProPlus is a key component to our end-to-end solution. Therefore, the certification represents a necessary step before active deployments can begin.

The PowerBridge ProPlus is now in active deployment discussions with several of the programs Giampaolo described, and we expect it to be a meaningful contributor to our second half revenue mix. I will now turn it over to Greg, our Chief Accounting Officer, for the financial review. Greg?

Gregory Sadikoff^ Thank you, Mallorie. Good afternoon. I will now review our financial results for the second quarter and first half ended June 30, 2026. Revenue for the three and six months ended June 30, 2026, was approximately $3.1 million and $6.2 million respectively, versus approximately $1.0 million and $1.3 million in the same periods in 2025. A 217% and 368% improvement over the same prior year periods, respectively.

Second quarter 2026 revenue showed a slight improvement over the first quarter of 2026, marking the sixth consecutive quarter of revenue growth. Year-to-date 2026 revenue through June 30, 2026, exceeded the full year's revenue reported for 2025 of $5.6 million.

For the six months ended June 30, 2026, gross profit was $1.2 million, representing a 176% increase versus the same prior year period. Gross margin was 19% for the six months ended June 30, 2026.

The company has maintained its quality performance record with zero product returns since commercial production of its PowerBridge Pro began in 2024. Ensuring the highest level of product quality remains a key priority for the company as we work toward widespread adoption of our technology.

GAAP operating expenses for the second quarter of 2026 totaled $3.3 million versus $3.1 million for the same period in 2025. GAAP net loss and GAAP loss per share were approximately $2.9 million, or $0.53 per basic and diluted share, for the second quarter of 2026, versus the net loss and loss per share of approximately $2.8 million, or $2.35 per basic and diluted share, for the second quarter of 2025.

Further to the discussion about our investment in building out capacity and supply chain management, as of June 30, 2026, prepaid expenses to contract manufacturers was approximately $6.3 million, in support of our growing deployment programs.

With that, I will turn the call back to Mallorie for closing remarks.

Mallorie Burak^ Thank you, Greg. I want to close with the picture of where we stand as we enter the second half of 2026. When I joined Energous two and a half years ago, we were pre-revenue, working to prove that this technology could perform in real enterprise environments and attract the caliber of customer that would validate it commercially.

Today, two of the world's largest enterprises are deploying our technology across thousands of locations in multiple geographies.

A major federal government agency is deploying our technology across two initial sites with a planned multiyear expansion roadmap spanning approximately 15 sites over the remainder of this year. A leading national QSR operator has completed its initial proof of concept and is planning a rollout across its store network. A national grocery chain with hundreds of stores is in active proof of concept evaluation.

And our pipeline of new programs is larger and higher quality than at any point in the company's history. The gross margin pressure in Q2 was real, and it was a deliberate operational choice. We prioritized meeting our customers' installation timelines over protecting our margin in a single quarter.

I believe that was the right decision for the long-term health of our customer relationships, and I'm confident the anticipated trajectory from Q3 through Q4 and into 2027 demonstrates that the underlying economics of this business are intact and improving on the trajectory we have described.

What I hope investors will take away from today's call is this. The scale of the opportunity in front of Energous has changed materially in the last 12 months. We stabilized the company financially and positioned it for growth.

The programs we are managing, the customers we are serving, and the pipeline we are building are all operating at a magnitude that is fundamentally different from where we were a year ago.

We're at the beginning of what we believe will be a significant and sustained commercial ramp, and we look forward to demonstrating that through our results over the balance of the year. The market is beginning to recognize that Physical AI isn't defined solely by sensors or AI.

It's defined by the ability to continuously generate trusted data from the physical world. That capability begins with persistent energy. It begins with Energous technology. We are grateful for your continued support and we will now open the call for questions.

QUESTIONS AND ANSWERS

Operator^ (Operator Instructions) Our first question will come from the line of Jon Hickman with Ladenburg Thalmann. Your line is open. Please go ahead.

Jon Hickman^ First of all, could you tell us if your supply chain issues caused you to push some shipments into Q3 instead of Q4?

Mallorie Burak^ So the supply, well I would say that we managed the supply chain in a way that enabled us to meet the Q2 demand that we had. So all of the PO backlog that we had from our strategic customers was fully delivered in Q2.

So I don't think that it impacted our ability to deliver. It just created some cost pressure for us in terms of being able to source the components in a timely manner to fulfill the demand.

Jon Hickman^ So and then could you put some number on the number of POCs in the pipeline and what that looks like versus maybe a year ago or six months ago?

Mallorie Burak^ Yes. We haven't been providing the pipeline numbers, but we have committed to, as those turn into meaningful commercial discussions, to disclose those to the investment community, you know just by nature of providing updates.

Jon Hickman^ You didn't mention your British Tobacco program this quarter.

Mallorie Burak^ So that is what I would call a large-scale proof of concept that includes several use cases at one facility and I think we're kind of in the final stages of getting that live and fully tested end-to-end.

Jon Hickman^ So you could have talked about more on your call if you didn't care about the timeline or the time factor involved in a call?

Giampaolo Marino^ Hi, Jon, so this is Giampaolo. What we can say is, as I mentioned during my portion, you know this is really a large-scale POC with multiple use cases. And you know we are finalizing basically the entire POC at a very large facility.

And I think we'll be able to provide a lot more information next quarter on how that is progressing and how, you know we're planning to expand now into multiple other facilities across the United States. Things are progressing so far. I mean you know things are moving along well and the POC is progressing well. So that's the only thing we can say right now.

Jon Hickman^ Okay, Mallorie, I just have one last question. I know you don't want to give specific guidance, but maybe could you opine a little bit on where the revenue trajectory is going this year next?

Mallorie Burak^ Well yes, so I'm still kind of not providing specific guidance, but I think, you know we're still focused on revenue growth and we're still trying to continue to achieve, you know quarterly revenue growth to show that the market adoption is driving commercial demand in a meaningful way. So that's still our focus.

Jon Hickman^ Okay. Thank you.

Operator^ Thank you. And one moment for our next question. Our next question will come from the line of Scott Buck with Titan Partners. Your line is open. Please go ahead.

Scott Buck^ Mallorie, first one on PowerBridge ProPlus. How does commercializing the full end-to-end solution change your average selling price and margin mix versus selling transmitters alone? And then it sounded like you said on the call that this could be a potential contributor in the second half of '26. Is that right?

Mallorie Burak^ Yes, great question. The end-to-end solution contains a bundled solution of the eSense tag, the PowerBridge ProPlus, and the eCompass software platform which is a recurring revenue stream.

And then that's augmented by the PowerBridge Pro that they purchase to sort of augment the end-to-end solution to provide power, depending on the company's use case and facility layout. The PowerBridge ProPlus has a higher margin.

As does, as you know everybody kind of knows that SaaS software has a high margin as well. And so as we start to deploy that end-to-end solution, it should gradually start to help lift overall revenue.

Scott Buck^ Okay. That's very helpful. And then you mentioned an expansion of use cases with one of your Fortune 10 customers. Do use cases require additional engineering or rework of the product on your end? I'm just kind of curious if there's an impact to R&D in the near term to meet.

Giampaolo Marino^ Yes. No, that's a great question. I think these are additional use cases that will require additional infrastructure to be installed into our customer facility to basically satisfy those use cases.

So no, it will not require additional engineering on our end. The customer is very well aware of our technology and our technology needs to be used. It's just now additional use cases that will require basically additional number of bridges to be installed.

Mallorie Burak^ And to your point, Scott, you know the changes in features, some of the products like PowerBridge Pro that were requested by some of our strategic customers, those were implemented in Q2.

Scott Buck^ Okay, perfect. That's very helpful. And then last one, I'm curious, beyond Wiliot, can you talk a little bit about your channel partner or reseller strategy and how that could be a potential contributor here over the next 12 months?

Giampaolo Marino^ Yes. I think that's a great question. I think as far as reseller partners, we are continuing to work very closely with system integrators and installers who we need, especially when we deploy with our end-to-end solution or if we deploy within the Wiliot environment.

So but at the same time we also are very selective, you know to who we bring on board as a value-added reseller, right? I mean you know we have been talking about AWS, for instance, right which is a great channel partner. And so, you know we want to bring, you know the same partners or partners of the same caliber as value-added resellers.

So I think we're working with a few which we haven't announced yet, but we're actively cooperating and working. And so you'll probably see some announcement in Q3, Q4 of this year.

But at the same time yes, they are critical for us in terms of how we deploy, how quickly we deploy. And also, they're critical because sometimes they represent an extended part of our sales force into our end customers.

Scott Buck^ Great. That's very helpful, guys. I appreciate the added color.

Mallorie Burak^ Looking forward to the second half of the year. Thanks, Scott.

Operator^ (Operator Instructions) I'm showing no further questions. This will conclude today's question and answer session. This will also conclude today's conference call. Thank you for participating. And you may now disconnect. Everyone have a great day.