



Innventure Company CEO Call | 27th April, 2026

Mariana, Operator:

Welcome to Innventure's 2026 Operating Company CEO Call. All participants will be in listen-only mode until the question and answer session begins. If you'd like to ask a question, you may raise your hand at any time by clicking on the raise hand button, which can be found on the black bar at the bottom of your screen. As a reminder, this conference call is being recorded. I would now like to turn the call over to Kyle Nagarkar, Investor Relations.

Kyle Nagarkar, Investor Relations:

Thanks, Mariana. And thank you all for joining us for Innventure's Operating Company CEO Call. My name is Kyle Nagarkar with Investor Relations, and joining me from Innventure are Bill Haskell, Chief Executive Officer and Roland Austrup, Chief Growth Officer, along with the CEOs of our three operating companies, Andy Meyer of AeroFlexx, Josh Claman of Accelsius, and Bill Grieco of Refinity.

Certain statements being made today are forward-looking statements that are based on management's current assumptions, beliefs, and expectations concerning future events and that are inherently subject to uncertainties and changes in circumstances and their potential effects. There can be no assurance that future developments will be those that have been anticipated. These forward-looking statements involve a number of uncertainties and risks, including but not limited to those described in our earnings release, Form 10-K for the period ended December 31st, 2025, and other filings with the SEC. The actual results of operations and financial condition of the company could differ materially from those expressed or implied in our forward-looking statements. And now I'd like to turn the call over to Bill Haskell. Bill?

Bill Haskell, CEO of Innventure:

Thanks, Kyle. Good afternoon, everyone, and thank you for joining us today. I appreciate you taking the time to be on the call. When we wrapped up our most recent earnings call we made a commitment to you, the shareholders and the broader community, that we'd create more opportunities for direct dialogue. A chance for you to hear directly from the people building and operating our businesses, and for us to answer questions that matter most to you.

Today's call is a follow-up on that commitment. I'm excited about the conversation we have lined up, and I want to thank each of you for continued interest and support you've shown in Innventure. We have the CEOs of AeroFlexx, Accelsius, and Refinity on the call, and each will be presenting in that order. That will be followed up with summary comments from Roland Austrup, our Chief Growth Officer, and we will end with a Q&A. I will now turn it over to Andy Meyer, CEO of AeroFlexx.

Andy Meyer, CEO of AeroFlexx:

Thanks, Bill. And thank you to everyone joining today. All right, let's get started.

I want to use this time to give you an update on where AeroFlexx stands today, how that position has changed over the last six to 12 months, and what we are focused on operationally and commercially in the near term. The simplest way to frame AeroFlexx today is this: We are no longer at the stage of proving that the technology works. We are at an inflection point of scaled commercial execution.

Six to 12 months ago, most of the outside discussion around AeroFlexx centered on whether brands would adopt a new format. Could the package satisfy performance expectations? And whether sustainability claims could be delivered without creating trade-offs in economics or consumer preference. Today, the conversation has materially changed.

We now have seven consecutive quarters of revenue generation, we have a public global partnership with Aveda, we have anchor customer relationships across four distinct end markets, and we have a growing commercial sales pipeline that is broad enough to demonstrate tangible adoption across our addressable market. This is an important transition because in packaging, and especially in liquids packaging, the hardest step is not the invention itself. It is actually the commercial acceptance. Brands do not switch packaging formats very easily. They switch when a format solves multiple problems at once.

In our case, that means improving the consumer experience, reducing plastic usage, simplifying supply chains, and improving the economics of shipping within e-commerce, all achievable with the AeroFlexx format. We were built to do exactly that, and that is increasingly what is driving adoption today.

And the total addressable market behind that adoption is enormous. The global liquid packaging market is roughly a \$400 billion opportunity for us. What makes that especially compelling, is that a single customer win can translate from one SKU into multiple brands, categories, and geographies. Even capturing a fraction of a brand's footprint represents a meaningful, scalable revenue. That is the 'aha' moment here. AeroFlexx is not a niche packaging solution. It is a platform that can scale across categories, customers, and continents. Next slide, please.

The most visible milestone that progression was recently announced was a partnership with Aveda, part of the Estee Lauder companies. Aveda became the first prestige beauty brand to globally adopt AeroFlexx's premium refill packaging. The company stated that it plans to commercialize the package globally with select best-selling products expected to debut early next year. That matters for a few reasons. First, prestige beauty is one of the most demanding packaging categories in the market. It requires strong performance, aesthetics, credible sustainability, and a consumer experience that reinforces the brand without compromise.

Second, Aveda is not a pilot. It is a meaningful commercial launch and a category-defining milestone. It tells the market that AeroFlexx can meet the standards of a global prestige beauty platform. Furthermore, Aveda sits within Estee Lauder's multi-brand enterprise consisting of approximately 46,000 employees and more than \$14 billion in annual revenue. When you consider the scale of that kind of company, it's easy to appreciate how even a single adoption could potentially translate into a substantial addressable market for AeroFlexx.

It is also important to frame Aveda correctly from a commercial standpoint. We do not view it as a near-term revenue event but as a strategic validation milestone intended to progress into a meaningful commercial program as it debuts and scales. Now, Aveda is just one of four customer relationships that underpin our current momentum. Unfortunately, we are not able to name the other three on this call today, but I can describe them at the category level and acknowledge that we are advancing through both packaging and equipment adoption.

One is an EU-based multinational consumer products company with a signed multi-brand, multimillion unit agreement in both household and personal care. Another is a US manufacturer of industrial oils and

lubricants supported by a multi-brand portfolio with established relationships with multinational customers. And finally, one is a large beverage relationship that opens the door to the food and beverage market segment, which is the largest portion of our addressable market. Now, taken together, these anchors validate AeroFlexx across premium beauty, household, personal care, industrial applications, and food and beverage. They also matter because each one has the potential to expand through line extensions, additional products, and new geographies. Beyond these anchors, the commercial picture is broader and more diversified than at any point in our history.

AeroFlexx's near-term commercial sales pipeline stands at just under \$30 million, with approximately one-third in final negotiations. Just as important as the size of that pipeline is its composition. We are no longer seeing just single SKU conversions or early exploratory pilots. We are seeing a mix of reorders, commercial scale launches and preps, large scale negotiations, and strategic discussions with large organizations that view packaging not simply as a necessary component but as a way to improve economics, meet sustainability targets, and create a true differentiation in the market. What began as early market validation is increasingly becoming true commercial adoption. Next slide, please.

Operationally, our focus is straightforward. We are building the ability to serve this demand reliably and at the highest possible level of quality. That means leveraging our installed assets, expanding regional filling capability, and continuing to strengthen our co-manufacturing footprint. AeroFlexx has also reached a level of maturity such that we are now positioned to raise capital directly at the operating company level with the goal of including strategic investors who can also become commercial partners. That is a significant step for the business.

Any such capital is intended to accelerate growth and to convert this commercial momentum into reoccurring revenue. We are also continuing to strengthen the operating foundation behind this commercial story. Late last year, AeroFlexx achieved its fifth consecutive year of a AA grade rating under the BRC standard, one of the industry's most stringent benchmarks for packaging quality and safety. In March, the Westchester manufacturing site also achieved GMP Ohio certification for cosmetics manufacturing.

In addition, earlier this month we announced the achievement of ISCC PLUS certification, which demonstrates our commitment to advancing the circular economy through traceable and certified production practices for the use of recycled content. These milestones are important because they increase the confidence among brands that we can support compliant, scalable packaging across every category of our addressable market. They are examples of the kind of execution milestones that may not make the headlines on their own but are crucial to turning commercial interest into actual brand adoption. From an industry perspective, the market environment is increasingly supportive of what AeroFlexx offers. Across packaging, brands are accelerating light-weighting, circular packaging models, mono-material formats, designed for recyclability materials, and traceability features.

These are not foreign themes to us. They align directly with our value proposition to the brands. We are offering a liquid package that reduces virgin plastic, improves freight efficiency, supports curbside recyclability where plastic bottles are accepted, and it can incorporate traceability and anti-counterfeit functionality in the categories where product integrity matters. In that sense, AeroFlexx is well-positioned to benefit from these current market trends. Next slide.

So how should investors think about AeroFlexx after today? I would focus on these four things:

First, watch the anchor customers move into full commercialization. The question is not simply whether one launch happens. The question is whether those relationships begin to widen through additional products, categories, and geographies.

Second, watch the progression of the commercial sales pipeline. We are not just trying to build a list of interested companies. We are trying to move opportunities to launch preparation, then from launch to production, and ultimately from production to repeat orders.

Third, watch the global manufacturing footprint and regional deployment of our assets. AeroFlexx is a platform business. The value creation comes not only from winning customers, but from increasing the throughput and efficiency of the installed manufacturing footprint behind those customers.

And fourth, watch the capital formation strategy. One of the clearest signs of maturity for an operating company is the ability to raise capital directly on its own balance sheet to fund the next phase of growth. That is where we are heading, and that is an important part of the AeroFlexx story today.

So in closing, we believe AeroFlexx should be viewed differently today than it was six to 12 months ago. At that point, we were primarily viewed as an innovative liquids packaging format that was proving market validation. Today, we believe AeroFlexx is entering the next phase, centered on scaling commercial adoption across customers, categories, and geographies. The work in front of us is still substantial, but it's about execution with excellence, and that is exactly where we want to be.

I want to thank you for your time today. And I now want to introduce to you Josh Claman, CEO of Accelsius.

Josh Claman, CEO of Accelsius:

Thanks, Andy. And I appreciate all you taking time out of your day today to join us. If we can just progress this slide, I'm going to hit on the three or four topics that I think are on the minds of most investors. Is the market evolving the way we thought it would? What is happening with the overall TAM and the move from air cooling to liquid cooling, generally? What are we seeing in terms of adoption of two-phase as the newest architecture on the scene? And then finally, what are we doing as a company to position ourselves for when we reach an inflection point or tipping point? Are we positioned to exploit that, to remain in that leadership position, or not?

So let's start with the market. The market is confusing. And I think for many people who watch the market, we see, every Tuesday, a new announcement about another multi-gigawatt data center. So it's important to separate the headlines from what's actually being built. And there's a lag there. And the left-hand side graph really shows that. It shows the total announced. For example this year, about 14 gigawatts of data centers have announced thus far. It's expected that somewhere between four and six gigawatts of that will be commissioned. So there's a lag in the capacity of data centers. If you look at how that is overlaid with the adoption of liquid cooling generally, you can see on the right-hand side. So the market in '24, '25, '26, it's sort of a flat growth. We expect that to speed up a little bit. I think the triangulation of estimates was tampered a little bit or tamped down a little bit by the lag caused mainly by supply chain issues in new data center builds. I think we'll see that bump up again towards the end of the year and in '27.

If you all recall, for those of you who have been on this journey with us, there are three main architectures for liquid cooling. One is immersion. I think very close to our prediction three or four years ago, that has not been adopted broadly. I don't think it will be adopted broadly. And then you have direct to chip. And the first mover in direct to chip is single-phase water. And then you have our solution, which is two-phase refrigerant-based cooling. Two-phase cooling has been adopted in every sector of the economy. It's in your car, it's in your home, it's in nuclear power plants, it's in factories, it's in meat-packing plants. The reason for that is that the physics and the math means that when you hit a certain heat density, you need to move to a phase change, a refrigerant-based phase change. So that improves your heat transfer coefficient or improves the amount of wattage that you can remove effectively.

We're going to see that same pattern in the data center market. The reason water got such a strong, dominant start is because the technology moat around that is really not very high, so you can stand up a water-based cooling, what they call CDU, or coolant distribution system, pretty quickly. We could probably develop one in two or three months in-house. We've chosen not to because we think that two-phases, is such a superior technology. But you had this rush of pretty skilled manufacturers in a market that demanded urgency and immediate deployment. That's why the market veered toward what we believe, and I think there's a consensus, is a less advantaged architecture because it was available. I think what you're going to see over the next two to three years is a gradual uptake and then a dramatic uptake in two-phase as chip wattages exceed the point and heat densities exceed the point that sensible cooling or convection can remove that heat.

If we go to the next slide, you can see how this relates to two-phase. Now, single-phase, again, just started in '24 in terms of shipping, '25. Backlogs are now building. There's some supply chain issues with that. That's what's lagging a little bit in '26. That will relieve itself and go up from there. But you see about one billion, 2.5 billion, three billion for total liquid cooling. And you'll see a slower start for two-phase cooling. We were pushed out of this a little bit in terms of the narrative by just the rush of single-phase. But I think going forward and really to date this year, we see adoption happening at about the pace we think it is.

I think the takeaway for investors, and this is really important, is that there is really a consensus amongst industry leaders, the leaders in the most sophisticated thermal management teams, thermal engineering teams, that two-phase is going to come and it's going to dominate the market. The question is when it's necessary, what sectors are going to take it up quickly or initially? And we'll see what happens there, but there's no doubt that it will become dominant. So that gets into the point of how do we stay as a leader in two-phase technology? If we go to the next slide.

Two-phase is very advantaged. It was funny, I did a little experiment and a presentation at Data Center World last week where I asked AI, what's the best cooling architecture for AI, essentially? And it developed about 25 attributes for how to judge this: flow rate, heat transfer coefficients, water use, et cetera. Throughout all of these, essentially two-phase was seen as advantaged over single-phase. And that's a consensus when you talk to the sophisticated thermal shops. They get that there's really no limit that we can see on removing heat. So when you see chips going from 1,000 watts to 1,500 watts to 2,200 watts to 4,000 watts now in the roadmaps, that goes well beyond the heat that single-phase can remove.

Lowering operating cost, a narrative that was thrown out by the market, by the single-phase market was we're better, but we're expensive. And so the total cost of ownership for two-phase is higher than single-phase. We did an analysis with Jacobs, which is the largest MEP firm in the data center sector, and proved that actually we're pretty significantly advantaged on TCO. Non-conductive fluid, if there is a leak, we don't destroy all these GPUs.

There was an interesting article by Bloomberg a couple weeks ago now that said that it was an analysis of the insurance premium market. Aviation's always been the largest sector in terms of revenue based on premiums. Data centers are going to overtake that probably this year. And by 2030, it's going to be about a \$24 to \$25 billion market in insurance. The article pointed directly at cooling architectures, meaning water leaks are damaging a lot of GPUs and causing a lot of liability that the insurance companies, that their actuarial tables need to take into account. Serviceability, all of these things are there for us, and they're all advantages for either two-phase specifically or Accelsius specifically. Go on to the next slide.

For those of you who don't know what this technology looks like in terms of its tangible form, this is our MR250. This is designed to support two 125 kilowatt racks or one 250 kilowatt racks or several lower

density racks. This is going to be the journeyman product. This is very popular. It's very easy to install. It can support a variety of servers, and we'll scale the capacity of this as well over time, but this is released. It's shippable now. We're really excited about this product. Go on to the next slide.

This is our most recent product that we just launched at Data Center World last week called the IR150. It's first of its kind. It completely integrated racks. So the rack you're seeing on the right-hand side is a standard rack footprint. It's 800 millimeters wide, 1.2 meters deep, and all the IT goes into that blank session. So you don't sacrifice any of the server shelving units when you deploy this, which is very important. And it can carry off 150 kilowatts of heat, which is, think of it gives you a lot of headroom over an NVL72 reference designed by NVIDIA or like compute pods. It's going to be really well suited for multi-tenant colos, enterprise data centers, and high frequency trading is really where we're finding a sweet spot for this product. So really, really interesting product. Go on to the next slide.

This finally, we need to allow these to be tested in the field. We need to demo them. We need to prove that we can do what we claim we can do. We try to be a very data-driven company, and I think that's going to help us with our reputation going forward rather than making claims beyond what our products can actually do. We actually 'over-spec' our products and underclaim, and I think that's actually a really good approach.

That's basically what I wanted to cover today. I hope you're getting a feeling that the market is evolving pretty much as expected. Two-phase adoption is happening and will continue to happen, but then accelerate dramatically over the next couple years as we get endorsements from the silicon manufacturers and the server OEMs, which are coming. And the sector, despite some of the frothiness at the top, this data center sector is like something we've never seen in our history before in terms of the demand, the pace of builds and the thermal capacities that are going to be required. Thank you very much.

I'd like to introduce Bill Grieco, the CEO of Refinity. Over to you, Bill.

Bill Grieco, CEO of Refinity:

Thanks, Josh. I appreciate it. And thanks for the opportunity to talk about Refinity today. Next slide, please.

I want to give some context for the market opportunity that we're leaning into. I think most folks know that the scope and scale of the global plastic waste problem is pretty significant. We've been targeting the roughly 260 million tons per year of plastic waste that's landfilled or incinerated. These are wastes that most recyclers can't use today, and especially the petrochemical industry can't use them at all. Our ultimate goal is to commoditize these wastes and make them bankable raw materials that the petrochemical industry can use at some point in the future as real raw material options. And so to do that, we need to meet the petrochemical industry where it is today. That means making drop-in chemicals that fit within their supply chain. At the same time, it means meeting the waste industry where it is today too. That's a highly distributed and fragmented industry, and so we need to meet them where they are and help them evolve their supply chains to unlock this waste. And we're doing both of those things.

Our primary go to-market strategy is to build larger centralized facilities that convert waste plastic into circular ethylene and propylene, targeting the commodity olefins market. The idea here is to build our plants in tight collaboration with petrochemical steam cracker infrastructure and manufacturers in that space, hence our deep collaboration with Dow. So think about it this way. That industry today steam cracks naphtha and ethane. We steam crack plastic waste. Both processes make ethylene and propylene. That's meeting that industry where they are today. And the TAM for the olefins market is

really enormous. The combined ethylene and propylene market are about \$300 billion per year today, growing to a little over half a trillion by the middle of the next decade.

To put that in perspective, when we envision a full scale Refinity plant, that's about 150 kilotons of capacity per year, generating about \$150 million in revenue. We could build hundreds of those plants and just barely begin to scratch the surface of opportunity here in the plastic waste and olefins market.

The other part of the equation for us is meeting the waste industry where it is today. This is a distributed, geographically distributed industry. Waste is collected regionally. It's aggregated locally. And so we need to think about building our plants close to where that waste is, at least in some cases. We could do that and build the same facilities and make ethylene and propylene, but we can't practically ship those gases around. So instead, we intend to convert the ethylene and propylene to liquids and focus on liquids in the jet fuel range for qualification for sustainable aviation fuel. SAF is another large and growing market that's relatively underserved by the players that are in the market today. Next slide.

When our team went out and looked for a core technology that could satisfy those scalability and flexibility issues that I just mentioned, and ultimately found the fluidized bed technology that we licensed from VTT, we were looking for something that was tunable, that operated at high yield, that had high control of temperature and residence time, and that is what we have. Simply put, in our fluidized bed system, we circulate hot sand and feed into it solid plastic waste. That solid plastic waste first melts, turns into a liquid, then it turns into a vapor. And in the gas phase, we break down the polymer chains that make up the plastic waste into chemicals that we can sell to petrochemical companies. The process is very tunable in the sense that when we run at low temperatures, we make liquids. When we run at high temperatures, we make gases, ethylene from polyethylene, propylene from polypropylene. We do all this, again, at high yield with few byproducts, which leads to high uptimes and we think better operational profiles and scalability and better economics than competitive technologies like pyrolysis.

Just to put that in perspective a little bit, pyrolysis candidly is a fairly low tech process. It suffers from a number of drawbacks like poor temperature control and long residence times, and it leads to and produces products that are relatively low quality with lots of char and byproducts. So we have better uptime, they have poor uptime and more downtime. They have difficult separations and ultimately challenged economics. In the end, we are not a pyrolysis company. We are a precision depolymerization company. Next slide.

The core technology that I just mentioned is covered by the intellectual property that we licensed from VTT Technical Research Institute in Finland. That same intellectual property covers the integration with our technology with petrochemical steam crackers, hence supporting our primary value proposition for larger centralized plants, but we've been expanding beyond that. I mentioned that we're targeting wastes that are not currently used by recyclers. These are difficult to handle wastes. And so to manage some of those handling issues, we went out and licensed a technology from a US university that we believe will allow us to put the waste in a form that we can more cost-effectively and easily feed into our process that should drive cost down and unlock more raw materials that we can't access today.

We've also evolved reactor designs that underpins the Refinity DuoZone™ reactor technology. New reactor designs and configurations, new operating conditions, and some novel ways of controlling the process. That's covered in a couple of patent applications that the team put forward earlier this year. And then last, again, to meet the waste industry where they are and produce liquid products, we licensed a catalyst technology from a US national lab that allows us to oligomerize ethylene and propylene. That means stringing together these ethylene and propylene building blocks to make longer chain chemicals, ultimately liquids that we think can be qualified as SAF and SAF precursors. Next slide.

Over the last roughly year and a half since we started the company, our team's been working diligently with VTT and Finland to do dozens of bench and pilot scale tests with real world plastic waste where we've converted those wastes into the products that we want, at the yields and quality that we know we need to be cost-effective. We've worked with technical collaborators at Dow to define just how pure those products need to be, and we've defined some unique ways to integrate our process with typical petrochemical steam cracking infrastructure. We've also worked to start optimizing this process for turning the ethylene and propylene into SAF and SAF precursors. With two engineering firms and a couple of equipment providers, we've developed conceptual designs for our first 10-kiloton per year commercial demonstration facility, along with conceptual designs for a full scale 150 kta commercial plant. We just recently kicked off the detailed design for that same 10 kta commercial demo, and we're doing final site selection for that. I would anticipate that we'll have more to say about both the design and the site selection in the coming months. Next slide.

As we think about scaling up the technology and eventually moving to full commercial scale, we've spent the last year and a half working with VTT to validate the technology at the bench and pilot scale. Those runs were largely day-long to a few-days-long. They've been critical for us. They've shown us what feedstocks we can use and how we can push the process, but the next stage is to do weeks-long to months-long demonstration trials to better understand how to operate the system, understand operational control, and develop the kind of operating rhythms that we'll need when we go to the commercial demo system. We've signed a partnership with a US organization that has existing fluidized bed capability, and we'll be turning that on in the next couple of months. We'll have more to share about both the site, the partnership, and some of the work that we'll be doing there around mid-year.

I mentioned before that we just kicked off the detailed design for the 10 kta commercial demo. So we would like to be in a position by the latter part of this year, fall timeframe, to have that full detailed engineering package done and ready to move into construction. This commercial demonstration plant will be modular. It'll be built in a factory by a combination of engineering firms and equipment providers, built starting later this year through 2027, and then ultimately transported to a location, the site that we'll choose, that will be a petrochemical steam cracker co-location site. We'll start it up in 2028 and it will be a revenue generating facility with offtakes to the site owner where we'll deploy it.

As we think about this commercial demonstration unit, it's really a key proof point for us, but it's also a gateway to full commercial production. When we've successfully demonstrated operation of that commercial demo, it unlocks the opportunity to then build and operate full commercial scale plants, 100 to 150 kta per year capacity plants generating \$150 million a year in revenue. We also think that that commercial demo will unlock licensing opportunities. We'll have the opportunity to license technology packages to petrochemical customers, perhaps even to refining customers.

So with that in mind, given the great amount of progress that we've made over the last year and a half, this scale up plan and all that we've accomplished, I think we've matured to a point where we're moving into independent capital formation mode for the company.

Before I close, I really want to recognize my team. I'm fortunate to have a great core group of C-suite executives and engineers working with me who have built partnerships across a number of external organizations. Internally and with these partnerships, we've done a tremendous amount of work in a short time since startup in late 2024, and we intend to continue that as we walk this path to full commercialization over the next few years. So thanks for the time.

And with that, I'll close and turn it over to Roland Austrup.

Roland Austrup, CGO of Innventure:

Thanks, Bill. And thanks to both Andy and Josh as well for their presentations.

I'm just going to talk a little bit about valuation. I get asked a lot about how investors should value the business. So I think I'll just talk a little bit about that to summarize. I guess the way to start that is valuation is not a decoration. It's not a number you negotiate or invent. It's a record of what you have proven and what risk you have removed. And the most important thing I can tell you about this collection of our operating companies, and I think it distinguishes Innventure from almost every other early stage industrial story, is that we're not asking to believe in potential. We're asking you to look at what has already been achieved to retire.

To start with, at Innventure, we do not start from raw invention. We start from technologies that our multinational partners have already validated, that are generally already at a high technology readiness level of six or higher. And what that means is the science is not being proved and the physics is not in question. The core technical risk that destroys many early stage companies has, in our opinion, already being removed at Innventure before we write the first check. And that's not a detail, that's the entire architecture of the Innventure model. And that model has a track record.

Since inception, we've deployed approximately \$160, \$170 million from our balance sheet into our operating companies, as we've previously disclosed. And that capital has generated over \$800 million in net asset value, including approximately \$460 million that was returned directly to shareholders in the form of PureCycle shares when we monetized PureCycle. That's a ratio I want you to pay attention to because everything I'm about to say about our current operating companies is downstream of that number. This is not a framework we are asking you to trust in the abstract. It is a framework that has already produced what we believe is one of the more compelling returns in industrial venture history.

And we're doing it again, not once, but simultaneously across three companies.

What that means for valuation is this. When we form a new operating company, we are not pricing hope. We are pricing a probability weighted cashflow analysis on a technology that already works. And as each company moves forward, as commercial proof points accumulate, as anchor customers convert, as manufacturing scales and margins expand, the valuation methodology shifts. It shifts from discounted cash flows to revenue multiples and from revenue multiples to strategic scarcity. Strategic scarcity, when it is real, can command a premium that no spreadsheet can fully capture because you cannot model what it means to be one of the only companies on earth capable of solving a problem that large strategics urgently need solved today. So now with that, let me tell you where each company sits in that journey.

We believe Accelsius is in the scaling phase. It has institutional validation from Johnson Controls and Legrand. It has more than 50 million in contracted backlog. It has, in our opinion, a clear line of sight to cashflow breakeven. So investors who model Accelsius today are not running venture analysis. They're running a forward revenue model with strategic comparables in the data center thermal market. And the thermal management companies that have achieved scale in adjacent markets trade at revenue multiples that would make Accelsius's current implied valuation look like a historical footnote. Two-phase direct to chip cooling is not a feature. It's an infrastructure requirement and Accelsius is, in our opinion, building that category.

AeroFlexx is at commercial inflection. As Andy mentioned, seven consecutive quarters of revenue, anchor customers across multiple categories, a global partnership with Aveda. This is no longer a packaging technology in search of a customer. It is a packaging platform with demonstrated demand across industries. As manufacturing scales and anchor relationships deepen, the valuation will increasingly reflect forward revenue and margin expansion.

Refinity, while earlier, should not be mistaken for uncertain. The core technology has been validated. As Bill mentioned, circular hydrocarbons were recently produced at yields that exceed industry norms by wide margin at pilot scale. The IP around the DuoZone™ reactor is secured. The discount rate on the discounted cash flow is lower because of the technical milestone Refinity has already achieved, and it should continue to fall as Refinity moves into production at its planned 10 kiloton plant and begins attracting the strategic partners this market will generate. The pathway to commercial comparables in circular chemicals and sustainable aviation fuel is not theoretical. It is scheduled and it is on time.

So here's the pattern across all three companies. Risk falls, visibility rises, valuation methods evolve from discounted cash flow to commercial proof points, to forward revenue, to strategic scarcity. And as each company approaches escape velocity, we believe Innventure's net asset value will compound, not gradually, but significantly, in ways we think will become self-reinforcing. We don't think that the window to own these assets at current valuation is permanent, markets reprice when proof accumulates, and we see that the proof is accumulating now across all three companies at the same time.

History tends to reward investors who see this before the consensus does. I believe we're at that moment, and I'm very thankful for all of the investors who are starting to see that. And I note that today we closed, I believe, at a 52-week high. My job is growth, but growth properly executed is just another word for value creation on a timeline. And that timeline across this collection of operating companies is now.

Thank you very much for your time today, and I'm going to turn it over to the operator to handle the Q&A session of this call.

Mariana, Operator:

Thank you. As a reminder, if you would like to ask a question, please click on the raise hand button, which can be found on the black bar at the bottom of your screen. When it is your turn, you will receive a message on your screen from the host allowing you to talk, and then you will hear your name called. Please accept, unmute your audio, and ask your question. We will wait one moment to allow the queue to form. Our first question comes from Chip Moore at Roth Capital Partners. Your line is open. Please unmute and ask your question.

Chip Moore, Roth Capital Markets:

Hey, thanks for taking the question and thanks everybody for the updates. Very much appreciated.

I guess maybe from me, probably for Josh, in those slides, the market sizing stood out. Maybe talk to us about that two-phase market. I think obviously timing is harder to get a sense of when it flips, but if you've got a \$500 million potentially sized market in 2027 growing rapidly from there, just how should we think about the share you might be able to get of that market as one of the leaders?

Josh Claman, CEO of Accelsius:

Yeah, it's an interesting question, and we're frankly constantly revising our perspective on that. If we look at our proforma, which we've stuck with from the founding of the company, our share would be pretty high in the first couple years and then decline pretty dramatically after that. And that's just by imposing our proforma on this really unexpected growth rate, which is fueled by AI builds.

There's no way we're going to not fight for every point of share though. So I think if you assume that we can maintain our leadership, which we're setting the stage to do based on a broad product line, based on tackling really large thermal capacities going forward, making sure that manufacturing, scaling with

quality doesn't become an impediment, but continues to move as we expect it to. I would think we could have a very high share of that in 2030, 2031.

I think when I talk about setting the stage, I mean, you need a product line, not just a product. You need to address these narratives thrown at you, complexity of technology, we need to address serviceability issues, we need to address thermal capacities, but we also need to continue to build our brand. And it's interesting to see we are number one share of voice and have been now for multiple quarters. So we're building our brand, we're invited to the conversation. So when you see the tipping point move from early innovators to early adopters to the main hump on the market, the biggest portion of the market, I think there's no reason to expect that we won't be leading that charge as well. As long as we continue to partner well, I think Johnson Controls and Legrand are great points of evidence that serious companies take us seriously and are willing to work with us commercially to broaden our reach in the market and increase our credibility with larger and larger customers.

So I think we're doing the right things. I think we're pulling the right levers to actually achieve a very substantial share of that ever-increasing market.

Chip Moore, Roth Capital Markets:

Great. Great perspective as always, Josh. And maybe just the follow-up for me, I think you hinted at endorsements from server and silicon OEMs, just any more update there and how important is that?

Josh Claman, CEO of Accelsius:

It's important. I mean, I don't think we can discount it. I think we can track the progress. We know what's coming. There is a little bit of a ... We hunt in packs kind of thing as long as the majority of people are doing water, people are hesitant to stick their head out of the crowd. But I think we're going to see that, and I think you're going to see some things in the very near term that are going to really shake up the market, frankly. So stay tuned to that space. It never moves as fast as we want it to within Accelsius, but objectively, the market's moving pretty quickly, and I think you'll see some ostensible signs of adoption in the near future.

Chip Moore, Roth Capital Markets:

Look forward to that. We'll stay tuned.

And if I could ask one more before I hop back in queue, maybe for Andy, we don't talk about AeroFlexx as much perhaps with all the excitement at Accelsius, but it seems like you're getting some good traction. Just maybe help us think about the ramp of these anchor customers. How should we think about revenue potential, that pipeline? I think it's \$10 million-ish in the final stages. I think you mentioned Aveda, not necessarily a near-term revenue event, but just any more to help us think about that. Thanks.

Andy Meyer, CEO of AeroFlexx:

Yeah. In terms of revenue, obviously we're not going to disclose any type of revenue or revenue ramp at this point, but as you think about the four anchor customers, obviously Aveda being the first that we've announced, we are progressing these anchor customers as quickly as we can. We intend in the upcoming quarters to keep the investors informed in terms of how these are developing. But I would characterize the ramp as something that you will see over the next six to seven quarters in a pretty significant way. We'll obviously be announcing those types of things in ways that are mutually acceptable to our customers because these are announcements that have to be coordinated with these brands. So we hope to be able to communicate as much as we can to you in the coming quarters.

Chip Moore, Roth Capital Markets:

Got it. And maybe my last one, Andy, just capital formation at the AeroFlexx level, any update on how those conversations are going or what you might need and when to think about that. Thanks.

Andy Meyer, CEO of AeroFlexx:

Yeah, at this point, we're not disclosing anything relative to the capital raising at this point. As mentioned in my presentation, we believe that we're at the maturity level of the company to be able to go out and raise some direct fundraising. So at this point, that's all we can say, and hopefully we can provide a little bit of clarity in the coming quarters.

Mariana, Operator:

Our next question comes from Nehal Chokshi from Northland Capital Markets. You may now unmute your audio and ask your question.

Nehal Chokshi, Northland:

Great. All right. Got a few questions for Roland as well as Josh. Start off with you, Roland. You mentioned \$180 million has been deployed from Innventure into the operating companies. Could you potentially parse that between the four investments that have been made, that being PureCycle, AeroFlexx, Accelsius, and Refinity?

Roland Austrup, CGO of Innventure:

Yeah, I don't, Nehal, I don't have that data immediately handy to you. I mean, obviously in the earlier days with PureCycle, we were a lot leaner, so the spend was a little bit lower in the earlier days, but I can get you that information. I just don't have that priced out right now, but I can certainly get that from Dave.

Nehal Chokshi, Northland:

Okay. It would certainly be helpful because clearly PureCycle has been a realized investment, and therefore you can calculate what is a potential newco return as opposed to the \$800 million NAV over the \$180, which potentially understates the level of return.

Roland Austrup, CGO of Innventure:

Yeah. And I don't have the number off the top of my head. We published it before what the MOIC was, but it's definitely very, very high. If I recall correctly, it was north of 20 times, but I'll certainly get that number and confirm it for you, Nehal.

Bill Haskell, CEO of Innventure:

Yeah, it's around 22 times, Nehal. For those investors that were on the balance sheet of Innventure at the time that we disposed of PCT and we took it to the public marketplace in a SPAC.

Nehal Chokshi, Northland:

Got it. Okay. All right. And then in your, I think, a press release from last week, I think you stated that the capital for newco is typically into \$250 to \$350 million range. I believe that's with not necessarily Innventure's capital that they need to put in forth, it's just the total capital. So A, is that correct? And

then B, is it indeed true that all PureCycle, AeroFlexx and Accelsius have required actually that much capital thus far each?

Bill Haskell, CEO of Innventure:

No, not even close.

Roland Austrup, CGO of Innventure:

No, not even close. Yeah. Yeah. I don't recall that number being in the release actually, Nehal.

Nehal Chokshi, Northland:

Okay. All right. Go ahead, Bill.

Bill Haskell, CEO of Innventure:

No, I was just going to say, I mean, a very small fraction of that total in each of the companies. I'm not sure where the number derived from. Perhaps offline, we can figure out where you got that information and we'll try to get clarification for you.

Nehal Chokshi, Northland:

Okay. All right. Yeah, and I'll dig that up as well.

Okay. Josh, let's see here. It's I think slide 16, you're showing a projection of a two-phase DLC market, and it looks like you're really projecting the inflection point to be calendar '29. What is it that you expect to happen in calendar 29 that makes that the inflection there?

Josh Claman, CEO of Accelsius:

Yeah, it's a good question. So what we're seeing are really the next couple generations, what we track over the next couple of generations of both processors, GPUs, as well as total rack densities. So how many kilowatts per rack? And we see that as just thermodynamically that's where the market's really going to need uncertain workloads to move or two-phase. There's simply not going to be a choice.

I think the point around cooling architectures, and I'll try not to get into arcane detail here, but today, not next year, not in two years, today, the flow rates of water are really untenable already. They're already damaging the loops that they operate within. They're leaching nickel from stainless steel and clogging, micro-thinning, bringing systems down. That's at current rack densities and current pod densities.

So we actually think, and remember, to extend the lifespan of water, you can increase flow rate or you can decrease the temperature of the water. Those are both very bad levers to pull in terms of efficiency, PUE for a data center, et cetera. So we think we're already in the territory that almost every act to lengthen the lifespan of water is going to be an unnatural one, and it's going to force you to either spend more on that data center, or depopulate that data center in terms of the number of GPUs you can pack in there.

So we already think there's tension points and, by the way, that's validated across the industry. We think it's going to force the issue to move in '28, '29, and then you'll see a tipping point in 2030 where the dominant architecture, meaning that the biggest share actually becomes two-phase. That's our view. And I think in backroom conversations with the leaders in the market, they're very much aligned with that.

Now, so what feeds us with revenue until we reach that point are the early adopters, the people that say, "I don't want water in my data center. I already know two-phase is better. Why don't we just go there?" So there's this ongoing kind of debate. We know we're going to need two-phase and really no detractors from that. We know we're going to need two-phase, but when do we need it? And we're changing gradually the narrative of if it's better now and you know you're going to need it, why don't we just go ahead and go there? So that's the active conversation in the market right now. Hopefully that helps answer your question.

Nehal Chokshi, Northland:

It does and absolutely agree with that assertion. Just to be clear though, you said that's when you expect basically two generations out of the next GPUs to basically require that. So right now today, Blackwell's shipping in volume, the Rubin architecture is supposed to start to ship here at the end of calendar '26.

And then I'm not too sure if you refer to this as the second generation or this is the first generation beyond what is about to start. Feynman in early '28, that will start to launch. And then as you mentioned, there is announcements and then there's actually delivery. And so I'm just trying to map, is that '29 inflection related to Feynman or is it related to the architecture after Feynman?

Josh Claman, CEO of Accelsius:

No, no, it's related to Feynman. I think that you have to remember also that NVIDIA is absolutely a dominant player in the GPU market right now. But NVIDIA, I mean, sorry, AMD's roadmap goes to 2,200 watts, 2,700 watts in the next few months. And then we're working with hyperscalers on their homegrown accelerators, their TPUs, et cetera, which have very high concentrations of heat, are kind of hard to cool.

And so if you think about the silicon market as being dominated by NVIDIA today, you have a very hungry AMD nipping at their heels, really desperate to get into that market and differentiate their technology with surrounding power conditioning and cooling technologies. And then you have this third bucket, which is, we call it DIY or homegrown silicon, which is going to become a bigger and bigger portion of the market because the economics are going to drive it. It's a fraction of the cost of an NVIDIA GPU. NVIDIA is obviously using their dominant position in the market to harvest a lot of margin. That's not an indefinitely sustainable strategy. So those are some of the dynamics we see pushing.

But yeah, the reference is really to some of the AMD chip sets and Feynman. There is no doubt that Rubin, Rubin Ultra will be better cooled with two-phase. We're going to see pretty large deployments in that timeframe. But again, this question of, but when do you need it? I think no one's going to argue by the time Feynman comes out that you're going to need this.

Nehal Chokshi, Northland:

Great. Thank you very much.

Roland Austrup, CGO of Innventure:

Hey, Nehal, I just going to come back to your earlier question. It's Roland again. I mean, I now understand where you were going with your question earlier. The number we mentioned earlier, what we were trying to say when you said \$250 million, we were really just trying to talk about our capital allocation strategy and just say, like any business, whatever happens to your business, whether it's through if you have events where you have excess capital on your balance sheet, whether that's from operating cashflow that accumulates, or if you had a strategic opportunity to monetize an investment,

we were really saying that from a capital allocation policy, we're not hoarders of capital. We'd want to keep enough capital to run Innventure and future companies we create. And we do have an expectation that our cadence will increase as we talk to more multinationals.

We kind of want to keep a cushion on the balance sheet of about \$250, \$350 million. We don't want to hoard cash beyond that. That's, I think, what you were talking to earlier. And that's to cover Innventure and any newcos we would create to the point until they are self-funding.

Nehal Chokshi, Northland:

And just to be clear, is that one Newco? Or more than one Newco?

Roland Austrup, CGO of Innventure:

No, I said that's like a three to five-year buffer. That's what we're trying to say. We're trying to just keep a buffer for what we think we can recycle and reinvest with the types of growth rates of the companies that we create.

Nehal Chokshi, Northland:

Got it. Understood. Okay, thank you.

Roland Austrup, CGO of Innventure:

All right. No problem, Nehal.

Moderator, Operator:

Our last question comes from Aashi Shah at Sidoti and Co. You may now unmute and ask your question.

Aashi Shah, Sidoti:

Thank you for taking my question. My question is for Josh. Josh, can you tell us how different are buying behaviors between hyperscalers and enterprise customers? And do you see a long-term volume driving the segment in either of the case?

Josh Claman, CEO of Accelsius:

Oh, what a great question. We think a lot about that. I'll tell you, the behavior of hyperscalers is there's typically multiple data center architecture teams. One that's focused on what they're actually deploying today, just driving out scaled data centers today, using their current set of vendors, and then almost all of them have a next-gen architectural team. That's typically where we're placed within the hyperscalers. So they're going to get used to our technology. We're doing multiple iterations of experimentation with them and proof with them. So it's a long process, but of course they're huge buyers. They're just enormous buyers. They set the stage for AI build, so we're going to have to deal with that.

Where we are really excited, though, is where we think the market's going over the next two, three, four years, and that is moving from incredibly scaled out multi-gigawatt data centers, LLMs, think of them that way, training centers, to inference pods that are going to be more distributed, and they may come in the form of one or two megawatt pods or appliances. And we're working on some of those initiatives with our partners to create appliance-level pods of compute.

And what's now the new terminology, and the terminology in the market changes every three days, as you know, SLMs, so small learning models, or small language models. So what you have is this move and

this realization in the market that enterprise data is actually the really valuable data. The entire internet's been scraped multiple times now for learning and training, but the data within Coca-Cola or Citibank is the valuable data. So the term sovereign AI is changing meaning, it was national security AI. People are starting to use sovereign as meaning just air gapped.

We're going to have an 'on-prem' pod of two or three megawatts. It's going to have to be enclosed in a really advanced enclosure that removes heat in a really efficient way and is incredibly robust, so doesn't demand a lot of maintenance because it's not part of a larger data center. We see that sort of sector really expanding.

So you see companies, a lot of companies that are just blindly focused on hyperscalers, because that's where the big dollars are. It's also where the long sales cycles are, a lot of proof, a lot of iterations. We're focused on that because we think we need to be. We're focused on the SLM and inference pod market, and our latest product release is really ideal for that because we think that's a really exciting part of the market that's going to grow.

McKinsey did a study about a year ago that said 80% of the infrastructure builds to date have been LLMs. 80% of them in three years are going to be inference pods and these smaller language models. So I think we're on the right track there, but we have to, and our strategy is to do both. Hard for an early stage company, but I think so far we're balancing it well.

Aashi Shah, Sidoti:

Right. And do you expect the retrofit adoption to meaningfully close the gap with greenfield deployments or the growth will remain structurally tied to new builds?

Josh Claman, CEO of Accelsius:

Yeah, it's an active debate in the market. At just DCW last week, this was a conversation point in a lot of different forums. I think everyone would love to retrofit existing brownfield sites. It's hard and it's expensive. And remember that just the physical infrastructure looks very, very different today than it did three or four years ago. You have these massive high density racks. You have power conditioning equipment. Everyone's talking about 800 volts DC to the rack, which changes the configuration of a data center. You have larger thermal capacities for cooling required.

So I think greenfields are really going to be the dominant pipeline of demand for the next two to three years. I hope that there comes a point when brownfield sites are retrofitted and more focused on because a lot of carbon footprint and money has been put into that infrastructure, it's a shame to walk away from it. But that's what we're seeing today.

Aashi Shah, Sidoti:

Right. Thank you. I have another question for Andy, if that's okay?

In packaging, how durable is the shift towards sustainability if cost pressure continues to increase? Does demand hold in downturn? And what I'm trying to get at is how much of the industry adoption is being driven by regulation versus consumer demand, versus the brand positioning?

Andy Meyer, CEO of AeroFlexx:

Yeah, that's a good question because sustainability has always been a part of corporate initiatives and everyone tries to accomplish certain levels of sustainability. And when they can't meet it, they continue to push out their goals and objectives to the next five years, and so forth. We like to think of AeroFlexx as a way to achieve sustainability without sacrificing economics. So we actually think of sustainability as

a way to create value for companies, to create value for brands, and that comes back to our value proposition, which is really based on total cost of ownership. So we create value in a lot of different ways for the brands themselves. As discussed today, a single format can enhance the consumer experience, can reduce virgin plastic, simplify supply chains, improve economics and shipping and e-comm. All of that is value to the brand. So you get sustainability plus value with AeroFlexx.

So we believe that we can actually be a solution on the go forward. And then you add on top of that the increasing level of regulations in different countries and even in the US, different states implementing rules and regulations related to plastic usage and the reduction of plastic at source. We are perfectly positioned to take advantage of those market trends and those legislations that are being passed. So we're excited about where we stand in terms of sustainability because we are sustainability with some positive economics tied to it, and we're well positioned for plastic reduction or source reduction with the adoption of AeroFlexx.

Aashi Shah, Sidoti:

Thank you.

Mariana, Operator:

This concludes today's call. You may now disconnect.