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EARNINGS CONFERENCE CALL TRANSCRIPT

Third Quarter 2026 Earnings Conference Call

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This transcript of the November 12, 2026 conference call is provided for convenience. The archived webcast is available on the Innventure Investor Relations website at innventure.com/investors. Statements made on the call speak only as of November 12, 2026.

Prepared remarks

Operator

Good afternoon and welcome to Innventure's Third Quarter 2026 Earnings Conference Call. All participants are in a listen-only mode. Following prepared remarks, we will conduct a question-and-answer session. As a reminder, this call is being recorded.

I would now like to turn the call over to Kyle Nagarkar, Investor Relations. Please go ahead.

Kyle Nagarkar *Investor Relations, Solebury Strategic Communications*

Thank you, Michelle, and good afternoon, everyone. Welcome to Innventure's Third Quarter 2026 Earnings Call. With me today are Dr. Bill Grieco, Chief Executive Officer, and Eric Stober, Chief Financial Officer. Earlier today, we issued a press release announcing our financial results, which is available on our Investor Relations website. We will be discussing non-GAAP financial measures during this call. The most directly comparable GAAP financial measures and a reconciliation of the differences between the GAAP and non-GAAP financial measures are available in our earnings release.

In addition, certain statements being made today are forward-looking statements that are based on management's current assumptions, beliefs, and expectations concerning future events impacting the company. These forward-looking statements involve a number of uncertainties and risks, including but not limited to those described in our earnings release, Form 10-Q for the period ended September 30, 2026, 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.

With that, I'll turn the call over to Bill Grieco.

Dr. Bill Grieco *Chief Executive Officer, Innventure*

Thanks, Kyle, and good afternoon, everyone. This is my first earnings call as CEO, and I want to start by acknowledging a simple fact. Innventure is not the same company it was at last quarter's call. We've taken significant actions to scale back Innventure's footprint, suspended our new company development efforts, and are laser-focused on addressing our liquidity needs and preserving the value of our existing operating companies.

We recognize the need to move quickly, particularly in light of near-term liquidity demands we face related to operating costs, payables, and debt service, while also being deliberate about key decisions. We are clear that the goal of our comprehensive strategic review process, which is led by a Strategic Review Committee, working with our financial advisors, is to address our liquidity needs and preserve value. We understand that the challenges we face are complex, and certain elements, including our ability to execute on certain strategic options, are partially out of our control. But we are steadfast in our belief that the value of our assets, particularly our interest in Accelsius, is not reflected in our share price.

In my comments today, I am going to address three main areas. First, the steps we've taken to transform Innventure over the last quarter. Second, the focus of our Strategic Review Committee and our board's commitment to raise needed capital. And third, the progress Accelsius has made, as well as the status of our other operating companies. Our immediate steps as a new leadership team have been to concentrate Innventure's resources on our highest value opportunity, protecting the value of our interest in Accelsius and preserving the company's ability to reach its full potential. We have strong conviction in Accelsius' value proposition and are fully supportive of the company's ongoing efforts to raise funds independently. Direct capital formation is the right decision at this point in their business cycle. To be clear, Innventure does not intend to raise capital for Accelsius. As I just noted, and will expand upon in a few minutes, we believe the value of our interest in Accelsius is not adequately reflected in our share price.

In addition, we continue to streamline how we work at Innventure. So far this year, we've reduced our staff from 40 to 15 employees. After current severance costs end in early first quarter 2027, this translates to a 56% reduction in payroll costs. We scrubbed our operating expenses and reduced expenses not linked to our need to operate as a fully compliant public company. While we're proud of this progress, our work is not done and the executive team continues to look for opportunities to further cut costs. We're focused on making Innventure a lean parent company and look forward to reporting further progress on that front. We've also sharpened accountability.

I'm pleased to welcome Eric Stober to his first earnings call as Innventure's Chief Financial Officer. Eric joined us on October 19 and now leads Finance, Accounting, Investor Relations and Communications. He brings nearly a decade of public company experience from his time as CFO of Astrotech, and deep experience in restructuring, strategic transactions and capital formation. Eric and I are completely aligned on what this phase requires. Disciplined capital allocation, clear ownership of our costs, and transparent, consistent communications with shareholders. From a governance perspective, we've made numerous changes since August. Bruce Brown became Independent Chairman of the Board of Directors. Catriona Fallon assumed leadership of the Audit Committee and Michael Madon joined the board as an Independent Director. With Michael Otworth, John Hewitt and Suzanne Niemeyer stepping down as directors, the board now has seven directors, six of them independent. That composition is deliberate. An Independent Chairman, a new Independent Audit Committee Chair, and an independent supermajority bring a new level of operational oversight to Innventure. As we announced last week, the board formed a Strategic Review Committee, comprised of independent directors who hold no ownership interest in our operating companies to work with management to identify and assess strategic options intended to maximize shareholder value.

We have also engaged RBC Capital Markets as our independent financial advisor to work with the Strategic Review Committee, our board and our management team to identify capital strategies to strengthen Innventure's financial position. To be clear, we are assessing all options, ranging from restructuring our existing debt to opportunistically monetizing a share or all of our ownership in one or more of the operating companies. As we look at our options, I want to be direct about the parameters we're working within, covenants and consent rights in our existing loan agreements and other agreements matter here, as does our need to avoid becoming an inadvertent Investment Company, subject to the Investment Company Act of 1940. We're working with financial and legal advisors to help us navigate this dynamic smartly and efficiently.

Now shifting to our capital needs. In early October, we established an at-the-market equity program and discontinued use of the SEPA. Though the ATM has a capacity of up to $60 million, we intend to use it selectively to manage liquidity requirements at the parent company level. Innventure needs to periodically raise capital to fund its own operation, since our operating companies are all early in the revenue generation cycle. In past quarters, Innventure raised capital via a registered direct offering, private placements and utilization of the SEPA. Once I became CEO, management and the board weighed our options to determine what we believed would be best for the company and our shareholders. At the time, raising capital through a registered direct offering or a private placement on terms that were available then were deemed to be very dilutive. So we selected the ATM as a tool that we could use judiciously to raise capital over time as needed. Eric will provide more details on our views on ATM utilization in his remarks. We are moving with urgency alongside RBC to evaluate multiple avenues to strengthen Innventure's financial position. That said, no timetable has been set for the conclusion of the strategic review and no decisions have been made regarding potential actions.

Now, let me give you an update on the operating companies. Last quarter, we shared that Accelsius was shifting from technological viability to proving reliability, integrating with the ecosystem and building toward adoption by the companies that can deploy the technology at meaningful scale. Many of the ecosystem conversations this quarter have moved from technology validation to determining how best to integrate into their operations. Since last quarter's earnings call, Accelsius has continued to work toward the four milestones we outlined and made significant progress.

Let me walk through where each stands. On the first milestone, chipmaker engagement leading to reference designs. We believe the industry is moving in Accelsius' direction. Chipmakers are shifting their standards towards warmer facility water, which is the condition Accelsius has tested against. And, as Accelsius has noted, players from server OEMs to chip manufacturers recognize what two-phase cooling brings to future generations of data centers. Beyond what has been published, I can tell you that chipmaker engagement is strong. Accelsius' work is under contract and progressing well with one major chip manufacturer and discussions with two others are evolving quickly.

On the second milestone, server OEM and ODM relationships expanding into co-development, statement of work technical validation is progressing with one major server OEM, with Accelsius team members working closely with their counterparts from that server OEM to bring the technology into existing architectures. Discussions with several other server OEMs and ODMs are progressing well.

On the third milestone, engaging hyperscalers. Accelsius said on October 12 that several hyperscalers are already engaged in its NeuCool HyperStart program, which gives hyperscalers a structured path to validate two-phase direct-to-chip cooling and bring it into their data center reference designs and product roadmaps. Under the program, hyperscalers are taking advantage of the expanded Springdale capability to validate two-phase cooling at full rack and row scale for their next-generation AI infrastructure. This work is progressing as expected. During the quarter, Accelsius signed a statement of work with one hyperscaler and work is well underway. We expect to see additional statements of work with other hyperscalers in the near future as well.

So what does this mean exactly? It means that the Accelsius team and the hyperscaler team are working together on a paid basis to design what a proof-of-concept deployment would look like. A next step could be the proof-of-concept itself.

On the fourth milestone, benchmark data and deployment with leading thermal labs. Third-party testing published by Accelsius showed its system matching conventional liquid cooling at Nvidia's 45 degree warm water standard, while running on water as warm as 54 degrees, with 9 degrees of thermal headroom on a Dell 9680 Server with Nvidia B200 chips. That matters for two reasons. Warmer water means data centers can rely less on energy intensive chillers, and headroom means the system has room to handle the hotter, more powerful chips coming next.

Since our last call, Accelsius announced that its NeuCool IR150 would be deployed at the EdgeConneX Global Training Center in Houston, giving operators and partners hands-on experience with two-phase cooling in an operational training environment. Just last week, Accelsius announced that it will provide a NeuCool IR150 to Villanova University, a founding member of Energy-Smart Electronic Systems, a National Science Foundation Industry-University Cooperative Research

Center. These deployments continue to validate the technology in high visibility environments. Those developments matter because this is increasingly an execution story. The technology has produced compelling performance data, and Accelsius is focused on how to turn that technical advantage into qualification, integration and ultimately scaled deployments.

Let me pause here. I know the market would like to know the names of the large companies Accelsius is engaging with and the dates for critical milestones and deliveries. As you can imagine, Accelsius is operating under confidentiality and collaboration agreements that limit what we can disclose today. As those restrictions are lifted and milestones are achieved, we will share additional details with the market. We're confident in the progress that Accelsius is making and look forward to providing greater visibility at the appropriate time.

Turning to the broader market, last quarter, we described our belief that the market is moving from a debate about if two-phase cooling will be adopted to when. You've all heard why. AI chips keep demanding more cooling, while communities keep demanding that data centers use less water and power. Accelsius was built for this moment, delivering more cooling, while using less of both of those resources. We believe that positions Accelsius to lead in two-phase cooling, while recognizing that adoption involves qualification cycles across chip manufacturers, server OEMs and ODMs, hyperscalers and data center operators.

Before turning it over to Eric, let me touch on our other operating companies. The board continues to evaluate strategic alternatives for AeroFlexx, part of concentrating Innventure's capital on what we believe presents the clearest paths to shareholder value. We announced last week that we will not provide ongoing funding for AeroFlexx and that company's leadership team is seeking independent funding to support operations. We have determined that continuing to fund the business from Innventure's balance sheet no longer makes sense. While decisions like this are not easy, they are intended to maximize value for shareholders. We will stay disciplined as we continue to explore strategic alternatives for AeroFlexx and will pursue the path that we believe is in the best interest of our shareholders.

On Refinity, the company is also pursuing funding from outside Innventure so it can keep advancing its technology without drawing on parent capital. The fundraising market has been challenging this year and the process is taking longer than we anticipated. After the second quarter, Refinity pared back its operations significantly, cutting 50% of its staff and slowing work on designing its first commercial demonstration facility. It is now operating at a substantially reduced level to minimize its cash burn, and we are exploring strategic alternatives for this business as well.

Let me close by saying that there has been a lot of change at Innventure in a short time. Innventure has new management, a restructured board and a new way of operating. Our core executive team is working tirelessly, running the company day to day, and working closely with the Strategic Review Committee to evaluate all of the options in front of us. These are complex businesses to untangle, and none of this happens overnight. All options are on the table as we work to maximize value for shareholders. Together, we are navigating what has been a difficult period for the company. Today, I've laid out what we've done so far, where we are and where we're headed. We appreciate the constructive input and support from our shareholders as our strategic alternatives process proceeds and we focus on addressing our liquidity needs.

With that, let me turn it over to Eric.

Eric Stober *Chief Financial Officer, Innventure*

Thanks, Bill, and good afternoon, everyone. I joined the company just a few weeks ago because I believe Accelsius will be a leader in the direct-to-chip cooling market. I've also been through several restructurings throughout my career. These kinds of situations present unique challenges and they are never easy. What I can promise you is this, I will work to maximize shareholder value. I will aim to communicate with transparency. And I will hold this company to disciplined financial management.

On today's call, I will cover four things. The results from the quarter, our liquidity, the ATM and the NASDAQ deficiency notice. For the third quarter, consolidated revenue was $1.48 million, compared with $0.53 million for the third quarter of 2025 and $0.95 million in the second quarter of 2026. General and administrative expenses were $12.84 million, compared to $16.93 million in the prior year period and $14.5 million last quarter, reflecting lower compensation costs and other cost savings

initiatives, offset by an increase in legal fees. While general administrative expenses are increasing at Accelsius as the company scales, general administrative costs at the parent company continue to decline. For the quarter, general and administrative expenses at the parent level were $6.51 million, down from $13.38 million in Q3 of 2025 and from $8.42 million in Q2 2026.

Net loss for the quarter was $333.84 million. This reflects $323.46 million non-cash goodwill impairment related largely to Accelsius. Excluding the non-cash impairment, our net loss would have been $10.38 million.

Let me take a minute on the impairment because it highly skews our financial results. The sharp decline in our stock price triggered an interim test of the carrying value of goodwill, in accordance with ASC 350. Goodwill is tested against market evidence and to reconcile to our market capitalization at the end of the quarter, a write-down was required. The charge is non-cash. It has no effect on our cash or liquidity or Accelsius' operations and it is not resulting from a change, in our view, on the technology. The identified intangible assets tied to Accelsius' technology were tested in the same exercise under ASC 360, and were not impaired. We continue to have great conviction in the value of Accelsius' technology and its ability to cool chips efficiently, while providing a more environmentally friendly solution than the current generation by significantly reducing electricity and water use.

Turning to liquidity. As Bill noted, we have formed a Strategic Review Committee. We've engaged RBC as our financial advisor and we are actively evaluating a range of capital raising alternatives. We are moving with urgency, given our near-term liquidity needs, though, the timing and certainty of any actions are not entirely within our control. We ended the quarter with $26.95 million of consolidated cash and restricted cash, compared to $46.54 million at the end of the second quarter. I want to be clear that most of this cash resides at the Accelsius level. Cash used in operating activities for the quarter was $15.06 million, while cash used in investing activities was $3.27 million and cash used in financing activities was $1.27 million.

Regarding operating costs, we are targeting approximately $3.2 million in quarterly parent level cash expenses, excluding debt service, severance, litigation and certain other non-recurring expenses. We are building a structurally leaner parent organization matched to a narrower set of priorities, and that change is expected to be permanent.

As Bill noted, head count is down from 40 at the end of Q1 to 15 currently. In addition, spending decisions at the parent are now evaluated against whether they're essential and whether they preserve or add shareholder value. And our goal is to take more cost out.

Regarding ATM, as Bill mentioned, we put it in place as a tool for raising capital to meet our needs. It gives us discretion over whether when and to what extent we access the equity market. We will employ it judiciously based on our liquidity needs, market conditions and expected return on that capital. At current valuation levels, dilution is top of mind and utilization will be measured and responsible. The ATM is not intended for raising money at the parent company to invest in Accelsius. From October 7 to November 10, we sold 17,943,675 shares at a VWAP of $0.313 per share for net proceeds of $5.45 million to cover short-term liquidity needs at the Innventure level.

Onto the NASDAQ deficiency notice. NASDAQ sent us a notice on October 23 informing us that we do not satisfy the minimum bid price continued listing requirement after our common stock had closed below the $1 minimum price for 30 consecutive trading days. The notice has no immediate effect on our listing or trading. Based on this minimum bid price deficiency, we have 180 days until April 21st of 2027 to regain compliance, which requires a closing bid of at least $1 for 10 consecutive business days. If we have not done so by then, we may be eligible for a second 180-day period by transferring to the Nasdaq Capital Market, subject to certain listing requirements. The company is evaluating avenues to maintain this listing, including a reverse stock split, which would require shareholder approval.

My priorities as CFO are straightforward. First, optimize the capital structure and preserve the value of our Accelsius interest. Second, financial discipline by deploying capital responsibly with a focus on efficiency and shareholder value. Third, oversee investor relations and communications with the goal of engaging effectively with our investors. I joined Innventure because I see a meaningful opportunity here, realizing it will take discipline and that is where my focus will be.

With that, we'll open the call for questions.

Question and answer session

Operator

Thank you. We will now begin our Q&A session. [Operator Instructions] As a reminder, we are allowing analyst one question and one follow-up today. We will now take a moment to allow the queue to form. Our first question is from Aashi Shah from Sidoti & Co. Please unmute your line and ask your question.

> **Aashi Shah** *Analyst, Sidoti & Co.*
>
> Hello. Thank you for taking my question. Given the going concern disclosure and the recent cost reduction initiatives, could you help us understand the current liquidity position at the parent company level, excluding cash held at Accelsius? And how should we think about the normalized quarterly cash burn and the funding requirements going forward? And then I have a follow-up.

Dr. Bill Grieco *Chief Executive Officer, Innventure*

Thank you, Aashi, for the call, and I appreciate you attending today. So we're going through a relatively fluid situation at the parent company. We're not specifically disclosing a number related to parent level cash. And there's a level of immediacy related to our liquidity. We're working relentlessly as a management team, along with the Strategic Review Committee and RBC to determine a capital structure that makes sense for the company. So that was one piece. You asked a second part of the question, I believe.

> **Aashi Shah** *Analyst, Sidoti & Co.*
>
> Yeah. Like, how should we think about the normalized quarterly cash burn and funding requirements going forward?

Dr. Bill Grieco *Chief Executive Officer, Innventure*

Yes, thank you. I appreciate that. So as Eric mentioned in his prepared remarks, we're on track to get to $3.2 million per quarter cash burn rate for operating expenses, excluding debt service. And we're looking for additional ways to reduce cost beyond what we've already done over the last 8 to 10 weeks.

> **Aashi Shah** *Analyst, Sidoti & Co.*
>
> Got it.

Dr. Bill Grieco *Chief Executive Officer, Innventure*

We would expect to see that realized at the beginning of Q1 2027.

> **Aashi Shah** *Analyst, Sidoti & Co.*
>
> Right. And with the strategic review, can you discuss what are the potential outcomes like? Are you primarily considering divestitures, strategic partnerships or other alternatives? And what timeline should investors expect for greater clarity on that front as well?

Dr. Bill Grieco *Chief Executive Officer, Innventure*

So the Strategic Review Committee and our team at RBC are looking at a range of options. A number of things are on the table. As we mentioned in the prepared remarks, looking at recapitalizing the debt structure or potentially eliminating debt is part of that and monetizing a portion or all of our stake in one or more of the operating companies is under consideration. At this point, the process is well underway. We can't comment on the specifics related to it or the timing or outcome at this stage.

> **Aashi Shah** *Analyst, Sidoti & Co.*
>
> Okay. Thank you.

Operator

Thank you. [Operator Instructions] This concludes the Q&A session. I will now hand back to management for closing remarks.

Dr. Bill Grieco *Chief Executive Officer, Innventure*

Thank you. We appreciate the time today. Thank you for attending the call.

Operator

Thank you for joining today's call. We are no longer live. You may now disconnect.

The following cautionary statement is reproduced from Innventure's November 12, 2026 earnings release and applies to forward-looking statements made on this call.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements in this press release are "forward-looking statements" within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are often identified by future or conditional words such as "plan," "believe," "expect," "anticipate," "intend," "outlook," "estimate," "forecast," "project," "continue," "could," "may," "might," "possible," "will," "potential," "predict," "should," "would" and other similar words and expressions (or the negative versions of such words or expressions), but the absence of these words does not mean that a statement is not forward-looking.

The forward-looking statements are based on the current assumptions and expectations of future events that are inherently subject to uncertainties and changes in circumstances and their potential effects and speak only as of the date of this press release. There can be no assurance that future developments will be those that have been anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond the control of the parties) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements.

These risks and uncertainties include, but are not limited to, those factors described in Innventure's public filings with the U.S. Securities and Exchange Commission, including, but not limited to, the following: Innventure's and its subsidiaries' ability to execute on their strategies, book sales and achieve future financial performance; Innventure's ability to identify and execute on alternatives to strengthen its financial position; Innventure's or each operating company's respective ability to secure financing and/or other value-enhancing transactions, in each case as applicable, on acceptable terms or at all, including with respect to the dilution of Innventure's interests in its operating companies; developments and projections relating to Innventure's and its subsidiaries' competitors and industry; the implementation, adoption, market acceptance and success of Innventure's and its subsidiaries' products, business models and growth strategies; Innventure's and its subsidiaries' ability to generate sufficient revenue and operating cash flow; the timing and magnitude of expected cash expenditures; the availability, timing and terms of additional financing, including debt or equity financing at Innventure or its subsidiaries; market conditions affecting access to capital; potential dilution resulting from future financings at Innventure or its subsidiaries; if additional funding is unavailable, or cannot be obtained on acceptable terms or in sufficient amounts or on a timely basis, AeroFlexx or Refinity may be required to wind up or cease operations; potential goodwill, intangible asset, and other asset impairment charges, write-offs of intercompany advances, and other costs and liabilities associated with any such wind-down or cessation of operations; the risk that one or both of AeroFlexx or Refinity may be unable to continue as a going concern if additional funding is not obtained; Innventure's ability to successfully implement cost reduction initiatives; risks related to recent shareholder litigation; changes in economic conditions; competitive pressures; regulatory developments; and Innventure's ability to maintain control over its subsidiaries.

The foregoing factors are not exhaustive. For a more complete discussion of the risks and uncertainties that may affect Innventure's forward-looking statements, see the 'Risk Factors' section of Innventure's most recent Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC. Forward-looking statements speak only as of the date of this release, and Innventure undertakes no obligation to update them, whether as a result of new information, future events, changes in assumptions or expectations, or otherwise, except as required by applicable law or the rules of any stock exchange on which Innventure's securities are listed.