Fermi America – Third Quarter 2026 Earnings Conference Call

Prepared Remarks – November 12, 2026

Speakers, in order: Rodrigo Acuna (Investor Relations); Lee McIntire (CEO); Anna Bofa (Chief Commercial Officer); Rob Masson (CFO); Lee McIntire (close).

Rodrigo Acuna | Director of Investor Relations

Good morning, and welcome to Fermi America's third quarter 2026 earnings call.

I'm Rodrigo Acuna, Director of Investor Relations.

With me today are:

- Lee McIntire, our Chief Executive Officer,
- Rob Masson, our Chief Financial Officer, and
- Anna Bofa, our Chief Commercial Officer. Later in the call, we'll be joined by
- Marius Haas, our Chairman of the Board, and
- Jacobo Ortiz, our Chief Operating Officer.

Today's remarks include forward-looking statements. They are subject to risks and uncertainties that could cause actual results to differ materially.

Please see the risk factors in our Form 10-K, Forms 10-Q, and other SEC filings.

We will also discuss non-GAAP measures. Definitions and related disclosures are in our investor presentation.

After our prepared remarks, we will take your questions.

Now, I'll turn the call over to Lee.

Lee McIntire | Chief Executive Officer

Thanks, Rodrigo. Good morning, everyone.

This is my first earnings call as CEO. I want to use it to tell you where we're taking Fermi and how we'll get there.

Let me start with the environment we're operating in for context.

In the past couple of months, there has been significant change in the market.

Power got more scarce. State-by-state moratoriums tightened up access to electrons, and in Texas, ERCOT, for example, froze new large-load connections, which are powering AI data centers.

Land got harder to find. Community angst about the spread of data centers, concerns about water, noise, light, and the natural environment have taken many sites off the table.

Permits are harder to come by. Texas, for example, paused new air permits before the election. And the elections last week added more uncertainty.

As a result, the gates to first power got harder to clear.

That's driving demand higher for safe-harbor sites, where the region benefits from jobs, economic development, and long-term investment.

That's bringing investment-grade hyperscalers to our door.

We've also seen shifts in how AI infrastructure gets financed.

The high-yield bond market has tightened. We feel more hyperscalers are moving away from neoclouds toward direct relationships.

As this shift is occurring, we're focusing our commercial work on deals directly with investment-grade hyperscalers.

Against that backdrop, we made two announcements this morning.

The TensorWave lease will not move forward. That deal was a complex turnkey lease with a neocloud, involving multiple parties and requiring the support of third-party credit.

Most importantly, we've reached an exciting agreement with an investment-grade hyperscaler for 600 megawatts of our 2027 power capacity.

It's a simpler deal providing power to a single customer with less to finance.

It's a stronger deal on every measure that matters to us. It's nearly three times the capacity. It's with an investment-grade hyperscaler directly, so it doesn't depend on anyone else's credit. The customer is building its own data centers on our Project Matador, so Fermi doesn't carry that construction capital requirement. And importantly, it's putting capital up front to accelerate construction. These consist of:

- A $200 million prepayment agreement. It provides substantial upfront funding for the 600-megawatt development.

- And an early construction and site development agreement that sets a framework to start site preparation.

We're excited about the structure of this deal, and that it comes with little or no dilution.

This is our strategy in practice. We invested early in getting the site ready.

That lets customers build faster, brings their capital in earlier, and turns our power and infrastructure advantages into long-term revenue opportunities.

We continue to work toward a definitive long-term lease, and the customer's identity remains confidential.

Our advantage isn't just that we have power. It's that we've done the work to help customers turn access to power into operating data centers faster.

That work extends to the ground we're building on. Our campus is on land leased from the Texas Tech University System. In this market, that partnership is even more valuable.

Earlier this week, Texas Tech Chancellor Brandon Creighton reaffirmed that the university "remains firmly committed to the success of Project Matador." When community concerns are taking sites off the table, that kind of institutional backing is part of what we believe makes our site a safe harbor.

We have the power, the land, and the permits in hand as many of our competitors face strong headwinds. We've invested more than $1.6 billion in the site.

We've done the long-lead work ahead of lease construction: engineering design, site preparation, and moving equipment to site, which reduces execution risk for our customers and our lenders.

On permits, we have air permits for 6 gigawatts in hand.

We have a comprehensive water strategy built around conservation. We've designed the project to minimize water use by maximizing dry and hybrid closed-loop system. When we're running at capacity, we expect to use about 80% less water than traditional methods.

For fuel, Energy Transfer has committed up to 220,000 MMBtu of natural gas per day. We've installed 4.6 miles of on-site pipeline, rated at 450 million cubic feet per day. That's plenty for 2 gigawatts.

On power, we're bringing our own, behind the meter, on our own grid. We have more than 2 gigawatts of generation equipment secured.

Many in the Panhandle community are supportive of the project.

Lastly, where our competitors are struggling to source equipment, we already have turbines on site.

Those are advantages that are hard for others to replicate.

We have a robust pipeline of customers who see this.

Our disciplined capital management puts us in a strong position to evolve Fermi from pre-revenue, pre-lease to our next phase.

Now, I'll turn the call over to Anna, who will walk you through how we're building our customer portfolio.

Anna Bofa | Chief Commercial Officer

Thanks, Lee.

I'm really excited about the commercial progress we're making at Fermi, and I want to spend a few minutes talking about why this hyperscaler relationship is so significant, and what we're seeing across our broader customer pipeline.

Power has become one of the defining constraints on AI growth. And it's no longer just about how much power you can deliver. It's about how quickly, how reliably, and whether you have the infrastructure in place to support development at scale.

One thing has become increasingly clear in our conversations with the world's largest technology companies: customers are no longer waiting for power to come to them. They're building around where power is available.

The 600-megawatt commitment Lee just described is a great example of this shift.

We've spent months working closely with this customer's commercial and technical teams, listening to their requirements, understanding their development timelines, and aligning our plans around what it will take to bring capacity online as quickly as possible.

And what's particularly exciting is how we've been able to align around what each side does best. These are sophisticated customers. They have their own engineering standards, building designs, construction teams, and capital. They don't necessarily need us to build their data centers for them.

What they need is reliable power, development-ready land, and a partner who can help them move faster.

That's precisely what our Powered Land Plus offering is designed to provide. Fermi brings the power, the land, and the supporting campus infrastructure. Our customers

can bring their own designs and construction capabilities, allowing us to move forward together faster without Fermi having to finance and deliver the entire data center.

And in this case, we've gone a step further.

We've already advanced engineering and design work with our partners, and we secured critical long-lead materials ahead of the customer's final lease.

Structural steel is a great example. Rather than having to start a new procurement cycle, this customer can leverage the steel we've already secured to accelerate its construction schedule.

That's the value of the infrastructure work we've done in advance and why being ready matters so much in this market.

The customer is now moving forward with substantial financial commitments and construction preparations ahead of finalizing the long-term lease.

To me, that speaks to both the urgency of demand and the strength of the partnership we've built.

We're targeting initial power availability in late Q2 or early Q3 of 2027, and the customer is aligning its development plans with that schedule.

For Fermi, this creates the opportunity to bring our power capacity into revenue sooner, while deploying less capital into customer-owned data center construction.

And importantly, we believe this approach can be replicated.

Our pipeline is strong, with active discussions across multiple investment-grade hyperscalers.

If the opportunities we're pursuing today convert into definitive agreements, they could absorb our planned 2.2 gigawatts of capacity. And our broader pipeline extends several gigawatts beyond that.

We're also seeing customers think well beyond their initial deployment. They're asking about future expansion rights and how they can grow with us as additional power becomes available.

That's central to how we envision Project Matador developing.

Our strategy is to anchor the campus with four to five investment-grade hyperscalers, each able to establish an initial presence and expand over time. That creates the potential for a diversified, long-term customer portfolio, greater visibility into demand, and a more disciplined approach to planning and financing future infrastructure.

Our focus now is execution: converting our pipeline into financial commitments and long-term agreements, aligning customer construction schedules with our 2027 and

2028 power ramp, and bringing capacity into revenue as quickly and responsibly as possible.

Ultimately, we're not simply selling megawatts. We're building the infrastructure and partnerships that enable some of the world's largest technology companies to accelerate their ambitions.

We've established the foundation. Now we're seeing customers begin to build on it.

With that, I'll turn it over to Rob to explain how our three commercial offerings and broader capital strategy support that growth.

Rob Masson | Chief Financial Officer

Thank you, Anna, and good morning.

Today, I will cover our third quarter results, our liquidity, our capital strategy, and our covenants.

Before I do that, I want to build on Anna's comments and talk about the multiple options Fermi has to create differentiating value.

This quarter, we shared our business strategy that aligns our pricing, cost, and capital requirements for the long term. You can see this strategy in action with the recent news, which is tightly aligned with today's market, the capital-raising environment, and what our customers need. And it's the right approach for this early stage of our business.

Fermi creates value two ways, under one triple-net lease:

- We sell private behind-the-meter power.
- And, we lease data center real estate on our campus.

Each has a fixed charge and a variable charge. The fixed charges, a capacity charge for power and base rent for real estate, recover our capital and costs, and earn our return. Both escalate and are take-or-pay over 15- to 20-year terms.

The variable charges, for energy and common area maintenance, pass fuel, operating costs, insurance and taxes through to customers.

The power is the same in every deal. What changes is how much of the real estate we build.

Fermi offers customers three options.

Our focus is Powered Land Plus, because it is what the hyperscalers we're talking to are asking for.

Under the Powered Land Plus model, the customer gets a development-ready parcel with power, water, fiber, security, and shared campus infrastructure in place.

The customer builds and operates the data center.

Hyperscalers have their own designs and build partners.

Powered Land Plus is the fastest to deliver.

This model plays to who we are: a private power company.

Dedicated power on our campus sets us apart from others in a crowded data center space.

Powered Land Plus needs the least capital from Fermi.

It puts capital where our advantage is: power, fuel, and permits, and it leaves the construction risk with the customer, greatly reducing our capital requirements.

To help you frame each model, our investor presentation shows economics from recent market deals on page 11.

These are market benchmarks, not Fermi deal terms. They are based on market rates for 45 deals over a 2-year period. They are not necessarily indicative of where the market is today, and only a small portion are behind-the-meter deals. What's important is the relative value, even at these historical rates.

The data shows Powered Land Plus has cost roughly $3.9 to $5.1 million per megawatt of total power capacity to build. At equivalent market rates, it earned about $55 to $69 per kilowatt-month in fixed charges, including base rent and capacity charge.

The second model is Powered Shell.

It includes everything in Powered Land Plus. We also deliver the building and its core infrastructure. The customer fits it out, and capital and revenue sit in the middle.

In recent deals, Powered Shell has cost about $5.1 to $6.6 million per megawatt of total power capacity to build. At historic market rates, it earned about $64 to $80 per kilowatt-month in fixed charges, including base rent and capacity charge.

Powered Shell brings in more revenue per megawatt than Powered Land Plus, but it needs more Fermi capital, and we take on the added construction and delivery risk of the building.

The third model is Turnkey.

In the Turnkey model, we develop, build and deliver the complete facility. It earns the most contracted revenue per megawatt. But in recent market deals, turnkey has taken about three times the capital of powered land plus for about 2.4 times the revenue.

Each deal is negotiated around what the customer needs, so terms will differ from deal to deal.

For our 2027 and 2028 capacity, Fermi and our potential customers are focused on moving quickly, committing capital early, and building their own facilities.

That's Powered Land Plus, and it keeps our capital needs down.

That enables us to sell our power as it comes online, without carrying all the construction capital ourselves.

Our customers get the power they want in the timeframe they desire, and Fermi is able to generate revenue matched with power delivery.

Now, a quick review of our third quarter results.

I'll focus on cash and liquidity this morning, as the details of the quarter are available in the release.

We ended the quarter with about $316 million of cash, cash equivalents and restricted cash, including $286 million of unrestricted cash.

Property, plant and equipment grew by about $120 million in the quarter, to about $1.67 billion.

At quarter end and following our $430 million convertible senior notes offering in July, we had $958 million of debt, net of discounts and issuance costs.

On liquidity, we're being disciplined in our capital deployment, more closely matching outflows to inflows.

Our operating cash outflow was $54.5 million in Q3, and our capex was $133 million, down from $185 million in Q2, and partially supported by our equipment facilities.

Going forward, we have $126 million of equipment commitments, $112 million of which will be funded using our facilities over the remainder of 2026, 2027, and into 2028.

As we transition to vertical construction for lease requirements, so to our funding is transitioning from Fermi corporate cash to customer prepayments, and project-level debt and equity. So, our budgets and spending are aligned with the project resources, easing the burden on corporate cash burn.

Now, our capital strategy.

Across the campus, our capital strategy aims to reduce the Fermi equity each megawatt needs and reduce corporate capital exposure as we add capacity.

We'll do that three ways:

- Use project-level debt and equity, while limiting recourse to our corporate balance sheet.

- Prioritize Powered Land Plus deals for our 2027 capacity and planned 2028 development.

- Bring customer capital in earlier, through development contributions, reservation fees, prepayments, and mobilization payments, like the ones we highlighted earlier.

We'll report on financing and capital commitments as we hit each milestone.

Briefly, on covenants, we've made good progress over the past couple of months.

First, the turbine warehouse facility with MUFG. In October, we supported the transfer of the facility to a new syndicate of lenders. The amendment has four significant benefits for Fermi:

- It removed the November 10 lease deadline.

- It removed the risk of our lenders marketing the turbines for sale after November 10th.

- It kept our minimum principal payment at 5% of the loan balance rather than stepping up to 10%. Based on our estimates, that eliminates potential required principal payments of more than $55 million over the next three quarters – cash we keep in the business.

- Lastly, it lets us move the equipment to the site, reducing extra storage, transport, and insurance costs of holding it elsewhere. With the move mostly complete, we are now able to immediately start vertical construction on the turbines.

  In return, we paid the lenders about $25 million in amendment fees.

With that, I'll turn it back to Lee.

Lee McIntire | Chief Executive Officer

What we've built puts us in an advantaged position: permits, power equipment on site, fuel, water, and the site work, along with an impressive list of proven contractors.

Demand for what we offer is strong.

We have five priorities in the near future.

- Finalize a definitive lease agreement with our hyperscaler that we had talked about this morning.
- Convert other customers in our pipeline into tenants.
- Protect liquidity and match spending to commitments.
- Advance financing partnerships and bring in customer capital.
- Keep the site ready and work safely to deliver first power next year.

I want to thank our employees and contractors.

They're the ones actually putting turbines on site, pipe in the ground, and getting our permits in hand.

I want to thank Texas Tech University and the Amarillo community.

I want to thank our investors. We are 100% committed to converting our advantages into cash flow and returns for you.

Rob, Anna, and I are now joined by our Chairman, Marius Haas, and our Chief Operating Officer, Jacobo Ortiz, and we'll take your questions.