

Merlin Labs (Q2 2026 Earnings)

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Corporate Speakers:

- Brian Alger; Merlin, Inc.; Senior Vice President, Corporate Development, Investor Relations
- Matt George; Merlin, Inc.; Chief Executive Officer
- Ryan Carrithers; Merlin, Inc.; Chief Financial Officer

Participants:

- Andres Sheppard; Cantor Fitzgerald; Senior Equity Analyst
- Gautam Khanna; TD Cowen; Aerospace and Defense Equity Analyst
- Suji Desilva; ROTH Capital Partners; Managing Director, Senior Research Analyst
- Mike Latimore; Northland Securities; Managing Director, Equity Analyst
- Austin Moeller; Canaccord Genuity; Managing Director, Equity Research

PRESENTATION

Operator^ Good day, everyone, and thank you for standing by. Welcome to Merlin Labs Incorporated Second Quarter 2026 Earnings Call and Business Update. At this time, all participants are in a listen-only mode. After the presentation, there will be a question-and-answer session. (Operator Instruction). Please be advised that today's conference is being recorded. Now it's my pleasure to hand the conference to Brian Alger, Senior Vice President, Corporate Development and Investor Relations. Please proceed.

Brian Alger^ Thank you, operator. Good afternoon, and welcome to Merlin's quarterly earnings call for the quarter ended June 30th, 2026. Joining me on the call today are Matt George, Merlin's Founder and CEO, and Ryan Carrithers, our CFO.

Momentarily, Matt will kick things off with a review of our recent achievements and a brief overview of Merlin and our objectives. He will then spend some time detailing the value proposition of the Merlin Pilot and the market opportunity that we believe it represents.

Matt will be referencing a number of industry and market statistics throughout his commentary. Reference sourcing material for these comments can be found in the appendix section of the investor presentation deck intended to accompany today's call. That deck can be found at investors.merlinlabs.com. Ryan will then take you through the financial results, our balance sheet position, and our financial expectations. Finally, Matt will have some -- a few closing remarks before we start the Q&A session.

Now, before we begin, a reminder that today's discussion will include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995.

These statements involve known and unknown risks, uncertainties, and other factors that could cause our actual results, performance, or achievements to differ materially from what is expected or implied.

Those factors include, among others, regulatory approval timelines, competitive dynamics, capital availability, technology development, and broader market conditions. For a complete discussion of risk factors, please see our most recent filings with the SEC. We undertake no obligation to update any forward-looking statements except as required by law.

Today's discussion will also reference adjusted EBITDA, which is a non-GAAP financial measure. A reconciliation of adjusted EBITDA to net loss, the most directly comparable GAAP measure, is included in the earnings release available on the investors relations section of our website at investors.merlinlabs.com. And with that, I'll hand the call over to Matt. Matt?

Matt George^ Thanks, Brian, and thank you all for joining us today for Merlin's second-quarter 2026 earnings call. Before I hand things over to Ryan to walk you through the financials in detail, I want to spend some time talking to the results we've achieved, where we are as a business, and where we're going.

We finished the quarter with \$183.9 million in cash, cash equivalents, and short-term investment. And importantly, no debt. As Ryan will detail momentarily, we believe our balance sheet strength is one of our strongest advantages today because it allows us to continue hitting the milestones necessary to capture the opportunity I am about to describe.

When we last spoke in May, we laid out a number of ways to measure our progress. We talked about key areas of focus in the near term, progress on our C-130J contract, building a go-to-market network for civil cargo, and advancing the civil certification of our core AI processes and technology. In Q2, we delivered major milestones in all three categories.

Early in the quarter, we announced completion of the Critical Design Review, or CDR, with our lead customer on the C-130J, moving us closer to deployment across the fleet. At Farnborough last month, we announced that Israeli Aerospace Industries, or IAI, and Merlin signed a non-binding MOU to advance the development, integration, and certification of AI-powered autonomy for commercial cargo aircraft. This expands our partner ecosystem and puts us on the path to serve approximately 2,400 aircraft in the global civil cargo market.

And just last week, we announced the achievement of Stage of Involvement, or SOI, 3 with the Civil Aviation Authority of New Zealand under a bilateral aviation safety agreement with the Federal Aviation Administration here in the United States. Civil certification would be the first step towards opening up a global commercial market of more than 20,000 addressable aircraft for Merlin.

These are the three areas of measurement with meaningful progress in all three, double-clicking on each one of those milestones. First, completion of the CDR and the C-130J program. This is a real proof point of the compounding advantages we described last quarter.

And it's exactly the kind of milestone we told you to watch for. The program's next milestone will be related to the integration work on the initial C-130J. Since completing CDR, we've been working with our customer and subcontractors to define the scope and timeline for future integration, ground testing, and flight testing.

Next is our collaboration with IAI, one of aviation's largest providers of freight conversions. Merlin and IAI are working together to advance the development, integration, and certification of AI-powered autonomy for commercial cargo aircraft.

This will be a phased engagement, including engineering collaboration, joint market exploration, regulatory preparation, and initial platform selection to lay the groundwork for a definitive commercial agreement and a structured path towards civil certification.

Together with our previously announced collaboration with World Star, Merlin is systematically building the go-to-market engine for the adoption of autonomy by the global civil cargo market. And most recently, we announced the completion of SOI 3 with the Civil Aviation Authority of New Zealand in coordination with the Federal Aviation Administration under their bilateral aviation safety framework.

Two critical components of the Merlin Pilot Autonomy Platform, the flight control computer and the automated communication system software, have been tested and verified against their requirements. To our knowledge, this is a first for large aircraft autonomy. Achieving SOI 3 represents an important certification milestone, demonstrating that our verification processes, testing evidence, traceability, and engineering controls are sufficiently mature to support certification.

Separately, Merlin successfully concluded an important certification issue paper with the Civil Aviation Authority of New Zealand addressing the use of AI and ML-based natural language processing with the Merlin Pilot, enabling voice-based interaction with air traffic control.

This additional milestone establishes the regulator's requirement and an agreed path for demonstrating compliance for this novel capability. This reduces a key area of regulatory uncertainty and represents meaningful progress towards the introduction of AI into certified aviation, not only benefiting Merlin but the industry as a whole.

Each of these milestones tackles an independent challenge across commercial technology and certification, and that diversity is what makes them so important. Together, we believe these milestones represent meaningful evidence of progress towards our mission

to build a certifiable autonomous core that is capable of safely and reliably flying any aircraft for any use case and monetizing the Merlin Pilot.

As we look to the future, I want to underscore the opportunities we see ahead. For the past hundred years, aviation has been built around human pilots. In the United States alone, more than \$45 billion is spent each year to keep our pilots flying.

We believe the next hundred years of aviation will be built around autonomy, and we currently sit at the inflection point of adoption. Merlin is building what we believe will be the operating system of record for the next century of aviation, physical AI for the sky. Our commercial traction, the technology progress, and the certification milestones are all steps on that path.

On last quarter's earnings call, we talked about the distinction between the Merlin Pilot and our products, like Condor. And I want to make sure the distinction is well understood.

The Merlin Pilot is the core. It's the brain. It's the certifiable AI system designed to adapt any airframe and any mission and becomes more capable with each adaptation. Our products are created when we take that core brain and combine it with a specific airframe, mission, and customer. Everything starts with and scales from the same continuously improving core, the Merlin Pilot.

So let's talk about what this combination actually delivers to a market need. We call it integrated autonomy that combines two things, flight autonomy with mission autonomy. Flight autonomy is what most people think of first. It's the aviate, navigate, communicate capabilities of most flying aircraft today. It means taking off, flying the airplane, communicating with air traffic control, and landing, all without the need for human intervention.

Mission autonomy is different, but just as important. It's everything the aircraft needs to do to accomplish the job it was sent to do. The tasking, sensing, and decision-making specific to a cargo run, surveillance mission, or tactical resupply. We are building both. There are companies focusing on one or the other, but we believe our approach, one core brain, the Merlin Pilot, performing integrated autonomy, has the potential to improve and reduce deployment cost with each airframe we adapt to, compared to bespoke one-off systems where capabilities don't compound.

I also want to be really clear about the landscape we are addressing, what this is, and just as importantly, what it's not. Today we are targeting larger fixed-wing aircraft. We see opportunity in both crewed and uncrewed aircraft and, importantly, in existing inventory. The airplanes already flying today. We are building the brain that will fly today's aircraft for decades to come, and one that is also capable of flying the fleets of the future.

Now, let's quantify the opportunity. While we plan to generate revenue by adapting and integrating the Merlin Pilot onto airframes, the business model is centered on a recurring

revenue license fee for the Merlin Pilot. That license fee is designed to be value-based, depending on the use case, complexity, and needs of our customer.

Let me share some data to help you better understand how we think about the opportunity and the value that the Merlin Pilot represents. Start with what we already have in hand. Our existing program with U.S. Air Force on the C-130J, starting first with SOCOM. Today, SOCOM has approximately 75 C-130Js in a couple different variants. This is part of the Air Force's 300-plus C-130Js. And at full deployment across all branches of the DOW and allies, there are approximately 570 C-130J aircraft. We believe the C-130J airframe is a multi-billion-dollar opportunity just by itself.

Now, widen the lens. The broader U.S. defense inventory of fixed-wing aircraft is over 6,750 aircraft. Excluding China and Russia, global civil cargo represents another 2,400 aircraft, and global passenger aircraft, over 20,000 more.

Add it all up, and there -- and that's an operating base of more than 29,000 aircraft before we even begin talking about future airframes. Over time, we believe autonomy will drag greater and greater value on the aircraft and the missions that are so important to our customers.

Today, in just the United States, third-party sources report that more than \$45 billion is spent annually on pilotage. The U.S. military spends over \$22 billion on its fixed-wing pilots. Today, there are over 6,750 fixed-wing aircraft in our military inventory. Mathematically, this means the U.S. military currently spends about \$3.3 million per plane per year on its pilots.

On the U.S. civil side, the dollars spent per plane are remarkably similar at approximately \$3.2 million per plane per year. With a U.S. commercial fleet of 7,400 planes, that equates to more than \$24 billion being spent on U.S. commercial pilots.

The value of what we are building with the Merlin Pilot is tied to that spend, plus forecasted growth and diversification of the aviation industry against well-documented perennial shortfalls of new pilots being trained, and even fewer achieving the flight hours needed to become professional pilots.

Put it all together, based on the assumptions in the market data we have described and factoring in future market growth, we estimate an annual TAM for Merlin of several billion dollars per year. That is what we are building towards. Of course, a large TAM doesn't mean much without a credible map to revenue, so let me quickly walk you through how we actually get there, starting with defense.

For the Department of War, we believe our multi-year head start and the regulatory complexity of this domain provide meaningful competitive advantages. We've been putting in the work for five years, going from RFP through CDR.

The next steps are relatively straightforward. Integration, ground testing, and flight testing. Adoption across airframes isn't a serial process. It is parallel tracks running at the same time. Every branch and every platform we work with builds experience that we believe compresses the time to adoption for the next platform.

Two more things worth knowing about the DOW. Their funding subsidizes a meaningful amount of our integration costs, and the DOW controls the pace of adoption and the installation schedule. That's a feature of working with this customer, not a bug. It's part of why the C-130J program has been de-risked the way it has.

On the civil side, we have made considerable progress towards certification. We achieved SOI 3 by successfully testing and verifying our flight control computer and the automated communication system against their requirements. To our knowledge, Merlin Pilot is the first to reach this important milestone for large aircraft autonomy. And with that, I'll hand it over to Ryan to walk through the numbers.

Ryan Carrithers^ Thank you, Matt. Good afternoon, everyone. As Matt described, our balance sheet continues to provide a strong foundation for Merlin to build what we believe is the operating system of record for the next century of aviation. Our balance sheet has strengthened significantly, and we consider it a strategic advantage.

Merlin ended the second quarter with \$183.9 million in cash, cash equivalents, and short-term investments with no debt. That's up \$60.8 million compared to the first quarter of 2026. We believe these resources position us well to build on our operational progress and pursue the opportunities Matt just outlined.

Second-quarter revenue was approximately \$2.2 million, up \$1.2 million from the first quarter of 2026. The substantial majority of that revenue was recognized under our defense IDIQ structure as task orders were funded and work was performed.

On a GAAP basis, net loss for the quarter was approximately \$58.4 million, an improvement of \$32 million compared to the first quarter of 2026. That improvement was primarily non-cash, driven by changes in the fair value of our warrants and convertible promissory notes, along with several one-time charges related to our business combination in the first quarter.

Because the number of items contributing to net loss are financing-related and non-cash, we don't believe they reflect our underlying operating performance. Excluding these and other similar items, second quarter 2026 adjusted EBITDA was a loss of \$27.8 million compared to a loss of \$23.3 million in the first quarter of 2026. This increase reflects our deliberate investment in engineering, certification, and program execution. A reconciliation of adjusted EBITDA to net loss is included in the earnings release.

Cash flow from operations in the quarter was a negative \$27.3 million versus a negative \$23.6 million in the first quarter of '26. Capital expenditures in the quarter were

approximately \$1.6 million compared to approximately \$2.2 million in the first quarter of this year.

Before we move to Q&A, I want to underscore the point of all this. Our balance sheet strength gives us room to invest with discipline, and we intend to direct spending primarily toward advancing Merlin Pilot and accelerating our go-to-market opportunities.

As I said last quarter, we believe Merlin's financial runway extends beyond our near-term certification and commercial milestones. More specifically, based on our current operating plan assumptions, we believe our existing resources are sufficient to fund our growth into fiscal 2028.

In the near term, our revenue will be tied to our progress on the C-130J IDIQ contract with USSOCOM, where we're now advancing into the integration phase, the second of our three revenue phases. We expect this same three-phase model to apply across every airframe and customer we work with, defense and civil alike, as Matt just detailed for the Merlin Pilot.

In adaptation, we're paid to adapt Merlin Pilot to a customer-specific airframe and requirements. In integration, we work with a growing network of partners, including World Star and IAI, to physically integrate our solution onto the aircraft.

And in licensing, we collect a recurring license fee for the life of the software, which we expect to receive over the remaining operational lifetime of the airframe. What we charge at each phase is driven by complexity and the value we deliver to the customer.

The key milestones investors should watch for remain progress in our contract with USSOCOM, expansion of our go-to-market partnerships across the defense and civil aviation industry, new engagements on emerging mission sets and programs. With that, I'll turn the call back over to Matt for his final thoughts.

Matt George^ Thanks, Ryan. So let me bring this together into several key points I want you to leave the call with today. First, we believe there's a multi-billion-dollar total addressable market for Merlin annually.

Second, we already have real, tangible progress towards that opportunity. Our existing program on SOCOM C-130J provides us with a potential path to the Air Force's total inventory of more than 300 aircraft, not to mention C-130Js operating globally outside of the U.S. Air Force.

Third, we have a lead in process and development. Getting from RFP through CDR took us five years, and with parallel tracks for each airframe, that lead compounds with every new program. Fourth, our differentiation is clear. We are focused on the DOW's large existing aircraft with an intent to leverage our work with that customer into additional commercial opportunities.

And fifth, we've demonstrated real success doing this by securing both PDR and CDR on the C-130J. We are excited about the future because we believe we are building the operating system of record for the next century of aviation, and believe we have built meaningful early advantages that we expect to compound over time.

We're operating with conviction, with capital, with customers, and with a clear plan. Our team has spent eight years getting to this moment, and we believe the opportunity in front of us is significant and important. We appreciate every one of you being on this journey with us. With that, I'll turn the call over to the operator for Q&A. Operator?

QUESTIONS AND ANSWERS

Operator^ Thank you. (Operator Instructions). Our first question is from Andres Sheppard with Cantor Fitzgerald. Please proceed.

Andres Sheppard^ Hey, everyone, good afternoon. Congratulations on the quarter and thanks so much for taking our questions. And congrats on the completion of the CDR, very exciting. Just wanted to follow up, maybe on Ryan's remarks there towards the end, coming back to the 130J program.

I realize you're not guiding revenues here, but just wondering if you can maybe give us a sense or just help us better understand how we should expect that stage or phase two ramp-up. And then going into the final phase, just any more granularity you might be able to give us or direction?

Ryan Carrithers^ Yes. Hey, Andres, thanks for the question. Yes, we're working to -- working close with our customer to hopefully be able to announce expansion on that contract. And we expect meaningful revenue in 2027 to be coming from the next phase. We don't have anything we can announce today, but as soon as we do, we'll -- we will be putting out a release to announce that.

Operator^ One moment for our next question. It comes from Gautam Khanna with Cowen. Please proceed.

Gautam Khanna^ Can you give us some estimation of what second-half revenues might be if you hit your milestones?

Ryan Carrithers^ Yes, we're anticipating anywhere between \$4 million and \$6 million in the second half of this year for revenue.

Gautam Khanna^ Right. And do you have a ballpark sense for what '27 could provide in revenue?

Ryan Carrithers^ Not at this moment. We're not providing guidance on 2027 revenue at the moment.

Gautam Khanna^ And can you talk a little bit more specifically about some of the other platforms you're working on besides the C-130J, and what we should be -- what -- when those milestones might actually be?

Matt George^ Hey, Gautam, this is Matt. That's a great question. We -- one of the things we pride ourselves on at Merlin is ability to go adapt the Merlin Pilot to a bunch of different aircraft and be able to do that very quickly.

We started out way back in the day with a small canard composite aircraft, which are about 1,000 pounds. And now the largest aircraft we're doing is the C-130J, which is clearly a much larger aircraft. We expect to announce new aircraft here in the short term. Watch this space. It's something that we're really excited about as a team. Nothing we've announced yet, but at the core of what we're building is adaptable to different types of aircraft.

And the other thing that investors should watch for is how we use new types of aircraft to enter new segments of markets that we previously have not addressed. So just like there are certain types of aircraft for transport or commercial cargo, both markets that we've announced, there's other types of aircraft that open up new types of markets for Merlin that we haven't yet announced. But definitely watch this space, leveraging our aircraft adaptability.

Gautam Khanna^ Thank you.

Operator^ Thank you. Our next question comes from Suji Desilva with ROTH Capital. Please proceed.

Suji Desilva^ Hi, Matt. Hi, Ryan, Brian. Congratulations on the progress here. The C-130J, you talked about remaining milestones and steps. And you said something about there being parallel tracks potentially. I just want to understand what that comment meant, and if that has implications on the timing of what's remaining for the C-130J in terms of milestones.

Matt George^ Yes, it's a great question. So two answers to that, that both add into each other. The first is that as we're integrating onto the C-130J, the core Merlin brain and the software releases that we're releasing are continuing to get smarter and smarter and smarter.

So we've talked about this in previous earnings calls, but you can really think about it as like a brain and a body. So while the brain is embodied in different types of aircraft, like the C-130 or the Cessna Caravan or some of the other aircraft that we've flown, the brain continues to get smarter with each and every release. So that's track number one.

Track number two, which is really actually quite important for the C-130J, is this is the first time we're integrating on a very large aircraft. The C-130J is like a -- almost a 737-sized airplane. So the lessons that we're learning of integrating onto a large multi-engine

turbine aircraft, those lessons, both technical but also regulatory and safety, allow us to move really quickly on other adjacent aircraft. So like the KC-135 and some other aircraft that we've talked about.

So by taking that brain, putting it in the C-130J, we believe that that will allow us to go accelerate onto other platforms much more quickly. And we've seen that feedback from our customer as well, which has been exciting.

Suji Desilva^ Okay, great. And then my other question's on the -- how the expenses will trend from here, just to understand as you move toward longer-term break-even. And then also, with C-130J on the military side and then IAI on the commercial side, how much of that effort has synergy or overlap technologically and with people, or should I think of those two separate efforts that have to be staffed up independently?

Ryan Carrithers^ Yes, thanks, Suji. I'll answer the expenses one first. So first half of the year, our adjusted EBITDA was just over \$51 million. And as you imagine, we had a lot of non-recurring external expenses, one-time costs that are built in there that we're now through.

And so we're anticipating the second half of the year to be flat to a little bit better than the first half of the year as we've now worked through some of those, and our ramp of hiring is slowing a little bit in the second half. I'll turn it to Matt for the other question.

Matt George^ Yes, so as we're thinking about IAI and some of the commercial work that we're doing, vis-a-vis the C-130J, it goes back to the previous question, which is we're taking that Merlin Pilot brain and putting that Merlin Pilot brain into large, highly-certified, complex aircraft.

So the C-130J is -- while used for a military applications, is a very large, highly complex airplane, just like some of the stuff that we're considering with IAI. And then if you look at the refueling and tanker market, where we've talked about some of our work on the KC-135, that is a derivative of a commercial aircraft.

So it's the same core technology, same core group that's working on how to make the Merlin Pilot applicable to those large transport-class aircraft, where clearly there's differences in parts of the mission. But at the end of the day, flying those large airplanes is quite similar between the civil and the defense markets, particularly for cargo missions.

So that's where we on the team are pretty excited about the overlap. And that's why we've been very careful about which opportunities we pick so that we can go after the largest addressable market in the shortest period of time with as much focus and capital efficiency as possible.

Suji Desilva^ Okay, great. Thanks, Matt. Thanks, Brian.

Operator^ Thank you. Our next question comes from Mike Latimore with Northland Capital Markets. Please proceed.

Mike Latimore^ All right, thanks. Yes, congrats on hitting the milestones here. I guess Matt, you mentioned you hope to announce an expansion. By that, do you mean a task order under the IDIQ, or an expansion from the 105 number that's attached to IDIQ?

Matt George^ Yes. So clearly, we're not going to get out in front of anything yet that we haven't released. But as we talked about when we released the CDR news, the reason the CDR news is important, clearly, first, is that the team passed the milestone. To our knowledge, it's the first time anybody has done something like that on this complex of an aircraft with autonomy. But also, what the CDR does is it clears us from an engineering and technical perspective to begin the process of integrating onto that first aircraft.

So that's a table stakes for other additional task orders. Clearly, with each one of those stages, we have to go back, work with our customer, work with our subcontractors. It is a bunch of work to begin integration onto a C-130J, so we're working with our entire industrial base, our customers. Nothing to announce there yet, but we've cleared that milestone so that that door is now open. And we're working with all of our stakeholders to start the process to integrate onto that airplane.

Mike Latimore^ Got it. And then in the -- I guess in the press release, you talk about the next phase is to integrate the system onto an aircraft. So would a logical task order be basically the integration cost or revenue related to integration on one aircraft, or is it broader than that?

Matt George^ I'm not going to get in front of our customer on the specifics of task orders. What I will say is that this is the first time, to our knowledge, autonomy has been integrated onto a large aircraft for the U.S. Air Force. It is going to clearly start with one airplane, and then we're going to expand from there.

But with that said, it is a lot of work. And even that one airplane will be a lot of work, but we're excited about it. It's going to be the first time that autonomy has crossed that valley of death and actually gotten on to a large U.S. Air Force aircraft, which we're mega excited about.

Mike Latimore^ Right. And I guess you've talked in the past about how much integration revenue you get -- could get per plane. Would this initial one be more than that longer-term average by a fair amount?

Matt George^ Yes, the first one, just like we talked about in previous calls, the additional integration going from zero to one of the capability for the U.S. Air Force and USSOCOM, everything is going to be more expensive. There's going to be larger quantum [ph] of capital as we adapt the system onto that first aircraft. But we're excited about the future and always building and integrating towards production.

Mike Latimore^ Yes, thanks.

Operator^ Thank you. And we have a question from the line of Austin Moeller with Canaccord Genuity. Please proceed.

Austin Moeller^ Hi, good afternoon. I was just wondering, once you integrate the Merlin Pilot onto the aircraft as part of the next phase, what mission objectives will need to be accomplished during flight? Will you be flying in different weather conditions, carrying different size payloads, air traffic control conditions? Do you need to fly a certain range? What boxes need to be checked here?

Matt George^ Yes, we're not going to get in front of the customer on specifics of the mission of their aircraft. What I can say is we're regularly flying our system out of our test facility in Quonset Point, Rhode Island on one of our surrogate aircraft, where the aircraft is taking off, touching down, interact with air traffic control.

So the initial set of features will be crawl, walk, run in that vein of flight autonomy on that airplane. And then we will gradually layer on mission elements on top of that basic capability.

But that's why it's so important that even while we're integrating on the C-130J, the core Merlin Pilot brain is getting smarter and smarter with more and more features being added that we will then, when the customer is ready, introduce those features onto the C-130J and into their operating environment.

Austin Moeller^ Okay. And so I guess as far as the revenue opportunity and getting the licensing revenue on Merlin Pilot, do we essentially need to get to the integration stage and through critical design review and get that certified on type with each aircraft before you can start seeing that recurring licensing revenue?

Matt George^ When we're looking at the industry writ large, there's a lot of experimental projects. There's a lot of DARPA programs. But what is most exciting, at least for us, about what we're doing with the C-130J is we're working with the end customer on an operational aircraft and an operational airframe.

Clearly, we have to go meet the safety requirements and integrate onto that first aircraft. But you're totally right. That integration is the first step on the journey to what we believe will be a first of full autonomy entering service on a large U.S. Air Force aircraft with the revenue profile that we've previously discussed on previous earnings calls.

Ryan Carrithers^ Yes, maybe just to add to that, we've talked about revenue in so many ways, which is adaptation of the Merlin Pilot, integration onto the plane, and then the licensing phase in the last (inaudible).

Austin Moeller^ Excellent. Thanks for all the details.

Operator^ Thank you. (Operator Instructions). As I see no further questions in the queue, I will pass the call back to Matt George for final comments.

Matt George^ All right, thank you, operator. We really appreciate each and every one of you being on this journey. As we've demonstrated today, we're making really meaningful progress towards taking autonomy out of a concept and getting into the hands of the folks that use it, need it the most, and you're all part of that journey with us. Really appreciate everyone taking the time. Please don't hesitate to reach out if you have any further questions. Thank you.

Operator^ Thank you. And this concludes our conference. Thank you for participating, and you may now disconnect.