Check Against Delivery

Anaergia Inc. TSX:ANRG

Earnings Call

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Call Participants

EXECUTIVES

Assaf Onn
CEO & Director

Darlene Webb
Investor Relations

Gregory T. Wolf
Chief Financial Officer

Dr. Yaniv Scherson
Chief Operating Officer

ANALYSTS

Charles Kennedy Fratt
Alliance Global Partners, Research Division

Donangelo Volpe
Beacon Securities Limited, Research Division

Unknown Analyst

Presentation

Operator

Ladies and gentlemen, thank you for joining us, and welcome to the Anaergia First Quarter 2026 Conference Call and Webcast.

[Operator Instructions] I will now hand the conference over to Darlene Webb, Investor Relations. Please go ahead.

Darlene Webb
Investor Relations

Thank you very much, operator, and good morning, everyone. On today's call, we'll be discussing Anaergia's earnings for the first quarter of 2026, which ended March 31, 2026. If you're following along with our slide deck, which is available here or on our live streaming webcast, or you can also access it directly from the Investors section of our website. My comments relate specifically to Slides 1 through 3.

On Slide 2, you'll see that on today's call, I am joined by Mr. Assaf Onn, Anaergia's Chief Executive Officer; Mr. Greg Wolf, Anaergia's Chief Financial Officer; and Dr. Yaniv Scherson, Anaergia's Chief Operating Officer.

Before beginning our formal remarks, we would like to refer you to Slide 3 of the presentation, which contains a caution on forward-looking information and a note on the use of non-GAAP measures. Listeners are reminded, as always, that today's discussion may contain forward-looking statements that reflect current views with respect to future events. Any such statements are subject to risks and uncertainties that could cause actual results to differ materially from those anticipated in these forward-looking statements. Anaergia does not undertake to update any forward-looking statements, except as may be required by applicable laws. Listeners are urged to review the full discussion of risk factors in the company's prospectus that is filed with the Canadian securities regulators. You may now move on to Slide 4.

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

Assaf Onn
CEO & Director

Thank you, Darlene. Good morning, everyone. Thank you for joining us. We are now on Slide 5. I want to start with where Anaergia stands at the close of the first quarter. Almost 2 years ago, we shifted the company to a capital-light business model. The model is built on a clear set of execution pillars, a focus on capital sales, a stronger balance sheet, operational efficiency, strategic partnerships and geographic expansions. In the first quarter of 2026, every one of those pillars is delivering.

We are now on Slide 6. Total revenue grew 122% year-over-year. Gross profit grew 135%. Adjusted EBITDA was positive for the third consecutive quarter, and revenue backlog stood at $265 million. Greg will walk you through the financial detail.

Two items in Q1 marked important milestones for the company. We are now on Slide 7. First, we entered the hydrotreated vegetable oil market, a new vertical for Anaergia. HVO is renewable diesel made from waste oils and fats and the potential is significant. Second, our SoCal Biomethane facility was approved as the first project to deliver under California SB-1440, the state's long-term regulated procurement program. Yaniv will take you through both of these developments along with the rest of the operation.

The broader environment is moving in our favor. We are now on Slide 8. Demand for renewable natural gas is expanding across our key geographies as energy security becomes a dominant policy theme in Europe, North America and Asia. That demand is coming from large private investors, corporate developers and utilities in our largest markets, and regulators are reinforcing it with long-term program.

Next slide. What sets Anaergia apart is our depth of intellectual property and experience, hundreds of active and pending patents and hundreds of reference facilities across 18 countries. Capital-light IP-rich backed by long-term demand that is Anaergia today.

After Greg and Yaniv has completed their sections, I will return to discuss what comes next. Greg, over to you.

Gregory T. Wolf
Chief Financial Officer

Thank you, Assaf. Good morning, everyone. We are excited to report another quarter of continuous progress. As Assaf mentioned, Q1 was our third consecutive quarter of positive adjusted EBITDA. Let me take you through our financial results for the 3 months ended March 31, 2026.

Revenue for Q1 2026 was $55.2 million, an increase of 122% or $30.3 million compared to $24.9 million in Q1 2025. Growth was led by our capital sales business with continued strong performance from EMEA and North America, where we are seeing consistent demand and repeat business. Gross profit for Q1 2026 was $12.7 million, an increase of 135% from $5.4 million in Q1 2025. In the quarter, gross margins were 23%, an improvement from 21.7% in Q1 2025. Improvement in year-over-year gross margin reflects the continued mix shift towards capital sales and O&M agreements.

I would note that our gross margins in Q1 2026 were impacted by approximately $2 million as one of our build-own-operate assets, Rhode Island Bioenergy facility continues to ramp up production since our plant reset late last year. Absent this plant's production ramp-up process, our gross margins and our adjusted EBITDA margin would have been 3.6 percentage points higher. We expect steady operational improvements at this facility throughout the year. Yaniv will touch on our improved progress as well as the recently announced CI score approval for the facility, which will increase Rhode Island's top line revenue.

With revenue more than doubling in the quarter compared to last year in the same period, our SG&A expenses substantially improved in Q1 2026, with a decrease of 18% or $3.1 million to $14.1 million compared to $17.2 million in Q1 2025. We continue to run the business with discipline while ensuring we have the right structure to support growth.

Turning to the bottom line. Net loss for Q1 2026 was $4.4 million compared to a net loss of $5.9 million in Q1 2025, a 26% improvement year-over-year. Q1 2025 benefited with a $6 million grant income recognized. Excluding the $6 million grant income recognized in Q1 2025, the net loss improvement in Q1 2026 would be $7.5 million period-over-period or a 63% improvement.

Now moving to adjusted EBITDA. Adjusted EBITDA for Q1 2026 was positive $1.1 million compared to a negative $3.9 million in Q1 2025. That is an improvement of $5 million or approximately 127% year-over-year. As I noted earlier, excluding the Rhode Island build-own-operate gross margin loss of approximately $2 million, adjusted EBITDA would have been $3.1 million or a 5.6% adjusted EBITDA margin. This is the third consecutive quarter of positive adjusted EBITDA, and it reflects the consistency we said we were building toward.

Turning to the revenue backlog on Slide 12. During the first quarter, we signed over $54 million in new contract awards across our key markets. Our new contract bookings, net of strong contract revenue execution in Q1 2026, increased our revenue backlog from year-end 2025 to $265 million at March 31, 2026. This is also an increase of 32% compared to Q1 2025 revenue backlog.

As a reminder, our revenue backlog rule is to include only signed contract work in our capital sales segments as of the reporting date and account conservatively only 3 years of long-term O&M contracts, even though those contracts are typically 5 to 15 years in duration. Beyond our existing backlog, we have a large pipeline of capital sales and other new opportunities across our key markets. As each individual project is signed, they will be moved to our backlog.

Moving to the credit agreement. Subsequent to quarter-end, we announced a $20 million credit agreement with National Bank of Canada with an accordion feature that can increase the facility up to $30 million over the next year. This facility strengthens our financial flexibility as we convert our growing revenue backlog through the P&L.

We're now moving to Slide 13. We are proud of the accomplishments we have made to date. To summarize, Q1 reflects what the financial pillars of our strategy look like in execution: capital sales driving revenue growth, operational efficiency increasing gross margins and reducing SG&A expense, our newly announced credit facility strengthening our financial flexibility, and we delivered our third consecutive quarter of positive adjusted EBITDA.

With that, I'll turn it over to Yaniv. Yaniv?

Yaniv Dror Scherson
Chief Operating Officer

Thank you, Greg. I'll walk you through how the business performed operationally in the first quarter. The strategy we set out nearly 2 years ago rests on a set of pillars: a focus on capital sales, a stronger balance sheet, operational efficiency, strategic partnerships and geographic expansion. Greg has just walked you through how the financial pillars are showing up in our results. I will cover the operational side.

Q1 produced 4 developments that show those pillars producing results in the field. Framework conversion is where our capital-light model becomes most visible and is materializing in Spain. We signed our CAD 184 million Spanish framework agreement in 2025, covering more than 15 biomethane facilities. In January of this year, we began activities on 2 of those facilities. Andujar and Arjona projects being developed with D.B. Andalucia, a special purpose company developed renewable projects in South Spain. Each facility will convert roughly 100,000 tons per year of olive pomace and agricultural residue abundant in Southern Spain into renewable biomethane. These are the second and third projects under the framework, with more behind them.

Italy continues to deliver on 2 fronts. Our existing customer base is expanding scope on contracts already underway and the broader market is being supported by sustained policy tailwinds. In March, we signed amendments to 3 previously announced contracts with QGM, covering biomethane production facilities in Ostellato, Copparo and Derovere in Northern Italy. And as a result of those amendments, our total contract value with QGM increased from $68 million to $85 million, an increase of $17 million. Italy's National Recovery and Resilience Plan continues to support biogas project investments with 15-year government-backed tariffs and capital grants, and we're well positioned in that market through both QGM and our broader Italian customer base.

Moving to Slide 15. In February, we entered into a contract with CREvolution for Circular Renewable Evolution, first-of-its-kind of project, degumming soil recovery. It's a $13 million demonstration scale facility, and it represents our entry into an important adjacent market. The technical context matters here. CREvolution is building biorefinery to produce hydro-treated vegetable oil, or HVO, a clean liquid fuel used in diesel, aviation and other applications where high energy density is required.

The HVO process produces a waste byproduct called degumming soil, a clay-based material that's typically landfilled after external treatment. It's a problem the industry hasn't had a clean answer for. Our system developed by our R&D team addresses that problem in 2 ways. It recovers and regenerates the degumming soil for reuse, which removes the disposal burden, and it produces renewable natural gas as a clean energy byproduct, which adds a revenue stream.

Our scope includes our proprietary anaerobic digestion technology, along with our material handling systems, which are specifically engineered to handle materials with high dry matter content and high viscosity. That technical fit is what positions us well for this contract. This plant unlocks a new market segment for us. More than 250 HVO plants operate globally today, and the market is projected to expand by more than 35% by 2030. It's a known industry with a known waste stream, and we have the right technology to address it. Our R&D team built that.

In March, the California Public Utilities Commission conditionally approved the long-term biomethane procurement contract between our SoCal Biomethane facility, Anew Climate, and Southwest Gas Corporation. With this approval, our SoCal Biomethane facility is set to be the first project to supply renewable natural gas under California's Senate Bill 1440 Biomethane Procurement Program. This is a significant milestone and the significance is structural, not just contractual.

SB-1440 is the first state-level RNG procurement mandate in the United States. It establishes a requirement for California's investor-owned utilities to procure RNG derived from landfill diverted organic waste at a scale equivalent to approximately 55 SoCal Biomethane sized facilities by 2035. We're talking about a market opportunity of 55 more plants. That is a long-term regulated demand signal in the largest gas market in North America.

Our SoCal facility located in Victor Valley, California, processes up to 104,000 tons of organic waste annually and injects pipeline quality RNG into the natural gas grid. The California Public Utilities Commission approval validates our model of retrofitting existing wastewater infrastructure to scale RNG supply from organic waste. Anaergia is the first company approved to deliver under that model in California, and we expect many more to follow.

Next slide. I'll now turn to our build-own-operate platform consisting of 5 assets, the Rhode Island Bioenergy facility in Rhode Island; the Charlotte Bioenergy facility in North Carolina; and SoCal Biomethane, Mojave; and Escondido Bioenergy facilities in California. The California assets continue to perform profitably.

At SoCal Biomethane, the SB-1440 approval I described earlier is a major development this quarter, supporting long-term profitability. At our Charlotte facility, the asset remains idle as we continue to assess the best path forward for that site. The Rhode Island Bioenergy facility continues stable operations, converting food waste across New England into renewable natural gas that is supplied to Irving Oil under a long-term offtake agreement. The facility continued its ramp-up in Q1. Production has improved year-over-year, approaching our targets. Recently, the facility's negative CI score was approved by the Environment and Climate Change Canada Agency, marking the first time a U.S. plant has been approved with a negative carbon intensity score.

The CI score will improve financial performance, enabling monetization of carbon credits in the CFR program, resulting in an approximate 30% increase in gas offtake price. Our focus going forward is on 3 things: operational improvements at the facility itself, feedstock management to ensure consistent input, and process optimization to maximize production. We're seeing measurable progress in each. We expect performance to improve progressively throughout the year.

RBF is an important asset, and our focus is on bringing it to its full operating potential. What ties these 4 developments together is that they're not isolated wins, they're evidence that the platform we built is doing what we designed it to do in markets where the conditions are now lining up to support it.

Globally, RNG incentive programs continue to accelerate. Italy's National Recovery and Resilience Plan, the U.K.'s Green Gas Support Scheme, Canada's Clean Fuel Regulation and now California's SB-1440. Each of these creates structural multiyear demand for the kind of RNG infrastructure we deliver and the broader push for domestic energy security is reinforcing this policy direction in nearly every market we operate in: Capital sales is converting framework agreements into firm revenue. Strategic partnerships are deepening into expanded multi-project programs and reaching into new verticals. Geographic expansion is deepening our presence in Spain and Italy, our largest European markets, and operational efficiency is what's letting us deliver on all of that without expanding the cost base. The strategy is demonstrating success, and we expect it to continue.

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

Assaf Onn
CEO & Director

Thank you, Yaniv, and thank you, Greg. We are now on Slide 18. The first quarter of 2026 marked our third quarter of positive adjusted EBITDA. Revenue grew 122%, capital sales grew 187%. Our revenue backlog stands at $265 million. Those numbers tell you that the model is working. But what they do not tell you is what we plan to do with it. So let me speak to that.

First, I want our shareholders to understand that Q1 will not be the high point. It is a step. The work we have signed, the contract in execution and the projects in the pipeline are larger than what we delivered in the quarter you just heard about. We expect capital sales to continue. We expect backlog to continue to grow. We expect revenue to continue to build behind it. The model is repeatable. That is the point of a capital-light model. You do it again and again and again.

Second, I want to underscore where the demand is coming from. It is not coming from one customer or one country. It is coming from large private investors, regulators, government and utilities in our large market, who are setting policy on the long-term time zone. That kind of demand does not turn on and off during the quarter. It compounds. We are positioned in every one of those markets with technology, with reference plants and with execution team already on the ground.

Third, I want to talk about discipline. Less than 2 years ago, we made hard decisions about what this company was going to be and what it was not going to be. We are still making those decisions. We are still focused on margin, on cash and on every one of the pillars Greg, Yaniv and I have walked you through this morning. Nothing about that focus is going to change in the quarters ahead.

I want to thank our shareholders for staying with us through the work it took to get here. I want to thank our employees across the world for the quarter you delivered. And I want to thank our partners and our customers for the trust they have placed in this company. We are not finished. We are not at the end. We are merely at the beginning.

Darlene, over to you for questions.

Darlene Webb
Investor Relations
Thank you, Assaf. Operator, we may now open the call to questions.

Question and Answer

Operator

[Operator Instructions] Your first question comes from the line of [Andy] with National Bank.

Unknown Analyst

This is Andy on for Baltej Sidhu at National Bank. So maybe just a 2-part question on capital sales revenue cadence. Given the better-than-expected execution in Q1, could you help us frame how much of the revenue outperformance reflected perhaps like accelerated project timing versus more steady step-up in execution capacity? And two, as we think about the remainder of the year, how should we think about the quarterly cadence of back conversion, particularly across the largest European projects currently underway?

Assaf Onn
CEO & Director

Do you want to take it?

Yaniv Dror Scherson
Chief Operating Officer

Yes. I think we're -- well, what the numbers that Greg has gone over is showing that our backlog continues to grow, and we're seeing continued cadence of bookings year-over-year. We have intra-quarter shifts with timing maybe shifting from one quarter to the next. But generally speaking, the trend we've seen consistently year-over-year is a substantial increase in backlog as we compare '24 to '25 and now entering into '26. As far as our recognition, most of our projects are 1.5 years to 2 years of execution to fully deliver for the most part. And within our O&M segment, as noted before, we're accounting for 3 years of the backlog in our figures, although those operating contracts tend to be typically much longer in duration, 5, 10 years or longer.

Unknown Analyst

I just want to ask a couple of follow-ups. On the O&M service side of things, revenue was down modestly year-over-year due to lower field services activity in North America, as reported.

Could you help us understand whether that softness was primarily timing-related in nature or reflective of resources being redeployed to larger capital sales execution opportunities. And as we think about balance of 2026, do you still expect the O&M business to resume to a more stable growth trajectory?

Yaniv Dror Scherson
Chief Operating Officer

Yes, absolutely. The O&M business will still remain a pillar of our revenue growth as we move forward. The shifts in the figures are adjustments in sizing, mostly timing-related. In our capital-light strategy, we are shifting risk out of our operating agreements. And as a result, there's variability. Some of our agreements we have pass-through costs or cost-plus situation. And so there may be shifts in revenue that may go down over a quarter-to-quarter, but that's simply a timing matter on when expenses hit and passing through costs up to our customers.

The laser focus going forward is our capital sales. The majority of our revenue is driven by the capital sales segment, which is the engine to our business. And our operating agreements, we are working on growing that in the future. It's often an add-on service to clients who purchase a system from us and would like to maintain a long-term relationship with us, involved either through service or operations. And so a number of our clients that we're working with now, we anticipate having incremental operating contracts, again, in an asset-light model where we're not assuming commodity or volatility risk in our agreements.

Gregory T. Wolf
Chief Financial Officer

Yes. I guess I would just note that as we continue the capital sales -- and we're growing that faster than any other segment that we have, the O&M side of the business -- as your question was around, will continue to grow as well as we complete projects. The demand for us to do O&M at the end of the project cycle is there. So we expect that to continue to grow. But as a percentage of our total because cap sales is so much larger and growing so much faster, it will continue to grow as a segment of our overall business and profitably. It's just -- the cap sales is just going to grow a lot faster in the next several years.

Unknown Analyst

Congrats on the news yesterday with the Canadian CFR negative CI approval for the Rhode Island facility. Could you discuss how meaningful that could become from a monetization perspective over times? Like should we think about that primarily as margin enhancement opportunity for the BOO segment? Or could it be potentially influence how you approach future RNG asset development more broadly?

Yaniv Dror Scherson
Chief Operating Officer

Well, more broadly speaking, it's a validation and market advantage that we bring to our clients. Even if clients are a capital sale client where we won't be owning the assets, a number of our clients are monetizing or basing the pro formas of CFR participation.

The expertise that we have by being, as mentioned, the first U.S. facility to achieve a negative CI score is a value-add to our clients to assist them with navigating the regulatory process and participating and monetizing in that program to an optimal level. What it does mean for the asset is a top line revenue enhancement. The facility can now participate in monetizing CFR credits. It's a challenging market to get a CI score approved under. The regulatory time line is long. And so this is really a breakthrough moment through what's been a very challenging and long process for review approval. Financially, the price will be variable as carbon prices are shifting in that market, although quite high. But we anticipate a roughly 30% increase in the gas sale price as a result and further enhancements in the future as we convert to permanent CI score as the next round.

Operator

Your next question comes from the line of Craig Irwin with ROTH Capital Partners.

Unknown Analyst

It's Andrew on for Craig. Congrats on the strong results. So the first one for me is great to see adjusted EBITDA positive again, I think, for the third consecutive quarter. As you guys kind of continue to scale on the business, can you talk about where you guys see areas where you can continue to drive operating leverage, whether it may be continued reductions in SG&A or margin improvements or maybe elsewhere?

Assaf Onn
CEO & Director

Greg?

Gregory T. Wolf
Chief Financial Officer

Yes. I would say, for us, we continue to look at projects on our capital sales business. We have obviously a very, very nice margins in our capital sales business and our O&M business. I think we'll see some continued advantage, as noted in the release, as we get our build-own-operate facilities such as Rhode Island. The other build-own-operates are profitable, good facilities, and Rhode Island is a great facility as well.

As Yaniv mentioned, we have now the CI score. Obviously, that was a drag on our margin and our EBITDA for this quarter, but we look as the remaining of the year runs out, that's going to be an improvement in both gross margin percentages and the Japan adjusted EBITDA for us. So that's an area that we are definitely focused on making sure that that gets turned around as the year continues on. And so that's going to be a margin enhancement for us. But the market -- because of our technology platform, we have a lot of leverage in the market. We are the leader in this space.

Our clients come to us because we know how to get it done. We've been doing it for 2 decades, and we continue to execute the projects at the margins that we go out at. And we certainly have a lot of opportunities to grow the top line. And SG&A being down to -- as we continue to look at SG&A, lowering the cost there as much as we possibly can. But as we grow the top line to different levels, everything is going to be falling to the bottom line from a gross margin perspective, I guess, is the way I would think about it.

Unknown Analyst

Great. Second one for me. I saw the IWMF project in Singapore is 80% complete now. Can you just kind of talk about what it will take to get that project across the finish line? And then secondly, kind of once the project is completed, does that kind of open up doors to new relationships and other projects within the region?

Gregory T. Wolf
Chief Financial Officer

Yes, absolutely. The project is continuing to execute per plan. It was a large contract with multiyear execution time line. And so we're continuing to progress execution per plan, on schedule and per budget as executed originally. The significance of the site is material for us. The client is a globally recognized top-tier utility, and this will be the largest facility in Singapore of its kind. So the association having a reference with PVs is going to bring a lot of attention.

Clearly, having a successful reference with top clients is a key establishment of trust and confidence in converting our pipeline and other clients to make selections to go with our technical solutions. So we do anticipate it to be a tailwind and a motivator, unlocking more of our municipal pipeline in Asia and to help accelerate other projects to go with a successful model. Congrats on our continued progress.

Operator

[Operator Instructions] Your next question comes from the line of Donangelo Volpe with Beacon Securities.

Donangelo Volpe
Beacon Securities Limited, Research Division

Congratulations on the quarter and receiving that negative carbon intensity score for the Rhode Island facility. I guess just looking for a little bit more granularity here, understanding that the facility is progressing through operational ramp-up, what's the expected time line for full ramp-up, I guess if we could quantify it on a quarterly basis? And then, when we can expect a positive contribution to the overall earnings profile?

Yaniv Dror Scherson
Chief Operating Officer

We're continuing to work on the improvements in the plant, mostly on the feedstock side, which has been improving on a consistent basis annually. We have a goal to be able to hit profitability by year-end. Part of this is going to be timing with enhanced credit monetization, some government incentives as well that we're working on, on the federal level, domestically in the U.S. and working with our feedstock suppliers to sort of optimize the mix going forward. So we're executing very focused on this plan, make the plant contribute around the end of the year is our target and our goal, and we expect to have improvements quarter-over-quarter towards that mark.

Donangelo Volpe
Beacon Securities Limited, Research Division

Just looking at the O&M side of things, I'm just wondering if there's kind of a lag from the capital sales, because we've seen capital sales growing significantly. I'm just wondering how we should look at O&M moving forward if we treat it kind of like a year lag to the rising capital sales?

Yaniv Dror Scherson
Chief Operating Officer

That's about right. I mean, the O&M start after the cap sales complete. So we may have a commitment with an O&M contract, but revenue contribution from that O&M won't start until the operations start, right, when we're done building the plant. So typically, 1.5 years to 2 years to build a plant, and then that's when the O&M contribution initiates. So that's probably the best way to think about the sequence and timing.

Donangelo Volpe
Beacon Securities Limited, Research Division

Perfect. Final one for me. Just looking at the cash sitting at about $22 million, excluding the restricted cash. Just wondering what some of your minimum liquidity targets are and what the expected cash usage should be over the next few quarters?

Gregory T. Wolf
Chief Financial Officer

Yes, Donangelo, we don't give guidance on that. But clearly, we're a growing business quite substantially, and we expect to continue to grow throughout the year, both in revenues and our backlog. So as we move forward, operationally, we now have the new line of credit. And so I think that's very strategic for us to have that in place for flexibility, for financial flexibility. But from a cash basis, I think we'll continue to run around these areas that it's been at in the past.

So keeping everything as tight as possible, we obviously are laser-focused on collections, laser-focused on operations, and all of our projects are cash flow positive from day 1 throughout the duration of the project. So I would just note that we are very comfortable in the position where we're at today and on a forward basis.

Operator

[Operator Instructions] Your next question comes from the line of Poe Fratt with Alliance Global Partners.

Charles Kennedy Fratt
Alliance Global Partners, Research Division

I have 2 questions. One is on the backlog. What do you expect to realize or burn off in the backlog, that $265 million, what do you think you burn off for the rest of the year?

Gregory T. Wolf
Chief Financial Officer

Well, there's -- different projects are in there. Of course, different timing when we signed it, right? So it's not an exact science to say it takes x number of months over divided by the backlog, right? Certain projects are in the middle stages, which are work is more aggressively occurring on the beginning and the end of the projects. It's a ramp up and ramp down is what you have in project construction work and contract work. But that said, we expect this year, not with any -- we're not giving any guidance, but we expect obviously year-over-year growth in revenue and year-over-year growth in backlog on a full year basis.

So take it as it is, but we will -- that means that our sales have to be continue to be strong, which we expect and what we know we have in our pipeline, and our execution has to be there as well. Q1 is typically seasonally a little bit slower in the revenue side just because of weather constraints in some areas, but we expect the year to continue to ramp up and be ahead of the past. So that's what I would.

Charles Kennedy Fratt

Alliance Global Partners, Research Division

Great. Could you talk about your pipeline? The pipeline numbers are just, at least in the presentations I've looked at, are huge is probably an understatement. Can you talk about the pipeline in the context of what you think might be decided or move forward in 2026, maybe 2027? Are we talking about potential projects in the $500 million range or in total? Or if you could just give me some framing on what -- how you're looking at that pipeline?

Assaf Onn
CEO & Director

Our pipeline is big. And what we put in the pipeline is -- I'll give you an example. We have signed 16 contracts with Nortegas, the gas company of Spain, and we are working on one. So one is the backlog and the other 15 is in the pipeline. So it is a committed pipeline. Our majority of the pipeline is committed. So we see us going through the pipeline within the next 24 to 32 months.

Charles Kennedy Fratt
Alliance Global Partners, Research Division

I guess I may have missed it. What is your current pipeline then?

Assaf Onn
CEO & Director

Again, our pipeline is quite big. We have $265 million of backlog, and we have around $1 billion of pipeline.

Operator

There appears to be no further questions at this time. I will now turn the call back to Darlene Webb for closing remarks.

Darlene Webb
Investor Relations

Thank you, operator. And as always, thank you, everyone, for joining us on the call today. For additional information or should you have any further questions, please do not hesitate to contact the IR team at ir@anaergia.com or visit us online at anaergia.com.

Thank you all again for your time today. Operator, you may now end the call.

Operator
This concludes today's call. Thank you for attending. You may now disconnect.