Transcript of
374Water Inc.
Second Quarter 2024 Earnings Conference Call
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Participants

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Chris Gannon - President and Chief Executive Officer, 374Water Inc.
Adrienne Anderson - Chief Financial Officer, 374Water Inc.

Analysts

Tate Sullivan - Maxim Group
Graham Price - Raymond James

Presentation

Operator

Greetings and welcome to the 374Water Second Quarter 2024 Earnings Call. At this time, all participants are in a listen-only mode. [Operator Instructions] As a reminder, this conference is being recorded.

It is now my pleasure to introduce your host, Heather Crowell, Investor Relations. Ma'am, the floor is yours.

Heather Crowell - Investor Relations, 374Water Inc.

Hello, everyone. My name is Heather Crowell, and I'm here today with our President and Chief Executive Officer, Chris Gannon, and our Chief Financial Officer, Adrienne Anderson.

During today's call, we may make projections and other forward-looking statements under the Safe Harbor provisions contained in the Private Securities Litigation Reform Act of 1995 regarding future events, or the future financial performance of the company. These statements may discuss our business, economic, and market outlook, growth expectations, new products and their performance, cost structure, and business strategy. Forward-looking statements are based on information currently available to us and on management's beliefs, assumptions, estimates, and/or projections.

Forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, and other factors. We refer you to documents the company files from time-to-time with the SEC, specifically the company's Form 10-K and Form 10-Q. These documents identify important factors that could cause actual results to differ materially, from those contained in our projections or forward-looking statements. All statements made during today's call are made only as of today, August 15, 2024, and the company expressly disclaims any intent, or obligation to

update any forward-looking statements made during this call to reflect subsequent events or circumstances, unless otherwise required by law.

Note that our earnings release and transcript will be available on the Investor Relations page of our website.

At this point, I will turn the call over to President and CEO, Chris Gannon.

Chris Gannon - President and Chief Executive Officer, 374Water Inc.

Thank you, Heather. Good morning, everyone, and thank you for joining us today. We have a lot to cover, as much has been accomplished since our last call three months ago. During this period, we materially advanced our AirSCWO technology along the path towards commercialization, as well as expanded its ability to destroy a wide range of organic waste streams. In addition, we deployed our AirSCWO system to Orlando and are now actively integrating our technology into their wastewater treatment plant. Further, we temporarily relocated our core manufacturing operations to a large facility just outside Orlando to accommodate our increased manufacturing footprint needs, and, finally, we made multiple key hires across our organization. We will cover these and other important matters during our time together.

I'd like to start with a discussion of our technology. We believe our AirSCWO system sits at the forefront of cleantech innovation, offering a vital solution to global wastewater treatment and waste destruction challenges. The core of our system is our patented supercritical water oxidation technology designed to permanently destroy and mineralize a broad spectrum of organic, non-hazardous and hazardous waste streams, producing dischargeable clean water, safe mineral effluent, safe vent gas and recoverable heat energy. Our technology is designed to handle traditional wastes such as biosolids, landfill leachate, oily sludge, foam, fractionate, military wastes, and organic industrial wastes, as well as emerging contaminants such as PFAS, pesticides and microplastics from municipal, federal and industrial waste streams.

We have made substantial progress in our AirSCWO product development activities and have seen material improvements in our technology as we continue along the path towards commercialization. Recent improvements have enhanced system reliability, precision and efficiency, which we believe have prepared us for large scale deployment. Based on the testing conducted at Merrell Brothers for the past 18 months, we upgraded our reactor design to broaden its capabilities, upgrade our intake feed process to harden and improve reliability under severe conditions, improved and distributed our electrical systems to be simpler and more reliable, and upgraded trim fueling and temperature control systems for precise process control, enabling the AirSCWO system to operate at steady state when processing waste. These improvements were all aimed at simplifying operations and improving reliability. With this progress, the AirSCWO system has been moved to Orlando to begin demonstrating its capabilities to process sludge for an extended duration under full load while being fed online directly from Orlando's wastewater treatment facility. In addition to sludge processing, we will also conduct demonstrations processing other PFAS contaminated materials, including AFFF. We are now integrating our system into Orlando's operations and I will discuss our Orlando deployment more fully later in this call.

We currently plan to offer four commercial scale AirSCWOs models to meet the destruction capacity needs we see across our municipal, federal and industrial end markets. Our AS1 [Phonetic] is designed to process up to one metric ton of wet waste per day. This unit is a highly mobile unit designed for rapid deployment for site cleanup and other emergency services at municipal, federal and industrial facilities. Over the short term, we intend to utilize this highly mobile unit to perform on site, short duration destruction demonstrations throughout the US.

Our AS6 [Phonetic] is designed to process up to six metric tons of wet waste per day and is also mobile. The AS6 will service small municipal and industrial wastewater and water treatment plants and federal agency sites. Our AS30 [Phonetic] is designed to process up to 30 metric tons of wet waste per day and we will be semi permanent. We believe the AS30 will generate strong demand within our municipal and industrial segments who process upwards of 6 million gallons per day of wastewater and we envision this unit to be ideal for regional TSDFs and landfills.

Our AS100 [Phonetic] is designed to process up to 100 metric tons of wet waste per day and will be a permanent installation. We believe the AS100 will be ideal for large or regional, municipal and industrial facilities. The AS100 is a bespoke system which we will design based on specific customer needs.

Now let's turn to the wastewater treatment and destruction market. We believe the global market opportunity for our AirSCWO waste destruction technology to be measured in the hundreds of billions of dollars. While the global market is truly massive, we consciously decided to focus our efforts on cultivating the US market first and have pulled back from international engagement at this time. With this in mind, we have a robust pipeline of municipal, federal and industrial opportunities worth approximately 1.6 billion and growing. This public awareness of emerging contaminants grows. Traditional technologies focused on waste removal such as land application, landfill, incineration, deep well injection and hauling and storage, which changed the market decades ago, are now increasingly viewed as insufficient as they only move the problem in liability from one medium, one geography and one organization to another.

We believe our commercial scale AirSCWO system will offer a comprehensive and final solution for the most challenging organic wet waste. This elegant, effective process is designed to eliminate organic waste, preventing toxins from entering our lands, waters and bodies. From a cost perspective, we believe our technology is competitive with current waste removal alternatives when concerning all cradle to grave costs, including future liabilities. Legal settlements and federal remediation budgets indicate substantial financial obligations associated with these liabilities.

Recent EPA regulations, state mandates, and the bipartisan concerns over emerging contaminants ensure that stricter and more robust disposal practices and requirements will continue regardless of the November election. These developments are accelerating the transition, which was already well underway, to emerging commercial scale destruction solutions like our AirSCWO system.

With this background in mind, let's discuss the markets in which we participate. First, the 120 billion US municipal wastewater and drinking water management market, which includes over 16,000 wastewater plants that treat 34 billion gallons of wastewater daily and produce 87,000 wet

tons of sludge daily approximately 200 water utilities, which produce 4 billion cubic feet, or 29 billion gallons of spent GAC or ion exchange resin, annually. 950 municipal landfills, which produce leachate that is discharged to wastewater treatment plants and more than 52,000 state and local firefighting units, which are storing millions of gallons of toxic firefighting foam called AFFF. All these sectors have waste streams which must be disposed off or destroyed.

Second, the 15 billion us federal waste management market includes 715 DoD sites, 50 DOE sites, and 150 airports under the oversight of the FAA. These agencies have stockpiles of waste streams such as AFFF firefighting foam, chemicals, narcotics, biosolids, and other wastes which must be treated, stored, or destroyed. To highlight the magnitude of the issue, the federal government recently appropriated $400 million to clean up Pease Air National Guard Base in New Hampshire. This is only one of 715 DoD sites which require cleanup. In fact, industry experts have estimated DoD cleanup alone will cost 250 billion, and we believe this number could grow materially over time.

Third, the 80 billion us industrial waste management market includes a diverse group of industries, from landfills and oil and gas to healthcare and battery manufacturing verticals. Industrial manufacturing facilities generate tons and tons of organic waste annually that are either pre treated on site and discharged to wastewater treatment plants, treated and directly discharged into our water bodies or transported offsite for expensive treatment and disposable of final residuals. Downstream handlers and disposal facilities are now beginning to reject waste material because of the increasing threat of liability and remediation costs. There currently is no final, impermanent destruction solution for these waste streams. Our goal is to be that solution.

While the industrial market is a broad category, we are actively pursuing opportunities within the landfill leache, oil and gas, pharmaceutical and battery markets. We recently highlighted the applicability of our technology in the pharmaceutical industry in lithium ion battery manufacturing, and recycling industry. Together, these two industries represent a market opportunity of more than 1 billion annually in the US alone. During future calls, we will further elaborate on the opportunities we are pursuing within the industrial market segment. Fourth, the us treatment, storage and disposal facility, or TSDF market includes more than 860 RCRA operating permitted sites in the US. This market consists of independent service providers who offer waste disposal solutions to the broader market, private companies with their own onsite disposal technologies, and military sites. TSDF storage techniques include containers, tanks, drip pads, and waste piles. TSDF treatment techniques include various processes such as blending, neutralizing, incinerating, and land treatment, which are designed to make waste less hazardous, alter its composition, or outright destroy it and TSDF waste disposal methods include landfilling, deep well injection, and outright storage. Customers in all three markets that we target, municipal, federal, and industrial work with TSDFs across the US for certain ways, at times exclusively.

Now, let's turn to our near-term areas of focus. During our Q1 call, we discussed our intention to meet our contractual obligations within the municipal and federal markets, commercialize AirSCWO and expand our market opportunities, secure strategic disposal facility partnerships, expand our team, and expand our laboratory, engineering and manufacturing operations. First, let's turn to our intention to meet our contractual obligations. On the municipal side, we are contracted to perform waste destruction demonstrations with the City of Orlando Water Reclamation division,

which is the fifth largest wastewater facility in Florida; and Orange County Sanitation District, the third largest wastewater treatment facility in California. On the federal side, we have signed waste destruction demonstration contracts with multiple federal agencies, which must be completed during 2024 and 2025.

As mentioned earlier, we've deployed our AirSCWO systems in the City of Orlando's Iron Bridge Water Pollution Control facility and our technology is now on site. Our team has begun integrating our technology into Orlando's operations, a process estimated to take four to six weeks. Note, we have shared pictures of the Orlando facility and our technology on-site through social media. During our Orlando residency, we are planning a seven-month full-scale demonstration where we will process biosolids as well as complete several previously announced federal agency PFAS destruction demonstrations. We will provide updates once our system is operational.

374Water is also building a second AirSCWO system for delivery to Orange County Sanitation in 2025. Prior to this deployment, we will complete a factory acceptance test and, upon delivery, the system will undergo a six-month operational period managed by 374Water engineers, followed by another six-month operational period managed by OCSAN staff. Following our successful demonstrations, the City of Orlando and OCSAN have announced their intentions to upgrade to our larger AS30 system and have already secured relevant funding. Following the AS30 installations, OCSAN also intends to purchase multiple AS100 units to manage waste for their entire plant. The City of Orlando has expressed a similar intent.

These municipal and federal destruction demonstrations mark important milestones in our efforts to advance our AirSCWO technology and serve as critical proof points on the efficacy of our technology. We also believe these demonstrations will generate even further demand across our municipal, federal, and industrial market segments.

Second, we are focused on commercializing our AirSCWO technology in expanding its use case. To this end, we are building additional AirSCWO units to increase the pace of waste destruction demonstrations and accelerate our technology development efforts across waste streams. To be clear, my mandate over the next 12 to 18 months is to commercialize our AirSCWO system. We are currently building a second AS6 earmarked for OCSAN and have plans to build a third to complete other large-scale demonstrations and extended customer residencies. We are also building our first mobile AS1 unit and plan to begin building a second in the near-term. Until now, our capacity to complete waste destruction demonstrations has been limited due to having only one AirSCWO system. The construction of these AS1 units will help reduce the bottleneck, allowing us to more rapidly conduct waste destruction demonstrations across our market verticals.

In addition, we plan to begin designing the AS30 unit in 2024 and hope to begin manufacturing our first unit sometime in 2025. We currently envision the first two AS30 units will be earmarked for the City of Orlando and OCSAN, though we are also fielding interest from other industry participants across these larger capacity units as well. Our AirSCWO system also includes pre-treatment and post-treatment solutions. These solutions include dewatering, buffering, and pH control to name a few features. These solutions ensure our AirSCWO system received waste in the right form for ease of processing and destruction. As we encounter new forms of waste, the pre and post-treatment processes may be adjusted or refined.

Finally, our laboratory has been extremely active, completing a wide range of AirSCWO's treatability studies across industries. Our lab has been so busy; in fact, we made the decision to more than double our lab and testing capacity. We use our lab-based AirSCWO system to qualify the treatability of waste streams and the process parameters for our commercial scale AirSCWO system. In addition to being a vital R&D tool, this is a revenue-generating business for our company and our initial sales tool for demonstrating the capabilities of our AirSCWO technology.

Third, we are in active discussions with TSDF partners to build our destruction-as-a-service business. Our strategy here is multifold. First, we seek to create partnerships with independent service providers in relevant geographies across the US. These entities not only hold the necessary federal and state non-hazardous and hazardous waste permits, but also accept millions of gallons or tons of waste every year from customers in our three markets. We believe these on-site deployments could secure joint long-term recurring revenue opportunities for our destruction-as-a-service business and our TSDF partners.

Second, we seek to partner with private companies that operate their own permitted disposal technologies. Increasingly, chemical, petroleum, pesticide, pharmaceutical, semiconductor, and other heavy industrial manufacturers operate their own disposal facilities and technologies to save costs, limit liability, and increased sustainability. We believe our waste destruction technology could be appealing to this subset of customers also. As we move forward, there are multiple revenue models we will explore in this sub-vertical.

The deployment to TSDF also allows us to test and demonstrate our AirSCWO technology on additional hazardous waste streams, we would otherwise be unable to process. In addition, this will enable us to work in concert with our TSDF partners in local, state, and federal regulators transparently, especially for highly-sensitive waste like certain military waste. Further, these deployments should also enable us to develop bespoke air quote systems to meet their specific customer needs. Finally, the emergence of the PFAS forever chemicals destruction market, for example, the destruction of AFFF, GAC, IX, to name just a few, is a tailwind which should increase demand for destruction technology at TSDF sites, as certain customers will require waste destruction to take place at these permitted facilities.

Fourth, we are investing in our personnel across our organization to increase the pace of technology innovation and accelerate product commercialization. We recently bolstered the leadership team with the addition of Debbie Cooper, our Chief Administrative Officer and Chief of Staff. Deb has tremendous experience building and transforming organizations and has been a great asset in helping us create more structure across our operations as well as building out our strategic plan to enhance our ability to execute on our obligations, while scaling operations to exploit new ones.

I would also like to announce and welcome Pete Mandel as the newest member of our leadership team. Pete is joining the organization as our full-time in-house General Counsel and will be starting with us on August 19. Pete brings deep experience in corporate and securities laws serving in multiple general counsel roles, along with extensive experience working in big law. He will be a key adviser to our business and member of our leadership team as we continue to build our business, secure strategic partnerships, and execute on our initiatives. I would like to thank Jeff

Quick, who has served in both GC and interim CEO roles for all his contributions to our company over the past two years. Jeff will be providing an extended transition period with Pete to ensure continuity.

In addition, we initiated a search for a Chief Technology Officer, which is an important new position at 374Water. The CTO will be charged with scaling our research, development, and engineering organization to bring the added structure to our company and accelerate our technology development and commercialization process. We have partnered with Spencer Stuart to assist us in securing the right CTO.

Additionally, we are actively recruiting engineers, field personnel, lab technicians, and manufacturing talent to more rapidly commercialize our technology, complete technology demonstrations, and engineer and build additional systems of various sizes. Finally, we are expanding our engineering, manufacturing, and laboratory facilities to support our enhanced pace of technology development and product commercialization as well as to better serve our customers. We recently completed a residency at the Merrell Bros. HQ in Kokomo, Indiana, where we were not only actively running, developing, and demonstrating our AirSCWO technology, but also manufacturing our AirSCWO system and dewatering skills.

As part of our deployment to Orlando, we secured a short-term lease on a significantly larger dedicated manufacturing facility nearby to continue the deconstruction of our second AS6 unit as well as begin manufacturing a highly mobile AS1. We will remain here until early next year when we plan to secure an even larger facility to house our core engineering and manufacturing operations.

We also previously announced our intention to double the size and capacity of our lab operations and we will be accomplishing this with our move to a new facility in September. This expansion includes the addition of a new AirSCWO system as well as new service offerings, which will enable us to broaden our capabilities and provide faster results for our growing list of clients. In addition, we believe this expansion will allow us to more rapidly validate the effectiveness of our AirSCWO technology across a broad range of organic waste streams to further expand the application use case.

We are actively working on optimizing our operational efficiencies and exploring new market opportunities, all aimed at long-term value creation, while remaining steadfast in our commitment to innovation and excellence. A primary financial goal for the company is to extend its runway, while scaling the business. During our future earnings calls, we will provide further updates on our near-term strategic activities as well as provide a more in-depth discussion of our long-term strategy and playbook process. While we have a lot of work to do, the future is truly bright and I'm excited to be here.

With that, I will turn the call over to Adrienne to update you on our financials.

Adrienne Anderson - Chief Financial Officer, 374Water Inc.

Thank you, Chris. Today, I'll discuss our financial results for the second quarter of 2024, which reflects our business evolution as we began scaling our business and enhancing our financial position.

I'll touch on a few key metrics for the first half of 2024. During the first half of the year, the company generated revenue of $352,000 compared to $851,000 for the six months of 2023. As we start to reach the end of the assembly and fabrication work on our sold unit, our direct cost decline, which have a direct correlation to our decline in revenue of $499,000 in the first half of 2024 compared to 23%. This is based on our percentage of completion revenue recognition method. Further, during the second quarter, we focused our attention on deploying our owned AirSCWO unit to the City of Orlando for the waste destruction demonstrations previously discussed.

Total operating expenses increased from $3.5 million in the first half of 2023 to $4.9 million in the first half of 2024, driven primarily by an increase in our research and development expenses of approximately $474,000, and increase in our general and administrative expenses of approximately $250,000, and an increase in our professional fees of approximately $677,000. The increases in our research and development and general and administrative expenses stem from our continued effort to commercialize our AirSCWO system and our strategic growth plan to ensure we have sufficient personnel and an executive team to support our expected growth. The increase in our professional fees are primarily non-recurring expenses related to the settlement of a legal matter and changes in our executive leadership and Board of Directors that occurred during the quarter ended June 30, 2024.

As of June 30, 2024, we have a working capital of $7.2 million, consisting of $8.8 million of current assets, comprised primarily of cash, receivables, and inventory, offset by $1.5 million of current liabilities comprised of accounts payable and accrued expenses arising from the normal course of business. We currently have no outstanding debt obligations.

With that, I will turn the call back over to Chris.

Chris Gannon - President and Chief Executive Officer, 374Water Inc.

Thanks Adrienne. We would like to move to Q&A.

Operator

Thank you. Ladies and gentlemen, the floor is now open for your questions. [Operator Instructions] Our first question is coming from Tate Sullivan with Maxim Group. Your line is live.

Q: Thank you. And thank you for the comments. Can you talk about what you liked about Orlando in terms of moving the first system to be deployed in Orlando and then also the lease space there? Did you also look at other states or other cities as well, please?

Chris Gannon - President and Chief Executive Officer, 374Water Inc.

Yes. Yes, great question. So, when we were looking at deploying our technology, we were initially contemplating and had announced previously that we were going to out to California and it's specifically Orange County Sanitation. The reality is that the facility or our relationship going down to Florida was such that we were actually able to perform other tests, not just biosolids tests at that facility. So, for us, it was much more optimal at this stage to go there to complete those tests. In conjunction with that, because we were busting at the seams in terms of our manufacturer and needing more space, we also chose to move down our manufacturing operations for the time being down to the Orlando area to continue to build out units. Ultimately, we are looking at multiple other geographies for our much larger manufacturing facility, though we have not made any decision there yet.

Q: And you mentioned the two inputs for the Orlando unit in terms of biosolids and PFAS tests. How will that work? Will you have to unhook the unit from the biosolids stream and then do it on [inaudible] combine the inputs, how will you manage that process with two separate tests?

Chris Gannon - President and Chief Executive Officer, 374Water Inc.

Yes, we'll do them in a separate tests, yes. So, we'll do biosolids processing and then we'll separately perform these other tests, and it's an easy change out in terms of those waste streams.

Q: Okay. And then you mentioned some service revenue and I know you're developing those that opportunity and more to come, but you did have services revenue in the second quarter. Can you describe what some of that is, please?

Chris Gannon - President and Chief Executive Officer, 374Water Inc.

Yes, those are really related to our laboratory tests. So, we have a very active lab, which we are increasing the size of that quite dramatically and about to move into a new facility, which is actually going to triple the square feet we have for our lab tests, where we're doing early destruction demonstrations and then we move to much larger demonstrations, the commercial scale as necessary.

Q: And customers, industrial customers, municipal customers, pay you to see how you destroy their material? Is that correct?

Chris Gannon - President and Chief Executive Officer, 374Water Inc.

Yes. What they're doing is they're paying us to understand the efficacy or the capability of our AirSCWO system to destroy their waste streams, and so it's across the board in terms of all of the different markets and verticals that we are pursuing. We are receiving waste streams from them. We bring them on site into our lab and then we perform these destruction tests, sometimes with them in person, other times with them remote, but we are doing that and we are seeing an increase, I think, naturally, but a dramatic increase in demand for those types of services.

Q: And similar to that when the unit is operational in Orlando, will you be paying -- will AirSCWO be paying for the operating cost to the unit or will the City of Orlando?

Chris Gannon - President and Chief Executive Officer, 374Water Inc.

Yes. No, it will be us.

Q: Okay. And then related to that, I noticed shifting the inventory to equipment and process in the quarter, so even when the first unit is operational, will you still have a retained ownership of that equipment as well?

Adrienne Anderson - Chief Financial Officer, 374Water Inc.

I can answer that, Chris. We do still maintain ownership of the unit in Orlando and, for the foreseeable future, I believe that will be an owned asset at this point. So, since we deployed the unit to Orlando, we reclassified the cost of that unit from inventory to a long-term asset.

Q: Understood. And then last for me, and thank you for all the questions. You mentioned a lot of indications that interest you would frame the future units from California and Orlando for the larger units or are they actual contracts at this point? How would you frame that?

Chris Gannon - President and Chief Executive Officer, 374Water Inc.

Yes. So, we have direct interest on the AirSCWO 30s and those are all funded at this point. And then we're in discussions with both organizations to move in from that to the much larger -- the 100s, AS100s.

Q: Excellent. Okay. Well, thank you for all the updates.

Chris Gannon - President and Chief Executive Officer, 374Water Inc.

Yes, absolutely. Thank you so much for the questions.

Operator

Thank you. [Operator Instructions] Our next question is coming from Graham Price with Raymond James. Your line is live.

Q: Hi, good afternoon and thanks for taking the questions. So, first one for me, just wondering for both Orlando and Orange County, just wondering if you can give a sense of how long the demonstration phase will take before the agency feels ready to move into full-scale deployment? I just wanted to clarify, is that the seven months that you mentioned earlier or is that a longer timeframe?

Chris Gannon - President and Chief Executive Officer, 374Water Inc.

Yes. Yes, thanks for the question, and great to have you on the call here. Our demonstration with the City of Orlando is that seven-month time period. And during that period, maybe we'll have

early indications, and they want to jump to immediately move to the 30 but, yes, that's the seven months. As far as Orange County Sanitation, we have two kind of periods. It's a total of a 12-month demonstration where we are running the unit ourselves for six months on site, and then it transitions -- as we're training up their personnel, it would transition to their personnel running the unit for another six. Again, as we go through those demonstrations, we'll be obviously having active dialogues with both organizations, which may accelerate the development and purchase of the 30s.

Q: Okay, got it. And maybe along those same lines, can you talk about some of the key metrics that they'll be watching to make those determinations?

Chris Gannon - President and Chief Executive Officer, 374Water Inc.

Well, it will be throughput and the ability to process waste, how long it takes between, let's call it, down cycles to do any repairs and maintenance and so forth. So, the key for them is they want to have a technology that is fit-for-purpose and that we can schedule maintenance and go forth. And right now, we are focused on five days on, kind of, two days off schedule with them in the test.

Q: Got it, understood. And then maybe lastly from me and thinking more broadly, just wondering how you think about the EPA's regulation of PFAS and how that might change if we see a change in administration?

Chris Gannon - President and Chief Executive Officer, 374Water Inc.

Yes, great question. I mean it's something we talk about internally all the time. I think in many ways, the trains left the station on a lot of that. And when you look at the amount of litigation that's occurring in the space, certainly on the industrial side, with Dow and others, you're talking about hundreds and hundreds of billions of dollars of potential awards that will take place. And so for me, while a new administration may slightly change the overall -- and this is all speculative, of course, but the required implementation time period, from my perspective, the train's left the station and we're seeing an incredible amount of interest around our technology to deal with these PFAS contaminants.

Q: Got it. Understood. Thank you very much. I'll jump back in the queue.

Chris Gannon - President and Chief Executive Officer, 374Water Inc.

All right. Thanks so much.

Operator

Thank you. Our next question is coming from Jim Hanlon [Phonetic], who's a private investor. Your line is live.

Q: Thank you for taking question. My concern is the rate of cash burn doesn't look like it's going to last more than six months or so, maybe you could just add a few?

Chris Gannon - President and Chief Executive Officer, 374Water Inc.

Yes, yes, for sure. Thanks for the question and thanks for being on the line here, Jim. Look, we are evaluating our cash position currently and looking at ways to improve that. Ultimately, our business, we are in a situation where we are utilizing cash to run our operations. So, we definitely are focused on fixing that issue.

Q: Fixing it in terms of getting some income in or further shareholder dilution?

Chris Gannon - President and Chief Executive Officer, 374Water Inc.

Well, we're definitely looking at additional revenue coming in through these various tests, large-scale demonstrations, and so forth, that's part of the equation. We're also evaluating both additional debt and equity financing.

Q: Any more you can add to that? I'm just concerned as a shareholder where the price is now and further dilution on a per share price?

Chris Gannon - President and Chief Executive Officer, 374Water Inc.

I mean, at the end of the day, we'll need to raise additional capital and there's multiple sources for that. So, our goal is to do to raise capital in the least dilutive way to our shareholders that makes sense for the long-term.

Q: Thank you for taking my questions.

Chris Gannon - President and Chief Executive Officer, 374Water Inc.

Yes. Thanks, Jim.

Operator

Thank you. As we have no further questions on the line at this time, I will hand it back to Mr. Gannon for any closing comments.

Chris Gannon - President and Chief Executive Officer, 374Water Inc.

Great. Thanks so much, everyone, for joining us today and we look forward to speak with you during future earnings calls and upcoming investor engagement activities. Bye for now.

Operator

Thank you, ladies and gentlemen. This does conclude today's call. You may disconnect your lines at this time and have a wonderful day. And we thank you for your participation.

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