NNE Earnings Call Transcript

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Operator: Greetings, and welcome to the NANO Nuclear Fiscal Year 2025 Financial Results and Business Update Call. [Operator Instructions] As a reminder, this conference is being recorded. It is now my pleasure to introduce Matthew Barry, Director of Investor Relations and Capital Markets.
Matthew Barry: Thank you, and good afternoon, everyone. Joining me on the call today are Jay Yu, NANO Nuclear's Founder, Chairman and President; our CEO, James Walker; and CFO, Jaisun Garcha. Please note that today's press release and slide presentation to accompany this webcast are available on our website. Before moving ahead, I'll quickly address forward-looking statements made on this call. Listeners should note that today's presentation will contain certain forward-looking statements about NANO Nuclear's future goals and potential milestones that are made under the safe harbor provisions of the applicable federal securities laws. Words such as aim, may, could, should, seek, project, expect, intend, plan, believe, anticipate, hope, estimate, goal, and variations of such words and similar expressions are intended to identify forward-looking statements. These statements are based upon many assumptions and estimates made by management, all of which are inherently subject to significant risks, uncertainties and contingencies, many of which are beyond NANO's control. Many of these are shown on the slide you see here. You're cautioned that actual results, including, without limitation, the results of NANO's microreactor development activities, strategies and other operational plans, including the results of our regulatory acquisition and research and development initiatives, as well as future potential results of operations, operating metrics, addressable market and other matters about the future, which may be discussed may differ materially and adversely from those expressed or implied by the forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors and other disclosures contained in NANO's filings with the Securities and Exchange Commission, including the risk factors and other disclosures in our Form 10-K filed today and our other filings with the SEC, all of which are or will be accessible on the Investor Relations section of NANO's website as well as the SEC's website. You're encouraged to review these disclosures carefully. Except to the extent required by law, NANO assumes no obligation to update statements as circumstances change. With that, I'll turn the call over to Jay Yu, NANO's Founder, Chairman and President.
Jiang Yu: Thank you, Matt, and thank you to everyone joining the call today. I'll begin the call with a high-level overview of the major trends shaping the advanced nuclear market and then highlight the meaningful progress we made in 2025. NANO nuclear has worked to position itself at the center of a global nuclear renaissance. This is driven by several durable long-term trends including growing demand for reliable baseload energy, climate mandates and energy independence and global support for nuclear energy. First, we are seeing a significant need for reliable baseload power to enable the rapid growth of AI data centers, industrial reshoring and broader electrification. AI data centers are projected to be a primary driver of the continued surge in electricity demand. For more than 2 decades, U.S. power demand grew below 1% per year. According to the recent Grid Strategies report, some estimates call for electricity usage to increase by 5% to 6% annually over the next 5 years, and data centers alone could account for more than half of that growth. Meeting this level of demand could require U.S. power sector to plan and build new generation transmission capacity at more than 6x the pace of recent years. Also, it is not just the scale expected demand that's important, but the type of

demand that's coming online. The Grid Strategies report highlights that the next wave of demand is projected to run at load factors close to 96% compared to system-wide average of about 60% today. Over the past year, several major tech leaders have taken concrete steps to secure dedicated nuclear capacity for their data centers, whether it's new PPAs at existing nuclear plants or collaborations with advanced reactor developers, these actions reflect a clear recognition that meeting future AI data centers' needs require firm, always available power, a role nuclear is uniquely suited to fill. And equally as important, a lack of sufficient transmission infrastructure is expected to constrain the grid's capacity to meet forecasted power with even conservative growth estimates expected to require substantial grid expansion. All of this represents a fundamental shift that is placing an even greater emphasis on scalable and constant sources of baseload power that can operate independently from grid constraints. This is exactly where microreactors offer a compelling advantage. Second, energy sustainability, energy security and climate-related mandates continue to increase demand for clean energy, requirements that intermittent sources alone cannot meet. As a result, there is a growing global commitment amongst nations, leading institutions and the world's largest energy users to triple nuclear capacity by 2050, solidifying growth in nuclear energy as a secular trend for the coming decades. Third, we continue to benefit from the unprecedented bipartisan policy support for nuclear energy in the United States and the growing global support. This is supporting expansion of nuclear capacity while also accelerating development of advanced reactors like ours. President Trump's 4 executive orders in May further enhanced federal support for nuclear energy. And since then, we've seen a series of concrete federal actions that are building upon the administration's executive orders. First, the U.S. Army's Janus program creates a defined near-term pathway for the U.S. Army to deploy microreactors later this decade, which bodes well for NANO's opportunities for military applications. Second, the Genesis Mission executive order supports several of the administration's high strategic priorities, AI leadership, national security power needs and energy dominance, priorities that can be enhanced by microreactors. And third, the creation of a Nuclear Fuel Cycle Defense Production Act Consortium supports the reestablishment of domestic nuclear fuel supply chain, which could support our strategic efforts in areas like conversion and enrichment. The rapid progress we've made this year have been accelerated by these regulatory tailwinds, which continue to strengthen demand for advanced nuclear reactors. Fiscal year 2025 was a transformative year for NANO, marked by disciplined execution across several parts of our business. We've advanced the KRONOS MMR Energy system meaningfully from acquiring the asset out of bankruptcy to securing our strategic collaboration with the University of Illinois, achieving important NRC milestones and completing the necessary site characterization and drilling work for our planned Q1 of 2026 construction permit application with the NRC. We also made significant progress towards resuming formal licensing activities with the Canadian Nuclear Safety Commission through the acquisition of Global First Power, which has since been rebranded as True North Nuclear. During the year, we strengthened our company with key corporate milestones, including the acquisition of our Oak Brook engineering and demonstration facility, securing incentives from the State of Illinois, expanding our executive and technical teams and simplifying our microreactor portfolio with a Letter of Intent to sell ODIN design to Cambridge AtomWorks for $6.2 million. On the fuel cycle front, we've made significant progress derisking our supply chain through our strategic collaboration and investment in our affiliate list technologies. Our addition with our affiliate list technology to the DOE's LEU Acquisition Program and developing our own conversion capabilities. Financially, we remain well capitalized, raising over $600 million since our May 2024 IPO with growing support from institutional investors and numerous index inclusions. And importantly, we continue to expand our pipeline of commercial opportunities. We executed a feasibility study agreement with BaRupOn to evaluate up to 1 gigawatt of power with our KRONOS MMR. We secured the AFWERX Direct to Phase 2 contract to conduct a feasibility study to site KRONOS MMR at the Joint Base Anacostia Bolling and also grew our pipeline of potential customers through ongoing discussions with potential data centers, industrial and defense customers. I could not be more proud of our progress our team has made over the last year. We're more excited to continue executing our strategy. With that, I'll hand over the call to James Walker, our CEO, who will discuss our differentiated strategy, the value proposition of our technology and provide an update on the recent development and commercial progress.

James Walker: Thank you, Jay. I'll first outline why microreactors offer a compelling value proposition relative to both traditional nuclear and larger SMRs currently in development. Traditional nuclear reactors are typically gigawatt scale projects, while most SMR designs range anywhere from 70 to 350-megawatt electric in size. Because of the smaller size of our KRONOS MMR, we believe a larger portion of our reactor components can be manufactured and assembled in a factory and shipped to site. Factory production and fabrication will allow us to standardize components, capture learning benefits much earlier and reduce the amount of on-site construction that has historically led to delays and cost overruns in traditional nuclear projects. Modularity is a second major advantage. Our design allows customers to scale capacity incrementally to match their ramp-up plans, and this approach can reduce upfront capital requirements for large projects and allows construction efficiencies to improve with every unit delivered. Third, passive safety features and use of advanced fuels support the ability to co-locate at customer sites, allowing us to provide off-grid or behind-the-meter power. This is important as grid integration is becoming a significant constraint facing large energy users. Interconnection queues can be years long. Transmission upgrades are costly and many high-load customers simply cannot wait for new lines to be built. By placing one or more of our microreactors directly adjacent to a customer site, we can eliminate much of that bottleneck. When you combine these factors, we believe microreactors represent the most practical solution for meeting the growing need for clean, reliable baseload power, particularly in locations where grid constraints are significant, while also providing increased opportunities to benefit from economies of scale. This is precisely why we are seeing strong interest from data centers, industrial facilities and military stakeholders for our KRONOS MMR. Having covered the broader value proposition of microreactors, I'll now focus on what really differentiates our flagship reactor, KRONOS MMR, technically and commercially. So the KRONOS MMR is a high-temperature gas-cooled reactor. It utilizes TRISO fuel and helium as the primary coolant. These are well-understood proven technologies with decades of operating history behind them. Prior to our acquisition, we believe more than $120 million was invested in this design over an 8-year period. That investment, combined with the global data sets that exist for high-temperature cooled reactor systems give us a strong foundation as we move towards U.S. and Canadian licensing and prototype construction. In the U.S., we remain on track to submit a construction permit application for the U of I project in the first quarter of 2026. And in Canada, we are actively working to reestablish formal licensing activities as we work towards submitting a license to prepare a site with the Canadian Nuclear Safety Commission, the CNSC. While KRONOS is applicable to a range of markets, it's particularly well suited for large-scale deployments where many units can be co-located, connected and scaled over time to match demand growth. And because of the reactor's modularity and the ability to factory fabricate components, we believe KRONOS has the potential to capture meaningful economies of scale as deployment volumes increase. Importantly, we estimate the learning curves of manufacturing and on-site assembly can potentially deliver a levelized cost of energy that is more competitive with traditional nuclear, wind and solar while providing the option for 24/7 reliability that intermittent sources cannot. In short, we see KRONOS as a derisked scalable platform with significant commercial applicability and especially aligned with the needs of high demand, high uptime customers. I'd now like to highlight why we believe the maturity of this technology materially derisks this reactor. The KRONOS reactor builds on high-temperature gas-cooled reactor technology that has been demonstrated across multiple countries for more than 5 decades. TRISO fuel, helium coolants and graphite moderation are high TR level components with extensive operating data. Our balance of plant strategy also leverages commercially available components, including steam generation and turbines as well as proven thermal storage systems used in today's concentrated solar plants. And importantly, we are staying within conservative temperature and coolant parameters consistent with prior deployments. Because of this, the key technologies themselves are largely demonstrated. Our focus is not on inventing novel reactor technology. It's on integrating well-understood systems into a microreactor format to be licensed and ultimately deployed efficiently. Building on that, I'd also like to touch on how the KRONOS design and modularity translate into deployment versatility across different scales and customer needs. KRONOS' standard design and modularity provide the flexibility to serve a broad range of applications from single-unit installations for remote communities, mining projects or defense sites with power needs around 15 to 20-megawatt electric to distributed multiunit deployments all the way up to large-scale deployments where many units can be connected and scaled over time, enabling staged growth to 1 gigawatt and beyond. We believe this level of deployment versatility is a core advantage that opens the door to more use cases compared to many larger SMRs or conventional nuclear reactors. Another foundational aspect of our value proposition is the inherent safety profile of the KRONOS' design. KRONOS incorporates negative reactivity feedback, passive heat removal, passive shutdown characteristics and uses helium and inert gas along with TRISO fuel. These features allow the reactor to safely dissipate heat without operator intervention or external power. Under a design basis accident analysis for an 840-megawatt electric plant, projected dose levels remain well within the site boundary, meaning an emergency planning zone would remain within that site footprint. Practically, this means the reactor is designed so that heat is managed passively, fuel remains stable and any negative scenario remains localized, enabling siting directly at the point of use. This is a meaningful distinction from traditional large-scale reactors and some SMRs that require much larger emergency planning zones. And this safety profile can enable off-grid power that could bypass grid integration and [costly] transmission lines. To bring KRONOS to market, we're pairing strong technology with the right strategic partners and state and federal government support. At the federal level, recent executive actions are signaling clear momentum by directing the NRC, the Department of Defense and the Department of Energy to expedite advanced reactor development and deployment. At the state level, Illinois has provided strong backing, highlighted by our $6.8 million incentive award and also provides unmatched nuclear workforce and infrastructure to host a first-of-a-kind microreactor. University of Illinois brings the technical capability, engineering depth and credibility necessary to execute. Together with the expertise of project supporters like EPCM firm, Hatch, and construction firm PCL, we have a great deal of expertise with complex infrastructure delivery. We believe we have the right support to enable our partnership with U of I to be a model for a first-of-a-kind deployment. As our technical progress advances, support strengthens and more customers recognize KRONOS' value proposition, we're seeing strong interest from a growing pipeline of potential customers. First, we're currently conducting a feasibility study with BaRupOn to explore 1 gigawatt of deployed power for their AI data center and manufacturing campus in Liberty, Texas, demonstrating real demand for large-scale applications. Our team is currently advancing the feasibility study, which we expect to be followed by early project development activities. In addition, we continue to see strong interest from data center developers, industrial customers and military users, each of which are interested in baseload energy sources and increasingly want this reliability to be off-grid. We also remain excited about additional opportunities for remote communities, mining projects and other markets. Beyond our commercial traction, we're also advancing our strategic focus on vertical integration to derisk one of the most critical elements of future deployment, the nuclear fuel supply chain. Our focus on vertical integration stems from our belief that one of the largest constraints to deploying advanced reactors at scale isn't the reactor technology, but fuel availability. As a result, we're working to gain exposure to several critical stages of the fuel cycle, starting with enrichment through our collaboration with an investment in our affiliate list technologies. Our affiliate list owns the only U.S. origin patented laser enrichment technology and its selection as a DOE LEU Acquisition Program prime contractor reinforces the potential strategic importance of their technology. Our role as a subcontractor positions NANO to directly participate in strengthening the domestic fuel supply chain needed for next-generation reactors. And our relationship with our affiliate LIST has the potential to provide us with differentiated enrichment solution. In parallel, we're exploring opportunities to build our capabilities in conversion and fuel transportation through strategic partnerships and M&A.; Further progress in each of these areas will not only derisk future reactor deployments, but also positions NANO to generate revenue across multiple verticals while remaining aligned with federal funding and national energy security needs. With that, I'll turn the call over to our CFO, Jaisun, to provide financial highlights.

Jaisun Garcha: Thank you, James. I'll now provide a summary of our fiscal 2025 financial performance. We finished the year with a strong balance sheet supported by multiple successful capital raises at progressively higher valuations. Our overall cash position substantially increased during the year, ending the period with cash and cash equivalents of $203.3 million, an approximately $175 million increase from the end of fiscal 2024. The year-over-year increase was mainly driven by net proceeds from several successful equity capital raises. After our fiscal year-end, our cash position increased to approximately $580 million following an October 2025 private placement. We view our strong cash position and proven ability to raise funding at scale as a meaningful differentiator. With current cash on hand and our access to the public capital markets, we are well positioned to accelerate the licensing and commercialization of the KRONOS MMR while maintaining the flexibility to expand our vertical integration through disciplined M&A; and potential strategic partnerships. Turning to the income statement. Fiscal 2025 loss from operations was $46.2 million. The increase from fiscal 2024 was driven by an approximately $23 million increase in G&A; expenses and an approximately $12 million increase in R&D; expenses, primarily focused on advancing our KRONOS MMR and adjacent growth initiatives. Fiscal 2025 net loss totaled $40.1 million, up approximately $30 million from the prior year, reflecting the aforementioned increase in operating expenses. This was partially offset by an approximate $6 million increase in other income from higher interest income on a larger cash balance. Net cash used in operating activities increased by approximately $11 million from the prior year to $19.6 million, driven by a higher net loss, partially offset by an increase in equity-based compensation. Net cash used in investing activities rose by approximately $14 million from the prior year to $17.5 million, driven by an increase in process R&D; from our acquisition of the KRONOS MMR as well as property, plant and equipment additions related to the purchase of the Oak Brook, Illinois engineering and demonstration facility and the build-out of our Westchester, New York demonstration facility. Before turning the call over to the operator for Q&A;, I'd like to reiterate that our strong cash position and access to the public capital markets give us the financial strength to execute by accelerating advancement of KRONOS MMR -- while also providing the flexibility to pursue strategic partnerships and targeted M&A; that further derisk our nuclear fuel supply chain and provide potential for near-term revenue generation. As always, we will continue to operate the business and allocate capital with discipline, prioritizing opportunities that offer compelling return on investment and unlock sustainable value for shareholders. With that, I'll now turn the call over to the operator to open up the call for Q&A.;

Operator: [Operator Instructions] Our first question is from Jeff Grampp with Northland Capital Markets.

Jeffrey Grampp: I'll start first at the U of I site. Good to hear, you guys are still on track for the permit application in Q1 of next year. Can you walk us through kind of the time line when that gets filed? How long do you guys think that will take to get through the NRC? And is there any work you guys can do to accelerate that time line while that's getting through the NRC process? Or is a lot of that predicated on getting that permit application through the NRC before you can do too much site preparation infrastructure work ahead of time.

James Walker: This is James. So what I would say is that actually, the drilling completed on schedule and on time. So that was good. That gave us the geotechnical data we needed to go into the construction permit. That was really the missing component. We're in a bit of an odd situation with the reactor companies that our engineering is way ahead of the licensing. And usually, it's the other way around, that people get prepped for submissions and then they allow for the engineering to catch up. But effectively, this puts us in a position where we are on track to submit that construction permit application to the NRC in Q1 next year. And that is on track, and that is looking like it's going to go ahead. With regard to time on the turnaround from the NRC, one good thing to reference is, say [Kairos] did something very similar to us. They applied for a construction permit for their, not a full-scale reactor, but sort of a model scaled-down system. But they took about 15 months turnaround. But the reason why we're very likely to be a lot less than that is that they were using things like novel coolants, more novel tech, whereas what we're doing here is much more well known about large data sets, very well -- very high TR level components. So there's a lot less scrutiny that needs to go into the NRC evaluation of our applications. So 15 months can be considered like far beyond what we can expect. We really expect a turnaround substantially below that. It would be very nice if it was in the same calendar year. Certainly, within 12 months is kind of the ballpark we're expecting. In terms of what we're able to do on our side to expedite things, the most important part is the initial application to make sure that goes in. Now it doesn't have to be perfect. What you can do is, you can just -- you can get the application and then get them started on the process, understanding that there are certain components if you would supply them during their evaluation process. And that allows you to get the process underway and save on time. So I would say that's a big one. The big one is to get the application into them sooner, get as much detailing as you can and then work obviously very closely with them throughout the whole process to get it expedited and completed.

Jeffrey Grampp: Great. That's super helpful, James. I appreciate that. For my follow-up, can we touch on the vertical integration strategy there? What are the main objectives in '26 in this regard. And I'm curious in terms of internally developing capabilities versus acquiring them, do you guys have a bias? Or does that kind of depend upon what aspect of the vertical integration we're talking about?
James Walker: Yes. So for instance, if we're talking about internal capabilities with regard to reactor first, just before we get into vertical integration around things like fuel, on the reactor itself, we very -- we do acknowledge that there are certain components that are very unlikely for us to be able to internally produce. And I mentioned that in reference to things like nuclear-grade graphite or a N-stamped fabrication facility to produce reactor vessels. These kind of things are so specialist that if you were to try and internally do them, you probably would spend in the order of 10 years getting yourself to a level where you are qualified to produce those materials. And still even then, you wouldn't have the operational experience that some of the partners that we're talking to at the moment have with regard to manufacture of those parts. So just all that to say that there are definite components within the reactor that we are very confident that we can do internally. And what we're examining is that while we're building out the UIUC project and the Canadian project is essentially a centralized reactor core manufacturing facility to centralize the fabrication of individual components so we can get that economies of scale for the reactor by doing as much as we can internally. But we know what we know and we know what is more specialist. And even in the U.S. and a reactor vessel with an N-stamp. I don't think there's actually anybody currently outside of people who do cause for military that are able to do that kind of thing. Those things need to be more specialist. What I would say on the fuel side of things is that this has been a concern of ours since as early back as 2022 when we started trying to derisk the fuel supply chain. And that's what led to our related transaction with LIS Technologies and their creation, essentially they give us a means to ensure that we could be relatively confident that we would have an enrichment capability in friendly hands that we would be able to utilize for our fuel. Now saying that, we took a very holistic approach of the entire industry, and we realized that there were a number of different people going into enrichment. So there was ourselves with LIS Technology. There was General Matter, Orano, Centrus, but none of them were actually focusing on the feed material that actually goes into all the enrichment facilities, which was uranium hexafluoride, and that's produced via conversion. Now a conversion facility is kind of -- it's kind of odd. It's not spoken about very much. But already in the U.S. at the current time, the U.S. produces about 1/3 as much as it needs for its civilian reactors. And by 2050, that -- maximum capacity of that facility is expected to produce about 1/10 of what the country needs for new feed for enrichment facility. And we saw that as being maybe even a bigger bottleneck in the enrichment component. So we spent the last couple of years really examining how we can involve ourselves in the conversion side of things. And there's nothing publicly released at the moment. So I'm somewhat limited on what I can talk about the internal work. But what I would say is that I would expect next year that you can anticipate some developments on that side where we can announce the work that we've been doing on that conversion side to derisk that and ultimately being able to be involved in that uranium hexafluoride supply chain. And obviously, what's beneficial about that is that it is a business before even the reactors are online. And it's a very unique thing that nobody else seems to be doing that gives us a lot more control and derisking of our reactor systems.
Operator: Our next question is from Sameer Joshi with H.C. Wainwright.
Sameer Joshi: Thanks for providing good color in the presentation. Just a few questions from me. You did mention progress on the Canada front with the Nuclear Safety Commission there. Can you give us a little bit more color into what the steps are for that country and what you're planning for there in 2026?
James Walker: Absolutely. So Canada is actually an extremely interesting prospect, just given the fact that when we took over the asset that we're going to develop. The Canada projects have been previously backed by the Canadian government because it was being looked at as a means to supply areas all over the country that subsist off for more diesel. And obviously, we've been very keen to put this back in place, and it's been very tied in with the Canadian government. Now that all relates to just answering the question very quickly because the siting is probably the most important thing we're concentrating on now that we do have the -- we do know where the reactor will be placed. And now we're going through the legal process and the due diligence process to be formally awarded that site at

the federal level. Once we do have that, and we do expect that announcement in the first half of next year, then the next stages become quite quick. So for instance, you mentioned CNSC with the licensing. That licensing work that has previously been completed for this project and on our reactor was completed at this site too. So we automatically inherit all of that progress that was done at that site. That means we go straight into the Phase 2 of the licensing process, so the LTPS 2 process, and we bypass the Phase 1 because it's already been done. So that sort of leapfrogs us into the lead in Canada in terms of the progress needed to commercialize and deploy and license a microreactor system. And what I would say after that stage of things is once we've got the sites announced and finalized and we've got the progress reinstated with the CNSC, you're going to see some level of government support coming for this reactor system, which we are currently negotiating with the Canadian government, but it's likely to take the form of certain incentives or investment or support in some sort of breakdown fashion because obviously, they are very keen to have this as a future power source for particularly areas where they subsist off for more diesel and they don't have an alternative. So -- but those are the milestones in the order you'll see them coming out next year.

Sameer Joshi: And sort of staying on the government opportunity, but in the U.S., I guess, what is the scope of this AFWERX Direct to Phase 2 project. What does it entail on your -- on NANO's part? And what is the potential opportunity here in coming years?

James Walker: So it's a good question actually because it wasn't a very well known about opportunity. But the reason why it's particularly important is that the U.S. military bases have a mandate to be able to be self-sufficient in terms of generating their own power for at least a 2-week period. And currently, very few of them are able to meet that requirement. In fact, if -- and if they are, they usually have to stockpile diesel, which in itself is a dangerous thing to do, especially for targeted attacks. So the AFWERX program is for the -- deliberately for the purposes of trying to find energy systems, particularly nuclear that can come in and provide that mandated self-sufficiency. But the long-term prospects are that once this is done and we move into the later stages of the development of the program, that opens the door to all military bases because the AFWERX program is concentrated on the Air Force originally. But effectively, once you're in the system and you're working through the later AFWERX programs, effectively, you're given the same opportunity to mass produce reactor systems for many, many bases, if you would, the defense innovation unit opportunity that came out a few years ago, that was looking at reactor systems for bases. So I would say the Phase 1, which we're currently in the moment, that could take anywhere from around sort of a 12-month period kind of estimate, potentially a bit longer, but it's only a small buildup program. The next phase after this will be much more substantial and that will look at actual deployment, actual costs and who's going to be operating and how the logistics will actually look like. Once that's done, that's when you really -- we really will have available to us many opportunities to make many reactors for many different bases. So the AFWERX thing is it was a really great win. And we won it particularly as well just because the solution we do have was so ideally suited for what they needed. Subterranean to be co-located, didn't need large emergency planning zone. And for that reason, we did beat out the competition and the Air Force and the military -- the wider military just believe that this is the better solution for them in terms of long-term self-sufficiency for power.

Operator: Our next question is from Subhasish Chandra with Benchmark.

Subhasish Chandra: A couple of questions from, I guess, the 10-K. One of them is, I think you mentioned in there that states can get delegated authority over some nuclear activities by the NRC and it's something that you might be able to take advantage of. Could you elaborate on that, like sort of what activities and if you're looking at any specific states or if that -- what you're suggesting there is Illinois?

James Walker: Sure. So there are a number of different things here. So what I would say, initially, when we were working with people at the state level, is say for instance, when it comes to something like a conversion facility, that sort of facility is actually more largely a chemical plant rather than a nuclear facility. And so when it comes to chemical plants, states actually license those all the time outside of a federal regulator actually being involved. But because of a historic precedent, those facilities fell under the NRC. And so what we have been working with at the state and actually with the NRC directly is looking at opportunities for the state to take back that control to license those facilities and take that off the plate of the NRC. And the fortunate part is at the state level and at the NRC level, there's support on both sides for that. For that kind of facility, it's very unnecessary for the NRC to be involved. It certainly can do the job, but it's also coming at a time when the NRC will be very stretched. And especially if states have the internal capabilities to license a facility like that, then it's advantageous to do it at the state level. So that's one thing. What I would say is that there are a number of companies at the moment that are -- I wouldn't say blaming the NRC, but there's even a couple of lawsuits against the NRC at the moment to state rights to license reactor systems. Now I would caution with doing that is that without a framework and a historic experience of doing that kind of thing, it's going to be very trying for people to do a licensing of reactor at the state level. And certainly, if you examine even a DOE license, which wouldn't be commercial, even the DOE for a large part, is going to have to defer towards the NRC for how it does regulate these systems on DOE land or if there is its own DOE license. But what you can do for certain things, certain individual components is that you can get certain things qualified at the state level rather than the federal NRC level for certain components to get them qualified. That would be the biggest advantage you could have to, one, take work off the NRC's plate; and two, potentially expedite the licensing time lines that are going to be a critical path towards the commercial deployment of the reactor system. But in large part, we have a very good relationship with the NRC. The bulk of all of our licensing will go through them. They're already very familiar and confident with our reactor design. We don't anticipate actually any significant issues with getting our reactor license. And just for us, it's more of a process we have to go through. But on the -- just regressing back to the facility, there's definitely opportunities to do things at the state level, which would definitely expedite certain facilities a lot faster than if we were doing at the NRC level.

Subhasish Chandra: Okay. Got it. And could you remind us the test reactor at UIUC, what components or what's going to be the difference between that and the commercial reactor, if any, including balance of plant?

James Walker: It's a very good question because actually, the answer is not much, whereas other companies have gone for demonstration reactors or test reactors. We want to do a full-scale reactor system. So same dimensions, same everything. And the reason why we want to do that is that there are companies out there with license designs. And what they found and what we've noticed is that no customer wants to be the first customer to buy a reactor and build it and hope that all the kinks have been worked out in the design process and then operate the system. And that effectively led to [killing] any potential orders that came in from it, especially when that vendor wasn't interested in being the owner operator of the system. So the UIUC reactor will be a full-scale reactor. It will be called a research reactor, but effectively, it will be full scale. I would say that the only potential difference between the UIUC reactor and the commercial reactors is that we will certainly be able to optimize a lot of the engineering as we build them out so that the power output of the commercial reactors will very likely be higher than the research reactor at UIUC. But same scale, same balance of plant, same components as much as we can get in terms of closeness to the final commercial design, it will match very closely.

Subhasish Chandra: Got it. And I guess what I was getting at, do you think you'll be able to determine an LCOE value with this reactor?

James Walker: I think most certainly, what I would preface that with though is just saying that the LCOE for the first-of-a-kind reactor will be wildly different from the commercial reactors, especially once you start deploying those commercial reactors at scale and multiple units because each one will significantly drive down the cost of that LCOE. Now I would say with the -- already internally, we've taken great lengths to try and actually get towards those numbers, which is why in the brief we gave at the start, we said we're very confident it will be cost competitive with solar and wind and traditional nuclear. We get into the ballpark of those outputs very, very quickly. Now we didn't say things like gas or coal, but if you -- and if you do look at the fact that even something like that is anticipated to doubling costs within the next 5, 6, 7 years, then it actually starts getting quite commensurate with even the gas. But with the added benefit of obviously, we can co-locate and it can be put anywhere and you don't need to be connected to the grid and you've got those advantages, too. So I know you've probably noticed I'm avoiding figures exactly. But at this point, it's better to just compare what we know we are commensurate with. And then as we get to the finalization of that first-of-a-kind, that will give us an even stronger indication of how correct we were in our assessments.

Operator: There are no further questions at this time. I would like to turn the floor back over to Jay Yu for any closing remarks.
Jiang Yu: I want to thank everyone again for joining us on today's call. The interest and enthusiasm of our investors and market participants are important to us, and we're very grateful for the support we've received. We look forward to providing additional updates to you in the future. Have a great evening.
Jaisun Garcha: This concludes today's conference. You may disconnect your lines at this time. We thank you again for your participation.