NASDAQ:LTBR Q1 2026 Earnings Call Transcript

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Didi | Conference Operator:

Thank you for standing by and welcome to the Lightbridge Corporation Business Update and First Quarter 2026 Conference Call. Please note that today's call is being recorded. It is now my pleasure to introduce Matthew Abinante, Director of Investor Relations for Lightbridge Corporation.

Matthew Abinante | Director of Investor Relations:

Thank you, Didi, and thanks to all of you for joining us today. Our earnings press release was distributed yesterday and is available on the investor relations page of the Lightbridge website at www.ltbridge.com. Joining us on the call today is Seth Gray, Chief Executive Officer, along with Andrei Mushikov, Executive Vice President for Nuclear Operation, Scott Holcomb, Vice President of Engineering, Larry Goldman, Chief Financial Officer, and Leslie Mills, Controller. I want to remind our listeners that any statements on this call that are not historical facts are forward-looking statements. Today's presentation includes forward-looking statements about the company's competitive position and product and service offerings. During today's call, words such as expect, anticipate, believe, and intend will be used in our discussion of future goals and events. This presentation is based on current expectations and involves certain risks and uncertainties that may cause actual results to differ significantly from such estimates. These and other risks are set forth in more detail in Lightbridge's filings with the Securities and Exchange Commission. Lightbridge does not assume any obligation to update or revise any such forward-looking statements, whether as a result of new developments or otherwise. And with that, I would like to turn the call over to our first speaker, Seth Gray, Chief Executive Officer of Lightbridge. Hello, Seth.

Seth Gray | Chief Executive Officer:

Hello, Matt. And thank you all for joining us to discuss light bridges first quarter 2026 business update. We have made meaningful progress on several fronts in 2026 we expanded our intellectual property protection across three major jurors jurisdictions. We advanced our fuel qualification program through a new engineering partnership for thermal hydraulic testing. We deepened our engagement with the broader nuclear research community. And we continue to grow our in-house engineering organization. Lightbridge now employs over two dozen full-time engineers across neutronics, thermal hydraulics, fuel performance, fuel assembly mechanical design, licensing materials, high performance computing, and program management. And we are still hiring. We received patent allowances from three major jurisdictions this quarter. each protecting a distinct dimension of light bridge fuels architecture across key global reactor markets. The Canadian Intellectual Property Office issued an allowance covering fuel assemblies comprising helically twisted fuel assemblies arranged in a mixed grid pattern, protection directly relevant to pressurized heavy water reactors, including Canada's CANDU fleet. we secured broader claims covering mixed grid assemblies without specifying particular grid configurations consistent with our approach in other countries. The United States Patent and Trademark Office issued a notice of allowance covering fuel assemblies and nuclear reactors incorporating our spirally twisted multi-lobed fuel element technology, also designed for pressurized heavy water reactors including can-do type designs. This is part of a patent family that now includes five U.S. patents. And the European Patent Office issued a notice of allowance covering our multi-zone fuel element design, specifically fuel elements with variable radial zone thicknesses along the axial direction that enable precise control of neutron flux distribution throughout the fuel cycle. including elements produced via additive manufacturing. This patent allowance extends protection across 39 contracting states, including the United

Kingdom, France, Germany, and all major European nuclear markets. Together, these three allowances deepen a worldwide patent portfolio spanning the United States, Canada, Europe, and other key potential markets for light-bridge fuel and reflect the genuine technical novelty of what we are building. I'll now turn to Andrei Mushakov, Executive Vice President for Nuclear Operations, to walk through the program highlights in detail. Andrei?

Andrei Mushikov | Executive Vice President for Nuclear Operations:

Thank you, Seth. As Seth mentioned, we continue to make progress across our fuel development and qualification activities. In April 2026, we entered into project task statement number six under our strategic partnership project agreement with IDEXX National Laboratory to support the development of core extruded fuel rod segments for future radiation testing. This program builds upon our prior INL fabrication work and is intended to further refine manufacturing processes and materials necessary to produce fuel rods and rodlets in their final cross-sectional configurations. The scope of work is critical. to keep us on track as we advance toward the radiation testing of fuel rod segments under steady state and off-normal conditions. Initial process development activities will be conducted using depleted uranium, with the expectation that upon successful demonstration, these processes may be applied to enrich uranium to produce fuel rod segments for radiation experiments and test reactors, including the Advanced Test Reactor at Idaho National Laboratory, or ATR. scope of work includes enhancements to fabrication processes and equipment development and testing of key materials including central displacer alloys and clearing behavior and validation of co-extrusion techniques for both cylindrical and multi-level fuel designs this program also includes preparation of fuel rod segment specimens, including those with controlled defects, to support non-destructive evaluation, calibration, and irradiation testing. Separately, in March of this year, we entered into an initial engineering contract on the theme of work with Stern Laboratories, Inc., an employee-owned Canadian provider of specialized nuclear experimental services. to assess the thermal and hydraulic performance of light-bridge fuel for use in light-water reactors. This is a multi-phase program. Phase 1 covers the design and fabrication of an electrically heated fuel simulator, acceptance testing, and single-road critical heat flux investigation at steam water conditions up to 1450 psi. A is expected to take approximately one year to complete. Phase two expands to a nine-rod critical heat flux investigation across a broader pressure range of 600 to 2200 PSI. Phase three is a multi-year thermal hydraulic test program structured to directly support U.S. regulatory licensing of light-bridge fuel for the domestic LWR fleet. Stern Labs brings decades of high-quality laboratory services to the global nuclear industry. and their expertise in manufacturing electrically-heated nuclear fuel simulators and performing full-scale component qualification tests makes them the right partner for this program. Data generated through this work will be foundational to demonstrating the improved thermal margins of light-bridge fuel and building the evidentiary records that the NRC will require on the path to commercial deployment. Finally, We continue to make great progress in building up our fuel organization with numerous in-house employees added during the first quarter across thermal hydraulics and safety analysis, fuel performance modeling, regulatory licensing, materials, and program management disciplines. These additions strengthen our technical depths and programmatic capabilities to execute on our near-term and mid-term development milestones. At the same time, we view team expansion as an ongoing effort and expect to continue our recruitment activities this year and into 2027 and 2028 as we grow our organization to support advancement of our technology toward commercial deployment. Our approach remains disciplined and aligned with program needs, ensuring that we attract top talent and build a world-class team while maintaining capital efficiency. With that, I'll turn the call over to Scott. Scott?

Scott Holcomb | Vice President of Engineering:

Thank you, Andre. I'll start with our ongoing irradiation testing program at INL. In November of last year, we successfully inserted fuel material coupons into the advanced test reactor, marking the start of in-reactor testing of LightBridge's uranium zirconium alloy fuel material samples. That testing is ongoing, and the data being generated will directly inform our fuel performance modeling and support the regulatory licensing

process for commercial deployment of LightBridge fuel. We expect the initial batch of partially irradiated samples to be removed from the ATR in the coming weeks, with post-irradiation examination expected to begin later this year. Next, I want to cover our research and industry engagement activities during the quarter, our presentations at TMS 2026, and our selection to the Industry Advisory Board of a major DOE-funded research initiative at Penn State. both of which reflect the growing recognition of LightBridge's technical program within the broader nuclear research and advanced fuels community. In March, two members of our technical team presented research at the TMS 2026 annual meeting and exhibition in San Diego, one of the premier global conferences for materials, material science, metallurgy, and nuclear fuel technology, hosted by the Minerals, Metals, and Materials Society. Dr. Boone Beausoleil, our director of materials, presented his paper, co-authored by myself, titled Metal Fuels Opportunities Beyond Sodium Fast Reactors. That presentation examined the expanding applicability of metallic fuel concepts to a broader class of advanced reactor designs beyond the sodium fast reactor systems that have historically been the primary driver for metal fuel development. The performance attributes of metallic fuels, including thermal conductivity, fabricability, and safety margins, translate into compelling advantages well beyond the reactor types where they first emerged. And light-bridge fuel is a direct expression of that thesis applied to water-cooled reactors, the world's largest installed reactor base. Dr. Kyle Perrin, manager of our Fuel Performance Modeling Group, presented it, Uranium Zirconium Alloy Properties Review and Applicability to Light-Bridge Corporation Fuel Performance Activities. which I also co-authored alongside Boone Beausoleil and Raymond Wang, our director of licensing. In this paper, it was demonstrated that LightBridge's proprietary used ER2 fuel can be accurately modeled and characterized through a newly validated LightBridge-specific framework built entirely from measured data generated from our own fuel material coupon samples. Our validated framework, grounded in actual Lightbridge-generated data, is foundational to how we demonstrate our fuel performance to the NRC and to utilities throughout the qualification process. Both presentations were delivered during the metal fuel session, chaired by Professor Eric Moore-Josso of MIT, and the engagement from the material science and nuclear fuel community reinforced our view that the technical foundation of Lightbridge fuel is sound and is attracting the attention of the right people in the right rooms. Also in March, LightBridge was selected to serve on the industry advisory board of a $6 million nuclear materials research project funded by the DOE's Nuclear Energy University Program, awarded to the Pennsylvania State University. The four-year project, the Big Ten Plus Network for the Study of Nuclear Materials at the Microscale, or BTN2M2, will establish a multi-university consortium and a dedicated nuclear materials microfabrication facility using micro- and nano-scale characterization techniques. The consortium includes Penn State, the University of Michigan, the University of Wisconsin, the University of New Mexico, and Virginia Commonwealth University, with additional support from Idaho National Laboratory and Oak Ridge National Laboratory. Lightbridge joins Westinghouse Electric Company, X-Energy, and Kairos Power on the advisory board, with our focus centered on the irradiation behavior of cladding materials for co-extruded fuels. an area directly relevant to the continued qualification of Lightbridge fuel. Back to you, Seth.

Seth Gray | Chief Executive Officer:

Thank you, Scott. We believe the prospects for growth in the nuclear power sector are the strongest they have ever been. Nuclear power set a record for global generation in 2025. More than 70 gigawatts of new nuclear capacity is under construction worldwide, one of the highest levels in 30 years. The United States government has taken sweeping executive action to accelerate reactor permitting, reform the NRC's regulatory process, and rebuild the domestic nuclear fuel supply chain. The DOE's Uprise Initiative, which followed the executive orders the President issued in May, is specifically focused on power upgrades for the existing fleet. a direct validation of the commercial pathway we have been building toward. And the technology sector has made its position clear. Meta, Amazon, Google, and others have committed to long-term nuclear procurement at gigawatt scale because they understand that AI-driven data centers require firm, reliable, baseload power that intermittent sources cannot provide. What we are hearing from utilities reflect all of this. Governors are calling them, states are competing for industrial investment and data center development, and the single most important thing any state can offer right now is guaranteed power. The

pressure is translating into serious substantive conversations about how to get more power from the reactors already in place sooner rather than later. It used to be that states could attract an industrial plant with tax incentives. Today, if you cannot guarantee power, the plant will not come, regardless of what else you offer. The dynamic is building utility interest in light-bridge fuel. Our potential market is large and growing. There are approximately 440 operating power reactors worldwide today. to triple nuclear globally and quadruple it in the United States by 2050, goals that the announced construction pipeline suggests are achievable. The world will need more power from the reactors that will be built and from reactors that are already operating. Lightbridge Fuel is designed to deliver exactly that within the same sized cores and plants that exist today and with even greater safety. I'll now turn the call over to Larry Goldman, Chief Financial Officer, for a summary of the company's financial results. Larry?

Larry Goldman | Chief Financial Officer:

Thank you, Seth, and good afternoon, everyone. I'd like to remind listeners that our detailed financial results are included in our earnings release issued yesterday after market close and in our Form 10-Q that will be filed with the Securities and Exchange Commission in the next several days. These materials are available on the investor relations section of the Lightbridge Corporation website and on the U.S. Security and Exchange Commission website. I encourage everyone to review those documents for a full discussion of our financial statements, risk factors, and related disclosures. As of March 31st, 2026, we held approximately 215.7 million and cash and cash equivalents compared to 201.9 million at December 31st, 2025. This positions us with substantial financial resources sufficient to support our operations for an extended period well beyond the near term. Looking at our cash flows for the first quarter of 2026, we used 4.8 million in operations reflecting the continued investment in our fuel development program and expanded team. On the financing side, we raised $18.6 million in net proceeds through our at-the-market equity offering program. We continue to evaluate funding opportunities to support our long-term fuel development activities. This includes potential strategic partnerships, government grants, and contracts, and as appropriate, additional capital market transactions. Our capital allocation strategy remains disciplined and milestone driven. We direct resources toward the activities that are advanced our fuel toward licensing and commercialization, irradiation testing, post irradiation examination, computational infrastructure, and safety analysis development, while maintaining a strong balance sheet that gives us the flexibility to pursue opportunities as they arise. I will now turn the call over to Leslie Mills, our controller, who will review our P&L for the first quarter. Leslie?

Leslie Mills | Controller:

Thank you, Larry. Net loss was $6.3 million for the first quarter ended March 31st, 2026, compared to $4.8 million for the first quarter ended March 31st, 2025. Total R&D expenses amounted to $3.3 million for the first quarter ended March 31, 2026, compared to $1.7 million for the first quarter ended March 31, 2025, an increase of $1.6 million. This increase is primarily due to a $1 million increase in allocated employee compensation and stock-based compensation. reflecting an increase in new hires, increased employee bonuses, and several new stock-based awards granted after the period end, including performance stock awards, a $0.5 million increase in IT expenses, which include additional computer hardware, software, and operating expenses related to the company's high-performance computer, and a $0.1 million increase in other outside R&D expenses. Total stock-based compensation included in research and development expenses was $.7 million and $.2 million for the three months ended March 31st, 2026 and 2025, respectively. Total G&A expenses were $4.3 million for the first quarter ended March 31st, 2026, compared to $3.5 million for the first quarter ended March 31st, 2025. The increase of $.8 million was primarily due to a $7.7 million increase in stock-based compensation for employees, contractors, and directors, reflecting several new stock-based awards granted after the prior period end, including performance stock awards, and a $.1 million increase in other administrative expenses, including recruiting fees and IT expenses. Total stock-based compensation included in G&A expenses was $1.8 million and $1.1 million for the three months ended March 31st, 2026 and March 31st, 2025, respectively. Total other income was $1.3 million for the first quarter ended

March 31st, 2026, compared to $0.4 million for the first quarter ended March 31st, 2025. Other income consisted of interest income earned from Treasury bills in our bank savings account, driven by higher average cash balances. Back to you, Seth.

Seth Gray | Chief Executive Officer:

Thank you, Leslie. No questions have been submitted for this call. I want to thank everyone for participating in today's call. We appreciate the continued support of our shareholders and the dedication of our team and partners. We look forward to updating you on our progress in the coming quarters. In the meantime, you could reach us at ir at ltbridge.com. Stay safe and well. Goodbye.

Didi | Conference Operator:

This concludes today's conference call. Thank you for participating, and you may now disconnect.