NASDAQ:LTBR Q2 2026 Earnings Call Transcript

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Lesli Mills | Controller:

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

Matthew Abenante | Director of Investor Relations:

Thank you, Grace, and thank you all 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 Grae, Chief Executive Officer, along with Andrey Mushakov, Executive Vice President and Chief Operating Officer, Scott Holcomb, Senior Vice President and Chief Technology Officer, Larry Coleman, Chief Financial Officer, and Lesli 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 in 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 Liferidge's Biome Social Security and Exchange Commission. Liferidge does not have too many obligations to update or revise any such forward-looking statement, 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 Grae, Chief Executive Officer of Lightbridge.

Seth Grae | Chief Executive Officer:

Hello, Seth. Thank you, Matt. And thank you all for joining us to discuss Lightbridge's second quarter and first half 2026 business update. In May, the initial batch of our fuel material samples was removed from the advanced test reactor at Idaho National Laboratory. Those samples are cooling now. and we expect post-irradiation examination to begin later this year. The examination will give us our first measured material property data under initial burn-up conditions, data generated from our own fuel samples in the world's most powerful test reactor. That data will feed directly into the fuel performance models and the licensing documentation we will submit to the U.S. Nuclear Regulatory Commission Alongside that milestone, we advanced in other key areas in the first half of 2026. We integrated the Lightbridge fuel design into the commercial core management software that many utilities already used through a partnership with Stusvik Scandpower. And we took additional steps towards securing a domestic supply of enriched fuel material for commercial deployment through a memorandum of understanding with Quadrant Nuclear Industries. I will now turn the call over to Andrey Mushakov, Executive Vice President, and as of today, congratulations, Chief Operating Officer, to walk through the program highlights in detail. Andrey.

Andrey Mushakov | Executive Vice President and Chief Operating Officer:

Thank you, Seth. As Seth mentioned, we continue to make progress across our fuel development and qualification activities. I want to update you on our fuel fabrication planning activities. In the second quarter of this year, we issued a task order to Aumentum Technology under our Master Services Agreement to conduct feasibility and site selection studies and develop a conceptual design for a standalone lightbridge expandable

fuel facility that would have the capability to manufacture lightbridge fuel assemblies at commercial scale. They separately evaluate the establishment of a pilot-scale fuel fabrication capability to support the future manufacture of lead test assemblers. Separately, we continue to build the organization of Lightbridge. We have added in-house staff during the second quarter across our core technical disciplines and we view team expansion as an ongoing effort through the balance of this year and into 2027 and 2028. Our approach remains disciplined and aligned with our program needs so 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 Holcomb | Senior Vice President and Chief Technology Officer:

Thank you, Andrey. I will start with sample removal at the advanced test reactor, which is the milestone Seth opened with. On May the 6th, the first batch of our fuel material samples was removed from the ATR. 24 Lightbridge personnel were on site for it, including our full-time fuel engineering team and senior management. The following day, we met with the Idaho National Laboratory personnel leading the project, including Laboratory Director John Wagner and Associate Laboratory Director Jess Gehan, to review progress and the path forward across the multiple Lightbridge projects underway at the laboratory. These samples were irradiated under the fission-accelerated steady-state testing method, or FAST, and accelerated irradiation technique that uses highly enriched uranium to reach high burn-up conditions faster than conventional test methods. FAST was conceived and developed at Idaho National Laboratory and Boone Beausoleil, our Director of Materials, played a key role on the IML team that originated the concept and developed the underlying methodology during his prior tenure there. The samples are now cooling down, a process that takes several months, and post-radiation examination is expected to begin later this year. The examination will collect data on fundamental material properties at various burn-up levels. Practically, this is what is required to validate and verify our fuel performance models. The framework Kyle Perrin presented at TMS 2026 earlier this year was built on measured data from our own Tupon samples. The post-radiation examination data extends that framework into the burn-up regime that matters for commercial fuel cycle and becomes part of the basis of our licensing work. The second item I want to cover is our partnership with Studsic ScanPower, announced in May. Together, we're developing an extension of the Studsic CMF5 Core Management Suite to model the LightBridge fuel design. The significance here is practical. Utilities plan their cores, load their fuel, and manage their fuel cycles using established software. Suitscape has over 75 years of experience in nuclear technology, employs approximately 540 people across seven countries, and its core monitoring and fuel optimization software is already adopted by customers worldwide. A utility evaluating light bridge fuel needs to be able to model it in the tools its engineers already operate, and its regulator needs to see results from codes with an established pedigree. This partnership puts our fuel inside that ecosystem rather than asking the industry to adopt something bespoke, and it supports our licensing work in parallel. Back to you, Seth.

Seth Grae | Chief Executive Officer:

Thank you very much, Scott, and congratulations to Scott for, as of today, being Senior Vice President and Chief Technology Officer. In June, I represented LightBridge at the White House for the launch of Uprise. the Utility Power Reactor Incremental Scaling Effort at the Eisenhower Executive Office Building. UPRISE is a U.S. Department of Energy initiative targeting approximately 5 gigawatts of additional nuclear capacity from reactors that are already operating. And it advances the executive orders the President issued in May of last year, directing the department to facilitate upgrades across the existing fleet That initiative recognizes something straightforward. The fastest and least expensive nuclear-generated megawatts this country can add to the grid are the ones we will draw from reactors that are already operating. Lightbridge fuel is being designed to deliver among the largest power upgrades available to the operating pressurized water reactor fleet. The federal government has now put an explicit target on the commercial pathway we have been building toward for years. To make sure we are building toward what utilities actually need, we launched a reconstituted Nuclear Utility Fuel Advisory Board in June. The board provides us with direct input from utility

industry representatives on fuel development priorities, licensing considerations, deployment strategies, Operational requirements and commercialization planning. I want to be clear that the board serves in an advisory capacity only and does not constitute a commitment by any participant to purchase, license, or deploy our fuel. What it does is put experts from companies that operate nuclear power plants in the room while decisions are still being made, rather than after decisions are made. Commercial deployment also requires fuel material, and that supply must be arranged for years in advance. In July, we took steps in that direction by signing a memorandum of understanding with Quadrant Nuclear Industries, QNI, to establish a framework for collaboration on the long-term supply of high-assay, low-enriched uranium, HALU. Under the MOU, We will engage in discussions regarding potential supply and long-term offtake of HALU produced at Q&I's planned Vanguard facility at Idaho National Laboratory, which is designed to produce up to 18 metric tons of HALU annually when it reaches full capacity. The companies intend to collaborate on fuel supply planning, technical interface requirements, Commercial structuring, regulatory coordination, and logistics. The MOU is non-binding and does not establish pricing, quantity, or exclusivity commitments and any binding terms would be subject to a definitive agreement. It is the beginning of that work and beginning it now is the point. We continue to believe The prospects for growth in nuclear power are the strongest they have ever been. There are approximately 440 operating power reactors worldwide today. To triple nuclear power globally and quadruple it in the United States by 2050, the world will need more power from reactors already operating, not only from those still to be built. Lightbridge Fuel is designed to deliver exactly that, within the same-sized cores of new reactors and plants that exist today, with even greater efficiency. One final note to our shareholders. Earlier this week, Lightbridge was added to the Selective Global Uranium and Nuclear Components Total Return Index, the benchmark tracked by the Global X Uranium ETF. broadening the investor base with exposure to the nuclear supply chain. I'll now turn the call over to Larry Goldman, Chief Financial Officer, for a summary of the company's results. Larry?

Larry Coleman | 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 closed and in our Form 10-Q that will be filed with the Securities and Exchange Commission this week. Those 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 June 30th, 2026, We held approximately $237.5 million in cash and cash equivalents compared to approximately $201.9 million at December 31, 2025. This positions us with substantial financial resources sufficient to fund our operations for an extended period of time. Looking at our cash flows for the first half of 2026, We used approximately $8.3 million in operations, reflecting the continued investment in our fuel development program and expanded team. On the financing side, we generated approximately $43.9 million in net cash, a decrease of $19.6 million from the $63.5 million we raised from financing activities for the same period last year. This year's financing activities were driven by 44.4 million in net proceeds from the issuance of approximately 3.8 million shares of common stock under our at-the-market or ATM facility, partially offset by 0.5 million of tax withholding payments on the vesting of equity awards. We continue to evaluate funding opportunities to support our long-term fuel development activities These include 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 advance our fuel towards regulatory licensing and commercialization, expansion of our in-house team, radiation testing, post-irradiation examination, Computational Infrastructure and Safety Analysis Development while maintaining a strong balance sheet that gives us flexibility to pursue opportunities as they arise. I will now turn the call over to Lesli Mills, our controller, who will review our P&L for the first half of 2026. Lesli?

Lesli Mills | Controller:

Thank you, Larry. Net loss was $12.1 million for the first half of 2026. compared to $8.3 million for the first half of 2025. Total R&D expenses amounted to $7.3 million for the six months ended June 30th, 2026 compared to $3.3 million for the six months ended June 30th, 2025, an increase of $4 million. The increase was primarily due to a $2.4 million increase in employee compensation and stock-based compensation. reflecting an increase in new hires, increased employee bonuses, and several new stock-based awards, including performance stock awards. A $0.7 million increase in IT expenses, which included additional computer hardware, software, and operating expenses related to the company's high-performance computer. A $0.4 million increase in R&D project development costs related to cladding, critical heat flux testing, safety analysis, and Feasibility Studies and a $0.2 million increase in INL project labor costs as we entered into additional agreement modifications and new PTSs. Total stock-based compensation included in research and development expenses was $1.1 million and $0.4 million for the six months into June 30th, 2026 and 2025 respectively. Total G&A expenses were $8 million for the six months ended June 30th, 2026, compared to $6 million for the six months ended June 30th, 2025. The $2 million increase was primarily due to a $1.5 million increase in employee compensation and stock-based compensation for employees, contractors, and directors, reflecting new hires, increased bonuses, and several new stock-based awards, including performance stock awards. Total stock-based compensation included in G&A expenses was $2.8 million and $1.6 million for the six months into June 30, 2026 and June 30, 2025 respectively. Total other income was $3.2 million for the six months into June 30, 2026 compared to $1 million for the six months into June 30, 2025. Other income consisted of interest income earned from Treasury bills and our bank savings account, driven by higher average cash balances. Back to you, Seth.

Seth Grae | Chief Executive Officer:

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

Lesli Mills | Controller:

Thank you for your participation in today's conference. This does conclude the program. You may now disconnect.