NASDAQ:LTBR Q3 2026 Earnings Call Transcript

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Operator | Conference Call Operator:

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

Matthew Abenante | Senior Director of Investor Relations and Capital Markets:

Thank you, Operator, and thank you all for joining us today. Our earnings press release was distributed this morning before the market opened, and it's available on the investor relations page of the LightBridge website at www.ltbridge.com. Joining us on the call today is Seth Grae, Chairman and Chief Executive Officer, along with Andrey Mushakov, Executive Vice President and Chief Operating Officer, Scott Holcombe, Senior Vice President and Chief Technology Officer, 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 discussion 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 discussion 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 LifeBridge's filings with the Securities and Exchange Commission. LifeBridge 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 Grae, Chief Executive Officer of Lightbridge. Hello, Seth.

Seth Grae | Chairman and Chief Executive Officer:

Hello, Matt, and thank you all for joining us to discuss Lightbridge's third quarter 2026 business update. The third quarter brought what we believe is the most significant advance to date in Lightbridge's path from fuel testing to commercial development. In August, Lightbridge was selected to participate in the Nuclear Energy Launch Pad INL program administered by the U.S. Department of Energy's National Research Innovation Center at Idaho National Laboratory. Selection provides an accelerated pathway toward DOE authorization for us to design, build, and operate a pilot facility at INL to manufacture lead test assemblies of light-bridge fuel for demonstration in U.S. commercial power reactors. We now call that facility the light-bridge fuel pilot facility, which we informally refer to as SHED. By establishing a dedicated manufacturing facility under DOE authorization, we expect to shorten the timeline for producing lead test assemblies for operation in commercial US reactors. That gives us a two-pronged approach. The pilot factory is designed to produce lead test assemblies under DOE authorization while we continue to develop a conceptual design for our future commercial scale plant, the Lightbridge Fuel Factory, formerly referred to as the Lightbridge Expandable Fuel Facility. The Lightbridge Fuel Factory will still be expandable, even though it doesn't have that word in its name. Alongside that milestone, we advanced in other key areas during the quarter. In August, we entered into a new project task statement with Idaho National Laboratory that gives us access to the loop facility of the advanced test reactor where we will irradiate clad light bridge fuel rodlets under the conditions of a fuel rod would experience in a commercial light water reactor. And in September, we received notice of an allowance of a patent from the Japan Patent Office covering our multi-zone fuel element and 3D printing method. I will now turn the call over to Andrey Mushakov, Executive Vice President and Chief Operating

Officer, to walk through our fuel development program highlights in detail.

Andrey Mushakov | Executive Vice President and Chief Operating Officer:

Andrey? Thank you, Seth. As Seth mentioned, our focus since the launchpad selection has been on preparing the pilot factory. I'm currently working with ENRIC and INL to negotiate the applicable agreements in project scope. The authorization to construct and operate the pilot factory remains subject to additional DOE and INL agreements, reviews, authorizations, and other prerequisites before construction can start. And as of September 30th, 2026, we had not entered into any material binding commitments for its construction. We plan to design the pilot factory as a multi-purpose fuel manufacturing and R&D platform, rather than a facility dedicated solely to a single fuel research project, and it will have a dedicated research and development laboratory. The pilot factory will operate under an NQA1 nuclear quality assurance program from the outset. I also want to be clear that DOE authorization of the pilot factory does not constitute authorization for lead test assemblies to be used in commercial power reactors. Any such use would remain subject to U.S. Nuclear Regulatory Commission licensing, review and approval of lead test assemblies, as well as any required approvals by the host utility. The pilot facility will only ever be DOE authorized and not subject to NRC licensing. Development of the pilot factory and our planned fabrication of lead test assemblers will require qualified sources of uranium feedstock, including high SLO enriched uranium and uranium metal. We are evaluating potential supply sources, alternative supply arrangements, and related infrastructure requirements to support these activities. Separately, we continue to build our organization at Lightbridge. Idaho Falls is now home to more leverage employees than any other location and we expect to hire additional engineering and technical personnel as the pilot factory and our fuel development work progress. Our approach remains disciplined and aligned with program needs so that we attract top talent and build a world-class team with maintaining capital efficiency. With that, I'll turn the call over to Scott.

Scott Holcombe | Senior Vice President and Chief Technology Officer:

Thank you, Andrey. I will start with the advanced test reactor loop, which is the milestone Seth mentioned. In August, we entered into project task statement number two under our cooperative research and development agreement with Battelle Energy Alliance, the DOE operating contractor for Idaho National Laboratory, which we announced in September. It gives us access to the loop testing facility of the ATR. Unlike other in-core positions, a loop radiates fuel within its own independently controlled environment. The Coolant Chemistry, Temperature, Pressure, and Flow or Fuel Rodlet Experience in a Commercial Light Water Reactor. There are a limited number of positions in the world where that is possible, and we're now able to place our fuel into one of them. Under this task statement, we will test enriched uranium and zirconium fuel rodlets with cladding in both cylindrical and multi-lobe geometry. The scope of work includes experiment design, provision of materials, assembly, radiation and shipment, and disposition of materials. Samples from this irradiation are later intended for further testing under transient conditions in IML's transient reactor test facility. The rodlets for that test build on our fabrication work with IML under SPP project task statement number six, which supports the development of co-extruded fuel rod components for future loop irradiation testing in the ATR and transient testing. That program begins with depleted uranium and upon successful demonstration is expected to move to enriched uranium to produce fuel raw segments for radiation experiments. Turning to the first batch of fuel material samples removed from the ATR in May, post-radiation examination has begun. That examination will collect data on fundamental material properties at various burn-up levels, which is what is required to validate and verify our fuel performance models, and it becomes part of the basis of our licensing work. Back to you, Seth.

Seth Grae | Chairman and Chief Executive Officer:

Thank you, Scott. The policy environment continues to move toward the market Lightbridge fuel is designed for. In June, I represented Lightbridge at the White House launch of UPRISE, the Department of Energy initiative targeting approximately five gigawatts of additional nuclear capacity from reactors that are already operating. Lightbridge Fuel is designed to increase the power output of an existing reactor by up to 10% with no change to the plant's steam generators and up to 20% for plants that move to a high-capacity steam generator. New-build reactors equipped with higher-capacity steam generators could see an increase of roughly one-third. Our testing and licensing program exists to confirm those design targets. Commercial deployment also requires fuel material, and that supply must be arranged years in advance. In July, we signed a memorandum of understanding with Quadrant Nuclear Industries to establish a framework for discussions regarding potential long-term supply of HALU from QNI's planned Vanguard facility at Idaho National Laboratory. The memorandum is non-binding and does not establish pricing, quantity, or exclusivity commitments, and any binding terms will be subject to a definitive agreement. 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 safety and also in new reactors. I will 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 this morning before the market opens, and in our Form 10-Q that will be filed with the Security and Exchange Commission later this week. Those materials will also be available on the investor relations section of the Lightbridge Corporation website and on the US Security and Exchange Commission's website. I encourage everyone to review these documents for a full discussion of our financial statements, management discussion and analysis of financial condition, risk factors and other related disclosures. As of September 30th, 2026, we held approximately $236.7 million in cash and cash equivalents compared to approximately $201.9 million at December 31st, 2025, and we have no debt. Our balance sheet provides us with significant financial flexibility as we continue to expand our organization Invest in the infrastructure and capabilities required to support our fuel development program and advance key technical and commercialization milestones. We are now moving into a more resource intensive stage of our development program with both headcount growth and the supporting infrastructure needed to execute our R&D programs at a larger scale. As we advance the planning and development activities associated with constructing our Lightbridge Fuel Pilot Factory, we expect this initiative to represent a significant multi-year investment. Expenditures are expected to be phased over the pilot factory development period and managed in a disciplined manner, taking into account technical progress, program priorities, and available financial resources. Additional information regarding our current estimated cost and development timeline for the Lightbridge Fueled Pilot Factory is included in our Form 10-Q this quarter. For the first nine months of 2026, we used approximately $13.2 million of cash in operating activities, compared to $8.1 million for the same period last year, an increase of $5.1 million. This increase was partially offset by higher interest income earned, reflecting our increased average cash and cash equivalent balances following our equity financing. During the nine months ended September 30th, 2026, we sold in aggregate 4.3 million shares under our at the market or ATM sales agreement with Jefferies, resulting in an aggregate net proceeds of 48.9 million. During the third quarter, ATM activity was more limited with approximately 4.5 million of net proceeds raised. As of September 30th, 2026, approximately 91.4 million remained available under our $150 million ATM program. While our current liquidity position provides us with substantial financial flexibility, We expect that development of our Lightbridge Fuel Pilot Factory and the continued advancement of our broader fuel development program will require additional capital over time. We continue to evaluate other funding opportunities in a disciplined manner to support our long-term fuel development activities. Our potential

funding sources include 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 toward regulatory licensing and commercialization, expansion of our in-house team, irradiation testing, post irradiation examination, fabrication development, computational infrastructure, Safety Analysis Development, and now deployment of our pilot factory. I will now turn the call over to Lesli Mills, our controller, who will review our P&L for the third quarter and first nine months of 2026. Lesli?

Leslie Mills | Controller:

Thank you, Larry. Net loss was $20.4 million, or 62 cents per share, for the first nine months of 2026. compared to $12.4 million or 55 cents per share for the first nine months of 2025. Total operating expenses were $25.6 million for the nine months ended September 30th, 2026, compared to $14.5 million for the nine months ended September 30th, 2025, an increase of $11.1 million. For the nine months ended September 30th, 2026, Total R&D expenses amounted to $12.6 million compared to $5.3 million, an increase of $7.3 million. The increase was primarily due to a $4.3 million increase in employee compensation and stock-based compensation, reflecting an increase in new hires, increased employee bonuses, and several new stock-based awards. partially offset by a reversal of previously recognized stock-based compensation for a performance milestone no longer deemed probable of achievement. A $1.7 million increase in IT expenses comprised primarily of computer software, operating expenses related to the company's high-performance computer and code development, a $.6 million increase in INL project labor costs, a $.4 million increase in R&D project development costs, primarily related to critical heat flux testing and safety analysis and a $0.3 million increase in other outside R&D expenses. Total stock-based compensation included in research and development expenses was $1.9 million and $0.9 million for the nine months ended September 30th, 2026 and 2025 respectively. Total G&A expenses were $13 million for the nine months ended September 30th, 2026 compared to $9.2 million, an increase of $3.8 million. The increase was primarily due to a $2.4 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, partially offset by reversal of previously recognized stock-based compensation for a performance milestone no longer deemed probable of achievement. a $1 million increase in professional and consulting services, and a $0.4 million increase in other administrative expenses, including insurance, information technology, travel, and patent expenses. Total stock-based compensation included in G&A expenses was $4.4 million and $2.7 million for the nine months ended September 30, 2026 and 2025, respectively. Total other income was $5.2 million for the nine months ended September 30th, 2026, compared to $2.1 million for the nine months ended September 30th, 2025. Other income consisted of interest income earned from Treasury bills and our bank savings account, driven by higher cash balances. Back to you, Seth.

Seth Grae | Chairman and Chief Executive Officer:

Thank you, Lesli. And with that, I will take questions. Thank you, everyone, for submitting your questions.

Matthew Abenante | Senior Director of Investor Relations and Capital Markets:

Our first question, as post-irradiation examination of the initial lightbridge fuel samples progresses, when does the company expect to be able to disclose the first meaningful quantitative results to investors?

Seth Grae | Chairman and Chief Executive Officer:

We expect to be able to announce in the first half of 2027 the first meaningful results following post-irradiation examination of the initial batch of lightbridge fuel test samples.

Matthew Abenante | Senior Director of Investor Relations and Capital Markets:

One more question. Does management believe a utility could make a conditional commitment to host lightbridge fuel lead test assemblies before completion of the full ATR loop irradiation program subject to satisfactory irradiation and regulatory results? Or does management believe completion of that testing is likely to be necessary before a utility would make such a commitment?

Seth Grae | Chairman and Chief Executive Officer:

Yes, we believe it is possible that a utility could make a conditional commitment to host light bridge fuel lead test assemblies before completion of the full advanced test reactor loop irradiation testing program. It is likely that the host utility would want to see the results of post-irradiation examination of partially irradiated rodlets of light bridge fuel in the ATR loop before inserting light bridge fuel lead test assemblies. But we believe it is possible for the lead test assembly demonstration program to proceed in parallel with loop irradiation testing of the remaining rodlets of light bridge fuel in the advanced test reactor. I want to thank everyone for participating in today's call. We appreciate the continued support of our shareholders and 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.

Operator | Conference Call Operator:

Thank you. This concludes today's conference call. Thank you for joining. You may now disconnect.