Lightbridge First Quarter 2025 Earnings & Business Update Conference Call

TOWANDA: Hello. Thank you for standing by. And welcome to the Lightbridge Corporation business update and first quarter 2025 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. You may begin.

MATTHEW ABENANTE: Thank you, Towanda. And thanks to all of you for joining us today. Our earnings press release was distributed earlier today and can be viewed 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 for Nuclear Operations, Larry Goldman, Chief Financial Officer, and Sherri Holloway, 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 goals or events in the future. 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. With that, I'd like to turn the call over to our first speaker, Seth Grae, Chief Executive Officer of Lightbridge. Hello, Seth.

SETH GRAE: Hello, Matt. And thank you all for joining us to discuss Lightbridge's first quarter 2025 results. The first quarter of 2025 has been marked by significant operational progress and continued positive momentum in the nuclear energy sector. At Lightbridge, we successfully demonstrated our proprietary co-extrusion manufacturing process at Idaho National Laboratory, a special fabrication technique that combines two key elements, a uranium zirconium fuel mixture surrounded by a protective zirconium alloy outer layer called cladding.

Using specialized equipment, we created an 8-foot long fuel coupon sample. We believe our collaboration with Oklo, can open promising avenues for future fabrication and fuel cycle synergies. Furthermore, ongoing engineering work continues to confirm the potential benefits of Lightbridge Fuel across various reactor types, from existing large plants to CANDU reactors, and SMRs.

The momentum behind nuclear energy continues to build globally, solidifying its essential role in achieving a secure, reliable, and clean energy future. We are witnessing a paradigm shift driven by unprecedented government support, growing public acceptance, and increasing demand from energy-intensive industries seeking dependable power.

Recent events, particularly the blackout in Spain, emphasize the critical need for resilient baseload energy sources, a role nuclear power is uniquely well-suited to fill. In November, I was at COP29 in Baku when the US government announced its policy to triple nuclear power domestically by 2050. That was almost six months ago, and projected power needs are surging since then. News broke over the weekend of potential executive orders relating to quadrupling US nuclear power by 2050, and providing DOE the authority to fast track development of advanced nuclear plants built for the purpose of powering data centers that house AI applications.

This global nuclear resurgence is about building new reactors, license extensions, and power upgrades for existing plants, restarting idled facilities, and advancing SMRs. Major technology companies are increasingly looking to nuclear power to meet the immense energy demands of data centers and artificial intelligence infrastructure, validating nuclear energy's position as a cornerstone technology for the 21st century.

This environment is helping to drive Lightbridge's progress. We believe our innovative Lightbridge Fuel technology will be a key enabler of this transition. Our proprietary all-metal fuel design is engineered to deliver significant economic and safety benefits for existing and future water cooled reactors. These advantages are becoming increasingly critical, as the world seeks to maximize the output and safety of nuclear assets.

We operate in a dynamic and supportive landscape, and we believe Lightbridge is well positioned to capitalize on the growing demand for advanced nuclear technologies. Our focus remains steadfast on executing our development plan, demonstrating the capabilities of Lightbridge Fuel, and, ultimately, contributing meaningfully to a growing economy and energy security.

Now, I'll turn the call over to Andrey Mushakov, Executive VP for Nuclear Operations, to begin the review of our fuel development activities. Andrey?

ANDREY MUSHAKOV: Thank you, Seth. As Seth mentioned, in January of this year, we announced the signing of a memorandum of understanding, or MOU, with Oklo. Oklo is developing advanced micro reactors to provide clean, reliable, and affordable energy at scale. The scope of the MOU includes the following areas. One, to conduct a preliminary evaluation of feasibility of co-locating, a Lightbridge commercial scale fuel fabrication facility at Oklo's proposed commercial fuel fabrication facility.

Two, to explore opportunities for collaboration on reprocessing and recycling of spent uranium zirconium fuel. And three, to explore any other areas of collaboration that may be of mutual interest.

We believe there may be potential synergies in co-locating our commercial scale fuel fabrication facility at Oklo's proposed site. The cycle in reprocessing spent uranium zirconium fuel represents another area of potential synergies, particularly as the United States is starting to look more seriously at spent fuel reprocessing options.

In March, we announced a successful co-extrusion demonstration of a coupon sample consisting of an alloy of depleted uranium and zirconium with an outer cladding made of nuclear-grade zirconium alloy material at Idaho National Laboratory. The co-extrusion process demonstration, conducted at Idaho National Laboratory, entailed pressing the metallic alloy billet encased in zirconium alloy cladding through a die to produce a cylindrical rod with a length of approximately 8 feet.

As a next step, we are working with Idaho National Laboratory to manufacture and characterize test samples with enriched uranium and zirconium alloy for radiation testing in the advanced test reactor at Idaho National Laboratory, which is expected to begin next year. With that, I'll turn the call over back to Seth.

SETH GRAE: Thanks, Andrey. Looking at the broader industry landscape, the tailwinds supporting nuclear energy have never been stronger. The global imperative to achieve net zero emissions, coupled with increasing demands for energy security and grid stability, has firmly positioned nuclear power as an indispensable part of the clean energy transition. This is reflected in policy decisions, investment trends, and public discourse worldwide.

The commitment by over 20 countries at COP28 to triple global nuclear capacity by 2050 was a powerful signal. This ambition is being translated into concrete actions, with governments implementing policies to support existing reactor license extensions, facilitating the deployment of new large scale plants, and accelerating the deployment of next-generation technologies like SMRs. Significant capital is flowing into the sector, and the robust long-term demand forecast for uranium and nuclear fuel services is driven by both decarbonization goals and the electrification of economies.

We are particularly encouraged by the growing recognition of nuclear power's role in supporting energy intensive industries. The interest from major technology companies in utilizing nuclear energy, including SMRs, to power data centers, is a game changer. It underscores the need for reliable 24/7 carbon-free power, that only nuclear power can provide at scale. Creating substantial new market opportunities beyond traditional utility customers.

This trend aligns perfectly with the development of advanced reactors and the need for Lightbridge's innovative fuel solutions that can enhance performance and economics, as well as safety and non-proliferation. The focus on SMRs continues to intensify globally. These smaller, modular designs promise greater flexibility, faster deployment, and suitability for a wider range of applications, including remote communities and industrial sites.

We believe Lightbridge Fuel is exceptionally well-suited for many water cooled SMR designs, offering safety and efficiency benefits that can significantly enhance their value proposition. Furthermore, the geopolitical landscape underscores the importance of secure and resilient energy supply chains. Events like the recent blackout serve as stark reminders of the vulnerabilities of relying solely on intermittent renewables or volatile fossil fuel markets. This reinforces the value of increasing nuclear baseload power as part of a diversified energy mix.

We believe our technology aligns well with these strategic objectives. The convergence of energy security needs, technological innovation, and supportive government policies creates an exceptionally favorable environment for advanced nuclear technologies. Lightbridge is strategically positioned at the forefront of fuel innovation, offering a technology designed to meet the demands of this evolving energy landscape.

We believe Lightbridge Fuel will be instrumental in maximizing the potential of the existing nuclear fleet and new build, water cooled reactors. Our team remains focused on executing our development plan, advancing our technology through rigorous testing and demonstration, and building the strategic partnerships necessary for commercialization.

I'll now turn the call over to Larry Goldman, Chief Financial Officer, to summarize the company's results. Larry?

LARRY GOLDMAN: Thank you, Seth. And good afternoon, everyone. For further information regarding our first quarter 2025 financial results and disclosures, please refer to our earnings release that we issued this morning and our quarterly report on Form 10-Q, which was filed with the Securities and Exchange Commission today.

The company's working capital position was $56.5 million at March 31, 2025, versus $39.9 million at December 31, 2024. Total assets were $58.3 million, and total liabilities were $1 million at March 31, 2025. Today, we have ample working capital and financial flexibility to support our near-term fuel development expenditures.

This is very important to Lightbridge and our stockholders, as well as our external stakeholders, such as the federal government, to ensure that we have sufficient working capital, as well as the ability to access capital in the future in order to conduct our future R&D activities. Total cash and cash equivalents were $56.9 million as compared to $40 million at December 31, 2024, an increase of $16.9 million for the first quarter ended March 31, 2025.

Total cash used in operating activities for the first quarter, March 31, 2025, was $3.3 million, an increase of $1.4 million compared to the $1.9 million for the first quarter ended March 31, 2024. This increase was primarily due to increased spending on R&D and G&A expenses. Total cash provided by financing activities for the first quarter ended March 31, 2025 was 20.2 million, an increase of $19 million compared to the $1.2 million raised for the first quarter, March 31, 2024.

This increase was due to the increase in the net proceeds received from the issuance of common stock under our At The Market or ATM facility. In support of our long-term business and future financing requirements with respect to our fuel development, we expect to continue to seek government funding in the future, along with new strategic alliances that may contain cost sharing contributions and additional funding from others in order to help fund our future R&D milestones, leading to the commercialization of Lightbridge Fuel.

We currently anticipate investing approximately $17 million for both CapEx and operating expenditures in our R&D development of our nuclear fuel for 2025. Regarding our MOU with Oklo, we plan to evaluate the benefits of situating Lightbridge Fuel fabrication operations within the Oklo's proposed commercial fuel fabrication facility. This could potentially lead to cost savings in both the initial capital investment and long-term operational expenses.

I will now turn the call over to c Holloway, our controller, who will go over our P&L financial information for the first quarter. Sherrie?

SHERRIE HOLLOWAY: Thank you, Larry. Net loss was $4.8 million for the first quarter ended March 31, 2025, compared to $2.8 million for the first quarter ended March 31, 2024.

Total R&D expenses amounted to $1.7 million for the first quarter ended March 31, 2025, compared to $1 million for the first quarter ended March 31, 2024, an increase of $0.7 million. This increase was primarily due to an increase in INL project labor costs of $0.4 million, an increase in allocated employee compensation and employee benefits, and stock-based compensation expenses of $0.6 million, partially offset by decrease in two other R&D studies that were completed last year of $0.3 million.

Total G&A expenses were $3.5 million for the first quarter ended March 31, 2025, compared to $2.2 million for the first quarter ended March 31, 2024. The increase of $1.3 million was primarily due to an increase in employee compensation and employee benefits of $0.2 million, an increase in consulting fees of $0.1 million, an increase in professional fees of $0.4 million, an increase in stock-based compensation of $0.7 million, primarily due to the accelerated vesting of RSAs issued to a former employee of $0.5 million, partially offset by decrease in IT and recruitment expenses of $0.1 centimeter million.

Total other income was $0.4 million for the first quarter ended March 31, 2025 and 2024. Other income consisted of interest income earned from the purchase of Treasury Bills and from our bank savings account. Back to you, Seth.

SETH GRAE: Thank you Sherrie. We will now go to the question and answer session. Thank you to everyone who submitted questions. Matt, please go ahead.

MATTHEW ABENANTE: Our first question, can we expect to see Lightbridge receive DOE financing in the near future?

SETH GRAE: We don't know exactly what DOE will do. We believe Lightbridge is well-positioned for future support. We frequently evaluate opportunities for non-dilutive funding sources, including DOE funding. To date, our project has benefited from two DOE gain voucher awards, where Lightbridge was the main applicant, plus another gain voucher award to structural integrity associates to evaluate the safety of Lightbridge Fuel and a large 1,100-megawatt electric pressurized water reactor, as well as two DOE nuclear energy university program funding awards to MIT and to Texas A&M University.

We will continue to pursue DOE funding opportunities in those areas that minimize IP risks to us. Next question.

MATTHEW ABENANTE: Has Lightbridge gotten out of the thorium business entirely? Or have you just back burnered it?

SETH GRAE: We are not actively pursuing a thorium-based seed and blanket fuel design. However, Lightbridge still holds patents covering that thorium fuel technology, and we could resume fuel development activities in that area, if we saw real interest from a serious customer come about. The interest we are seeing from customers is in our metallic uranium zirconium fuel, particularly for power uprates.

MATTHEW ABENANTE: And that's our last question.

SETH GRAE: Well, thank you, Matt. And I want to thank everybody 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, we can be reached at ir@ltbridge.com Stay safe and well. Goodbye.

TOWANDA: Ladies and gentlemen, that concludes today's conference call. You may now disconnect.