

Hadron Energy (Nasdaq: HDRN)
Third Quarter 2026 Earnings Call
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HDRN CORPORATE PARTICIPANTS

Sam Gibson - *Founder and CEO*

Rahul Shukla - *CFO*

Rory Rumore - *CORE IR Investor Relations*

OTHER PARTICIPANT

Sameer Joshi - *Analyst, H.C. Wainwright*

Rory Rumore
Thank you, operator, and good afternoon, everyone. Thank you for joining Hadron Energy's third quarter 2026 earnings call. Presenting today are Sam Gibson, Hadron Energy's Founder and Chief Executive Officer, and Rahul Shukla, our Chief Financial Officer.

Before we begin, I remind everyone that this call may contain certain statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These include remarks about management's future expectations, beliefs, estimates, plans, and prospects. Such statements are subject to a variety of risks, uncertainties, and other factors that could cause actual results to differ materially from those indicated or implied by such statements. Such risks and other factors are set forth in our quarterly reports on Form 10-Q filed with the Securities and Exchange Commission. We do not undertake any duty to update such forward-looking statements.

It's now my pleasure to turn the call over to Hadron Energy's Founder and CEO, Sam Gibson.

Sam Gibson
Thanks, Rory, good afternoon, everyone, and thank you for joining our third quarter 2026 earnings call and our first quarterly update as a public company. Hadron's mission is to become the first company to deploy standardized factory-built microreactors at commercial scale. Remote communities, military installations, mission-critical facilities, and smaller data centers need reliable around-the-clock power at the point of use, often where grid expansion is slow or impractical. Halo is designed to address that need as a 10 megawatt electric, factory-built, truck-transportable light-water micromodular reactor. In fact, we chose light water deliberately. It is used in all 94 commercial reactors operating in the United States today and has roughly 70 years of operating history with the US Navy. Halo is designed to use standard 5% low-enriched uranium, which is conventional pressurized water reactor fuel, rather than scarce HALEU or TRISO fuel.

We believe this approach offers an established regulatory framework, commercially available fuel, a mature supply chain, and technology familiar to the Nuclear Regulatory Commission. Our license is based on the applicable NRC frameworks, including 10 CFR Part 52 and the emerging Part 57. Collectively, these choices are intended to reduce the risk in licensing, engineering, and operations. Hadron intends to pursue a build-own-operate model, supplying electricity through long-term power purchase agreements. This is designed to generate recurring revenue over each project's life, rather than relying on one-time reactor sales. Our initial target markets are remote applications, including rural communities, military installations, and smaller data centers. Our preliminary target power pricing estimates are $0.50, $0.35, and $0.15 per kilowatt-hour, respectively. These are planning estimates, not contracted prices or guaranteed returns. Early customer interest and feedback across these sectors are helping inform Halo's design and commercial strategy.

Since completing our business combination with GigCapital7 and listing on NASDAQ on May 26, we have focused on three priorities - strengthening engineering and production capabilities, advancing our regulatory path, and moving from drawings to physical demonstration hardware.

The transaction provided approximately $31 million in gross cash proceeds from non-redeemed equity. With no outstanding debt, Hadron has raised approximately $40 million since its founding about two years ago.

Licensing is a critical path item, and we began NRC engagement early. We submitted our principal design criteria white paper in April, which is under NRC review. In June, NRC staff issued a final safety evaluation approving our Quality Assurance Program Description for future applications. This is a first for a light-water microreactor and provides a reviewed quality framework covering activities from design through decommissioning.

Our NRC-reviewed regulatory engagement plan targets submission of our manufacturing license and combined operating license applications in 2028, with initial commercial deployment targeted for 2031 to 2032. Execution requires a team of experienced leaders across reactor design, safety and analysis, regulatory affairs, manufacturing, and operations.

In August, Eric Williams joined as Executive Vice President of Engineering. In his prior role at TerraPower, he led an organization of more than 1,000 people and helped secure the first NRC construction permit for the Natrium reactor, with responsibilities spanning engineering, execution, regulatory affairs, quality, and manufacturing. Eric joins our Chief Nuclear Officer, Ross Ridenoure, whose career includes three prior CNO roles and nuclear operations leadership, alongside regulatory specialists, including Andrea Veil, a former NRC executive. We also added seven senior engineering leaders with more than 90 years of combined nuclear experience across core design, safety analysis, component design, structural engineering, and mechanical systems.

Their backgrounds include the Westinghouse AP1000, GE Hitachi's BWRX-300, NuScale's SMR, TerraPower's Natrium, Oak Ridge National Laboratory, and the U.S. Naval Nuclear Propulsion Program. The additions include four licensed professional engineers and three PhDs.

Commercial deployment requires more than a reactor design. Halo must be fueled, controlled, maintained, and operated by a qualified team. Our agreement with ConverDyn secures uranium conversion services from the only U.S. commercial provider and strengthens a critical domestic link in our nuclear fuel supply chain. Hadron's collaboration with Paragon Energy Solutions advances our instrumentation and control systems. We also selected GSE Solutions to deliver a full-scope, high-fidelity simulator that will support operator training and the basis for NRC operator licensing. Additionally, the U.S. Patent and Trademark Office has published our first patent application titled "Micro Integral Nuclear Reactor," covering the integral pressure vessel and transportable configuration central to Halo.

To establish our public company, we engaged with DLA Piper's government affairs team to support federal policy and deployment strategy, and CORE IR for investor relations. In October, H.C. Wainwright initiated equity research coverage of Hadron.

On the commercial front, we have also established a framework with Smartland Energy, which includes a strategic investment in Hadron and contemplates potential Halo deployments across

multiple projects, representing approximately 1.8 gigawatts of behind-the-meter capacity. We are also in discussions with prospective customers in remote applications, military installations, and data centers. These opportunities remain preliminary and are subject to further agreements, licensing, and project development. They are not contracted backlog.

Our priority is to convert the most promising engagements into defined, financeable commercial opportunities. As our next step, we are establishing a dedicated headquarters that will bring engineering, licensing, and executive leadership together. It will serve as our corporate engineering and demonstration facility.

We will not operate a fueled reactor at the facility and expect to announce its location and further details in the coming months. Our control room simulator is expected to come online in early 2027. It will display a real-time model of the Halo micro-reactor with stations for two reactor operators and a senior reactor operator. This simulator will help us test control strategies, develop the staffing model, and demonstrate how Halo is designed to operate.

We also partnered with a manufacturing firm to fabricate a non-nuclear demonstration reactor, showcasing the reactor vessel and internal components. It will allow our engineers to verify fit, access, assembly, and rehearse the refueling sequence. Fabrication of this demonstration reactor is underway, with expected delivery in early 2027. Together, the simulator and demonstration reactor will form Hadron's demonstration center, where customers, partners, regulators, and investors can see the hardware and observe simulated plant operations.

Meeting the growing demand for firm on-site power is a defining challenge for our nation. The Department of Energy projects that the United States will need 200 gigawatts of additional capacity by 2030. Data centers, advanced manufacturing, and defense installations are growing faster than the grid can support in many locations, while interconnection queues can stretch for years. Customers need reliable power at their sites without extensive new transmission and distribution infrastructure, while they increasingly value generation that produces no carbon emissions during operation.

Hadron addresses this market demand. Our 10 megawatt Halo microreactor is intended to serve a remote community, military installation, or mid-sized data hall behind the meter, and multiple units could serve larger sites. Halo is designed for an operating cycle of up to six years between refuelings and an expected useful life of approximately 60 years. Its footprint is measured in a few acres, and the system is being designed to provide heat as well as electricity.

Our commercialization strategy combines proven light-water engineering and established fuel technology to reduce first-of-a-kind risk, standardize factory-built reactors designed for truck transport with greater cost and schedule predictability, and an integrated model in which we design, build, own, and operate units to sell electricity and heat under long-term agreements. Hadron's long-term objective is fleet deployment. We will continue to focus on the specific regulatory requirements and approvals applicable to Halo as the regulatory environment evolves.

I'll now hand the call over to Rahul for an update on our financial position.

Rahul Shukla
Thank you, Sam. As a nuclear technology company in the development phase, our investments are focused on engineering design, regulatory activities, and building the organizational capabilities required to achieve our commercialization milestones. As of September 30, 2026, Hadron had approximately $19.7 million in cash and cash equivalents, compared with $22.2 million as of June 30, 2026, with no outstanding debt. Our cash utilization during the third quarter was approximately $2.5 million.

Third quarter operating expenses totaled approximately $6 million, including approximately $2.3 million non-cash stock-based compensation and equity award charges. These expenses reflect, in part, our continued recruitment of technical talent and the development and design of the Halo micromodular reactor. We are managing spend carefully and prioritizing regulatory and technical milestones that directly advance commercialization. Based on our current operating plan, we believe available liquidity will support planned operations. Execution will continue to depend on disciplined capital allocation and, as we advance, access to project-level and other financing sources.

With that, I'll turn the call back to Sam.

Sam Gibson
Thank you, Rahul. We remain focused on disciplined capital allocation, prioritizing investments that advance NRC licensing and Halo's engineering development. We are also exploring project financing for early development projects and pursuing non-dilutive government grants, awards, and other programs supporting nuclear energy.

Through the end of 2027, our priorities are clear. First, continue active NRC engagement and complete multiple regulatory filings, advancing toward our target 2028 manufacturing license and combined operating license applications. Second, advance Halo's engineering design and establish our new headquarters, housing Hadron's demonstration reactor and operational simulator. Third, we will advance our manufacturing, supply chain, and commercial capabilities while defining the production and financing strategy for our first-of-a-kind reactor. Fourth, advance discussions with high-priority customers and strategic partners with the objective of converting the strongest engagements into a foundation for commercial deployment.

Hadron was founded to develop a resilient, scalable source of power delivered directly where it is needed. We have moved beyond an engineering vision and are now building demonstration hardware and the capabilities required to advance towards commercialization. We recognize that commercializing a nuclear reactor is a complex, multi-year undertaking. Our progress will be measured by execution against defined regulatory, technical, manufacturing, and operational milestones. The progress made during the third quarter, together with the leadership and engineering capabilities we have added, strengthens our foundation for our 2027 objectives.

Our team remains focused on initial commercial deployment between 2031 to 2032 and on building a scalable nuclear energy business designed to create long-term value for shareholders.

Thank you to our shareholders and investors for your confidence, patience, and continued support. I also want to recognize our management team and employees for their commitment and hard work, along with our Board of Directors for its guidance and engagement. We remain focused on earning your support through measurable progress and execution, and I look forward to updating you in the quarters ahead.

I'd like to now hand the call to the operator to begin the question-and-answer session.

QUESTION AND ANSWER

Our first question today is from Sameer Joshi with H.C. Wainwright. Please go ahead.

Sameer Joshi
Good afternoon, Sam, Rahul. Thanks for taking my questions. Since this is your first earnings call, I just wanted to ask you certain questions about the choice of light-water reactor. Can you help investors understand the importance of this? Does it help the supply chain aspects? Does it help the NRC familiarity aspect? What are the key reasons for choosing the light-water reactor?

Sam Gibson
Of course, I can answer that for you, Sameer. This is Sam Gibson with Hadron. There are many advantages to going with a light-water design, and you touched on a few of those. Primarily, there is a very rich history of light-water designs. The vast majority of reactors globally, about 90% to 95%, are water-cooled, which means the reactor physics are very mature, and for this, it gives us a far clearer path to commercialization. And Hadron itself was founded to be a commercialization-first company. We want to generate power for our end customers, and the choice of light water brings many distinct advantages, one being the supply chain. It's far more mature than other exotic fuels or coolants. The NRC pathway, the Nuclear Regulatory pathway, is already well-known for light-water reactors.

94 out of 94 reactors here in the U.S. are light-water, and they, of course, have been proven. We have seen how they operate, and that would lead me to the next point of the workforce. The workforce already knows how to operate these plants, as we have been doing it for seven decades. So, these are some of the most distinct advantages, and when we think about commercializing a technology like this, it offers the clearest path to the market.

Sameer Joshi
Understood. Thanks for that. And then on the NRC front, I know you are planning your manufacturing and combined license next year or in 2028. Just wanted to understand, there's a new pathway that the NRC is proposing, Part 57. What are your views on that, and how do you think Halo is positioned if that comes to fruition?

Sam Gibson
Part 57 is an excellent development for Hadron. If you look at the details of this, it was almost custom-made for our company, and it basically accelerates the timelines to license, quite significantly. What used to take a multi-year process has shrunk down to 12 to 18 months, as the NRC is today. However, Part 57 is even shrinking that timeline down to about six months. And the way that we can take advantage of this is by submitting very high-quality reports to the NRC and leveraging the team Hadron has assembled with our NRC experts, such as Andrea Veil or board member Robert Lewis, for example. So, these are some of the key objectives here with Part 57, and we will be monitoring it as it becomes live early next year.

Sameer Joshi
Got it. One more sort of on the customer engagement -- I think you did touch upon this in your prepared remarks about customer engagement. I know commercialization is a little bit away, but how is the customer interaction going, and how are they receptive to Halo as a product? Just a little bit of more color than you already provided would be helpful. Thanks.

Sam Gibson
Ever since Hadron was founded, we've actually taken this as a top priority to engage with the customers early, incorporate their feedback into our product so that the market essentially pulls the product, that is Halo, out of Hadron. And this is the way that we've seen a variety of military bases, remote applications, and as well as smaller data centers. By gaining feedback from these market segments, we've incorporated this feedback, and it's resulting in a very effective design for these customers. Now, where we're at today is, as mentioned, we have multiple MOUs and LOIs out there, but our priority now is converting these to binding power purchase agreements. Our business model is build-own-operate, and we've actually received very positive feedback on our business model from our customers.

All that to say, at this time, it's down to engineering execution against our milestones and serving our customers through these power purchase agreements, which we will be targeting.

Sameer Joshi
Understood. And then one last one from me on the financing or financial status - I think Rahul mentioned $19.7 million cash as of September 30th. How is the cash management being planned? How are you planning the demo center and the simulation? How is the capital allocation for that going? What is the R&D ramp we should expect in the next quarter or next nine to 12 months?

Rahul Shukla
Yeah, thanks, Samir. I'll take that one. It's Rahul. Yeah, so we've planned for the simulation in our initial operating plan, so that's baked into the cash forecast and the cash budgeting that we manage internally as management. The R&D ramp will be - or excuse me -- the ramp in spend will be the technical talent, and we don't expect that to exceed more than $1 million to $1.5 million a month. And so we've got it all planned. The simulator that Sam's been talking about is within our strategic plan and financial modeling plan, and so that'll all be within the annual period

that we're referring to. So, it's all baked in. There will be a ramp as we continue to hire engineers that we've talked about throughout this call.

Sameer Joshi
Got it. Thanks a lot for taking my questions, and good luck.

Sam Gibson
Thank you, Sameer.

Operator
This concludes the question-and-answer session, and the conference has also now concluded. Thank you for attending today's presentation. You may now disconnect.