Initiation of Coverage

EXEC EDGE RESEARCH

February 10, 2026

VALUATION	
Current Price	$8.21
52 Week Range	$5.95-31.50
Market Cap ($-Mn)	868.5
EV ($-Mn)	570.1
Shares Out. (Mn)	105.8
Float	87.9%
Avg. 3-Month Volume	2.93 Mn

Source: TIKR

FUNDAMENTALS	
Revenue (2023)	$18,614
Revenue (2024)	$248,357
Revenue (9M25)	-
Pro Forma Cash	$298.4 Mn

Source: Company Filings

STOCK PRICE PERFORMANCE

Source: TIKR

CONTACT

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Terrestrial Energy Inc. (IMSR)

Next-Gen Nuclear Tech Leader Positioned at the Intersection of AI Demand and Decarbonization. Attractively Valued.

- **IMSR – a differentiated advanced nuclear technology play offering competitive LCOE and dual-market optionality**. IMSR has developed the Integral Molten Salt Reactor, a Generation IV advanced nuclear technology that addresses the fundamental cost and temperature limitations that have constrained legacy nuclear deployment. IMSR operates at 585°C with 44% thermal efficiency, substantially exceeding the 270-299°C and 30% efficiency typical of conventional light water reactors. The company estimates LCOE of $69/MWh at Nth Commercial Plant status, positioning IMSR competitively against natural gas combined cycle and well below legacy nuclear energy's $142-222/MWh range per Lazard's analysis.
- **Growth runway is long as three target market verticals combine into a $1.4 trillion serviceable addressable market (SAM)**. IMSR targets industrial heat and power, data center/AI energy needs, and coal plant repowering across OECD economies. The industrial heat segment ($800 billion) represents a particularly compelling opportunity as high-temperature thermal energy currently sits outside legacy nuclear energy's capability and remains universally supplied through fossil fuel combustion. Combined with the electricity market ($600 billion), management projects the SAM growing 35% to $1.9 trillion by 2050, driven by rising energy demand and accelerating decarbonization mandates.
- **Best-in-class technology architecture delivers cost advantages through five interconnected design innovations**. High-temperature operation yields 32% LCOE reduction through superior thermal efficiency. Low-pressure operation at atmospheric pressure eliminates complex containment requirements. Inherent safety characteristics remove the need for active safety mechanisms. Modular, factory-produced construction enables economies of serial production. Additionally, IMSR uses readily available SALEU fuel, avoiding HALEU supply chain constraints facing competitors – a strategy recently validated by a January 2026 DOE OTA agreement for Project TEFLA authorizing pilot-scale IMSR fuel production and advancing the company's fuel-to-reactor commercialization pathway.
- **SPAC business combination provides public listing status and $292 million in growth capital to advance commercialization efforts led by an experienced management team**. The merger with HCM II Acquisition Corp. delivered gross proceeds exceeding $292 million along with negligible redemptions. This capital infusion supports execution on DOE Advanced Reactor Demonstration Program milestones, the Westinghouse fuel fabrication partnership at Springfields, and NRC Construction Permit advancement toward **targeted 2034 commercial operations**.
- **Pre-revenue financials mask compelling unit economics, long-term revenue potential, and capex-light business strategy; attractively valued**. Current fundamentals reflect R&D investment and transaction costs; however, long-term, each IMSR Plant represents ~$2.1 billion in lifetime revenue across 60+ years of plant lifecycle, with 63% generated through recurring Core-unit and fuel services during the operating phase. This will create annuity-like revenue streams, providing predictable long-duration cash flows once commercial deployment commences. Despite this strong potential, IMSR is undervalued compared to its SPAC deal valuation and to peers using Gen III nuclear technology, thus offering asymmetric upside linked to regulatory and commercialization milestones over the next phase of execution, supported by a multi-year cash runway.

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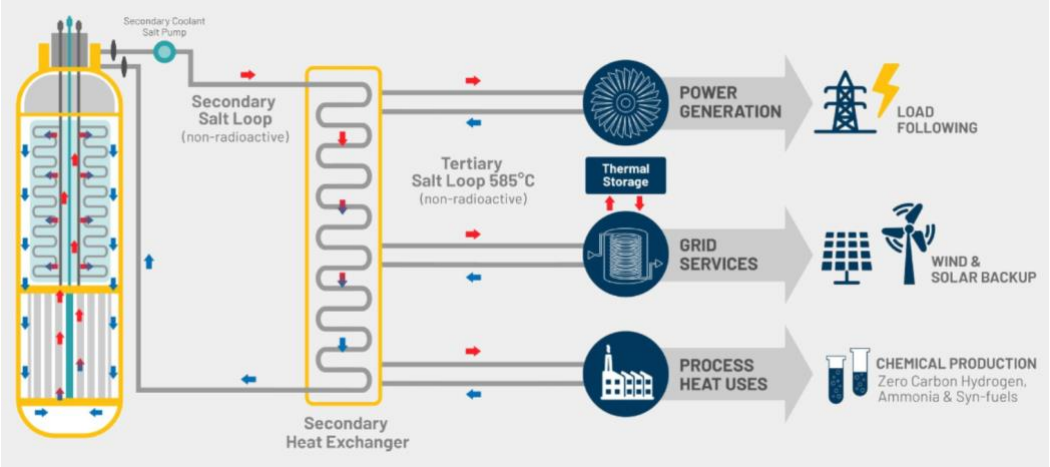
Company Overview

IMSR – Advancing Nuclear Technology to Drive Scale, Efficiency, and Safety

- **Terrestrial Energy Inc. (NASDAQ: IMSR) is a Delaware-incorporated developer of Generation IV nuclear power plants using proprietary Integral Molten Salt Reactor technology**. The company was founded in 2013 in Canada with the strategic intention of engaging with the Canadian Nuclear Safety Commission through its Vendor Design Review pre-licensing process, which management assessed to offer advantages for developing molten salt reactor technology. In April 2024, it completed a court-supervised Plan of Arrangement to redomicile from Canada to the U.S., aligning the business strategically with U.S. nuclear energy policy supporting nuclear innovation. IMSR completed a business combination with HCM II Acquisition Corp. in October 2025 and began trading on the Nasdaq Stock Market under the ticker symbol IMSR on October 29, 2025. The company maintains its corporate headquarters in Charlotte, North Carolina, with an engineering and R&D office in Oakville, Ontario. IMSR employs approximately 80 people, including 29 with advanced degrees in engineering and science, and its leadership team has over 170 years of cumulative experience in the nuclear and energy industries.
  - **IMSR completed its business combination with HCM II Acquisition Corp. on October 28, 2025, raising approximately $292 million in gross proceeds**. Funding sources included a $50 million common stock PIPE investment at $10.00 per share from institutional investors and approximately $242 million from HCM II's trust account, reflecting negligible shareholder redemptions of less than 1% (7,390 shares at $10.54 per share). **The post-combination company had ~105.8 million shares outstanding, implying a pro forma equity value of approximately $1.06 billion at $10.00 per share**. Existing Terrestrial Energy shareholders retained approximately 71% ownership of the combined entity, with public shareholders, PIPE investors, and HCM II's sponsor holding the remaining 29%. The combined entity trades on Nasdaq under the ticker IMSR.

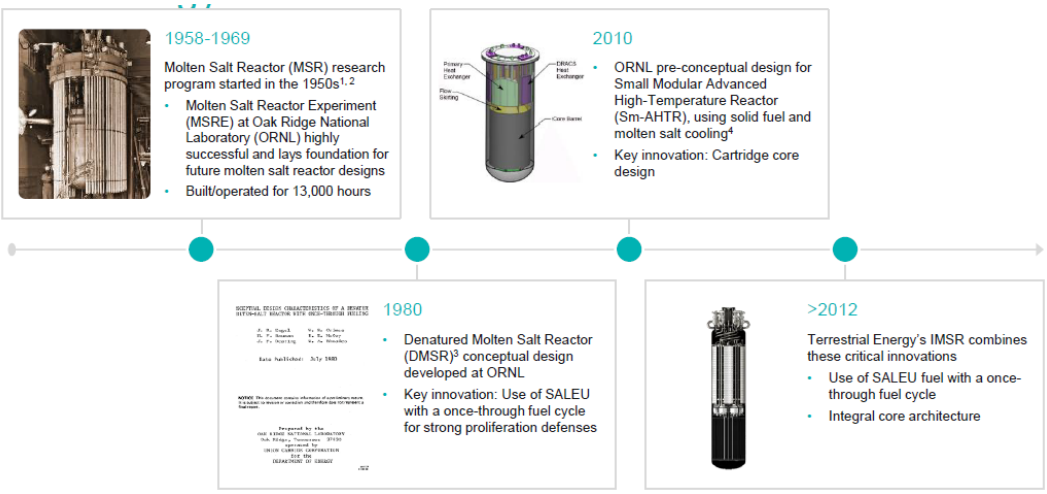
Chart 1: IMSR's Cogeneration Plants Can Produce Thermal Energy for Electricity and Process Heat



Source: Exec Edge Research, IMSR Website

- **Built on 65 years of research originating at the U.S. Department of Energy's Oak Ridge National Laboratory, IMSR's Integral Molten Salt Reactor represents a fundamental departure from legacy nuclear technology**. In conventional nuclear plants, solid uranium fuel pellets are cooled by high-pressure water at 55 to 150 atmospheres, requiring complex active safety systems to prevent overheating. The IMSR instead dissolves uranium fuel directly into molten fluoride salt, creating a liquid that serves as both fuel and coolant. This molten salt operates at near-atmospheric pressure and temperatures of 585°C, eliminating the engineering complexity and safety hazards associated with high-pressure systems. The technology traces directly to Oak Ridge's Molten Salt Reactor Experiment, which operated successfully for over 13,000 hours between 1958 and 1969, and incorporates subsequent innovations, including the Denatured Molten Salt Reactor's use of standard uranium fuel and the cartridge core architecture developed in 2010. IMSR combines these proven innovations with proprietary design advances, including fluoride salt chemistry, a graphite moderator for thermal-spectrum operation, and a once-through SALEU fuel cycle that leverages established commercial fuel supply chains.

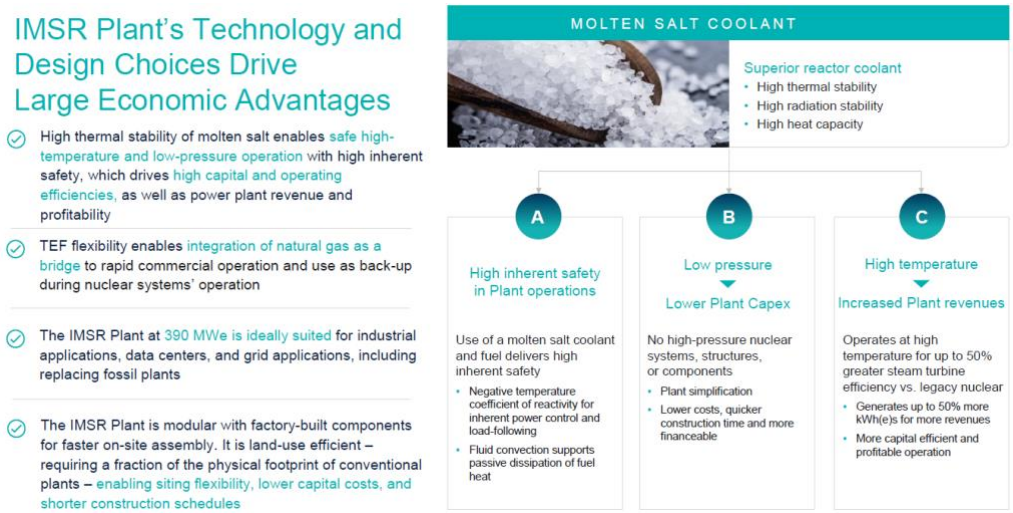
Chart 2: From Oak Ridge Lab to Commercial IMSR: 65-Year Evolution



Source: Exec Edge Research, IMSR Investor Presentation, ResearchGate; ORNL Notes: 1. "A Look Back: The Molten Salt Reactor Experiment." ORNL, 01 June 2016, 2. "ORNL-2474 Molten-Salt Reactor Program Quarterly Progress." ORNL 3. Engel et al. "Conceptual Design Characteristics of a Denatured Molten-Salt Reactor with Once-Through Fueling." ORNL, July 1980, 4. Greene et al. "Pre-Conceptual Design of a FluorideSalt-Cooled Small Modular Advanced High-Temperature Reactor (SmAHTR)." ORNL, Dec. 2010,

- **IMSR's use of thermally stable molten salt coolant delivers inherent safety characteristics that legacy nuclear technology cannot replicate without engineered active systems**. The reactor's strong negative temperature coefficient of reactivity means that as temperature rises, the nuclear reaction naturally slows, providing inherent power control without mechanical control rods. The molten fuel dissipates fission heat through natural convective fluid flow, and radioactive byproducts remain chemically bonded within the salt itself. These inherent mechanisms translate directly into economic advantage through simplified containment structures, reduced component counts, and lower construction complexity. Operating at 585°C versus approximately 300°C for legacy water-cooled reactors enables 44% thermal efficiency, roughly 50% higher than the 30% efficiency typical of conventional nuclear plants. Management estimates this efficiency gain alone reduces the levelized cost of electricity by approximately 32%, holding other variables constant. The low-pressure design eliminates expensive high-pressure nuclear-grade piping, vessels, and containment systems, enabling the use of standard industrial components in portions of the plant.

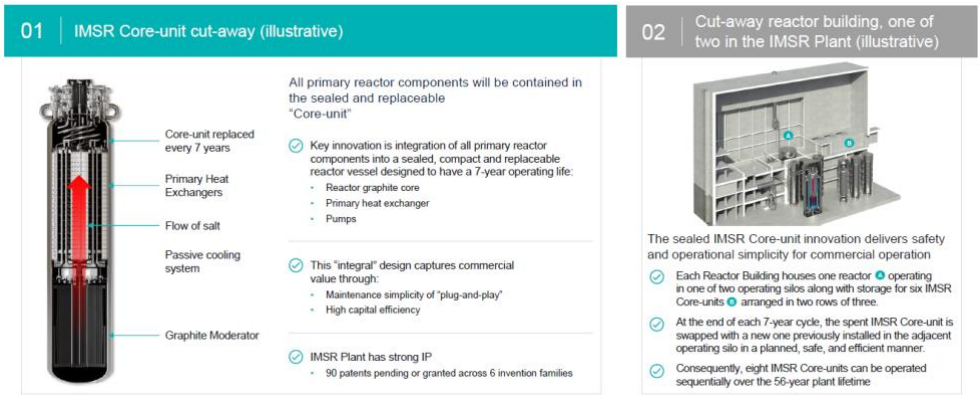
Chart 3: Inherent Safety and Efficiency Transform Plant Economics



Source: Exec Edge Research, IMSR Investor Presentation

- **The technological centerpiece enabling IMSR commercialization is the proprietary Core-unit. This sealed and replaceable reactor vessel integrates all primary reactor components, including the graphite moderator, primary heat exchangers, pumps, and fuel salt**. Early molten salt reactor designs faced a commercialization barrier: graphite moderators degrade under high-power density irradiation, requiring complex in-situ maintenance with significant safety challenges. IMSR solves this with a plug-and-play approach in which the entire Core-unit is factory-manufactured, transported to site, and swapped every seven years in a planned, safe, and efficient manner. Each IMSR Plant reactor building houses one operating reactor plus storage for six Core-units, enabling eight sequential Core-units over the plant's 56-year operating life. This innovation is protected by approximately 90 patents pending or granted across six invention families, establishing defensible intellectual property around the company's key commercial differentiator.

Chart 4: Factory-Built Core-units Swap Every Seven Years for Simplicity



Source: Exec Edge Research, IMSR Investor Presentation

- **IMSR runs a capital-light model built to produce durable, recurring revenues over the 60+ year lifecycle of each IMSR Plant**. Rather than pursuing a build-own-operate strategy, the company focuses on being the plant designer, a major component supplier, and the fuel provider to owner-operators. This structure is meant to limit construction and operating risk exposure while supporting faster scalability. IMSR's economics are anchored in four revenue streams: (1) pre-construction services such as site engineering studies and licensing work, ~4% of lifecycle revenue at ~31% gross margin; (2) construction services and component supply, including engineering and initial Core-unit delivery, ~23% at ~27% margin; (3) post-construction Core-unit replacements every seven years across a 56-year operating period, ~55% at ~20% margin; and (4) ongoing Fuel Salt supply, ~18% at ~20% margin. **Management estimates ~$2.1 billion lifecycle revenue per plant at ~22% blended gross margin.**

Chart 5: Capital-light Business Model that Captures 60-year Plant Lifecycle

Segment	Description	Cumulative revenue $M	Total %	Gross margin %
Pre-construction services	Site selection, site and use-specific engineering studies for construction and licensing planning preparation	$75	4%	31%
Construction services & component supply	Supply of services and components as set out in the Company's Product Delivery Model for construction and commissioning of an IMSR Plant	$486	23%	27%
Post-construction IMSR Core-unit supply	Supply of replacement IMSR Core-units every seven years. Contracted ongoing O&M services to the power plants for the duration of operational life (50+ years)	$1,148	55%	20%
Post construction IMSR fuel supply	Supply of IMSR Fuel Salt for the ongoing operation of an IMSR Plant	$389	18%	20%
Cumulative		$2,098	100%	22%

Source: Exec Edge Research, IMSR Investor Presentation. Note: Unit economics reflect Terrestrial Energy management estimates at NCP status

Right-to-Win

Proprietary Tech, Partnerships, Project Pipeline, and Best-In-Class LCOE Create Moat

- **We believe IMSR possesses a defensible business model and a strategic competitive advantage built on its proprietary technology, fuel strategy, regulatory progress, strategic partnerships, project pipeline, public market access, and a best-in-class nuclear LCOE**. These moat elements collectively address the key challenges that have historically constrained nuclear energy deployment: high capital costs, complex safety systems, fuel supply constraints, and lengthy regulatory timelines. The company's Integral Molten Salt Reactor technology represents a fundamental departure from legacy nuclear designs, while its use of commercially available SALEU fuel sidesteps the supply chain challenges facing competitors reliant on HALEU. Combined with first-mover regulatory achievements and an experienced leadership team, these advantages create meaningful barriers to entry and position IMSR favorably for the anticipated nuclear renaissance. We discuss each of these moat elements in detail below.

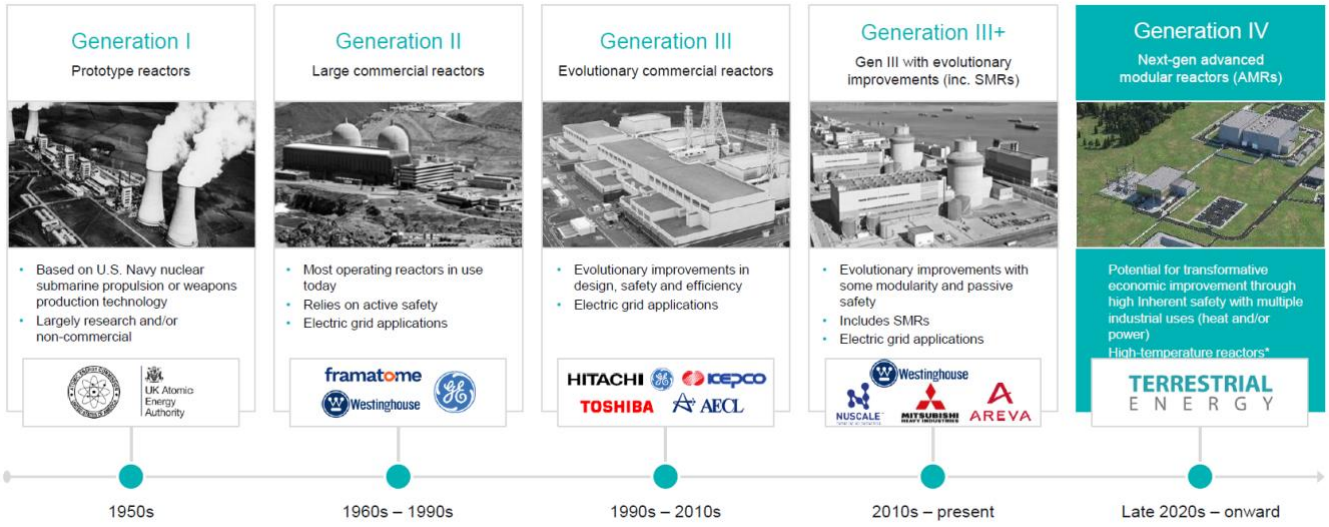
Chart 6: Multi-Pronged Moat Create IMSR's Right-to-Win

Source: Exec Edge Research

- **IMSR's technology moat stems from its molten salt reactor design that delivers high-temperature output with inherent safety and low pressure**. IMSR's proprietary Integral Molten Salt Reactor technology represents a fundamental departure from conventional nuclear designs by using molten salt as both the nuclear fuel and reactor coolant. This configuration enables stable high-temperature operation at 585°C from a reactor operating at near-atmospheric pressure, compared to legacy nuclear technology that requires pressurized cooling systems operating at 55-150 atmospheres. The high thermal stability of molten salt coolants eliminates the need for complex active safety systems such as control rods and pressurized containment structures that characterize conventional reactors. This simplification has the potential to reduce both capital costs and construction complexity while enhancing safety margins.
  - **The inherent safety characteristics of the IMSR design derive from fundamental physics rather than engineered safety systems**. Fission heat generation is inherently load-following, meaning power output automatically adjusts to heat demand without operator intervention. When heat demand ceases, the reactor's power drops to safe levels through natural physical processes. Additionally, radioactive fission products are

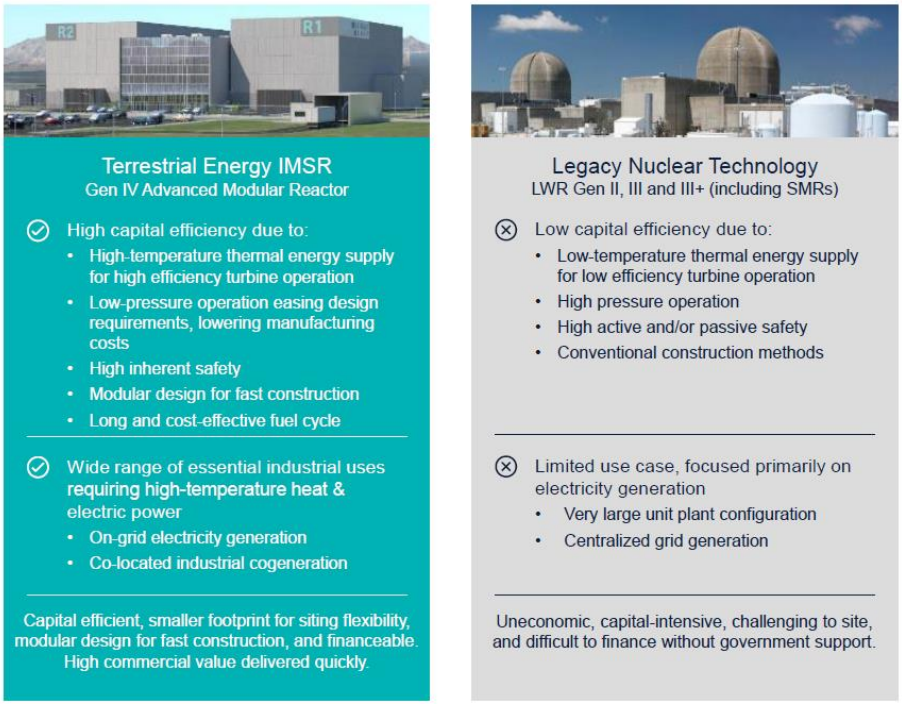
chemically contained within the salt through ionic bonding, providing an additional layer of passive containment. The molten salt fuel avoids the use of beryllium or isotopically enriched lithium, simplifying the fuel chemistry while maintaining performance. These inherent safety features support the Canadian Nuclear Safety Commission's April 2023 conclusion that there are "no fundamental barriers to licensing" the IMSR design for commercial use. The technology builds upon over 65 years of molten salt reactor research, including test reactors operated at Oak Ridge National Laboratory, providing a demonstrated technical foundation for commercialization.

Chart 7: Evolution of Nuclear Reactor Technology



Source: Exec Edge Research, IMSR/ Investor Presentation

Chart 8: IMSR's Gen IV Technology is Far Superior to Legacy Nuclear Technology on Many Parameters



Source: Exec Edge Research, IMSR Investor Presentation

- **IMSR's strategic decision to use Standard-Assay Low Enriched Uranium (SALEU) enriched to less than 5% U-235, represents a critical competitive differentiator within the Generation IV reactor landscape**. Per the company, nearly all competing Generation IV technologies capable of supplying high-temperature thermal energy require High-Assay Low Enriched Uranium (HALEU) enriched to between 15% and 20%. HALEU currently lacks commercial-scale production capacity in Western markets, with existing enrichment facilities unable to be converted to HALEU production. Prior to the Ukraine conflict, many competitors anticipated sourcing HALEU from Russian suppliers, which was the only known source of commercial supply at the time.
  - **SALEU has been the standard fuel for legacy nuclear reactors for decades, meaning established supply chains, transportation protocols, and regulatory frameworks already exist across North America and Western Europe**. Key suppliers include Centrus, Framatome, Global Nuclear Fuel, Westinghouse, Orano, and Urenco. The cost differential is substantial: SALEU costs approximately $2,700 per kilogram of uranium compared to approximately $32,600 per kilogram for HALEU, according to Third Way research. IMSR has signed a memorandum of understanding with Centrus Energy for fuel supply logistics and has partnered with Westinghouse's Springfields Fuels Limited for construction of a dedicated IMSR fuel pilot plant in the United Kingdom, with construction scheduled to begin in 2026. This fuel strategy aligns IMSR with proven supply infrastructure and established regulatory frameworks, potentially enabling earlier commercialization while reducing development and supply chain risks that competitors face with restricted fuel types.

Chart 9: Use of SALEU Fuel Creates Additional Economic Advantages

Standard-Assay Low-Enriched Uranium SALEU		High-Assay Low-Enriched Uranium HALEU (15-20)
<5% U-235	Uranium-235 enrichment level	15-20% U-235
$2,700 / kgU[1]	Cost	$32,600 / kgU[1]
Terrestrial Energy IMSR (Gen IV), Gen II/III/III+ (light-water reactors)	Typical use case	Most other Gen IV reactors today require HALEU at 15-20% U-235
Known and straightforward (both production and transportation)	Regulatory requirements	Complex and uncertain (many regulatory protocols such as waste disposal and transport not yet developed)
Centrus (US) Framatome (US) Global Nuclear Fuel (US) Westinghouse (US) / Springfields (UK) Orano (Europe) Urenco (Europe)	Key suppliers for fleet deployment	US production insignificant compared to required quantities. Existing enrichment facilities cannot be modified to produce HALEU (15-20), entirely new facilities with higher Class 2 security[2] will require years to establish at high cost.

Source: Exec Edge Research, IMSR Investor Presentation. (1) Norman et al. "How Much Does it Cost to Develop New Nuclear Fuel Capacity." Third Way, 28 June 2023, (2) Physical Security Requirements for Facilities with Category II Quantities of Special Nuclear Material Informational Sheet, NRC

- **DOE-backed fuel capability reinforces IMSR's right-to-win**. A critical element of IMSR's right-to-win is its ability to secure credible, Western fuel production pathways while avoiding the HALEU supply constraints facing most Generation IV peers. **In January 2026, IMSR executed an Other Transaction Authority (OTA) agreement with the U.S. Department of Energy under the Fuel Line Pilot Program for Project TEFLA**, authorizing pilot-scale production of IMSR Fuel Salt using standard-assay low-enriched uranium (<5% U-235). The OTA structure enables accelerated execution outside traditional federal procurement frameworks and reflects a high degree of institutional confidence in IMSR's technical readiness.
  - **Importantly, Project TEFLA is not a standalone initiative**: fuel produced under the program is intended to directly support Project TETRA, IMSR's DOE-backed test reactor, creating a tightly integrated fuel-to-reactor validation pathway. This vertical alignment meaningfully de-risks a critical upstream dependency in IMSR's commercialization roadmap and raises barriers to entry for competing molten-salt developers that remain dependent on unproven or geopolitically constrained fuel supply chains. We view DOE-authorized fuel production as a tangible competitive advantage that strengthens IMSR's execution credibility and reinforces its structural positioning within the advanced nuclear landscape. Notably, IMSR was one of only three advanced reactor developers selected by the DOE in 2025 to receive two separate OTA awards, spanning both pilot reactor operation (Project TETRA) and fuel supply development (Project TEFLA), underscoring a level of institutional validation that few Generation IV peers have achieved.

- **The company has also established regulatory first-mover advantage through a decade of sustained engagement with nuclear regulators in North America**. In April 2023, IMSR's Generation IV molten salt reactor design, became the first to complete the Canadian Nuclear Safety Commission's Vendor Design Review, with the CNSC concluding that there are "no fundamental barriers to licensing" the IMSR design for commercial use. CNSC defines a fundamental barrier as a failure to address known issues of safety significance or the use of unproven engineering practices for innovative design features not adequately supported by analysis or research and development.
  - **IMSR has also advanced its U.S. regulatory engagement since 2017 through pre-application activities with the Nuclear Regulatory Commission**. In 2021, the IMSR was selected for the first joint USNRC-CNSC cross-border collaborative review of a next-generation reactor technology. In September 2025, the NRC approved the Principal Design Criteria for the IMSR, marking a significant step toward licensing and commercialization. The company is now pursuing Standard Design Approval in the United States, which would enable streamlined licensing for multiple IMSR Plant deployments. Selection for the DOE's Advanced Reactor Pilot Program in August 2025 provides an additional fast-track pathway to advance licensing and deployment under the Trump administration's May 2025 executive order supporting advanced nuclear technologies. This regulatory progress creates meaningful barriers for competitors who must navigate the same multi-year review processes.

Chart 10: IMSR's Regulatory Leadership

Source: Exec Edge Research, IMSR Investor Presentation

- **Another differentiator for IMSR is its comprehensive ecosystem of strategic partnerships spanning the nuclear value chain, from fuel supply through construction and project development**. The Westinghouse partnership anchors IMSR's fuel supply strategy, with an expanded manufacturing and supply contract signed in November 2025 for design and construction of an IMSR fuel pilot plant at the Springfields nuclear fuel manufacturing site in the United Kingdom. This facility will encompass commercial-scale fuel services including deconversion, fabrication, packaging, and transportation, with construction commencing in 2026. Additional fuel supply relationships include a memorandum of understanding with Centrus Energy for fuel supply logistics.

Chart 11: Difficult to Replicate, Strong Supplier Ecosystem Gives IMSR an Edge

Source: Exec Edge Research, IMSR Investor Presentation

- **On the project development front, IMSR has partnered with Ameresco for U.S. site identification and project development focused on data center and industrial applications**. Texas A&M University selected the company for a commercial IMSR Plant at its RELLIS campus, with consortium partners including an EPC contractor, a nuclear utility, and nuclear fuel suppliers. EnergySolutions has agreed to collaborate on siting IMSR Plants at brownfield nuclear sites for industrial cogeneration applications. The company has also established relationships with Zachry Group for engineering, construction, and site readiness services. Major component suppliers in the IMSR consortium include BWXT, Siemens, Orano, Aecon, Cameco, and KSB. Government partnerships include selection for both the DOE Advanced Reactor Pilot Program and Fuel Line Pilot Program. This extensive partnership network provides IMSR with access to established nuclear industry capabilities while reducing execution risk and accelerating the path to commercialization.

- **A pipeline of 10+ projects and 50+ industry relationships support fleet deployment**. IMSR has assembled a project pipeline that provides visibility into potential deployment opportunities through the late 2030s. The company reports more than ten early-stage IMSR Plant projects at identified sites, supported by over 15 consortium relationships with off-takers, site owners, and development partners. Beyond active projects, IMSR maintains a portfolio of more than 50 collaborative industry relationships across sectors including mining, chemicals, petrochemicals, data centers, and grid power, each representing potential future project opportunities.
  - **The flagship project is a collaboration with Texas A&M University to construct and operate a commercial IMSR Plant at its RELLIS campus in Bryan, Texas**. The company was selected through a competitive RFP process in 4Q24 as one of four companies to collaborate with Texas A&M on small modular reactor projects. The Texas A&M consortium includes an EPC contractor, nuclear utility, site owner, and nuclear fuel suppliers. Additional announced relationships include partnerships with Viaro Energy, Schneider Electric, and an oil major for technology development agreements, as well as site development collaborations with EnergySolutions for brownfield nuclear locations. The company's technology development roadmap targets first commercial operations in 2034, subject to regulatory approval and financing, with commercial fleet deployment anticipated in the late 2030s. This pipeline depth, combined with the capital-light business model that generates recurring

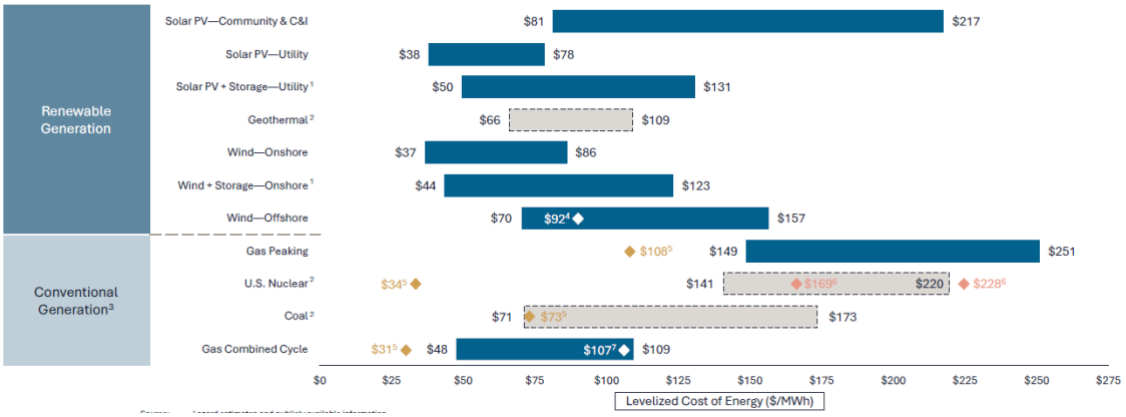
revenue across a 60-plus year plant lifecycle, positions IMSR to scale efficiently as projects advance through development milestones.

Chart 12: IMSR's Growing Project Pipeline

Source: Exec Edge Research, IMSR Investor Presentation

- **Nasdaq listing delivers deep technical, regulatory, and capital markets expertise backed by ~$298 million in growth capital**. IMSR's October 2025 business combination with HCM II Acquisition Corp. transformed the company from a privately funded developer into a publicly traded entity with substantial competitive advantages over privately held advanced nuclear peers. The transaction delivered $292 million in gross proceeds, resulting in pro forma cash of $298.4 million. This capital position provides runway to fund IMSR technology commercialization through targeted first commercial plant operations in 2034, reducing near-term dilution risk and enabling management to focus on execution rather than perpetual fundraising cycles. Public company status also positions IMSR to access equity and debt capital markets for future growth initiatives, including potential DOE loan guarantee draws, without the friction and timeline constraints facing private competitors seeking project-by-project financing.
  - **The transaction also added significant capital markets and energy sector expertise to IMSR's board**. Shawn Matthews, former CEO of Cantor Fitzgerald & Co. from 2009 to 2018, brings over 30 years of financial services leadership and deep SPAC transaction experience to the board. Robert W. Jones contributes 50 years of Morgan Stanley experience, including leadership of the Global Power and Utility Group and board service at Progress Energy Corporation and the Electric Power Research Institute. Beyond governance, Nasdaq listing provides IMSR with publicly traded stock as strategic currency for potential acquisitions, partnership structuring, and employee retention programs, advantages unavailable to private advanced reactor developers competing for the same talent, partners, and project opportunities.
- **Finally, we believe that one of the key moat elements for IMSR is its best-in-class levelized cost of electricity (LCOE), which can enable faster adoption of nuclear energy and grow its share in the energy mix**. LCOE represents the total cost to build and operate a power plant over its lifetime divided by total electricity output, capturing both capital and operating expenses in a single comparable metric. According to Lazard's 2025 LCOE+ report, utility-scale solar power now achieves an LCOE range of $38 to $217/MWh, while onshore wind registers the lowest possible LCOE over the narrowest range at $37 to $86/MWh, making renewables the most cost-competitive form of new-build generation on an unsubsidized basis for the tenth consecutive year. This cost competitiveness has driven extraordinary deployment: solar and wind together added 97 TWh to U.S. generation in 2024, 64% more than gas, with solar generation increasing by 27% to surpass hydro for the first time. However, the intermittent nature of renewables creates significant grid integration challenges, requiring complementary dispatchable generation or storage solutions that add substantial costs. Legacy nuclear power, despite its zero-carbon attributes and 92% capacity factor in 2024, has been rendered economically non-competitive by construction cost overruns and schedule delays. Lazard estimates new-build legacy nuclear LCOE at $142 to $222/MWh, making it roughly two to four times more expensive than utility-scale solar or onshore wind. The Georgia Vogtle project, originally budgeted at approximately $14 billion, suffered a cost overrun of $17 billion, and the plant delivered seven years behind schedule. As a result, nuclear energy's share of U.S. electricity generation fell below 18% in 2024, its lowest level this century, despite the fleet's operational excellence. This economic gap has constrained nuclear energy's participation in energy transition, limiting the deployment of one of the few proven technologies capable of delivering carbon-free, dispatchable baseload power at scale.

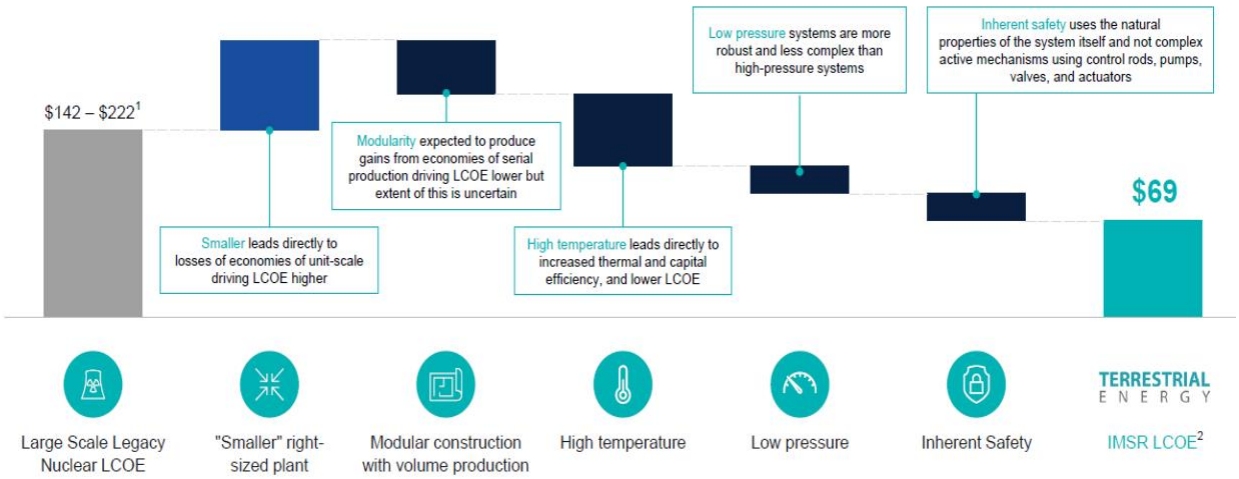
Chart 13: Levelized Cost of Energy Comparison – Conventional and Renewable Sources (June 2025)



Source: Exec Edge Research, Lazard estimates and publicly available information

- **IMSR's technology architecture addresses the fundamental cost drivers that have plagued legacy nuclear through five interconnected design innovations. The company estimates its IMSR Plant may achieve an LCOE of approximately $69/MWh at Nth Commercial Plant status, positioning it competitively against combined-cycle natural gas ($48 to $109/MWh per Lazard) and well below legacy nuclear energy's $142 to $222/MWh range**. The first cost driver is high-temperature operation: the IMSR Core-unit operates at approximately 700°C, enabling thermal supply at 585°C and achieving 44% net thermal efficiency for electricity generation, substantially higher than the approximately 30% efficiency typical of legacy nuclear. The company calculates that this efficiency improvement alone yields a roughly 32% reduction in LCOE, as the same thermal power produces proportionally more electricity. Second, low-pressure operation at near atmospheric pressure eliminates the complex containment structures and safety systems required for pressurized water reactors that operate at 55 to 150 atmospheres, reducing both manufacturing and construction complexity. Third, inherent safety characteristics derived from the molten salt coolant's natural properties eliminate the need for complex active safety mechanisms using control rods, pumps, valves, and actuators that add cost to conventional designs. Fourth, modular construction with standardized, factory-produced components is expected to produce gains from economies of serial production, though the company acknowledges the extent of these gains remains uncertain until fleet deployment. Finally, the right-sized 390 MWe plant capacity enables deployment across a broader range of sites and applications while avoiding the diseconomies that have driven legacy gigawatt-scale projects over budget.

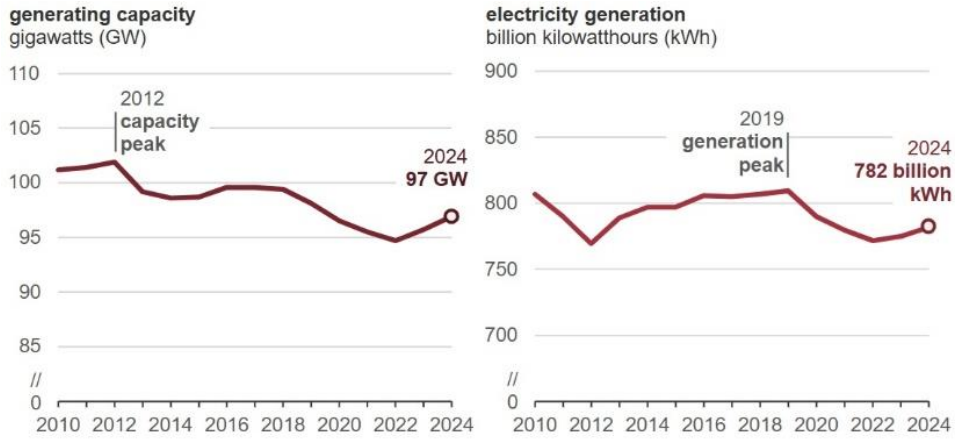
Chart 14: IMSR Plants Can Significantly Drive Down LCOE Compared to Legacy Nuclear



Source: Exec Edge Research, IMSR Investor Deck, Note: 1. "Levelized Cost of Energy+." Lazard, June 2024, 2. IMSR LCOE is Terrestrial Energy's internal estimate at NCP status.

- **We believe IMSR's cost-competitive advanced nuclear technology could fundamentally alter nuclear power's trajectory in the U.S., where the aging fleet faces structural headwinds without a pipeline of new construction**. The U.S. currently operates 94 commercial reactors with 97 GW of capacity, but nuclear energy's share has declined to below 18% of electricity generation, its lowest level this century according to Ember's 2025 analysis. No new commercial reactors are under construction, and the average reactor age exceeds 42 years, with only three units commissioned since 1998. A Nuclear Energy Institute survey found that member utilities would install 90 GW of SMR capacity by 2050 at a $60/MWh price point, and demand remained strong even at $90/MWh, underscoring the market appetite for dispatchable clean generation if economics can be demonstrated. IMSR's $69/MWh target LCOE falls within this demand window, potentially unlocking significant deployment. Policy support further enhances the opportunity: the Inflation Reduction Act provides production tax credits of up to $30/MWh for nuclear generation, Section 1706 offers $250 billion in loan authority for energy infrastructure, and the ADVANCE Act streamlines NRC licensing processes. Additionally, the May 2025 executive orders from President Trump aimed at reinvigorating the nuclear energy industrial base and accelerating test reactor construction signal bipartisan support for nuclear expansion. Overall, IMSR's potential to deliver dispatchable baseload generation at an LCOE competitive with natural gas combined cycle represents a compelling value proposition, particularly as electricity demand grows 3% annually and grid operators increasingly recognize the limitations of intermittent renewables for reliability.

Chart 15: U.S. Nuclear Generating Capacity and Electricity Generation



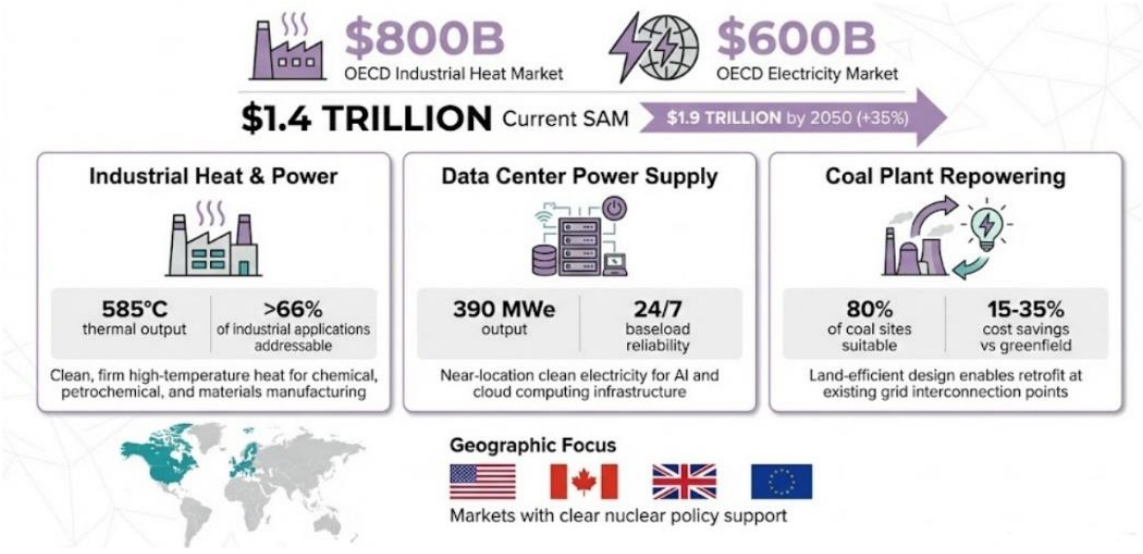
Source: Exec Edge Research, U.S. Energy Information Administration, Monthly Energy Review

Industry Trends and Company Positioning

IMSR Targets a $1.4 Trillion Market Spanning Heat, Power, and Coal Replacement

- **IMSR targets a combined serviceable addressable market (SAM) of $1.4 trillion across two interconnected segments in OECD economies: industrial process heat ($800 billion) and electricity generation ($600 billion).** The industrial heat segment represents a particularly compelling opportunity because high-temperature thermal energy for manufacturing currently sits almost entirely outside the reach of legacy nuclear technology, which produces heat at only 270-299°C, and remains universally supplied through fossil fuel combustion. The company estimates this combined SAM will grow approximately 35% to $1.9 trillion by 2050, driven by rising energy demand and accelerating decarbonization mandates requiring zero-carbon alternatives to fossil fuels. The linkage between these markets is strategically significant: IMSR's cogeneration capability allows a single plant to serve both electricity and process heat customers simultaneously, providing revenue diversification and asset utilization that pure-play electricity generators cannot match.
  - **Within this addressable market, IMSR has identified three primary verticals where IMSR's capabilities create the strongest competitive positioning**. The first is industrial heat and power, addressing what management describes as a major unsolved decarbonization challenge: providing clean, firm, high-temperature thermal energy for chemical synthesis, petrochemical refining, materials manufacturing, and hydrogen production. IMSR's 585°C thermal output is designed to serve more than two-thirds of industrial thermal applications while enabling electricity generation at up to 50% higher efficiency than legacy nuclear. The second vertical is data center electricity supply, capitalizing on rapidly escalating demand from artificial intelligence and cloud computing. IMSR Plants can be installed near data center campuses to supply gigawatt-scale baseload power with zero emissions, addressing hyperscalers' urgent need for dedicated clean energy sources. The third vertical is coal plant repowering, where IMSR's 390 MWe output matches typical coal unit scale and its land-efficient footprint enables deployment at existing grid interconnection points. These verticals are not mutually exclusive: the same IMSR Plant design can serve industrial cogeneration, dedicated data center supply, or grid generation depending on customer requirements.
  - **IMSR's near-term focus centers on four jurisdictions with clear nuclear policy support: the U.S., Canada, the United Kingdom, and the European Union**. These markets combine robust electricity demand, established regulatory frameworks, ambitious decarbonization targets, and policy incentives that enhance IMSR project economics.
- We discuss these three target markets and IMSR's positioning in each of them, in the following pages.

Chart 16: IMSR Caters to a $1.4 Trillion Serviceable Addressable Market (SAM)



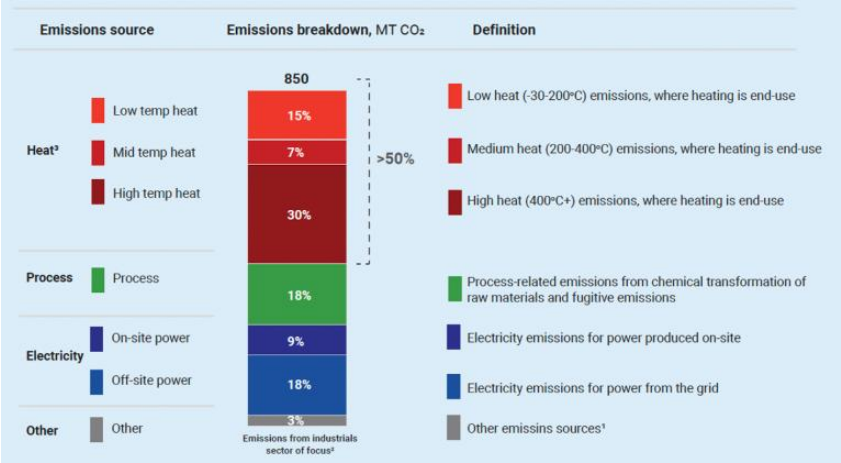
Source: Exec Edge Research, IMSR Investor Presentation, Company Filings, Management Estimates

Industrial Heat Presents an Untapped Opportunity to Decarbonize Manufacturing

Key Takeaway: Industrial process heat represents one of the most challenging decarbonization frontiers, with the sector accounting for 30% of U.S. emissions while remaining almost entirely dependent on fossil fuels. IMSR's 585°C heat output capability enables it to address more than two-thirds of industrial thermal applications, positioning the company to capture meaningful share of an estimated $800 billion serviceable market while helping energy-intensive manufacturers meet increasingly stringent decarbonization requirements.

- **The industrial sector represents one of the most formidable challenges in the global effort to achieve net-zero emissions, with its unique combination of high energy intensity, continuous operating requirements, and extreme cost sensitivity creating barriers that have largely resisted decarbonization efforts to date**. According to the Center for Climate and Energy Solutions (C2ES) and the International Energy Agency (IEA), the industrial sector accounts for approximately 30% of U.S. greenhouse gas emissions and nearly one quarter of global energy system CO2 emissions. Unlike the electricity generation sector, which has made meaningful progress through renewable energy deployment, industrial thermal energy supply remains almost entirely dependent on fossil fuel combustion. The IEA identifies industrial process heat as among the most challenging segments to decarbonize, citing several fundamental obstacles: many processes require temperatures exceeding 400°C that cannot be practically electrified with current technology, industrial facilities operate on continuous 24/7 schedules that demand uninterrupted energy supply, and manufacturers operate on tight profit margins with extreme sensitivity to energy costs. The U.S. Department of Energy's Industrial Decarbonization Roadmap emphasizes that more than half of heavy industry emission reductions required under net-zero scenarios depend on technologies that have been proven to work but are not yet commercially deployed at scale. Industrial process heat applications span a wide temperature spectrum, from low-temperature processes below 150°C used in food processing and textiles, to medium-temperature applications between 150°C and 400°C in chemicals and plastics manufacturing, to high-temperature requirements exceeding 400°C for steel, cement, glass, and petrochemical production.

Chart 17: Breakdown of GHG Emissions from Major Industries in the U.S.



Source: Exec Edge Research, U.S. Department of Energy Report, International Atomic Energy Agency

- **Nuclear power is one of the few technologies that can economically and reliably meet the thermal needs of industrial process heat applications across virtually the entire temperature spectrum, positioning advanced nuclear reactors as essential infrastructure for industrial decarbonization**. According to the C2ES brief "Advanced Nuclear Process Heat for Industrial Decarbonization," nuclear power can meet thermal requirements up to 950°C (1,742°F), covering the full range of industrial applications from district heating and desalination at lower temperatures to hydrogen production and petrochemical processing at higher temperatures. The World Nuclear Association notes that high-temperature gas-cooled reactors (HTGRs) and molten salt reactors (MSRs) can produce heat at over 700°C, enabling applications that conventional light water reactors cannot serve. Advanced nuclear reactors offer several characteristics that make them ideally suited for industrial deployment: they provide firm, uninterrupted thermal energy at capacity factors exceeding 90%, their modular designs enable flexible siting near industrial facilities, they require relatively small land footprints compared to renewable alternatives, and they produce

zero carbon emissions during operation. The C2ES report highlights that industrial clusters, which are geographically linked facilities that share or exchange resources, are prime locations for nuclear-provided heat or hydrogen. These clusters are responsible for approximately 20% of European emissions and 15% of U.S. emissions, creating concentrated opportunities for decarbonization. Additionally, nuclear reactors can power high-temperature electrolysis for clean hydrogen production, providing both direct process heat and indirect decarbonization pathways for industries that use hydrogen as a feedstock or reducing agent.

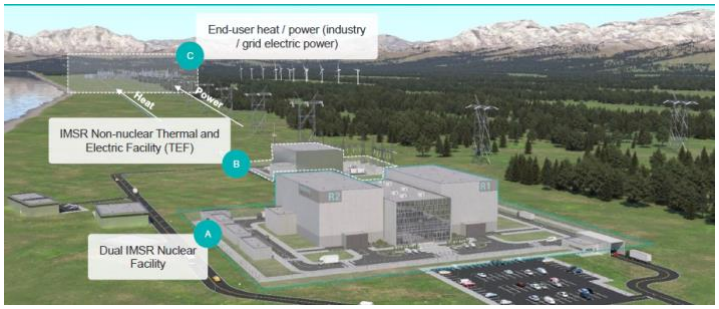
Chart 18: Industrial Process Heat Sources Comparison

Parameter	Natural Gas	Coal	Oil/Petroleum	Nuclear (Advanced Reactors)
Carbon Emissions	~450 kg CO_2/MWh	~900 kg CO_2/MWh	~700 kg CO_2/MWh	Near-zero
Temperature Capability	Up to 1,000°C+	Up to 1,000°C+	Up to 600°C	Up to 750°C (HTGRs); 585°C (IMSR)
Capacity Factor	40-60%	50-70%	Variable	>90%
Fuel Price Volatility	High	Moderate	High	Low
Energy Density	Low	Low	Moderate	Very High
Land Footprint	Moderate	Large	Moderate	Small
24/7 Baseload Capability	Yes (with fuel supply)	Yes (with fuel supply)	Yes (with fuel supply)	Yes (inherent)
Regulatory/Carbon Cost Exposure	High (increasing)	Very High	High	Minimal
Long-term Cost Trajectory	Rising (carbon pricing)	Rising (phase-outs)	Rising (carbon pricing)	Declining (learning curve)
Supply Chain Risk	Geopolitical exposure	Declining infrastructure	Geopolitical exposure	Domestic fuel availability

Source: Exec Edge Research, IEA, EIA, EPA, C2ES, American Nuclear Society, World Nuclear Association

- **IMSR is strategically differentiated in the industrial heat market through its high-temperature output capability, proven technology heritage, and focus on industrial co-generation applications that address the most challenging segments of industrial decarbonization**. The IMSR Plant is designed to supply industrial-grade heat at 585°C (1,085°F), which according to World Nuclear Association temperature mapping data, is sufficient to serve more than two-thirds of industrial thermal applications, including chemical synthesis, petrochemical refining, fertilizer production, and steam generation for various manufacturing processes. **The company estimates its current serviceable addressable market at $1.4 trillion for industrial process heat and electricity in OECD economies, projected to grow 35% to $1.9 trillion by 2050 as decarbonization mandates intensify**. IMSR's molten salt reactor technology builds on 65 years of national laboratory research and demonstration, with the foundational program originating at Oak Ridge National Laboratory in the 1950s. This technological expertise, combined with IMSR's use of standard assay LEU fuel rather than supply-constrained HALEU, provides deployment timeline advantages over competing advanced reactor designs. The company's commercialization strategy explicitly targets industrial customers as a priority vertical, with its partnership ecosystem positioned to support project development for energy-intensive manufacturers seeking to maintain competitiveness while meeting sustainability commitments.

Chart 19: Co-located Plants can Provide Customized Energy Solutions



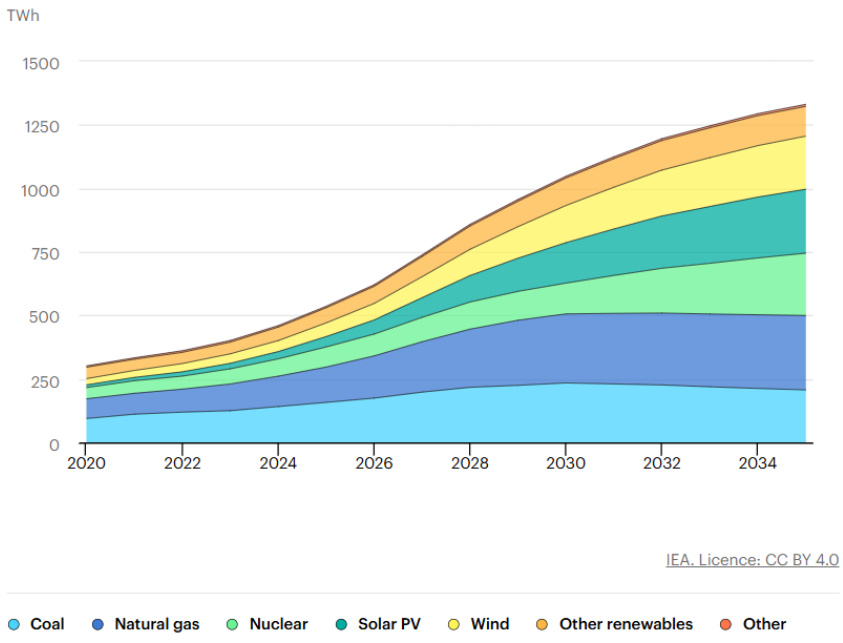
Source: Exec Edge Research, IMSR Investor Presentation. Note: Example is for a dual reactor IMSR Plant. Scaling up is possible

IMSR to Benefit as Nuclear Emerges as Essential Infra for the Data Center/AI Economy

Key Takeaway: The AI revolution is creating unprecedented electricity demand that favors nuclear energy's unique ability to provide reliable, carbon-free baseload power. With global data center consumption projected to nearly triple by 2035 and major technology companies committing billions to nuclear partnerships, IMSR is well-positioned to capture this demand through its distributed generation model, data center-focused partnerships with Ameresco, and commercialization timeline aligned with projected SMR market adoption.

- **The rapid proliferation of artificial intelligence and cloud computing is fundamentally reshaping global electricity demand patterns, with data centers emerging as one of the fastest-growing sources of power consumption worldwide**. According to the International Energy Agency's April 2025 "Energy and AI" report, global electricity generation supplying data centers is projected to more than double from 460 TWh in 2024 to over 1,000 TWh by 2030, before reaching 1,300 TWh by 2035. To contextualize this growth, data center electricity consumption by 2030 is expected to approach the entire current electricity consumption of Japan. In the U.S., data centers consumed ~183 TWh in 2024, representing over 4% of total national electricity consumption. The U.S. Energy Information Administration projects this figure could reach 426 TWh by 2030, representing a 133% increase in just six years. The Electric Power Research Institute estimates that data centers may account for 9% to 12% of total U.S. electricity demand by 2030, up from approximately 4% today. This trajectory represents a historic reversal from two decades of relatively flat electricity consumption in developed economies, driven primarily by the computational intensity of AI training and inference workloads. Power demand for AI inference tasks alone is projected to increase at a 122% compound annual growth rate through 2028, as providers work to serve billions of requests and process hundreds of trillions of tokens daily.

Chart 20: Global Data Center Electricity Consumption Projection (2020-2035)



Source: Exec Edge Research, IEA

- **The unique operational characteristics of AI data centers create electricity requirements that favor nuclear power over alternative generation sources, positioning advanced reactors as essential infrastructure for the AI economy**. Data centers require continuous, uninterrupted power supply with exceptional reliability, as even brief outages can result in significant data loss, service disruptions, and financial damages. Unlike renewable energy sources such as wind and solar, which generate power intermittently based on weather conditions, nuclear plants provide firm, dispatchable baseload power with capacity factors exceeding 90%. Goldman Sachs Research notes that while renewables could serve roughly 80% of a data center's power demand when paired with storage, some form of baseload generation is essential to meet 24/7 operational requirements, with nuclear identified as the preferred option. The carbon-free nature of nuclear energy also aligns with the aggressive sustainability

commitments of major technology companies, many of which have pledged to achieve net-zero emissions by 2040 or earlier. The IEA projects that SMRs will enter the data center supply mix after 2030, providing baseload low-emissions electricity to operators seeking both reliability and environmental credentials. Goldman Sachs estimates that 85 to 90 GW of new nuclear capacity would theoretically be needed to meet all data center power demand growth expected by 2030 relative to 2023 levels. However, well under 10% of this capacity will be available globally by that timeframe, underscoring the substantial supply-demand gap that creates opportunity for advanced reactor developers who can commercialize quickly.

- **The strategic importance of nuclear energy to the AI industry has been validated through unprecedented investment commitments from the world's largest technology companies over the past 18 months**. In October 2024, Google announced a groundbreaking agreement to purchase up to 500 MW of power from small modular reactors to be developed by Kairos Power, with initial deployments targeted for 2030. Just two days later, Amazon Web Services disclosed a $500 million investment in X-energy to support SMR development, alongside agreements with Energy Northwest for up to 960 MW of capacity in Washington state and with Dominion Energy to explore SMR deployment near its Virginia data centers. Amazon has committed to deploying 5 GW of SMR capacity by 2040. Microsoft signed a 20-year power purchase agreement with Constellation Energy to restart Three Mile Island's Unit 1 reactor, adding approximately 835 MW of carbon-free power to the grid by 2028. Meta issued requests for proposals seeking 1 to 4 GW of new nuclear capacity, while Oracle announced plans for SMR-powered data centers. These investments demonstrate that hyperscalers view nuclear not merely as one option among many, but as essential infrastructure for maintaining competitive position in the AI race, creating powerful demand signals for advanced reactor developers.

Chart 21: Big Tech Nuclear Power Commitments (2024-2025)

Company	Partner/Developer	Capacity	Timeline
Google	Kairos Power	500 MW total (7 reactors: 1×50 MW + 3 plants × 2×75 MW each)	First reactor by 2030; Full fleet by 2035
Microsoft	Constellation Energy	835 MW (Three Mile Island Unit 1 restart)	Restart by 2028
Amazon	X-energy / Energy Northwest / Dominion Energy	5 GW by 2039 (largest SMR deployment target); Initial: 320 MW with Energy Northwest (4×80 MW Xe-100); Option to expand to 960 MW (12 reactors); Dominion: 300+ MW SMR	Early 2030s (first deployments); Full target by 2039
Meta	To be determined (RFP issued)	1-4 GW (open to SMRs and large reactors)	Early 2030s
Oracle	Not disclosed	>1 GW (data center powered by 3 SMRs)	Not disclosed (industry estimates: early 2030s)

Source: Exec Edge Research, Kairos Power, Constellation Energy, Utility Dive, Amazon, X-Energy, Meta, World Nuclear News, CNBC

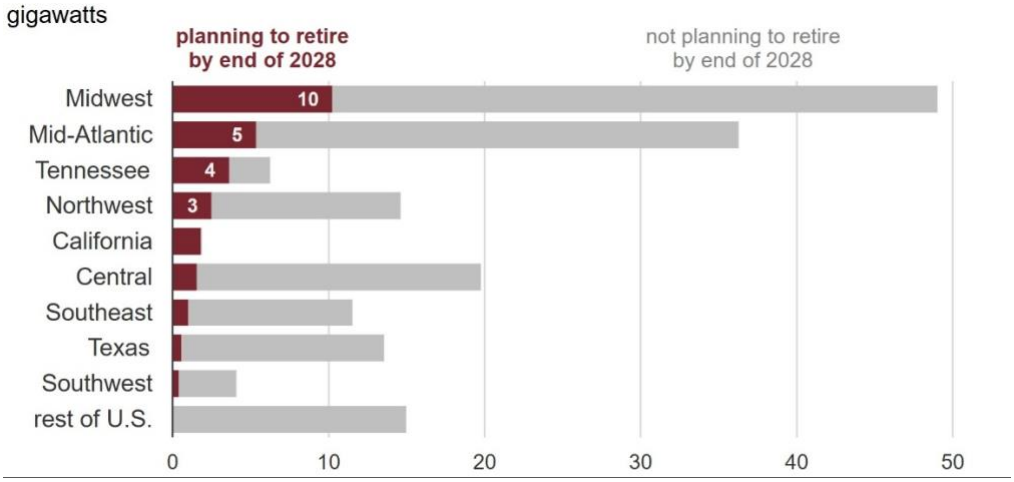
- **IMSR is strategically positioned to capture a meaningful share of the data center energy market through its differentiated technology and targeted commercial partnerships**. The company's 390 MWe IMSR Plant is specifically designed for distributed generation at or near large industrial loads, eliminating the transmission constraints and interconnection delays that plague centralized generation projects. This distributed deployment model aligns precisely with data center operators' preference for co-located or near-located power sources that reduce grid dependency and accelerate time-to-power. Unlike competitors pursuing gigawatt-scale central station designs, IMSR's modular architecture enables deployment at scales suitable for individual data center campuses or clusters, with capacity that can expand alongside computing infrastructure growth. The company's collaboration with Ameresco, announced as part of its commercialization strategy, specifically targets customized, scalable, reliable, clean, and cost-competitive energy solutions for data center and industrial applications. IMSR's ability to provide firm, dispatchable power with zero carbon emissions addresses the dual mandate facing technology companies: meeting insatiable power demands while honoring sustainability commitments. With major technology companies actively seeking nuclear partnerships and demonstrating willingness to sign long-term power purchase agreements, IMSR's commercialization timeline targeting first commercial operations in 2034 positions it to participate in the second wave of SMR deployments precisely when the technology is expected to achieve broader market adoption.

Coal-Compatible Design Positions IMSR Well in the Brownfield Conversion Market

Key Takeaway: Coal plant retirements are accelerating, with U.S. capacity projected to decline from 172 GW to 145 GW by 2028, concentrated in the Midwest and Mid-Atlantic. DOE analysis confirms 80% of coal sites are suitable for SMR repowering, offering 15-35% capital cost savings and 77% workforce transferability. IMSR's 585°C steam output matches coal plant specifications, positioning it as an ideal retrofit solution supported by the IRA's $250 billion Section 1706 program and ADVANCE Act licensing reforms.

- **The ongoing retirement of coal-fired generation in the U.S. is creating a significant market opportunity for advanced nuclear developers capable of repowering these sites with clean, dispatchable energy**. According to the U.S. Energy Information Administration, the total operating capacity of U.S. coal-fired power plants is scheduled to fall from 172 GW in May 2025 to 145 GW by the end of 2028, representing a reduction of 27 GW in just over three years. On a regional basis, 58% of the planned coal capacity retirements are concentrated in the Midwest and Mid-Atlantic regions, creating geographic clusters of repowering opportunities. Coal consumption in the U.S. electric power sector has fallen since its peak in the late 2000s due to increased competition from natural gas and renewables, as well as emissions regulations that require plants to add equipment, modify processes, or cease operations. While the pace of retirements has recently faced policy headwinds, including DOE emergency orders that have stalled at least 4.5 GW of coal retirements since May 2025 through Section 202(c) interventions, the underlying economic and regulatory pressures driving coal plant closures remain intact. These interventions, which have forced utilities to keep more than 2 GW of coal capacity online in December 2025 alone across the Pacific Northwest, Midwest, and Mountain West, underscore the grid reliability concerns that dispatchable nuclear generation could address. Rather than simply delaying inevitable retirements, coal-to-nuclear conversion offers a pathway to preserve grid reliability while transitioning to zero-carbon generation.

Chart 22: U.S. Operating Coal Capacity in GW (May 2025)

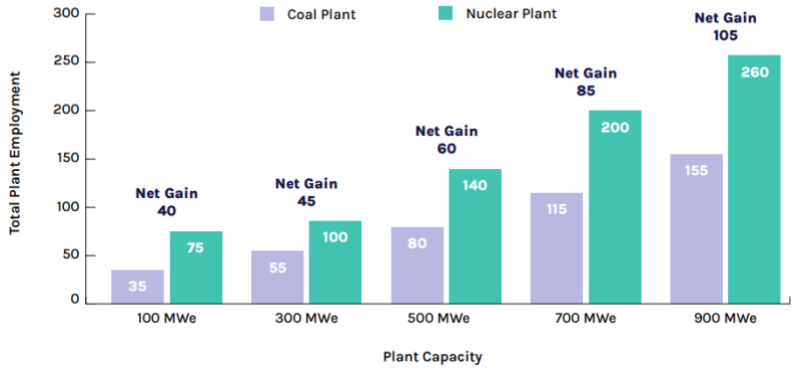


Source: Exec Edge Research, U.S. Energy Information Administration, Preliminary Monthly Electric Generator Inventory, May 2025

- **Coal-to-nuclear transitions offer compelling economics through infrastructure reuse, workforce retention, and growing policy support**. A 2022 Department of Energy study provides compelling evidence for the viability and benefits of coal-to-nuclear transitions, finding that 80% of evaluated coal plants have the basic characteristics needed to be repowered by an SMR, representing approximately 265 GW of potential nuclear capacity across operating and recently retired sites. The study found that 190 operating coal sites (with 198.5 GW of installed coal capacity) and 125 recently retired sites (with 64.8 GW of capacity) are amenable to hosting advanced reactors. The economic benefits are substantial: by reusing transmission infrastructure, switchyard facilities, cooling systems, and steam-cycle components, overnight capital costs for nuclear construction could decrease by 15% to 35% compared to greenfield projects. The Bipartisan Policy Center estimates that SMRs can reuse coal plant electrical equipment and balance-of-plant components, achieving construction cost savings of 17% to 35%. Beyond cost advantages, coal-to-nuclear conversions offer compelling workforce benefits. The DOE study found that 77% of coal plant jobs are transferable to nuclear plants without new licensing requirements, while nuclear operations typically require larger workforces and provide higher wages. A regional economic analysis found that replacing 1,200 MWe of coal

capacity with 924 MWe of nuclear capacity could create a net increase of more than 650 permanent jobs and boost regional economic activity by as much as $275 million, implying a 92% increase in local tax revenues. These findings have attracted significant policy support, with the ADVANCE Act of 2024 signed into law to clarify the regulatory framework for coal-to-nuclear conversions and direct the NRC to streamline licensing processes for nuclear facilities at brownfield and retired fossil sites.

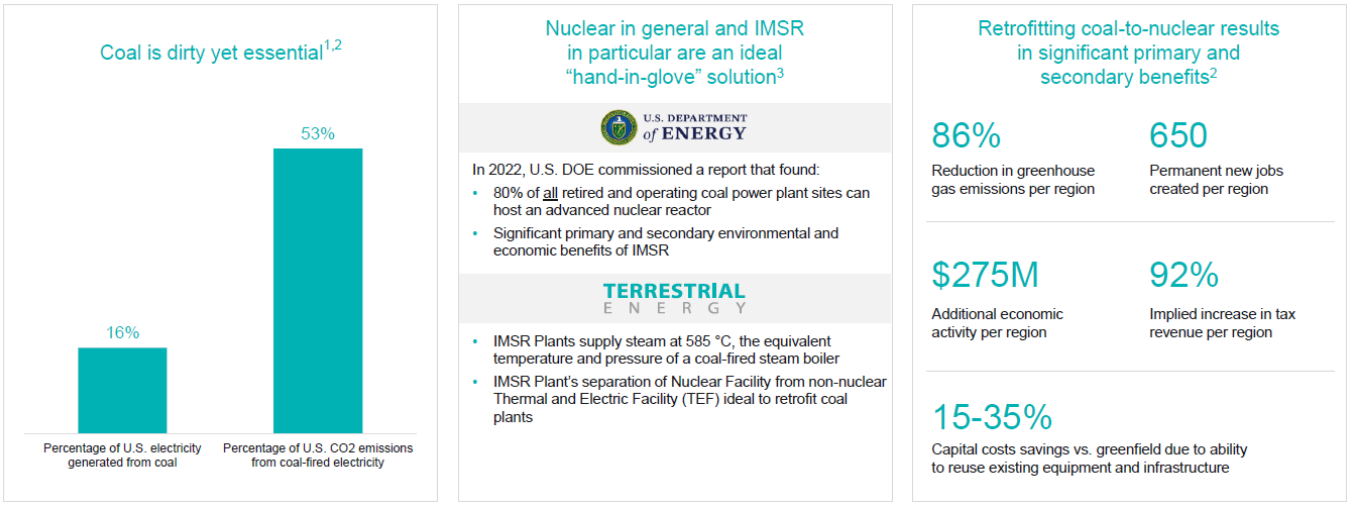
Chart 23: Estimated Employment Generation by Coal and Nuclear Plants



Source: Exec Edge Research, U.S. Department of Energy, Office of Nuclear Energy

- **We believe IMSR's technical expertise make it uniquely suited to capture coal repowering opportunities, offering what the company describes as a hand-in-glove solution for retiring coal facilities.** The IMSR Plant supplies steam at 585°C, which matches the equivalent temperature and pressure of a coal-fired steam boiler, enabling direct reuse of existing turbine systems and balance-of-plant infrastructure. This temperature compatibility, combined with IMSR's architectural separation of the Nuclear Facility from the non-nuclear Thermal and Electric Facility, makes it particularly well-suited to retrofit coal plants while achieving capital cost savings of 15% to 35% versus greenfield construction. The economic case is compelling: DOE analysis indicates that coal-to-nuclear conversions can generate 650 permanent new jobs per region, $275 million in additional economic activity, and a 92% increase in local tax revenues, while achieving an 86% reduction in regional greenhouse gas emissions. Policy support is robust, with the Inflation Reduction Act's Section 1706 program providing up to $250 billion in loan authority for energy infrastructure repowering, and the ADVANCE Act streamlining NRC licensing for brownfield sites. With coal still generating 16% of U.S. electricity but contributing 53% of power sector CO2 emissions, the focus on conversion is likely to accelerate, and IMSR is positioned to address this transition.

Chart 24: IMSR Plants can Uniquely "Retrofit" Existing Coal Plants Efficiently and Sustainably



Source: Exec Edge Research, IMSR Investor Presentation

Growth Strategy and Milestones

Funding, Fuel Supply, and Flagship Projects Driving 2034 Commercialization Target

- **IMSR's growth strategy centers on securing financing, establishing fuel supply capabilities, and executing flagship projects**. The company has articulated a clear commercialization roadmap targeting first commercial IMSR Plant operations in 2034, subject to regulatory approval and financing, with fleet deployment anticipated in the late 2030s. To achieve these objectives, the company just closed its SPAC business combination, unlocking $292 million in gross proceeds, which included $50 million in PIPE Investment. Additionally, the management is also pursuing four strategic initiatives: advancing an $890 million DOE loan guarantee application currently under review, developing proprietary fuel production capabilities through an expanded partnership with Westinghouse at its Springfields facility, executing on the Texas A&M RELLIS campus flagship project selected through a competitive RFP process, and progressing regulatory milestones toward commercial licensing. These initiatives are supported by approximately $30 million in non-dilutive government grants already received and selection for two DOE programs that provide accelerated licensing pathways. In parallel, IMSR entered the final phase of its reactor graphite irradiation and supplier selection program in 3Q25 at NRG PALLAS' High Flux Reactor in the Netherlands, a critical materials-qualification step supporting IMSR Plant licensing readiness and long-lead supplier engagement. In January 2026, IMSR executed a DOE OTA agreement for Project TEFLA under the Fuel Line Pilot Program, authorizing pilot-scale IMSR Fuel Salt production and advancing the company's integrated fuel-to-reactor commercialization pathway. We discuss these strategic elements in detail below.

Chart 25: IMSR's Four-Pronged Growth Strategy

Source: Exec Edge Research, Company Filings

- **Pursue DOE loan guarantee**. IMSR has applied for an $890 million DOE loan guarantee to support project financing. The U.S. Department of Energy's Loan Programs Office has accepted the company's loan guarantee application, which includes a detailed project plan along with supporting technical, regulatory, and financial documentation in accordance with LPO review requirements. As of the latest S-1 filing (dated 11/25/25), the application remains under active review. If approved, management believes the loan guarantee could help reduce project financing risk, enhance investor confidence, and improve overall project viability for the first U.S. based IMSR Plant deployment. The company has also received approximately $30 million in non-dilutive grant funding from the governments of the U.S., Canada, and the United Kingdom for licensing, engineering, and fuel supply activities. These government funding initiatives demonstrate policy support for IMSR's Generation IV technology and could provide critical capital to bridge the gap between current development activities and commercial deployment.

Chart 26: Government Funding Support

Jurisdiction	Amount ($ million)	Status
USA (Federal)	890.0	Application Under Review
USA (Federal)	7.9	Received
Canada (Federal and Provincial)	18.6	Received
United Kingdom (Federal)	3.6	Received

Source: Exec Edge Research, IMSR Investor Presentation

- **Westinghouse fuel partnership**. IMSR has partnered with Westinghouse to develop fuel production capabilities at the Springfields facility. In November 2025, the company signed an expanded manufacturing and supply contract with Springfields Fuels Limited, a Westinghouse subsidiary, for the design and construction of an IMSR fuel pilot plant at the Springfields nuclear fuel manufacturing site in Preston, United Kingdom. The agreement builds on a prior contract signed in August 2023 and encompasses commercial-scale fuel services including deconversion, fabrication, packaging, and transportation, with construction scheduled to begin in 2026. This partnership leverages Springfields' nearly 80-year legacy as a global leader in SALEU fuel supply. Upon completion, the pilot facility will be positioned to scale to commercial fuel production supporting a future fleet of IMSR Plants. Management views this partnership as a strategic milestone in establishing Western supply chain capabilities while accelerating the commercialization pathway.
- **Texas A&M flagship project**. IMSR is pursuing its first commercial plant deployment at Texas A&M's RELLIS campus. Texas A&M University selected Terrestrial Energy as one of four companies to collaborate on small modular reactor projects at its RELLIS campus in Bryan, Texas, following a competitive RFP process. The company and its project consortium partners, which include an EPC contractor, a nuclear utility, the site owner, and nuclear fuel suppliers, intend to pursue licensing, construction, and operation of a commercial IMSR Plant at the site, subject to regulatory approvals and financing. The plant is intended to supply clean, firm power to the campus and to the ERCOT grid, while also supporting IMSR system R&D testing activities utilizing the university's nuclear engineering faculty. We believe this collaboration has the potential to accelerate business plans, particularly given alignment with recent Trump Administration policy statements supporting advanced nuclear technology commercialization.

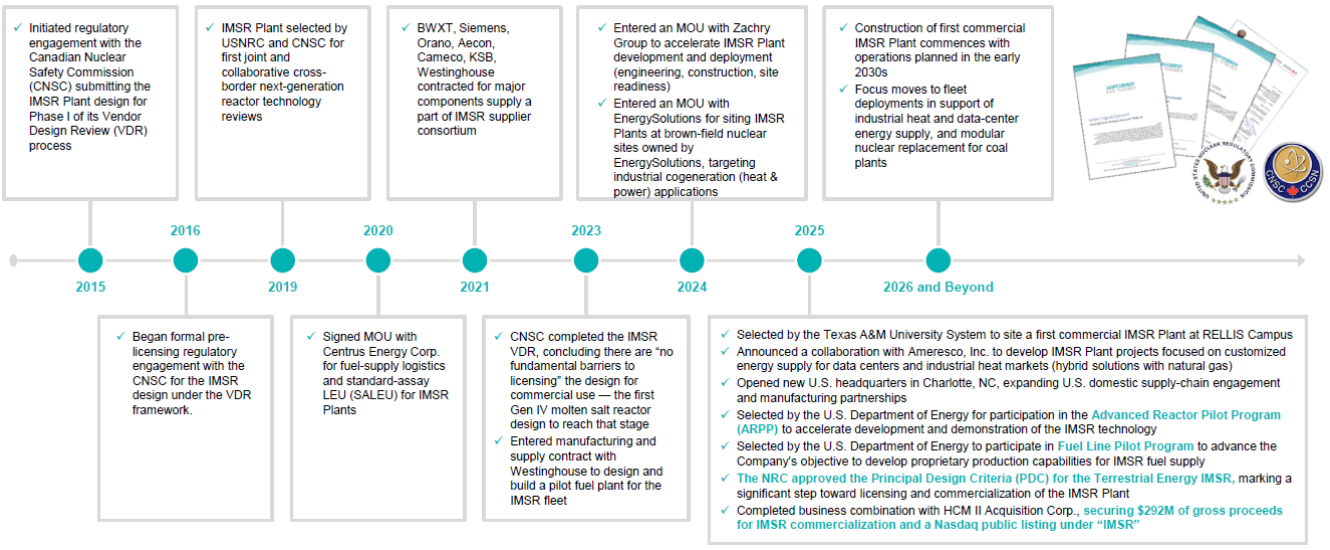
Chart 27: IMSR – Recent Commercial Developments

CNSC CCSN	April 2023	Completion of CNSC's regulatory review of IMSR Plant
Oil Major	March 2024	Signs technology development agreement for industrial facility
100 YEARS OF ZACHRY	August 2024	Signs MOU to collaborate on IMSR Plant development and deployment
viaro ENERGY	September 2024	Signs MOU to collaborate on IMSR Plant development and deployment
ENERGYSOLUTIONS	November 2024	Signs MOU to collaborate on IMSR Plant development and deployment
RELLIS INNOVATION & TECH CAMPUS	February 2025	Texas A&M announces plans to site a commercial IMSR Plant at its RELLIS campus
AMERESCO	June 2025	Partners with Ameresco for US site identification and IMSR plant project development, design, licensing, construction and operation
U.S. DEPARTMENT OF ENERGY	August 2025	Selected for DOE Office of Nuclear Energy Advanced Reactor Pilot Program for Accelerated Development
U.S. DEPARTMENT OF ENERGY	September 2025	Selected for DOE Office of Nuclear Energy Fuel Line Pilot Program, Advancing Comprehensive Nuclear Supply Chain Strategy
Westinghouse	November 2025	Signed a manufacturing and supply contract with Westinghouse for the design and construction of an IMSR fuel pilot plant.

Source: Exec Edge Research, IMSR Investor Presentation

- **Pursue 2034 commercialization target**. IMSR targets first commercial operations in 2034 with fleet deployment in the late 2030s. The company's technology development roadmap establishes 2034 as the target date for first commercial IMSR Plant operations, subject to regulatory approval and financing. Following successful initial deployment, management anticipates commercial fleet deployment in the late 2030s to support industrial heat and data center energy supply, as well as modular nuclear replacement for retiring coal plants. This timeline is supported by the company's regulatory progress, including completion of the Canadian Nuclear Safety Commission's Vendor Design Review in April 2023 and NRC approval of IMSR Principal Design Criteria in September 2025. Selection for the DOE's Advanced Reactor Pilot Program in August 2025 provides a fast-track pathway to advance licensing and deployment. The company has assembled a pipeline of more than ten early-stage projects at identified sites, supported by over 50 collaborative industry relationships.

Chart 28: Targeting Commercialization in Early 2030s



Source: Exec Edge Research, IMSR Investor Presentation

- **The table below summarizes IMSR's execution progress in 2025 alongside key milestones expected in 2026**. We view these milestones as central to advancing licensing readiness, fuel supply validation, and flagship project development, and as the primary near-term catalysts shaping IMSR's commercialization trajectory and valuation.

Chart 29: IMSR – Key Milestones: 2025 Progress and 2026 Objectives

Category	2025 Milestones Achieved	2026 Focus / Expected Developments
Corporate / Capital	Completed business combination and transitioned to a publicly listed company	Execute as a public company with a strengthened balance sheet and accelerating momentum
Regulatory & Licensing	Completed NRC Topical Report safety evaluation and acceptance of IMSR Principal Design Criteria	Advance engineering and regulatory program toward IMSR Plant licensing readiness
DOE Programs & Pilots	Selected by DOE for two OTA awards: Advanced Reactor Pilot Program (TETRA) and Fuel Line Pilot Program (TEFLA)	Announce developments related to TETRA and TEFLA pilot projects
Fuel Supply & Materials	Entered final phase of reactor graphite irradiation and supplier selection; advanced fuel readiness initiatives	Progress pilot-scale IMSR Fuel Salt production under Project TEFLA using SALEU
Project Development	Selected by Texas A&M to site a full-sized commercial IMSR Plant at the RELLIS campus; expanded commercial collaborations	Advance IMSR Plant project development with industrial, data-center, and utility partners

Source: Exec Edge Research, IMSR Shareholder Letter

Management Team

Led by Simon Irish, Management Team has Deep Nuclear Tech & Capital Markets Expertise

- **IMSR is led by a management team and board of directors with extensive experience spanning nuclear technology, energy operations, and capital markets**. The executive team is headed by CEO Simon Irish and CTO Dr. David LeBlanc, supported by CFO Brian Thrasher, COO William Smith, and General Counsel Steven Millsap. The nine-member board includes Chairman Dr. Frederick Buckman, Dr. David Hill, William Johnson, Robert W. Jones, Hugh MacDiarmid, Shawn Matthews, and Charles Pardee, alongside Mr. Irish and Dr. LeBlanc who serve in dual executive and board capacities. Brief bios of management team members are listed below.

Chart 30: IMSR – Management Team

Simon Irish, Chief Executive Officer & Director

Mr. Irish has led IMSR as Chief Executive Officer and Director since 2014, bringing over two decades of finance and investment management expertise. He previously served as North American head of Man Global Strategies, the strategic investment arm of Man Group Plc, where he built one of the region's largest managed account businesses. He also served on Man Group's Investment Committee. Earlier, he worked as a derivatives structurer and trader at Credit Suisse Financial Products in London. Mr. Irish holds an MA in Natural Sciences from Cambridge University and an MSc in Finance from London Business School.

Brian Thrasher, Chief Financial Officer

Mr. Thrasher joined IMSR as Chief Financial Officer in May 2025, contributing over 25 years of financial leadership experience at publicly traded and private companies. Previously, he served as CFO of Hilco Transport from 2021 to 2025 and held various accounting positions at Hanesbrands Inc. from 2015 to 2021. His expertise spans strategic financial planning, public market reporting, capital structuring, and M&A transactions. Mr. Thrasher began his career in public accounting at Ernst & Young. He holds a B.B.A. from Acadia University and M.Acc. from the University of Alabama and is a licensed CPA in North Carolina.

Dr. David LeBlanc, Chief Technology Officer & Director

Dr. LeBlanc has served as IMSR's Chief Technology Officer and Director since the company's founding in 2013 and is recognized globally as a leading authority on molten salt reactor technology. He is the only private sector representative on the Gen IV International Forum, an intergovernmental body focused on advanced reactor research. In 2008, he established Ottawa Valley Research Associates to advance MSR technologies and holds multiple related patents. Dr. LeBlanc is a frequent speaker at international nuclear conferences and has authored widely cited academic publications. He earned his Ph.D. and M.Sc. in Physics from the University of Ottawa.

William Smith, Chief Operating Officer

Mr. Smith assumed the role of Chief Operating Officer at IMSR in July 2025, having previously served as Senior Vice President of Operations and Engineering since 2016. He brings over 44 years of energy sector experience, including more than 20 years in nuclear power. Prior to IMSR, he was Senior Vice President at Siemens Canada's energy business, helping grow it into a billion-dollar enterprise. Earlier, he spent over two decades at Ontario Hydro and Ontario Power Generation, rising to Vice President of Supply Chain. Mr. Smith holds an MBA from York University and a B.Eng. from Carleton University and is a licensed Professional Engineer.

Steven Millsap, General Counsel, Secretary & Chief Compliance Officer

Mr. Millsap joined IMSR in July 2025 as General Counsel, Secretary, and Chief Compliance Officer, bringing over 27 years of legal experience, including 24 years as in-house counsel. Most recently, he served as Vice President, General Counsel, and Chief Compliance Officer at Divergent Technologies from 2022 to 2025 and previously held the same role at Global Advanced Metals from 2012 to 2022. His expertise encompasses corporate governance, risk management, intellectual property, and regulatory compliance. Mr. Millsap holds a B.A. in Economics from Rollins College, a J.D. from Florida State University, and an LL.M. in Intellectual Property from the University of New Hampshire.

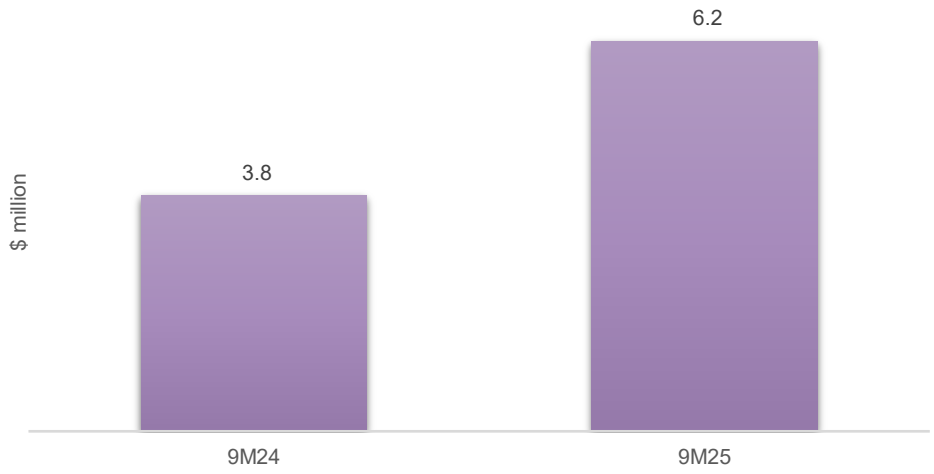
Source: Exec Edge Research, Company Website

Fundamentals & Valuation

Current Fundamentals Reflect Strategic Investments; Long-Term Economics Are Attractive

- **Meaningful revenue generation to commence closer to 2034; for now, investors should expect continued minimal revenue in the near term as IMSR focuses on R&D, regulatory advancement, and securing project partnerships**. The absence of revenue in 9M25 (ended September 30, 2025) reflects the project-based and episodic nature of IMSR's current revenue streams. IMSR generated no engineering services revenue in 9M25, compared to $249,395 in 9M24. The prior year revenue was attributed to a contract with a customer in the oil and gas sector for pre-construction and use-specific engineering services, which was completed during 2024. Management anticipates that meaningful revenue generation will commence closer to 2034, when first commercial IMSR Plant operations are targeted, though pre-construction engineering services may generate periodic revenues in the interim.
- **R&D expenses increased as IMSR ramped up technology development activities to support its DOE program selections**. For the three months ended September 30, 2025 (3Q25), R&D costs totaled $3.4 million compared to $1.2 million in 3Q24. On a nine-month basis, R&D expenses rose to $6.2 million from $3.8 million, representing a 65% y/y increase. The acceleration in R&D spending is attributed to the company's participation in the DOE Advanced Nuclear Reactor Pilot Program and the DOE Advanced Nuclear Fuel Line Pilot Project, which required expanded testing capabilities and additional technical headcount. This contrasts with 2024, when R&D activities had been scaled back as management focused on administrative matters related to the corporate reorganization. We view the increased R&D intensity positively, as it demonstrates IMSR's commitment to advancing the IMSR Plant design toward regulatory submissions and reflects the company's selection for competitive federal programs that validate its technology approach.

Chart 31: Increased R&D Focus in 2025

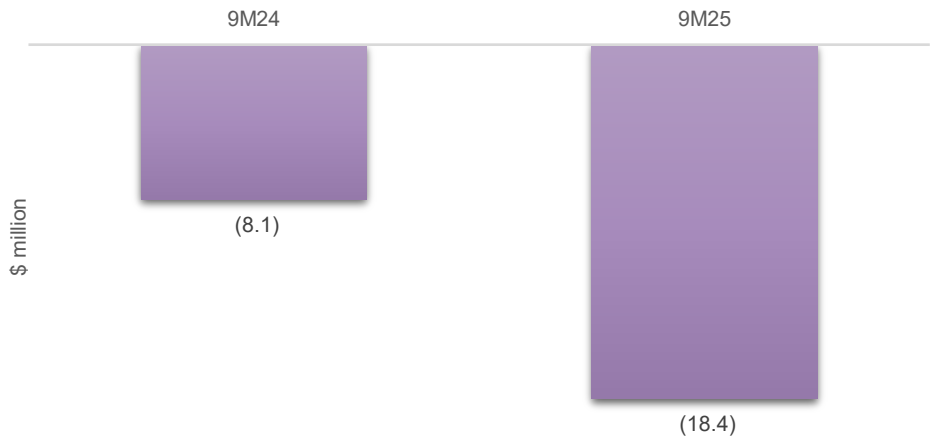


Source: Exec Edge Research, IMSR S1 Filing

- **G&A expenses are higher in 2025, driven primarily by transaction-related costs associated with the business combination**. G&A for 3Q25 reached $4.7 million compared to $1.1 million in 3Q24. For 9M25, G&A expenses totaled $11.6 million versus $3.5 million in the prior year. The increase is primarily attributable to elevated legal and accounting fees associated with the company's preparations to close on the transaction outlined in the Business Combination Agreement with HCM II Acquisition Corp. Elevated G&A costs are likely to continue in the near term as IMSR integrates its public company reporting infrastructure, though transaction-related legal and accounting fees should normalize following the deal's October 2025 closing.
- **IMSR's operating loss reflects the combined impact of increased R&D investment and transaction-related costs**. The company recorded an operating loss of $8.4 million in 3Q25 compared to $2.6 million in 3Q24. For 9M25, operating loss expanded to $18.4 million from $8.1 million a year ago. Total operating expenses more than doubled y/y, rising 122% to $18.4 million for the nine months ended September 30, 2025. The widening operating losses are

consistent with IMSR's development stage status and reflect strategic investments in technology advancement and corporate infrastructure. Management has indicated that the company's CEO monitors R&D and G&A costs as key metrics to manage and forecast cash requirements. We expect operating losses to continue as IMSR progresses through pre-construction phases, with potential improvement in loss trajectory as the company approaches construction-phase revenue streams.

Chart 32: IMSR – Operating Losses Widen



Source: Exec Edge Research, IMSR S1 Filing

- **Interest expense increased due to higher debt balances resulting from convertible note issuances**. Combined interest expense (including related party) totaled $1.3 million in 3Q25 compared to $474,000 in 3Q24. For the nine-month period, total interest expense reached $4.0 million versus $774,000 in the prior year. The increase was driven by the issuance of convertible debt securities by the company in the third and fourth quarters of 2024 and the first quarter of 2025, which accrued a full quarter's interest in 2025 compared to only partial interest recognition in the 2024 period. Additionally, there were more borrowings outstanding in 3Q25 compared to 3Q24. Notably, IMSR recorded a loss on extinguishment of debt of $1.2 million in 2024 related to a debt modification, which did not recur in 2025. Interest expense may moderate in the coming quarters and years, as IMSR may use proceeds from the SPAC transaction to pay off certain debt obligations.
- **Government grant income decreased modestly in 2025, though grants continue to provide meaningful non-dilutive funding support**. IMSR recognized $267,000 in government grants for 3Q25, nearly flat compared to $279,000 in 3Q24. For the nine-month period, grants totaled $435,000 versus $567,000 in the prior year. The decrease was primarily due to lower grants awarded by U.S. and Canadian governments in 2Q25 compared to the same period in 2024. Historically, IMSR has received approximately $30 million in cumulative non-dilutive grant funding from U.S., Canadian, and U.K. governments for licensing, engineering, and fuel supply activities. The company continues to benefit from government support through programs including the DOE Advanced Reactor Pilot Program and Strategic Innovation Fund contributions, which help offset R&D expenditures and extend cash runway.
- **IMSR remains in a pre-revenue development stage, with financial performance in 9M25, reflecting a strategic inflection point as the company accelerated investments to advance its commercialization objectives**. The company recorded a net loss of $21.8 million for 9M25, compared to $9.4 million in the prior year period. This reflects deliberate capital deployment into DOE-sponsored pilot programs, expanded headcount, and significant transaction-related expenditures associated with the business combination with HCM II Acquisition Corp. that closed in October 2025. While losses have expanded, the increased spending signals IMSR's transition from a design-focused entity toward active commercialization preparation.

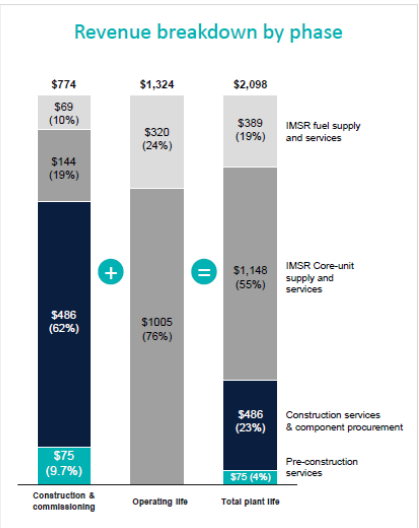
Chart 33: IMSR – Losses Extend Due to Investment in R&D, Headcount and Transaction Related Expenses

Source: Exec Edge Research, IMSR S1 Filing

- **While current financials reflect IMSR's pre-revenue development stage, the company's long-term unit economics demonstrate compelling long-term revenue potential once commercial deployment commences**. Management estimates that each IMSR Plant represents approximately $2.1 billion in cumulative revenue opportunity over its 60+ year total plant life, comprising four distinct revenue streams: pre-construction services ($75 million), construction services and component procurement ($486 million), IMSR Core-unit supply and services ($1.148 billion), and IMSR fuel supply and services ($389 million). The revenue model generates $774 million during the construction and commissioning phase spanning approximately four years prior to commercial operation, followed by $1.324 billion during the 56-year operating life. This structure provides meaningful upfront revenue during the capital-intensive construction period while establishing long-duration recurring revenue streams that extend across multiple decades of plant operation.

Chart 34: Each IMSR Plant Represents $2.1 billion in Lifetime Revenue Opportunity

($ in M USD)	Construction and Commissioning to T=0					Operating life	Total plant life
	<T-4	T-4	T-3	T-2	T-1	56 years	60+ years
Revenues							
Preconstruction services	75	-	-	-	-	-	75
Construction services and component procurement	-	63	105	161	158	-	486
IMSR Core-unit supply and services	-	-	-	-	144	1,005	1,148
IMSR fuel supply and services	-	-	-	-	69	320	389
Total revenues	**75**	**63**	**105**	**161**	**370**	**1,324**	**2,098**
Gross profit							
Preconstruction services	23	-	-	-	-	-	23
Gross margin	*31%*	-	-	-	-	-	*31%*
Construction services and component procurement	-	17	28	44	43	-	132
Gross margin	-	*27%*	*27%*	*27%*	*27%*	-	*27%*
IMSR Core-unit supply and services	-	-	-	-	29	201	230
Gross margin	-	-	-	-	*20%*	*20%*	*20%*
IMSR fuel supply and services	-	-	-	-	14	64	78
Gross margin	-	-	-	-	*20%*	*20%*	*20%*
Total gross profit	**23**	**17**	**28**	**44**	**85**	**265**	**462**
Gross margin	*31%*	*27%*	*27%*	*27%*	*23%*	*20%*	*22%*



Source: Exec Edge Research, IMSR Investor Deck

- **Revenue streams are expected to carry a blended gross margin of approximately 22%, with margin profiles varying by activity type**. Per management estimates, pre-construction engineering services are expected to generate the highest margins at 31%, reflecting the value of IMSR's proprietary design expertise and intellectual property. Construction services and component procurement will contribute 27% gross margins across the four-year build phase, while IMSR Core-unit supply and fuel services will each deliver 20% margins during the operating period. Notably, the revenue mix shifts meaningfully toward higher-value, recurring streams over the plant lifecycle: Core-unit supply and fuel services together account for 74% of total plant life revenue ($1.537 billion), providing predictable, long-term cash flows once plants enter commercial operation. **This recurring revenue component, representing $1.324 billion over 56 years of operation, transforms IMSR's business model from episodic project revenue during construction into an annuity-like stream anchored by fuel supply and Core-unit replacement cycles**.
- **The company's balance sheet underwent a significant transformation in 2025, positioning the company with substantial liquidity to execute its commercialization strategy**. Cash increased from $3.0 million on December 31, 2024 to $27.7 million on September 30, 2025, driven by the Series A-1 preferred stock issuance, including a $25.8 million preferred stock placement on July 1, 2025. Balance sheet also validates IMSR's asset-light business model, with property and equipment totaling just $1.2 million, reflecting the company's strategy as a design and component supplier rather than plant owner. **Following the October 2025 closure of the business combination with HCM II Acquisition Corp., IMSR's pro forma cash position stands at ~$298 million, providing meaningful runway to advance the IMSR Plant toward first commercial operations targeted in 2034**.
  - **Overall IMSR's financial profile reflects a company in active transition from development to commercialization preparation**. The company's spending pattern aligns with management's stated priorities of advancing the IMSR Plant design through DOE pilot programs and preparing for regulatory submissions. The business combination, which raised over $292 million in gross proceeds with negligible shareholder redemptions, provides IMSR with substantial runway to execute on its commercialization timeline targeting first commercial operations in 2034. Going forward, we will monitor cash burn rates relative to milestone achievement, with particular attention to R&D productivity and the company's ability to secure construction-phase contracts that would generate more predictable revenue streams. We believe that the low capital expenditure business model, which focuses on design, component supply, and fuel provision rather than plant ownership, should enable more efficient capital deployment than traditional nuclear developers.

Chart 35: IMSR Financial Snapshot

Income Statement ($)	9M24	9M25	2023	2024
REVENUES				
Engineering services revenue	249,395	-	18,614	248,357
Total Revenue	**249,395**	**-**	**18,614**	**248,357**
OPERATING EXPENSES				
Research and development costs	3,755,549	6,211,043	7,152,913	5,176,932
General and administrative	3,546,510	11,569,376	5,274,603	4,168,576
Depreciation and amortization	1,015,118	665,832	1,829,997	1,256,391
Total Operating Expenses	(8,317,177)	(18,446,251)	14,257,513	10,601,899
OPERATING LOSS	**(8,067,782)**	**(18,446,251)**	**(14,238,899)**	**(10,353,542)**
OTHER INCOME (EXPENSE)				
Government grants	566,978	435,453	422,719	708,004
Interest expense	(685,804)	(3,784,907)	(400,679)	(1,223,929)
Interest expense – related party	(88,320)	(254,206)	(35,147)	(88,906)
Loss on extinguishment of debt	(1,183,289)	-	-	(1,183,289)
Interest income	46,183	169,416	107,694	59,860
Foreign exchange gain (loss)	(437)	100,270	(19,795)	617,357
OTHER INCOME (EXPENSE)	(1,344,689)	(3,333,974)	74,792	(1,110,903)
Net loss before income tax	**(9,412,471)**	**(21,780,225)**	**(14,164,107)**	**(11,464,445)**
Income tax (expense) benefit	-	-	356,437	(20,965)
Net loss	**(9,412,471)**	**(21,780,225)**	**(13,807,670)**	**(11,485,410)**
Less: Net income attributable to noncontrolling interest	115,134	-	100,792	-
Net loss attributable to common stockholders	(9,527,605)	(21,780,225)	(13,908,462)	(11,485,410)
Loss per common share, basic and diluted	(8)	(17)	(21)	(17)
Weighted-Average Shares of Common Shares Outstanding, Basic and diluted	1,206,205	1,269,255	675,281	676,659
Net loss	(9,412,471)	(21,780,225)	(13,807,670)	(11,485,410)
Other comprehensive income (loss) net of tax:				
Foreign currency translation adjustments	488,848	(237,029)	(153,347)	395,525
Comprehensive loss	(8,923,623)	(22,017,254)	(13,961,017)	(11,089,885)
Less: Net income attributable to noncontrolling interest	115,134	-	100,792	-
Comprehensive loss attributable to common stockholders	(9,038,757)	(22,017,254)	(14,061,809)	(11,089,885)

Key Balance Sheet Items ($)	9M24	9M25	2023	2024
ASSETS				
Cash and cash equivalents		27,739,256	4,600,530	3,021,795
Total current assets		**28,205,306**	**5,064,649**	**3,291,886**
Total assets		**31,657,231**	**7,889,319**	**5,331,604**
LIABILITIES AND STOCKHOLDERS' DEFICIT				
Accounts payable and accrued expenses		6,883,598	1,661,583	748,867
Total current liabilities		**7,187,434**	**1,813,881**	**1,104,170**
Convertible notes, net of debt discount		22,218,122	7,918,528	13,708,832
Accrued interest on convertible notes		1,907,135	113,983	266,554
Convertible notes, net of debt discount – related parties		4,176,017	2,032,017	2,371,994
Total liabilities		**38,016,326**	**12,765,007**	**18,822,156**
Commitments and Contingencies				
Total stockholders' deficit		**(6,359,095)**	**(4,875,688)**	**(13,490,552)**
Total liabilities and stockholders' deficit		**31,657,231**	**7,889,319**	**5,331,604**

Cash Flow	9M24	9M25	2023	2024
Cash flows from operating activities				
Net loss	**(9,412,471)**	**(21,780,225)**	**(13,807,670)**	**(11,485,410)**
Net cash used in operating activities	(4,553,304)	(10,828,412)	(9,163,312)	(8,202,934)
Net cash used in investing activities	(735,391)	(1,029,332)	(1,102,580)	(662,270)
Net cash provided by financing activities	2,033,675	36,668,939	10,125,090	7,254,268
Net increase (decrease) in cash and cash equivalents	(2,586,173)	24,717,461	77,846	(1,578,735)

Source: Exec Edge Research, IMSR S1 Filing

An Undervalued Nuclear Energy Disruptor

- **IMSR is an undervalued name in the Nuclear Energy sector, based on the valuation of the company's business combination with HCM Acquisition II**. Please note that the following analysis is for illustrative purposes and is not meant to be a stock recommendation/price target or a buy/sell/hold recommendation on the stock. While we do not have a price target for IMSR, our analysis shows that it is an undervalued name.
- **IMSR currently trades at a materially lower valuation than that implied at the time of its October 2025 business combination, reflecting a sector-wide de-rating of pre-revenue energy technology companies rather than a deterioration in company-specific fundamentals.** At closing, the transaction implied a pro forma equity value of approximately $1.06 billion, based on ~105.8 million shares outstanding at $10.00 per share. As of February 9, 2026, IMSR's equity market capitalization stands at approximately $870 million, representing a ~18% decline from the transaction reference value.
- **We believe enterprise value provides a more appropriate basis for valuation at this stage of development.** Adjusting for ~$298 million of pro forma cash on the balance sheet, IMSR's current enterprise value is approximately $570 million. In effect, the market is attributing less than $600 million of value to IMSR's operating platform, intellectual property, regulatory progress, and project pipeline, despite more than a decade of cumulative technology development and meaningful advancement through key regulatory milestones. We note that recent execution milestones, including the January 2026 DOE OTA agreement for Project TEFLA supporting pilot-scale fuel production, represent incremental de-risking of IMSR's commercialization pathway that is not yet reflected in the company's current enterprise value.
- **This valuation appears to reflect a time-to-commercialization and execution risk discount, rather than a reassessment of the long-term addressable opportunity**. IMSR remains pre-revenue, with first commercial plant operations targeted for 2034, and near-term financial results are expected to continue reflecting elevated R&D and public company operating costs. However, the company has differentiated itself within the Generation IV nuclear landscape through the use of commercially available SALEU fuel, completion of the Canadian Nuclear Safety Commission's Vendor Design Review, advancing engagement with the U.S. Nuclear Regulatory Commission, and selection for multiple U.S. Department of Energy programs supporting licensing and deployment.

Chart 36: IMSR is Trading at a ~35% Discount to its Recently Closed SPAC Business Combination

IMSR - Current vs. SPAC Deal Valuation	
Shares Outstanding (Mn)	105.8
Share Price ($)	10
Pro Forma Equity Value (SPAC Deal, $ Mn)	1,058
Current Market Cap ($ Mn)	868.5
Discount	-17.9%

Source: Exec Edge Research, IMSR S1 Filing, TIKR. Current data as of 2/9/26 close.

- **Peer analysis**. Relative valuation comparisons further underscore this dynamic (See chart on next page.) Established Generation III nuclear operators trade at significantly higher enterprise values supported by operating fleets and stable cash flows, while Generation IV developers trade at materially lower valuations reflecting pre-revenue status and development risk. As advanced nuclear technologies progress toward commercialization, we expect valuation outcomes to increasingly differentiate based on regulatory readiness, fuel availability, and execution credibility. In this context, IMSR's current valuation can be viewed as a long-duration option on regulatory and project execution, supported by a substantial cash balance that provides multi-year runway to advance toward key milestones.
- **Bottomline**: **At ~$570 million of enterprise value, IMSR prices in prolonged execution risk while offering asymmetric upside to regulatory and commercialization milestones funded by a multi-year cash runway**. We view 2026 as a milestone-driven year, with progress across pilot programs (TETRA and TEFLA), fuel readiness, and flagship project development serving as the primary drivers of potential valuation re-rating.

Chart 37: Trading Comps – IMSR vs. Peers

				Revenue			EBITDA		
		Market Cap	EV	2024A	2025E	2026E	2024A	2025E	2026E
Ticker	**Gen III Companies**								
GEV	GE Vernova	216,038.0	209,417.0	34,935.0	38,068.0	44,468.0	2,035.0	3,196.0	5,726.0
TLN	Talen Energy	16,157.0	18,667.0	2,115.0	2,443.4	4,103.6	770.0	994.8	2,040.2
VST	Vistra Corp	51,830.1	71,237.1	17,224.0	19,709.6	22,953.1	5,539.0	5,923.6	7,178.8
SMR	Nuscale Power	5,000.7	3,915.0	37.1	39.7	123.5	(136.9)	(532.0)	(198.2)
	Average	**72,256.5**	**75,809.0**	**13,577.8**	**15,065.2**	**17,912.1**	**2,051.8**	**2,395.6**	**3,686.7**
	Gen IV Companies								
IMSR	Terrestrial Energy	868.5	570.1	0.3	-	-	(9.1)	(35.7)	(76.4)
OKLO	Oklo Inc.	11,726.3	10,806.4	-	-	-	(52.5)	(103.4)	(118.8)
NNE	NANO Nuclear Energy	1,439.5	1,238.8	-	-	-	(10.4)	(25.5)	(58.7)
	Average	**4,678.1**	**4,205.1**	**0.1**	**-**	**-**	**(24.0)**	**(54.9)**	**(84.6)**

Source: Exec Edge Research, TIKR. Forward estimates sourced from TIKR. Data as of 2/9/26 close.

Risks

- **Regulatory uncertainty**. IMSR faces significant regulatory risk as its design has not yet been licensed for commercial use by either the U.S. Nuclear Regulatory Commission or the Canadian Nuclear Safety Commission. While IMSR completed the CNSC's Vendor Design Review in April 2023, which found no fundamental barriers to licensing, this does not constitute regulatory approval. The company anticipates a four-year pre-construction period followed by a four-year construction timeline to obtain necessary permits and operating licenses. Any disagreements with regulators regarding licensing approach or technical evaluations could extend timelines, impose unfavorable conditions, or result in outright license denial, materially impacting IMSR's commercialization plans.
- **Technology demonstration risk**. IMSR's reactor technology represents a first-of-a-kind commercial deployment that has not yet been demonstrated at scale. The company is developing a Generation IV molten salt reactor design that incorporates novel systems, including the IMSR Core-unit and IMSR Fuel Salt, which remain under development and have not been qualified for commercial operation. Regulators may require additional information regarding the reactor's behavior or performance, necessitating unplanned analytical or experimental work that could cause schedule delays and increased R&D costs. If the technology fails to perform as expected or is perceived as less safe than competitors, IMSR's business would be negatively impacted.
- **Capital requirements**. IMSR requires substantial additional capital to complete its commercialization objectives, and its independent auditor has noted substantial doubt about the company's ability to continue as a going concern. As of March 31, 2025, IMSR had an accumulated deficit of $102.3 million. The company used $10.8 million in operating activities during the nine months ended September 30, 2025. While IMSR raised $36.7 million in 2025, including a $25.8 million preferred stock placement, future funding requirements depend on regulatory progress, construction timelines, and market conditions. In addition, the company received ~$292 million in gross proceeds as part of the closure of its SPAC deal with HCM II Acquisition Corp. on October 28, 2025. While this boosts the company’s liquidity position, any additional equity financing would dilute existing shareholders, and there is no assurance capital will be available on acceptable terms.
- **Competitive pressures**. IMSR operates in a highly competitive market facing competition from multiple SMR developers, legacy nuclear technologies, and alternative energy sources. The U.S. government has announced initiatives supporting various Generation IV technologies, including programs to establish domestic HALEU supply chains. Should the government successfully develop commercial-scale HALEU production, IMSR's competitive advantage from using SALEU fuel would be reduced. Additionally, foreign competitors may benefit from supportive national governments providing significant financial backing, potentially allowing them to discount sales costs and capture market share in key markets.
- **Supply chain concentration**. IMSR relies on a limited number of suppliers for specialized nuclear-grade materials and components, creating concentration risk. Certain critical materials, such as graphite for the IMSR Core-unit, are currently produced in limited quantities and predominantly from vendors outside the United States, including Germany and Japan. The company requires approximately 125 metric tons of graphite per Core-unit. Any supply chain disruption, degradation in supplier quality, or geopolitical tensions affecting international procurement could result in delays, cost overruns, or inability to manufacture key components. These materials may also be particularly vulnerable to inflationary pressures and tariff impacts.
- **Execution and construction risk**. IMSR's success depends on its ability to deliver plants to customers on time, on budget, and at specified performance levels. The nuclear industry has experienced significant cost overruns and construction delays, with projects like Vogtle Units 3 and 4 completing seven years behind schedule with $17 billion in cost overruns. Factors including contractor performance, supply chain availability, permitting delays, labor shortages, and commodity price inflation could materially impact project economics and customer commitments.
- **Public perception and market acceptance**. IMSR's commercialization success depends on public support for nuclear power. The risks associated with radioactive materials, both actual and perceived, can affect business prospects. Opposition from third parties can delay or prevent licensing and construction of nuclear facilities. Incidents at any nuclear facility worldwide have historically impacted public acceptance and regulatory scrutiny industry wide. Adverse public opinion or political perceptions, driven by environmental concerns, safety incidents, or negative media coverage, could result in increased regulatory requirements, reduced customer demand, or the inability to site new projects at desirable locations.

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