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Earnings Call

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Call Participants

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Presentation

Operator

Good afternoon, and welcome to NuScale's First Quarter 2026 Earnings Results Conference Call. Today's call is being recorded. A replay of today's conference call will be available and accessible on NuScale's Investor Relations website. The web replay will be available for 30 days following the earnings call.

At this time, for opening remarks, I would like to turn the call over to Rodney McMahan, Senior Director of Investor Relations. Please go ahead.

Rodney McMahan
Senior Director of Investor Relations

Thank you, operator. With us today are John Hopkins, NuScale President and Chief Executive Officer; and Ramsey Hamady, Chief Financial Officer. We will begin by providing an update on our business followed by a discussion of our financial results. We will then open the phone lines for questions.

This afternoon, we posted supplemental slides on our Investor Relations website. As reflected in the safe harbor statements on Slide 2, the information set forth in the presentation and discussed during the course of our remarks and the subsequent Q&A session includes forward-looking statements, which reflect our current views of existing trends and are subject to a variety of risks and uncertainties. For a detailed discussion of our risk factors that could contribute to differences in our expectations, please refer to our Form 10-K for the year ended December 31, 2025, and our subsequent SEC filings.

I'll now turn the call over to John Hopkins.

John Lawrence Hopkins
President & CEO

Thank you, Rodney, and good afternoon, everyone. We are at a true watershed moment for the nuclear industry. Global demand for reliable 24/7 baseload power is surging, and the appetite for proven advanced nuclear solutions has never been stronger. In this environment, NuScale stands apart. Not as a promising newcomer, but as the clear global leader ready to deliver today.

Let me remind you why NuScale is uniquely positioned to capture this historic opportunity. As you can see on Slide 3, we are differentiated on the dimensions that matter: regulatory leadership, fuel supply availability, true modular factory fabrication, deployment readiness and safety. In addition, NuScale has the balance sheet to deliver to the commercial market. First, unmatched regulatory leadership. NuScale stands alone as the only SMR company in the world to have earned U.S. Nuclear Regulatory Commission standard design approval. And we've done it for 2 separate designs, our 50-megawatt and our 77-megawatt modules. This isn't just a regulatory milestone. It is the critical gateway to commercial operations. Without NRC design approval, no SMR can deliver power to the grid. NuScale has already cleared the highest regulatory bar in the industry, giving us a significant competitive advantage and derisking the path to deployment for customers and investors.

Additionally, what makes this regulatory milestone even more powerful is that NuScale achieved it under 10 CFR Part 52, the modern one-step licensing framework specifically designed for more efficient nuclear deployment. Why does this matter? Under the traditional Part 50 licensing process, Investors and utilities faced a higher degree of risk. They need to secure a construction permit based on a preliminary safety analysis report, pour concrete and potentially spend billions then hope to pass a second full safety review later to receive an operating license.

History shows how problematic this path can be. A problem that could persist today. Recently, the Advisory Committee on Reactor Safeguards or ACRS, has highlighted deficiencies of new reactor submittals and warned of delays ahead for Part 50 applicants. Most Generation IV designs rely on new fuels, coolants and safety concepts never before license in the United States. This explains why the Department of Energy still classifies them as demonstration projects.

Part 52 changes the game. It provides a single combined license that addresses major safety, design in operational issues before the first dollar is spent on construction. Even better, NuScale is the only SMR company to earn full NRC Standard Design Approval under Part 52.

Our core technology is approved and proven. Every future project can simply reference our approved designs rather than reinventing the wheel. NuScale delivers the clearest, low-risk NRC approved pathway to commercial operation, a solution that is ready for deployment now. NuScale offers certainty you can take to the bank.

Second, fuel that is available today, NuScale Power Modules run on proven, widely available commercial low enriched uranium or LEU. Fuel that has reliably powered upwards of 400 commercial reactors around the world for decades. In contrast, other advanced designs depend on High-Assay Low-Enriched Uranium or HALEU, a fuel that is not currently available at commercial scale within North America. When your project time lines matter, NuScale removes a critical supply chain risk that others are still hoping to resolve.

Third, NuScale modular factory fabrication is uniquely comprehensive. Each NuScale Power Module is fully integrated, self-contained unit that includes the reactor vessel, steam generators, pressurizer and the high-pressure steel containment vessel. All of it is built in a factory and shipped to the site with virtually no nuclear grade field construction needed. This goes far beyond what most other SMR vendors mean when they say modular. While competitors emphasize modular construction techniques such as prefabricated large components, skids or structures assembled on site, NuScale delivers complete transportable reactor modules, including the primary containment barrier cells. This modularity allows NuScale Power Modules to be added incrementally as load grows with the first units generating revenue in power, while others are being deployed. This plug-and-play scalability with built-in redundancy is regulator validated and unmatched by any other SMR technology today.

Fourth, Water Smart nuclear power. Dry cooling gives NuScale SMRs a major siting and environmental advantage in arid regions, but water is scarce, expensive or subject to competing demands from agriculture, municipal use or ecosystems. It allows deployment in places where traditional wet-cooled nuclear or other thermal plants would face severe restrictions or high cost. Dry air cooled condensers cut water consumption by more than 90% compared to wet cooling towers.

Many SMR vendors market dry cooling options to highlight water independence. NuScale remains one of the most advanced and demonstrated integrations for light water reactor technology. The choice really depends on site climate, economics and whether the project prioritizes maximum power output or minimum water use, making dry cooling a viable option where water is expensive or restricted.

And finally, a decisive NuScale advantage that truly sets us apart, superior regulator approved safety as further described on Slide 4. We are the only nuclear technology approved by the U.S. Nuclear Regulatory Commission for behind-the-meter operations paired with a groundbreaking emergency planning zone or EPZ, a methodology that limits the EPZ to the plant's own site boundary. This is game-changing. It eliminates the need for any AC or DC interconnections to the bulk electric grid and allows NuScale powered plants to be cited directly adjacent to where the energy is needed most, right beside hyperscaler data centers, industrial facilities, population centers and retired coal plant sites. The result, unmatched siting flexibility, dramatically reduced transmission costs, faster deployment time lines and the ability to deliver clean, reliable, resilient power exactly where the demand is needed most.

NuScale dramatically reduces emerging planning costs and slashes siting timelines, transforming what has been a major regulatory hurdle, enjoy a powerful economic and strategic advantage, all while delivering a critical boost to our nation's energy security and national security by reducing reliance on foreign energy and vulnerable transmission infrastructure.

By combining unmatched regulatory approval, a compact emergency planning zone and behind-the-meter capability, NuScale doesn't just participate in America's clean energy transition, it is uniquely positioned to lead it. While it was a quieter quarter from an announcement perspective, we have been active.

To that end, on Slide 5, let's review several key highlights from the first quarter. These include continued advancement on the ENTRA1 and TVA power purchase agreement discussions for what would be the largest nuclear deployment program in U.S. history. We also saw progress on the RoPower project in Doicesti, Romania, where Nuclearelectrica shareholders voted to advance the project. We continue to strengthen our critical supply chain partnerships, particularly our fuel supplier Framatome and manufacturing partner, Doosan Enerbility. And separately, we closed the quarter with a strong liquidity position, approximately $1 billion in cash and other capital resources. This balance sheet strength gives us the flexibility to execute across a wide range of commercialization scenarios as we move towards large-scale deployment.

Turning to Slide 6. In September of last year, TVA announced a major agreement with ENTRA1 for up to 6 gigawatts of safe, reliable 24/7 baseload energy to help powering growing demand in a 7-state service territory, utilize a NuScale SMR technology. ENTRA1 has updated us the discussions with TVA are advancing well toward a definitive PPA. We remain highly encouraged by the progress and the strategic alignment between ENTRA1, TVA and NuScale as we work to deliver this game-changing clean energy solution. Separately, 2 recent key international announcements indicate a strong desire to facilitate foreign investment in U.S. strategic interest, such as the TVA project. The first is the $550 billion U.S. Japan framework agreement announced last year, in which ENTRA1 was the only developer named.

And the second and more recent announcement by South Korea's National Assembly to facilitate $350 billion and Korean investments into U.S. strategic industries with $200 billion for sectors like nuclear power, AI and semiconductors aimed at securing economic ties between the 2 countries and reducing tariffs.

NuScale remains bullish about the TVA - ENTRA1 opportunity. We believe it will be the catalyst for the commercialization of our SMR technology in the United States and around the world, while supporting fast-growing energy demand, creating thousands of high-quality jobs, and strengthening our nation's national security interests.

Moving to Slide 7. In February of this year, the Romanian government approved the investment decision for the Doicesti SMR plant project. This was a step in the right direction as the project can now seek financing to conduct further feasibility studies, sight-specific design work prior to construction moving forward.

As a reminder, Fluor Corporation serves as a primary contractor, leading overall engineering and procurement construction delivery with RoPower, the project owner and Fluor's client. NuScale in turn serves a subcontractor to Fluor providing SMR technology, design support and licensing expertise to the project. Should pre-EPC financing be secured, the next phase of the project is expected to last approximately 15 months. Project stakeholders, RoPower, Fluor, NuScale, and both the U.S. and Romanian governments remain engaged. The RoPower project in Romania is currently the most advanced SMR effort in Europe.

Moving to Slide 8. NuScale is well positioned to meet its near-term deployment objectives, driven by continued enhancement in supply chain readiness. We have established a robust foundation to contractually secured supplier partnerships, strategic long-lead material positioning, and align manufacturing capacity across our critical components. Our approach is anchored in a structured readiness framework with reoccurring cross-functional supplier reviews to actively manage risk, validate mitigation actions and ensure alignment with project execution requirements.

NuScale is not building a conventional product or supply chain. We are building a transformative deployment model for nuclear technology under intense scrutiny with high expectations and on time lines that matter. Our success will require more than capability. It will require alignment, transparency and trust across our entire supply chain. Last month, we convened for our annual NuScale supplier working group, bringing together 37 key supplier partners to align our 2026 demand signals and near-term deployment milestones. This engagement strengthens forward visibility into production readiness and reinforces both contractual and operational alignment across our supply base.

NuScale is advancing a deliberate multisourcing strategy for critical components, reducing single-source dependencies and enhancing supply continuity in a constrained global market. In parallel, key NuScale Power Module components remain an active production by Doosan Enerbility, marking continued progression from design into manufacturing execution. Collectively, these actions materially derisk the supply chain, increased schedule confidence and position NuScale to support near-term deployments with a high degree of execution certainty.

Let's turn to Slide 9. You'll find a detailed summary of the extensive industry engagement by our office of technology team. We continue to lead the conversation and drive innovation at the intersection of nuclear energy in hard-to-abate industrial sectors. During the first quarter, our team actively participated in 5 major industrial international conferences, engaging directly with the leaders from oil and gas, petrochemical, commodity chemicals, energy and hyperscaler communities.

A standout moment came at the World Petrochemical Conference where our Co-Founder and Chief Technology Officer, Dr. Jose Reyes, delivered a compelling presentation on how NuScale generated high-temperature steam is rapidly moving from concept to commercial reality. This is strategically important. Industrial process heat is a true national security imperative as it powers critical supply chain, strengthens economic resilience, supports defense manufacturing and advances energy independence.

NuScale Power Modules are positioned to deliver commercial scale, high-temperature thermal energy for direct industrial use. Applications include chemical production, petroleum refining, cement manufacturing, fertilizer production, and desalinization just to name a few. Sectors that together represent hundreds of billions in economic activity.

Before turning the call over to Ramsey Hamady, our Chief Financial Officer, I want to talk about the opening of a NuScale operations center in Houston. On April 29, we proudly opened our new NuScale operations center in Houston's prestigious Energy Corridor at City Center, a strategic milestone that positions us right in the heart of America's Energy Capital. In short, we are not just building reactors. We are embedding ourselves where the biggest energy decisions are being made. This move shortens decision cycles, deepens customer relationships and reinforces NuScale's leadership. We're excited about the momentum this new hub is already generating.

Now over to Ramsey for the financial update.

Ramsey Hamady
Chief Financial Officer

Thank you, John, and hello, everyone. Our financial results are available in our filings. So my focus will be on explaining major line items, which can be found on Slide 10. NuScale's overall liquidity stood at $1 billion at March 31, 2026, an increase to over $1.2 billion by early May of 2026. Our strong liquidity enables NuScale to further enhance supply chain and manufacturing readiness and fund obligations associated with advancing commercialization, all while maintaining a steady balance sheet.

Moving on to revenue. NuScale reported revenue of $0.6 million for the 3-month period ending March 31, 2026, compared to $13.4 million during the same period in the prior year. This decrease was primarily due to the revenue recognized from the RoPower technology licensing agreement completed during the first 3 months of 2025, as well as the work associated with Fluor feed Phase 2 engineering services, also in support of the RoPower project, which was completed in late 2025. As projects progress forward, we expect to realize revenues and operating cash flow from the sale of products and services.

I will conclude my remarks with a brief overview of our capitalization summary, as shown on Slide 11. Our total share count increased primarily due to the sale of 3.2 million NuScale Class A shares through our at-the-market program during the first quarter of this year, generating $37.9 million in gross proceeds. Additionally, we note that just a few weeks ago Fluor announced that they had completed the sale of their remaining NuScale shares removing a significant overhang on our equity. Fluor did well on their investment in NuScale, generating a 4.3x return on an initial investment of $570 million.
With that, I'd like to thank you again for joining today and for your continued support of NuScale. We'll now take questions. Operator?

Question and Answer

Operator

[Operator Instructions] Your first question comes from the line of Nate Pendleton with Texas Capital.

Nathaniel David Pendleton
Texas Capital Securities, Research Division

John, you make a compelling pitch on the readiness and advantages of your solution. Can you talk about what's holding back more near-term adoption of additional contracts? Is it just the time it takes to get customers comfortable with the solutions?

John Lawrence Hopkins
President & CEO

Yes, Nate, thank you. We're kind of like Pavlov's dogs here, waiting for the bell to ring. We're ready to go. We've been continually working on our supply chain. And the fact we've had ongoing discussions, we're excited about. Last week, I was in D.C. We met with the Korean government on the discussions of their potential for $350 billion, of which $200 billion of that could be slated for AI data centers and new nuclear.

We are also -- we're highly encouraged by TVA's strong pro-nuclear stance yesterday from Mike Skaggs, the Interim CEO. He again affirmed TVA as a very pronuclear organization and highlighted interest in nuclear technologies. As it relates to TVA, we've got very much a primary focus on that company. That's not to say, however, that we're not talking to others as well. It's a good example.

My Chief General Counsel and I, last night, had a very good discussion with a potential company that's looking at mega gigawatts here in the United States. We had dinner, and it's a follow-up conversation with him. It's just a complicated slow process. And so we're bullish that this thing is going to take off here. And with the U.S. government support that we're seeing and all the activity that's going on right now, it's just we think we're hopeful that we're close to closure.

Nathaniel David Pendleton
Texas Capital Securities, Research Division

That's awesome. I appreciate that color there. And then I wanted to go back actually to the agreement with Framatome. You just mentioned the supply chain. And you guys have the advantage of years to build out these relationships. But broadly speaking with the nuclear industry and all that excitement, can you talk for a moment about the state of the nuclear fuel supply chain in the U.S. and where you see potential bottlenecks developing?

Carl M. Fisher
Chief Operating Officer

Yes. This is Carl Fisher, Chief Operating Officer. I'm happy to answer that question. As you know, NuScale employs light water reactor technology using readily available low enriched uranium. As far as the low enriched uranium forecast for the long term looks very, very good. Unlike the uncertainty with high assay, low enriched uranium, which you're hearing a lot of noise about and a lot of discussion due to the fact that the only long-term availability at least at this point in time is not through the United States, it's through Russia. So with that said, what we see is on the long-term forecast for low enriched uranium is not a risky area. It's not a bottleneck unlike the high assay, low enriched uranium.

John Lawrence Hopkins
President & CEO

Nate, this is John. I remember many years ago, I guess, 12 years ago now since I've been with the company, I had asked -- as part of the due diligence process, I asked Dr. Jose Reyes, why did you stay with light water? Why not thorium? Why not -- and he looked at me and he said, "John, all the regulators in the world know light water." He said "I worked with the NRC, the NRC regulators know light water." And

when we entered into agreements, as Carl stated, the fuel supply from Framatome, when I talk to them about being readily available, it's readily available. And so we're not, again, encumbered with some of the issues that others are facing currently. So that's not an issue for us currently.

Carl M. Fisher
Chief Operating Officer

Yes. One last thing also with Framatome is that they have multiple sites for supplying the fuel both in Europe and also in the United States. So that...

John Lawrence Hopkins
President & CEO

Richland, Washington.

Carl M. Fisher
Chief Operating Officer

Yes, Richland, Washington for the U.S. and Lingen in Germany. And also, they have a facility in France.

Operator

Your next question comes from the line of Sherif Elmaghrabi with BTIG.

Sherif Ehab Elmaghrabi
BTIG, LLC, Research Division

You know something a little different just to start. Is there a need for the SMR space to maintain a certain level of domestic content for tax credit eligibility? It's something we're seeing elsewhere. And I wonder if -- the supply chain for NuScale and nuclear as a whole is concentrated in Korea and Europe. So I'm wondering if that's something we have to think about.

Clayton Scott
Chief Commercial Officer

Yes. This is Clayton Scott, Chief Commercial Officer. So there is -- there are requirements that there's -- to try and maintain as much U.S. content as possible. However, there are certain aspects that the industry fell short on over the years and large-scale forgings, for example, is 1 of those cases. So in that particular instance, you're allowed to position the supply inadequacy and where that's compensated from externally. So in those particular cases, there's alternatives and ways to get past that. But yes, in general, in order to meet the credits, there is certainly an interest to try and find the supply chain as much as possible within the United States. But there are options to move from there if it's not available or not capable to do within the country.

Sherif Ehab Elmaghrabi
BTIG, LLC, Research Division

That's helpful. Shifting to regulatory, you guys talked about how important Part 52 is. I believe that since you guys last reported, the NRC came out with a framework for a new Part 53. And I'm curious if new licensing pathways could accelerate the regulatory process for TVA, anything coming in the future in the U.S.?

Carl M. Fisher
Chief Operating Officer

Yes, a really good question. This is Carl Fisher again. The Part 53, what I would say, pathway was not available when we first pursued the -- our licensing strategy. So Part 53 is relatively new. In fact, a lot of the industry is still trying to get their head around what does this actually mean. Primarily, it relies on a probabilistic analysis to go forward. So we've spoken to the NRC about this is where can we take credit off Part 53 and apply it to where we are already way down the road with Part 52. So we are looking at -- obviously, as John mentioned, early Part 52 pathway with enhancements which has been recently

deployed with Part 53 opportunities. And we will continue to have those -- that dialogue with the NRC because we're looking for continuous improvement even as advanced as we are in Part 52 licensing space.

John Lawrence Hopkins
President & CEO

I think it's important -- we were just with the NRC, Carl and I here recently, and they made it very clear that -- this enhanced NRC process is going to benefit everybody in terms of streamlining a lot of the requirements. But the rigor of safety and health is not going to go away. Everybody is going to have to go through that same process. So where we see benefit, in our COLAs and elsewhere, that streamlining, instead of taking 18 months to 2 years to get in, hopefully, it could be much shorter.

Sherif Ehab Elmaghrabi
BTIG, LLC, Research Division

Yes. It's good to know you guys have options available.

Operator

Your next question comes from the line of Eric Stine with Craig-Hallum.

Eric Stine
Craig-Hallum Capital Group LLC, Research Division

So I know a lot of this call spent highlighting kind of your differentiation. But I mean there's also been a lot of activity on the advanced reactor side. And I'm just curious, when you talk to customers, I mean, and I know you're part of it and it's more ENTRA1. But just curious how do customers view it? I mean, did they appreciate the fact that it's light water technology that you're using a readily available fuel that this is a technology that's been around since the inception of the industry. What are your thoughts around that? Because obviously, ultimately, that's the most important metric.

John Lawrence Hopkins
President & CEO

The customers we're talking to, I don't care if they're process or general utilities, the feedback we normally get is that process companies, whomever they are, they generally don't want to own a nuclear asset. What they want is reliable, resilient clean power. And they want it now. And so we're in discussions with these companies. And we still believe we're significant years ahead of others, and I want everybody to be successful. I'd like to see this U.S. vendors out there competing against state-owned enterprises, but bottom line is we want to be a first mover.

Clayton Scott
Chief Commercial Officer

I think the customers who are serious and truly understand the differentiation of Part 52 and Part 50 risk, they fully get it. And those are the ones that I think collectively with ENTRA1 were having the most concrete and serious conversations with. So you see a lot of stuff out there and a lot of noise, but a lot of it is around a Part 50 movement, which I think has a large element of risk, which was mentioned earlier. But I do believe that the customers that were, I'd say, on a very serious level and engagement, they truly appreciate and recognize where we are.

Eric Stine
Craig-Hallum Capital Group LLC, Research Division

Right. And then just sticking with that as my follow-up, I mean, I would assume that just the fact all of the things that have been done in the supply chain that, that's -- that's certainly a needle mover as well. I guess it's not a question or an observation. But I guess I'll turn it over.

John Lawrence Hopkins
President & CEO

No, you asked a great question on supply chain because many of our suppliers are not only strategic partners but also investors that -- as I often said, we've been in the process of ordering long lead items for years now. And if you don't -- and it takes years for these forges to get developed. And if you haven't ordered long lead items, you're not much further behind the curve. And one thing Carl and his team does, you may want to talk about the supplier summit we just had.

Carl M. Fisher
Chief Operating Officer

Yes. Just to build on that 1 question though. When we -- a lot of our suppliers are very nuclear savvy as well. And they are aware of the deployment opportunities with low enriched uranium per se and light water reactor technology. That's not to say that they don't believe in the other technologies around advanced reactors but they do spend a lot of their time with what they see as near-term deployable. And so these suppliers are very smart in that way. And they put a lot of priority on the current SMR supplier fleet or suppliers.

The other thing, just recently, we had -- just kind of to demonstrate that as we had our NuScale Supplier Working Group meeting summit in Houston just a few weeks ago. In there, we had over 120, 130 people at the summit, a lot of excitement around that, representing well over half of our supplier base. Once again, these are suppliers who are very nuclear savvy. They've been around the block and it really was demonstrated there, what I would say, their interest and enthusiasm due to the fact that all the activity that's going on with ourselves and our business development partner ENTRA1.

Operator

Your next question comes from the line of Derek Soderberg with Cantor Fitzgerald.

Derek John Soderberg
Cantor Fitzgerald & Co., Research Division

So in the presentation regarding RoPower, it said should pre-EPC financing be secured. I'm curious is the participation in the next phase contractually committed? Or is it more contingent on RoPower closing that third-party financing?

John Lawrence Hopkins
President & CEO

Good question. We have -- in fact, we had 1 today ongoing meetings every week with the Department of Energy, RoPower, Nuclearelectrica, Fluor and others, discussing the status of the project. We continue to, as we said, build out our supply chain. We are, as I stated before, a subcontractor to Fluor Corporation. Fluor is still in negotiations, what I'd call, what they call, pre-EPC. So as we are aware today, those discussions are still ongoing.

Derek John Soderberg
Cantor Fitzgerald & Co., Research Division

Got it. And as my follow-up, so ENTRA1 is positioned to receive investment capital. What size of commitment would largely derisk the first phase of that project. And depending on the funding amount, would that reduce your need to provide milestone payments or broadly your funding obligations at all?

Ramsey Hamady
Chief Financial Officer

I'm not sure I fully understand the question. You're asking about our funding obligations in relation to RoPower or in relation to projects in general or TVA?

Derek John Soderberg
Cantor Fitzgerald & Co., Research Division

No. TVA. So if ENTRA1, it sounds like they're in the market to raise capital. Should they do that depending on the size? Does that at all reduce? In what way does it derisk the project on your end? And then depending on the funding amount, would that reduce your funding obligations at all?

Ramsey Hamady
Chief Financial Officer

Sure. Thanks for the question. Does it derisk the project? Absolutely. Funding is a massive component of building these projects together. It's very complex. And for ENTRA1 to be, for example, named in the U.S. Japan framework trade agreement with, I think, the $35 billion earmarked -- $25 billion, pardon me, earmarked, that sort of funding can really move the needle for a project. And subsequently -- really moved the needle for NuScale.

The funding at the project level though is completely separate from any of the PMA payments. PMA payments are partnership milestone agreement payments. And those come with, for example, the term sheet, which we already did and the PPA, which we anticipate doing in respect of TVA at some point soon. So those are separate ideas, but you bring up a good point. Project financing definitely derisks our pathway forward because it derisks the entire project. And these are NuScale powered power plants.

Operator

Your next question comes from the line of Moses Sutton with BNP Paribas.

Moses Nathaniel Sutton
BNP Paribas, Research Division

Any update on the Japanese financing framework like that you can provide more detail on, is this sort of going to be the gateway to FIDs on TVA projects? How do we think about that?

Ramsey Hamady
Chief Financial Officer

Moses, this is Ramsey Hamady. So it could be. I mean, TVA requires financing. I know that ENTRA1 is in active dialogue with both sovereign based or quality sovereign-based financial institutions as well as private financial institutions. So I wouldn't say exclusively we require money under the U.S. Japan framework trade agreement, but I think it's a strong possibility. But rest assured, ENTRA1 is working from all available sources of financing to get this across the line.

John Lawrence Hopkins
President & CEO

Well, this is John. And public domain information that, pretty large component of that $550 billion through the American Japan framework was slated for energy, including SMRs. And then most recently, last week, we met with the Korean government on this potential of $350 million. As I've stated before, a significant piece of that, again, is towards investment in energy projects, including SMRs into the United States. So we've been in discussions with both. We met with Korea last week and we're pretty excited about. Again, it's part of this whole groundswell we're seeing around the nuclear energy in this country, it's pretty phenomenal right now. We're at a tipping point, I think, as a country and in an industry to something is going to break soon.

Ramsey Hamady
Chief Financial Officer

I think it's also important to acknowledge within the construct of either Korea or Japan as examples that NuScale historically has had very strong relationships with both the Koreans and Japanese as equity investors, supply chain partners, both through IHI and through Doosan. The relationships there are long-standing. They're deep, they're well established. And while they're not the only source of financing, I think they are -- with the potential -- strong potential source of financing for projects.

Moses Nathaniel Sutton

BNP Paribas, Research Division

Got it. Very helpful. And can you provide more detail on the fuel fabrication strategy with Framatome? Because our understanding there are 444 assemblies on notice with Framatome. Is that sufficient for about 12 module deployments? Is there an annualized run rate or capacity you can provide there? Or is it more flexible from Framatome in terms of -- based on demand? How do we think about that?

Carl M. Fisher
Chief Operating Officer

Right now we're in the preliminary design with Framatome. Fuel is a very long-term proposition in the sense of having to fuel-ready in several years. So we've got ahead of it. You probably saw the announcement that was so that we will be ready to support the market's needs.

As far as capacity, but as I mentioned earlier, Framatome has multiple facilities globally. So part of that announcement was to inform -- inform that we have that ability to go global and not just rely on American capacity.

As far as the pipeline in our discussions with our pipeline and discussions with our business development partner, ENTRA1, and based on what Framatome's capabilities are, we don't see any bottlenecks or any kind of shortcomings there because we got ahead of it early.

In speaking with Framatome, the 1 thing they ask us to ensure is that to keep them informed on what's going on with the market and with our customer base, which we do so that they can plan ahead. If they have time to plan ahead, then they can meet the demand that we require.

Operator

Your next question comes from the line of Craig Shere with Tuohy Brothers.

Craig Kenneth Shere
Tuohy Brothers Investment Research, Inc.

So it sounds like a RoPower FID could take at least into 2027. If ENTRA1 has successful funding, could there be a TVA opportunity finalized this year. And to the degree either of these projects make notable pre-FEED advancement, could that at least drive some notable NuScale revenue in the coming quarters?

Ramsey Hamady
Chief Financial Officer

This is Ramsey Hamady, CFO. We're hopeful that TVA can come across the line at some point later this year. We believe that's a strong possibility. Our revenue stream, our cash flow this year, so TVA come across line with, for example, PPA, we anticipate that we will have site-specific -- site-specific services, so pre-OEM services.

If we look at RoPower as an example, we had technology licensing. We had pre-FEED, we had FEED Phase 2. All in with RoPower, we realized about $8 million worth of revenue. And that's pre an OEM contract. And that's over, I think, 2024 and 2025. That's pre an OEM contract, and that's pretty true FID on behalf of RoPower. I know they had an announcement and it can sound like an FID, and we went out to the market and explain that was subject to financing. So we would anticipate something potentially in that scale once we get to a PPA with or once ENTRA1 gets a PPA with TVA.

Craig Kenneth Shere
Tuohy Brothers Investment Research, Inc.

Great. And I wanted to kind of think through the potential reduction in the cash burn, I noticed the payables are down significantly. I think that's for some of the long lead time equipment you had to pay for. Given that and given, I think, the OCF drag before working capital changes was attractively down versus the second half last year. Going forward, before any major project news, is it fair to say that the cash burn should be improving?

Ramsey Hamady
Chief Financial Officer

Interesting, interesting. So again, this is Ramsey Hamady. So our AP was down. That's correct. But it was principally because we recognize the payable under the PMA agreement at the time the PMA agreement was signed because we acknowledged the term sheet, the Stage 1 payable. So payables did go down. You saw that reflect in our cash flow statement. But without getting into the real technicals of our financial statements.

I think what's important is that we have positioned our balance sheet in a highly conservative fashion. We, along with everyone else in this industry, we are pre-revenue companies focused on a technology, which to this point has not yet been deployed and which we strongly believe in, but which hasn't been deployed. And we're dealing in tricky markets as well. So I say this as a point of pride.

Now 3 years as CFO here, we've really positioned ourselves with this fortress balance sheet because we don't know what's around the corner. We anticipate, we expect -- we believe we won't be talking in terms of burn rate by the end of this year. I hope to be operationally cash flow positive by the end of this year. But that position myself conservatively for my company and for my investors.

So what's our burn rate? I think OpEx -- this year was a very -- this quarter was a low revenue quarter compared to last quarter, our Q1 2025. I think we went into that in the script. In Q1, we had revenues associated with RoPower. This quarter we did not have revenues associated with projects. So the OpEx was about, I think, $55 million this quarter. But we anticipate actually it will go up as we near commercialization. Because we're focused on supply chain readiness. We're focused on design finalization. We're focused on getting ready to actually deliver this product. And as we focus on that, we're starting to spend a little bit more. But rest assured to our investors, we plan for this. And our balance sheet can withstand that additional spend.

Operator

Your next question comes from the line of Leanne Hayden with Canaccord Genuity.

Leanne Hayden
Canaccord Genuity Corp., Research Division

To start, I was just wondering if you could help us -- I was just -- talk about what looks like per NPM. We expect this to change from first-of-the-kind to nth-of-the-kind, especially now that you've started more procurement efforts.

John Lawrence Hopkins
President & CEO

Leanne, sorry, you're breaking up pretty bad.

Leanne Hayden
Canaccord Genuity Corp., Research Division

Sorry about that. Can you guys hear me now?

John Lawrence Hopkins
President & CEO

Yes.

Leanne Hayden
Canaccord Genuity Corp., Research Division

Okay. I was just hoping you could help us think about what CapEx should look like per NPM and how we can expect that to change from first-of-a-kind to nth-of-a-kind, and maybe any sort of early indications on dollars per kilowatt hour as well would be great.

Ramsey Hamady

Chief Financial Officer

No, Leanne, I don't think we can provide guidance. I think on CapEx per NPM, I think you're referring to COGS versus CapEx and we're not providing guidance on the cost of building NPM, and we're not providing guidance on the maturation of those costs through from first-of-a-kind to nth-of-a-kind. So our apologies, but I think it's a little bit early for us to provide that sort of guidance.

And your second question, you're talking about dollar per kilowatt hour. We've really gone away from this sort of metric. So we don't provide -- we don't provide guidance on that. It's too fuzzy really to provide guidance on dollar per kilowatt hour. And plus we don't -- we don't produce -- we don't produce the electrons. We sell NPMs.

Leanne Hayden
Canaccord Genuity Corp., Research Division

Okay. Yes. That's fair enough. Got it. And then -- just curious, like after ENTRA1 signs the binding PPA with TVA, can you just talk about a little bit what that means from a near-term revenue perspective, if possible?

Ramsey Hamady
Chief Financial Officer

Yes, sure, Leanne. I think what I went to is I can't remember it was Moses or who I was speaking with. But I look to some of the early services that we provide, site-specific services. And I refer to our work with RoPower over 2024 and 2025. We had some technology licensing revenues along with pre-FEED and FEED Phase 2.

I said in the context of RoPower, what we saw was about $8 million worth of revenue, just on kind of like these pre sort of services. And I think that we can anticipate something similar in relation to ENTRA1, post-signing of a PPA with -- post their signing of a PPA with TVA. And there could be -- there's licensing work as well. There's COLA work, but I stick to the RoPower examples a good idea of what we may anticipate.

Operator

Your next question comes from the line of Jon Windham with UBS.

Jonathan Mark Windham
UBS Investment Bank, Research Division

I appreciate the sort of regulatory review. It's been, I think, 3.5 years of covering you guys. It's good to refresh on that. There's been a lot of talk about PPA with TVA. I just want to understand how we should think about the next 12 months. And what does progress look on that? I mean just looking at some of the things TVA has done with like GE Hitachi and some of the other nuclear development programs. They don't seem to start with a fixed price PPA and then now let's move forward. It's like more incremental, the site construction permit, PPA is still sort of up in the air, everyone's sort of moving 1 step at a time. I'm just -- if you could just help me so I'll be more articulate just in the next 12 months, sort of time lines, key milepost on advancing the TVA project.

Clayton Scott
Chief Commercial Officer

Yes, I think, it's a little bit of different scenario, I think. I mean PPAs are somewhat new to the nuclear industry and the process on how things move forward on a project perspective. So as we see it, ENTRA1 in those finalizations of that deal. And once that's performed, the sites have been -- we've already kind of worked with the collective to identify the sites that will be worked on. And most of those sites are -- have some level of preparation that have been progressed. So we would see us going into the COLA activities, into pre-FEED activities and supporting the supply chain for ENTRA1. So it's kind of different than what you've seen in some other sites that may not be as mature or in a PPA situation that's not necessarily secured or even working with reactor suppliers that are not as advanced.

So I think we're kind of in a different position. We're ready to go, ready to deploy. So I think once -- once their deals have been secured, then we can start real activity that are COLA driven, not what you see today in the other.

John Lawrence Hopkins
President & CEO

And we're also all driven to -- once these PPAs are definicized and put in place, hopefully, near term here, we also have been working diligently on our OEM contract. So it's in everybody's at your interest. As soon as these PPAs are defined, we quickly move into our OEM contract. We'll do the COLA, as Clayton mentioned that getting that contract signed is it everybody's benefit to get that done quickly.

Operator

Your next question comes from the line of Vikram Bagri with Citi.

Vikram Bagri
Citigroup Inc., Research Division

I was wondering if you can talk about other customers, customers other than TVA or RoPower that you or ENTRA1 may be talking about there, is it fair to assume the focus is squarely on these 2 potential opportunities? And when you talk to TVA and RoPower, TVA particularly, and other customers, do tariffs and logistics costs and higher commodity prices, they come up a lot, changing economics of building a reactor because of these things. And I ask this question while I saw a flash that the new 10% tariffs were deemed unlawful by the trade court just now. But are tariffs and the logistics cost changing the economics? Is that somewhat of a hold up? Are you talking to the customers other than TVA and RoPower?

Ramsey Hamady
Chief Financial Officer

I'll answer the first part of the question. TVA is an important opportunity, and it's currently our primary focus. However, it's not the only 1 as there are other engagements. These are ongoing with other potential offtakers and customers across different regions and segments. So we're working with ENTRA1 pipeline that includes other projects. They're also being contemplating other business models other than a PPA structure such as development structure.

I think we've said in the past, ENTRA1 has a pretty deep pipeline of projects and we're not tied to 1. I'd like to highlight the importance of significant growth drivers that make secure baseload nuclear power the only solution for both the U.S. and the global energy sector. It means there are a lot of people, a lot of customers looking for solutions like the power that we provide. But certainly, TVA is important as our core focus today.

The second part of your question, if you don't mind repeating, that might be helpful for us.

Vikram Bagri
Citigroup Inc., Research Division

I was asking if the changing economics of building a reactor is also somewhat delaying the discussions with TVA and other customers in the U.S. given the commodity prices are rapidly changing. The tariffs have moved around a lot. Is that somewhat of a hold of delay in the process?

Ramsey Hamady
Chief Financial Officer

I don't know if that's purely a SMR-related idea. I mean tariffs and commodity prices affect everyone. So look, these are -- the provision of nuclear and the appointment of nuclear is a very long-term type of idea. It has less to do with kind of like short-term swings and more to do with long-term needs, especially when those short-term swings are really macro and aren't just kind of -- they're not just focused on the nuclear industry or on SMRs, that's kind of like U.S.-wide, technology-wide.

John Lawrence Hopkins

President & CEO

A couple of weeks ago we attended, there was an Annual Energy Conference every year called CERAWeek, that brings together Energy, Senior Executive, Government Officials, NGOs from all over the world. And of the probably 15 years, I've been attending that event. I've never seen so much focus as we did in this event on nuclear across the board, international, global, U.S., domestic. If you look at the markets that we've talked about over the years, they haven't gone away. We're going to see potentially a significant decline at the end of this decade at coal-fired plants. We're going to see the need for -- as I said, the elephant in the room is still the hyperscalers who demand energy, they want behind the meter and recently as the President announced, they're going to have to figure out how to incur those costs. So the demand pull right now that we're seeing is unlike anything I've ever seen. It's just -- it's been a long cycle, but I believe we're finally starting to see the light at the end of the tunnel here, all these technologies are going to benefit, from the increase of our current government pushing this, needing energy security and national security and energy supply. So we're bullish on the market. We think the opportunity is near term.

Operator

Your next question comes from the line of Brian Lee with Goldman Sachs.

Brian K. Lee
Goldman Sachs Group, Inc., Research Division

I missed a little bit of the earlier part of the call. So apologize if some of this is redundant. And you did cover a lot with respect to TVA and related topics. But I wanted to ask specifically given some of your comments, Ramsey, so I think a lot of focus on the PPA with TVA, and you kind of alluded to the fact that maybe it could happen later this year. So let's presume it does.

Can you kind of walk us through what happens next, right? When does an equipment OEM offtake get finalized? Is that in conjunction with the PPA? Or is that a few quarters later and so you're talking about 2027. And then you also mentioned pre-FEED revenue. There was no mention about deposits. I think you've talked about deposits in the past, but is that something that's still on the table? Because it does seem like you would need that to be cash flow neutral to positive, as you mentioned, is sort of your ambition maybe later this year. But just trying to understand the sequencing here around some of those elements.

John Lawrence Hopkins
President, CEO & Director

Yes. Let me start with the OEM. I mentioned earlier, we've been working diligently on the structure of the OEM. Now we have to wait for the definitization of the PPA. However, it's in everybody's interest as soon as these PPAs are put in place so we quickly negotiate and finalize our OEM. So we're hoping near term that once that's done, that's the first thing we got to get done. The other part of the question?

Ramsey Hamady
Chief Financial Officer

So I think I was sequencing. So once we have the PPA, what can we expect? Brian, we talked about -- and I don't know if you heard this part or not, but I referenced RoPower. Within the context of RoPower, as an example, we did pre-FEED, FEED Phase 2 and technology licensing, that was about $8 million in revenues. I think on top of that you could add COLA work, so that site specific licensing work, which we can anticipate to see post PPA and not necessarily tied to having an OEM because that's work the company just needs to push forward.

On deposits, I may get -- may be getting a little bit tripped up on the nomenclature of how we describe it. Within the OEM contract, we would expect payments and those payments would be staged over time. We're actively working to structure an OEM agreement now but not the deposits per se. It's us producing NPMs under an OEM agreement, and I think is essentially a pass-through as funds go from ENTRA1, the buyer of NPMs to our supply chain, Doosan and others to pay for the production of the NPMs.

I think the last point, I'm not sure if you asked this or I'm just kind of interpreting this, the dialogue. But we anticipate the OEM then to be like -- OEM is a cash-positive event for NuScale. I know that there are some payments to go out under PMA. But ultimately we anticipate payments coming in more than offset that. And then we have a runway TBD, and this is all to be negotiated in OEM agreement, but then we have a runway of payments coming in to ultimately pay for the modules.

Did I answer that correctly, Brian?

Brian K. Lee
Goldman Sachs Group, Inc., Research Division

Yes, I understand the scope of work and getting paid on delivery of components. I suppose it's maybe, as you said, Ramsey, nomenclature, but my understanding was that there was going to be some structuring of upfront deposit, that would be quite significant once you have the OEM agreement in place, but maybe that's...

Ramsey Hamady
Chief Financial Officer

No, that's right, Brian. That's right. No, it's not just payment upon -- it's not like we produce and we hand over an NPM and then we get paid for an NPM. And I think what you may be speaking to is like ideas of working capital, I think, cash and working capital as we go to produce NPMs we would anticipate that we have staged payments over time starting at the signing of the OEM agreement, and then pushing into the future as we progress manufacturing of the NPM and then determining in the delivery of the NPM.

Brian K. Lee
Goldman Sachs Group, Inc., Research Division

Last 1 for me, and I'll take it offline. When you said upon signing the equipment OEM, you expect to be cash flow positive. Are you talking about recouping in addition to the PMA that's made upon signing the PPA also the initial milestone payment of, I guess, the $500 million that's already been paid? Like, what's the scale of what you're referencing in terms of being cash flow positive once you hit the equipment OEM agreement?

Ramsey Hamady
Chief Financial Officer

Yes. I was really referencing -- in that particular statement, I was referencing Milestone 3 under the PMA of what we expect to pay out under Milestone 3 and what we expect to take in is that we'll be cash flow positive on that. The total milestone payments overall, I think those are recoverable or we can recoup those over the course of -- over the course of delivering the NPM and the payments that come in. But I was solely referring to that moment in time, Brian. And OEM assigned amounts are due under PMA, amounts come in as a first payment under an OEM, and the net of those, we anticipate being cash flow positive.

Operator

Your final question for today comes from the line of Ryan Pfingst with B. Riley Securities.

Ryan James Pfingst
B. Riley Securities, Inc., Research Division

Maybe just a follow-up on RoPower, Ramsey, you just mentioned the revenue earned there over the last couple of years. But could you share what the revenue opportunity might look like if RoPower continues to advance? Or maybe what types of services you'd be providing in the next stage of that project?

Carl M. Fisher
Chief Operating Officer

This is Carl Fisher. The next phases of the project, it's just to back up a bit. We finished the FEED just in November. Once again, we are a sub to Fluor Corporation and Fluor Corporation is now pulling together

the next phases, which is what they call a pre-EPC approach. So the lion's share of that will go to -- most likely to Fluor and we'll have a subcomponent and they're still working through what that scope actually is. So until they get that finalized, we're not going to know exactly what kind of revenue streams we're going to be pulling in for what we call a pre-EPC approach.

Operator

That concludes our question-and-answer session. I will now turn the call back over to John Hopkins for closing remarks.

John Lawrence Hopkins
President & CEO

Thank you very much, operator. Our objective today, folks, is try to level set as much as we could. There's a lot of chatter in the market right now. But NuScale didn't just happen. We've been -- and the team have been hard at work for nearly 2 decades with 1 clear mission, help power the global energy transition by delivering safe, scalable and reliable energy. And with that, I'll sign off, and we thank you until next time.

Operator
Ladies and gentlemen, this concludes today's call. Thank you all for joining. You may now disconnect.