



NuScale Power

First Quarter 2022 Business Update Conference Call

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PRESENTATION

Operator

Good morning, and welcome to NuScale Power's First Quarter 2022 Business Update Conference Call.

Today's call is being recorded. A replay of today's conference call will be available at approximately 1:00 pm Eastern Time today, accessible on NuScale's website at ir.nuscalepower.com. The web replay will be available for 30 days following the earnings call. A telephone replay will also be available for seven days through a registration link, also accessible on NuScale's website.

At this time, for opening remarks, I would like to turn the call over to Diane Hughes, Vice President, Marketing and Communications.

Please go ahead, Ms. Hughes.

Diane Hughes

Thanks, Rob.

Welcome to NuScale's 2022 First Quarter Business Update Conference Call.

With us today are President and Chief Executive Officer John Hopkins; and Chief Financial Officer Chris Colbert.

Because the merger with Spring Valley closed on May 2, NuScale was not a publicly-traded company during the first quarter and did not file a quarterly report on Form 10-Q. However, NuScale's unaudited first quarter financials were filed on a current report on Form 8-K on May 16 and are included in the registration statement on SEC Form S-1 that was filed on May 13.

To keep you all informed as shareholders of our newly-public company, we are hosting this business update call in which we'll discuss business developments at NuScale during the first quarter and pro forma financial performance. Starting with NuScale's second quarter results, we'll file a 10-Q and report results in the standard manner.

We issued the business update press release earlier today, which can be found in the Investor Relations section of our website at ir.nuscalepower.com. We will reference the update while conducting today's call.

Before getting started, I'd like to refer you to our Safe Harbor disclaimer regarding forward-looking statements, which is included in the press release.

During today's call, we'll be making forward-looking statements which reflect our current views of existing trends and information. There is an inherent risk that actual results and experience could differ materially. You can find a discussion of our risk factors which could potentially contribute to such differences from our Form S-1 which NuScale filed with the SEC.

Also during this call, we may discuss certain non-GAAP financial measures. Reconciliations of these amounts to the comparable GAAP measures are included in our business update release.

I'll now turn the call over to John Hopkins, NuScale President and Chief Executive Officer.

John?

John L. Hopkins

Thank you, Diane, and good morning, everyone. I and the entire NuScale team are really excited to be here today reporting to you as a public company.

I'll provide an overview of our more notable recent business developments and lay out our near-term strategic objectives. Then my colleague, Chris Colbert, NuScale's CFO, will provide a detailed update on our capital structure and financial position, as well as reaffirm our outlook.

Let me start by explaining our enthusiasm about the future of nuclear power and our role in it.

The energy industry is entering what many are calling a new nuclear renaissance, as people realize that nuclear is the only solution for cost-effective, 100% carbon-free baseload power. This pressing need for more clean energy and energy security and resiliency became more urgent in recent months with the impact of geopolitical events. These tailwinds are clearly reflected in the business update I'll walk you through shortly.

Each company around the world has a unique path toward decarbonization based on a country's energy resources and infrastructure. It is important that the policies of multilateral institutions recognize nuclear zero-carbon reliable energy benefits.

To name just a few of the recent headlines from around the world that support this notion, a recent study published by the United Nations Economic Commission for Europe concluded that energy, nuclear energy, not only has the lowest overall greenhouse gas emissions, but also has the cleanest lifecycle profile of all sources of electricity production.

On the other side of the globe, the U.S.-Japan Competitive and Resilience Partnership recently launched the clean energy and energy security initiative to accelerate innovation and marketization of clean energy

technologies, including nuclear power. In addition, the government in Indonesia has joined this partnership which (audio interference) in the U.S. and utilizing tools to increase interest in renewable investment, including SMR nuclear energy.

Also, in Asia, the U.S.-South Korea leaders' joint statement note that the leaders of both countries recognize the importance of nuclear energy and commit to greater collaboration in accelerate and development in global deployment of advanced reactors into SMRs. To that end, the Republic of Korea joined the U.S.-led Foundational Infrastructure for Responsible Use of Small Modular Reactor Technology, or FIRST, program.

Although NuScale is newly public, remember, we are by no means just a new company. It follows that we are uniquely-positioned to win in this nuclear renaissance. NuScale was founded in 2007, and our transformational small modular reactor reflects decades of investment and development through the expertise of scientists and technologists who have dedicated their careers to this endeavor. We've built a strong, competitive position, won customer mandates, and firmly established ourselves as a first-mover in a large global and largely untapped market. We did this through a deliberate, meticulous, and disciplined approach.

Now, let's take a moment to consider where we are today.

NuScale technology is the first and only SMR to receive approval from the U.S. Nuclear Regulatory Commission, giving us a significant competitive advantage. We have a robust and growing customer development pipeline. This includes 18 signed and active MOUs or agreements in 10 countries. Our cornerstone agreement is a project with a major regional utility customer here in the United States. For that customer, the Utah Associated Municipal Power Systems, or UAMPS, field work and licensing is currently underway, and we expect their first SMR plant to go live by 2029, but that's not all.

We have an early works agreement in place with KGHM in Poland. We're making progress in other markets and moving from memorandums of understanding to substantive contracts. We have an extensive and diverse supply chain and substantial global fabrication capacity that we can access today. Importantly, we have an attractive, high-margin business model that we believe can monetize our intellectual property through SMR sales and technology licensing fees, while driving reoccurring revenues through critical operations and maintenance services over the lifecycle of a plant. We're off to a good start as the first publicly-traded SMR technology provider and are eager to build on this momentum.

Despite heightened volatility across global capital markets, we executed a successful combination with Spring Valley Acquisition Corporation and brought \$341 million of fresh capital into our coffers. Redemption performance that is the historic Spring Valley shareholders had a right to redeem their stock before the merger closed was encouraging in light of the current market environment. In a period in which many high-quality deals were seeing redemption rates well over 90%, Spring Valley redemptions were only 37.5%. The assets in trust, less our upsized PIPE, yield us significant capital to fund our growth plan over the long term.

Turning now to the remainder of this year, we're focused on five key milestones.

First, we intend to secure our next committed customer similar to UAMPS by year-end.

Second, we intend to issue long-lead material specifications for the reactor pressure vessel.

Third, we intend to complete the reactor building design.

Fourth, we intend to submit a standard design approval application to the NRC for the VOYGR6 six module power plant that UAMPS plans to deploy.

Fifth, we intend to complete our standard plant design, or SPD for short.

Now, let me cover the new news of the business now that we're midway through the second quarter. I'll comment on developments in customers, partnerships, technology, and regulation.

First, let's look at customers.

We have a very successful building out—we were very successful in building out a pipeline beyond our anchor customer, UAMPS, in the U.S., and now have four active relationships around the world. This reflects our effort to transition customers from MOUs to substantive contracts.

In Romania, we were encouraged to develop efforts with Nuclearelectrica S.A, known as SNN. We signed a multiparty MOU with them and the owner of their preferred site for a new scale VOYGR6 plant in Doicești, Romania. Our team traveled to the country in the first quarter to meet with the SNN and Romania regulator, CNCAN, and a couple of weeks ago, we returned to Romania to sign this MOU. We held a press conference with representatives from the Romanian government, the U.S. Departments of State, Energy, and Commerce, and discussed next steps for this project. We are developing a licensing basis document that will outline the codes and standards to which a NuScale plant will be licensed and constructed in Romania.

In Poland, we signed a landmark early works agreement with KGHM, a leading copper and silver mining conglomerate and large industrial energy user. They will work to deploy a NuScale VOYGR power plant in Poland as early as 2029. We are engaging with KGHM on several options for pre-licensing activities and other project planning assessment activities. During the first quarter, we provided familiarization training to the KGHM team. They will develop the initial preliminary safety analysis report chapters for licensing in Poland.

Back in the U.S., we signed a memorandum of understanding with Dairyland Power Cooperative in Wisconsin to jointly evaluate the potential deployment of a NuScale SMR-based power plant. Dairyland is a power generation transmission cooperative providing wholesale electricity for 24 distribution cooperatives in 17 municipal utilities. They supply power to more than half a million people in four states in the upper Midwest.

Meanwhile, our anchor customer, UAMPS, also made substantial progress, successfully and safely completing its field investigation activities at the site. This is a major milestone for this project. This phase of fieldwork involved detailed geotechnical surface and subsurface investigation to characterize the geological properties underlying the site. It also established a groundwater monitoring network to support protection of the eastern Snake River Plain aquifer, and commissioned an on-site meteorological monitoring station to collect site-specific atmosphere data.

In parallel, the project has also progressed with the development of a Combined License Application, or COLA. We are currently analyzing data collected from comprehensive site investigations in a two-year monitoring process which will be presented in the COLA to address key safety environmental considerations. The COLA will also provide additional project-specific facility design information, which will support the Nuclear Regulatory Commission safety and environmental reviews, as well as public consultations.

Let's discuss partnerships, which are critical to our commercialization strategy.

Just after the close of the first quarter, we announced deals with Nucor, America's largest steel producer; and a Japan Bank for International Cooperation, or JBIC. Both companies made investments in NuScale; Nucor directly and JBIC through the purchase of equity from Fluor.

The Nucor investment is especially interesting. Nucor was a late PIPE investor in NuScale. In addition to fresh capital, we believe this relationship can expand the industrial market for us. Leon Topalian, the President and CEO of Nucor, understands the importance of sustainability and safe power generation. He noted that they invested in NuScale because SMRs can ensure our nation has carbon-free baseload power. We see growing interest from industrial customers seeking to use our SMRs for carbon-free processes in addition to generating electricity.

The JBIC investment is important because it builds on our presence in Japan. We already have strategic investments from JGC Holdings Corporation and IHI Corporation, and despite the after-effects of Fukushima, Japan is a promising market for nuclear power due to their need for energy security and high dependence on imported fuels, but it is also rooted in understanding the safety of our SMR technology. In fact, Fukushima elevated safety to the forefront for regulators and the Japanese people. Safety is an attribute in which our SMR technology is unrivaled. JBIC noted that the government of Japan is promoting R&D and SMR technology.

In addition, U.S.-Japan Climate Partnership and a new Competitiveness and Resilience Partnership recognized advanced needs of power as one of the fields of cooperation between our two countries. I just recently returned from a trip to Japan and Korea, and while in Japan, our strategic investors made clear their interest in supporting deployment of NuScale plans.

Similar to Japan, Korea is renewing its commitment to nuclear energy. One of our early strategic investors, Doosan, returned to make an additional investment in 2021. Doosan knows our sector. They are one of the world's leaders in nuclear equipment manufacturing. They're one of the key partners in our ecosystem, and we welcome this further strengthening of our relationship as we work towards commercial deployment of VOYGR SMR power plants.

While in Korea, we signed another memorandum of understanding with Doosan Enerbility that paves the way for full-scale equipment manufacturing of NuScale's SMRs by the later half of 2023.

We also signed an MOU with our strategic investors, Doosan, GS Energy, and Samsung C&T. The Samsung relationship in particular demonstrates the growing importance of the Korean market.

We also met with the CEO of Korea Eximbank, Bang Kyu, to discuss financial support for NuScale plants on a global basis, including potentially for our SMR demonstration project in Idaho.

This high-level activity is just a start, in our opinion. We expect to see more activity in North Asia in the quarters ahead.

Turning now to SMR technology, we remain in the advanced stages of our commercialization process and continue to make significant progress year-to-date. This process finalizes the standard plant design information needed for construction and manufacture of NuScale's supply and equipment. In general, we are far along in technology and production process development. We are ordering long-lead equipment now, which we believe is a significant competitive advantage.

The list of technology development highlights year-to-date is long.

In particular, Doosan completed its dimensional inspection, non-destructive examination, and eddy current testing for the steam generator helical coil tube. Also, the steam generator flow-induced vibration test vessel was delivered to the testing laboratory.

We initiated FXM-19 forging trials with both domestic international forging sources.

The decay heat removal characterization testing campaign was completed at our own NuScale hydraulic test facility known as NIST, which is located in Corvallis, Oregon. We are on track to complete all NIST testing by year-end.

Paragon Energy Solutions completed the first hardware build of the safety display and indication system prototype for our NuScale control room. The 60% design review for the reactor building crane was completed in January and physical testing was completed this March. This testing demonstrates the crane's ability to perform post control needed for precise modular placement during refueling operations for the NuScale power modules.

Finally, standard plant design progress progressed; over 50 SPD deliverables reviewed and accepted.

Now, let's wrap up with the latest regulatory developments.

In addition to the UN's COLA work I mentioned earlier, we are busy with licensing activities with the U.S. Nuclear Regulatory Commission. I'm pleased to share that the NRC has approved the Building Design and Analysis Licensing Topical Report in line with our expected timeframe. Meanwhile, three other topical reports were accepted for NRC review, including a Rod Ejection Accident Methodology Licensing Topical Report Revision, and Framatome Fuel Applicability Topical Report supplement, as well as a Critical Heat Flux Topical Report supplement.

With all that being said, I'd like to now turn it over to Chris Colbert, our CFO, to cover financial results.

Chris?

Chris Colbert

Thanks, John, and good morning, everyone.

The main topics I'll discuss today are: one, an overview of our first quarter financial performance; two, an update on our capital structure and financial position post-merger; and three, our outlook for the balance of 2022. Because you can read the details in our release, we'll just focus on the primary drivers of performance. All the figures I refer to will be for the first quarter of 2022 unless I note otherwise.

It is important to remember that we have not generated material revenue to date. As such, our focus has been on effectively managing the cost side of the equation with an asset-light model.

Operating expenses grew versus last year as we built our team across all functions. R&D expenses increased due to higher professional fees associated with the standard plant design work and compensation costs as a result of increased headcount as we expand our licensing department. We spent more on sales and marketing as we built our sales team, and incurred travel expenses as that team worked to secure contracts around the world. General and administrative expense grew as we built the infrastructure to be a public company and incurred professional fees related to going public. The Department of Energy cost-share increase reflects highly-qualifying cost this year versus last. Consistent with our asset-light model, capital expenditures were minimal and predominantly associated with software and computer hardware to support our research and development.

Looking ahead, we believe the merger and PIPE transaction have sufficiently funded us for the next several years of business development. The deal yielded us \$341 million from the assets in trust and PIPE, net of transaction expenses. I should highlight here that the only major change to our December 2021 financial projections is an increase in the PIPE from \$181 million to \$235 million. The total merger proceeds of \$341 million exceed the \$200 million cash need forecasted through 2024 in those same projections. Otherwise, as we look ahead, the projections we gave when we first announced the merger with Spring Valley are still our operative assumptions. Those projections represent the meaningful ongoing build of our team and infrastructure as we progress toward commercialization.

Let me turn the call back to John to conclude.

John?

John L. Hopkins

Thanks, Chris.

Before we go to Q&A, I want to leave you with a few observations to reinforce why I'm so confident in our future.

First, NuScale is developing a next generation of nuclear power technology that is safer, more versatile, and more cost-efficient than ever before. We are building something that far exceeds the already high standards of our currently operating plants, which uses decades-old technologies.

Second, we see demand building all over the world with no let-up in sight. We are ready to capitalize on those opportunities with our industry-leading technology and value-driven business model.

Finally, we are relentlessly focused on executing on our five near-term goals, including securing additional committed customers, issuing long-lead material specifications, completing our standard plant designs, and advancing our standard plant approval application with the NRC. This is a very exciting time for NuScale. Our long-term vision is clear, our goals are achievable, and we have a committed and diverse stable of investors and strategic partners who believe in our Company.

With that, we'll turn over to questions. Operator, we're ready to begin the question-and-answer portion of the call, please.

Operator

Your first question comes from the line of Marc Bianchi from Cowen. Your line is open.

Marc Bianchi

Hey. How's it going, guys?

On these three customer prospects here beyond UAMPS; Nuclearelectrica, KGHM, and Dairyland, they're all sort of 2029, 2030 opportunities for COD, I think, and I believe they're all six packs, but maybe you could talk about the opportunity for NPMs with each of those, the timelines, and if there's follow-on opportunity beyond an initial order of six or whatever it is.

John L. Hopkins

Yes, Marc. Thank you for the question.

As you know, NuScale is going to build modules in a factory, and these are pretty much fundable assets that can be shipped anywhere. With our current supply capacity, we have the ability to deliver modules by 2027 as it stands.

Now, that being said, a lot of this is predicated on the owners' needs, and an example of UAMPS, they don't need the energy until 2029. As an example of Romania, when we first entered discussions with them over two years ago when they initiated their due diligence process, there were talking COD dates of 2032, 2035. However, with the events, unfortunately, that have occurred in the Ukraine, we're seeing Central and Eastern Europe from an energy security, as well as climate disruption, moving their timelines up aggressively, so a lot of this is, again, predicated on the needs of the customer.

The other thing I'd like to say was having gone through the rigor of the NRC, we originally proposed our design certification application for a 12 module plan at 50 megawatts, but over a period of time of testing and modeling and spending over \$500 million, we quickly ascertained that the NuScale module could, in fact, achieve a very limited engineering design. It basically is the same module, but through that testing, we were able to ascertain that we could deliver up to 77 megawatts electric, which opened the aperture significantly for us. We can offer a four module plan, a six, an eight, up to 12 modules, and at 12 modules, you're approaching a gigawatt-sized reactor, so a lot of this is we're seeing a lot of interest around the world.

Predominantly again, we're seeing, even in this country, a period of time where a lot of coal-powered facilities and fossil-fuel plants will be coming offline this decade and they're looking for 100% baseload energy and clean energy. We have the ability to work in complement with renewables. We believe they're our friend. They're not a competitor, though we're greatly—a little long-winded, Marc, but we see a lot of opportunities here with our opportunity to offer customers what they need.

Marc Bianchi

Yes, okay. Well, thanks for that.

One question that comes up is sort of the appetite among U.S. publicly-traded utilities for new nuclear, and I think there's a general aversion from investors for that, but I'm just curious what your level of engagement is with publicly-traded utilities. I believe some of them actually have SMRs in their IRP in the 2030s, so curious (multiple speakers).

John L. Hopkins

Yes, I'll let Chris speak to that one. He's been out beating the bushes and in discussions with a lot of these utilities.

Chris?

Chris Colbert

Yes, so, I mean, your observation's right on, Marc. The first customer we have are from the public power sector, so that's your UAMPS, your Dairyland Cooperative, but we have seen the investor-owned utilities, the publicly-traded companies, starting to put SMRs and advanced reactors into their integrated resource plans, which really, for them, are the first step to getting what I'd call the social contract to build new nuclear, so we've seen that with Duke, we've seen it at Dominion, we've seen it at PacifiCorp, and we're seeing it increasingly, so I think it's going to be not a question of if, but when for those folks, because they

face the same dynamics that our customer, UAMPS, is facing in that they need to replace the baseload coal power that they've relied upon for decades with something that is equally reliable and affordable, and in their words, keeps the lights on and the beer cold.

They have that same requirement, and I just think it's a matter of, like I said, not if, but when, and we're seeing the very beginning of those considerations, and we're involved and we provide our information to those folks to inform their integrated resource plans so they really do have the best information to proceed with in their planning, so we're encouraged, but they're just a little bit behind what I would say is our first-mover in the UAMPS project.

Marc Bianchi

Okay, great. Thanks for that, Chris, and while you're on the line here, the cash balance, within the projection you have, could you just give us some thoughts on how the cash balance evolves over the course of the year, and I'm not sure what we should be expecting from a DOE cost-share contribution this year? If you could help out with that, that would be great.

Chris Colbert

Yes, so when we look at the overall picture for it, I think I mentioned that we raised \$341 million and we had about \$40 million in cash at the end of Q1, so just safe to say that into the first—well, when you pro forma for the result of the cash raise, we're about \$380 million, and just to project out, we had projected that we would use about \$200 million of cash between now and 2024 when we would go cash flow positive, so the good news is we have quite a bit of cash available to us, more than, frankly, we had planned back in—or thought back in September, driven by: one, we increased the PIPE contribution from \$181 million to \$235 million; and second, the performance on redemptions was, at 37.5%, very positive for us, so we feel very comfortable in the cash position that we have, and our discussions with the Department of Energy and their contributions of cost-share for the programs that they'll continue to cost-share in the program that they'll have going forward.

Now, that said, as we move from being work that's funded by Department of Energy to us commercializing and selling, the mix of expenses that are eligible for DOE cost-share decreases over time, so that we'll basically have run through the DOE cost-share by the end of 2024 timeframe, but to date, everything we've projected in terms of our overall cash flows, and we don't report out separately the DOE, but overall, we're very comfortable with the cash position that we have and meeting the projections that we had put forward back in December.

Marc Bianchi

Okay, but just to clarify, the \$200 million of cash needed through 2024, does that contemplate inflows from DOE cost-share, or would that net against that \$200 million?

Chris Colbert

That includes contributions from DOE cost-share as well, and the DOE provides funding on an annual basis and their fundings are consistent with that forecast.

Marc Bianchi

Great. Thanks so much. I'll turn it back.

Operator

Your next question comes from the line of Shar Pourreza from Guggenheim Partners. Your line is open.

Shar Pourreza

Hey, guys. Good morning.

John L. Hopkins

Good morning.

Chris Colbert

Good morning.

Shar Pourreza

Thanks for having this call.

Just in your conversations with JBIC and Doosan in Korea, did they bring up the prospects for competition from maybe indigenous designs at all? Both these countries, be it Hitachi in Japan or KEPCO in Korea, have their own designs of varying maturity, so just curious if that was raised at all.

John L. Hopkins

This is John Hopkins. I just returned from both Japan and Korea, as I mentioned, and let me start with Korea.

Korea had an indigenous SMR called SMART, but it doesn't look like it's—it looks like it may have some technological challenges, and they're also looking to, perhaps, eventually having another program called the iSMR, but I can say, currently, in our discussions with both government officials in industry in Korea, they're very keen on SMRs, particularly NuScale, hence the we're getting direct investment from Samsung, GS Energy, Doosan, and other strategics, and as an example, and I mentioned with—my conversation with the chairman of Korea Exim, they would like to assist in the financing of projects NuScale globally.

As it relates to Japan, we met with very senior representation from government officials, a former prime minister, Abe. We also met with the current minister of—the Minister of Economic Trade in Industries. We have a program in Japan called NEXIP, which is a consortium where (inaudible) is utilized in this consortium to help prove the safety qualifications and analysis to the Japanese people of the safety about a NuScale reactor, so to your question about other competition, it really didn't come up in any of my discussions.

Shar Pourreza

Okay.

John L. Hopkins

I do believe that gone through the rigor of the Nuclear Regulatory Commission, which many believe this is a gold standard, many within industry understand the rigor having done that, so that's a big competitive

advantage, as I mentioned in my dialogue, that going through that NRC has opened aperture for us significantly.

Shar Pourreza

Right, no, and that's helpful. Obviously, the conversations we've had with some of the utilities and their current IRPs seem to be pointing to SMRs, but also looking at some other advanced nuclear, so that's helpful color, John. I appreciate that.

Just, I know as energy policy begins to heat up again in Congress, and obviously, there's a lot of mixed data points on where we stand and the midterms and Manchin, but is there anything in particular you're flagging to investors as specific to SMRs or any potential benefits—beneficiaries there?

John L. Hopkins

Let me go back to one thing as it relates to other competition within our country. NuScale doesn't want to be a monopoly. We do want to be a first-mover, but we're very behind other competitive technologies, because we're going to be confronted with having to compete with state-owned enterprises outside this country, and there's certainly a large enough market for other technologies.

Within our own country, we've been in discussions with labor, particularly North American Building Trades, on—with many of the power plants, particularly coal, coming offline in—within our country, many of these in remote communities. They're, let's say, 200 megawatts to 300 megawatts of power. They employ 200 people, and it is an existing infrastructure. Now, we may not apply or be applicable to all of these plants, but the ones that we are, we're working on methodologies of how to cross-train existing folks in those rural communities to where they can run a NuScale plant.

North American Building Trades is a very important piece of that for us, so—and also the revenue streams generated. Many of these people in these rural communities, they don't want to have to relocate and be forced to move for jobs that are miles away from where they're currently at, so we see a real competitive advantage there, and as Chris mentioned, we're starting to see the largest scale utilities take notice of the fact that this is something they're going to have to address near term versus longer term.

Shar Pourreza

That's a fair point, and then just lastly and I'll pass it to someone else, is I just want to get a bit of sense, are you seeing any above-plan drags on cash at this point just given the inflationary backdrop? Obviously, it's pretty fairly widespread, including on the wage side, so how are you managing that?

John L. Hopkins

Yes, and I'll let Chris answer this, but we've been asked about fuel supply in uranium, and we use conventional fuel. This fuel—we've got 400 active plants around the world that uses—we're less than 4% of (inaudible). Our key supplier, Framatome currently, has stated fuel is not the issue. Now, are we seeing some escalation in commodities? Yes, but as we see right now, it's still manageable.

In terms of cash drain, Chris, do you have anything to add?

Chris Colbert

Yes, so it's important to note, we have an asset-light model not only in the fact that we have other people manufacturing our modules, but the customers, as they order them, are paying for the procurement of the

pieces and the fabrication, so if it's seen, it's seen by the customer, and that certainly is a consideration for them, but it doesn't drag on NuScale. Where we see it, like everybody else, is in the fact that there's wage pressures, and to the extent that we're on the road traveling, your travel and living expenses increase proportionately, but it hasn't been a drag to the extent that it's really impacting business, and in that regard, just to re-emphasize, we raised a very healthy amount of capital from the increased PIPE size and the lower redemptions we received through the merger transaction, so we feel very comfortable where we are, but we do track and we do need to be mindful of it, because at the end of the day, even though it's the customers paying for it, it still needs to be an affordable plan.

But in that context, everything they want to do is escalating. In some places, if it's a natural gas plant, it's multiplied by four, because gas has gone from \$2 bucks to \$8 a million BTUs, so it's—everybody has sticker shock, but then it's always like, well, what do you do now, and it's like, well, everything else has gotten way more expensive.

Shar Pourreza

Got it. That's helpful. I'll jump back in the queue. Thanks, guys.

Chris Colbert

You're welcome.

John L. Hopkins

Thank you.

Operator

This concludes the question-and-answer session. I would now like to turn the call over to Management for any additional or closing remarks.

John L. Hopkins

I'm sorry. Thanks, Operator, and again, thanks all of you for participating in our call today. As I stated, we're thrilled to have completed our merger with Spring Valley and we are now a publicly-traded company. With the infusion of new capital and a publicly-accessible currency, we believe we're in a great position to develop our business, attract customers, attract the best engineering talent in the industry, and make a difference in how the world generates power. We appreciate your interest in NuScale, and thank you again for making time today.

Before we conclude, I'd like to turn it back to Diane who will discuss upcoming investor events at which we will present.

Diane, if you would.

Diane Hughes

Thanks, John.

We have a busy June planned with five investor conference appearances scheduled for this month. Please note attendance at these conferences is by invitation only for clients at each respective firm, so

interested investors, please contact your respective sales representative to register and schedule one-on-one meetings with us.

For the month of June, we are slated to appear at the virtual Cowen Sustainability & Energy Transition Conference on June 7, followed by Stifel Cross Sector Insight Conference, which is in person in Boston on June 8. Then we plan to attend the UBS Utility and Energy Summit on June 14 in Kiawah Island, South Carolina. Follow that, we expect to present at J.P. Morgan Energy, Power & Renewables Conference in New York City on June 23. Finally, we are slated to participate at Cantor Fitzgerald ESG Technology Conference in Palo Alto, California on June 28.

At each of these events, the typical format is a formal presentation or fireside chat combined with one-on-one meetings. The formal presentations will be webcast to the public and can be accessed in the Investor section of our website. Look for a press announcement in the coming days to share more specifics around each of these investor conference appearances.

With that, we will conclude today's call. Thank you for your participation. You may now disconnect.