

NuScale Power

**2nd Quarter 2022 Financial Results
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Operator: Good afternoon, and welcome to NuScale Power's Second Quarter 2022 Earnings Results Conference Call. Today's call is being recorded. [Operator Instructions] A replay of today's conference call will be available and 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 7 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: Thank you. Welcome to NuScale's 2022 Second Quarter Earnings Results Conference Call. With us today are President and Chief Executive Officer, John Hopkins; and Chief Financial Officer, Chris Colbert.

Please note that although the merger the Spring Valley closed on May 2, this report and our 10-Q will cover the entire 3 and 6 months ended June 30. The income statement includes only NuScale expenses. We are not including Spring Valley's expenses prior to the merger, and they had no expenses subsequently. We issued the earnings release earlier today, which can be found in the Investor Relations section of our website at ir.nuscalepower.com. We will reference the release 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 in our S-1 and other filings 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 the earnings release and SEC filings.

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

John Hopkins: Thank you, Diane, and good afternoon, everyone. We're excited to be reporting second quarter results and an inaugural quarterly report as a publicly traded company. I will cover our accomplishments both in terms of business development and in spreading our

message about nuclear energy's compelling role in a clean energy transition. I will also highlight recent business developments in the context of our five key near term strategic objectives. Then my colleague, NuScale CFO, Chris Colbert, will provide a detailed update on our financial results and reaffirm our outlook.

We are enthusiastic about the future of nuclear power and specifically the role NuScale will play in that future. We reached an important milestone on May 2 when we closed our merger with Spring Valley Acquisition Corp., becoming the first next-generation nuclear energy technology company to list our shares in the U.S. Market. As a first publicly traded SMR technology provider, we have even more opportunities and venues to make our case for nuclear, especially modern, small-scale nuclear as a safe, clean and economic source of cost effective, 100% carbon-free baseload power.

We believe NuScale is a pure play on the critical emerging trends in clean energy, specifically zero-carbon baseload and next-generation nuclear technology. We appreciate the strong interest from investors. We intend to keep working aggressively to meet our operational and financial milestones, build our business, and change the landscape of clean energy. Now more than ever, the world needs more clean energy sources, and we believe NuScale is primed to fulfill this need in a disproportionate way.

With the tripling of natural gas prices in some areas and the rising threat of energy security around the world, the need is even more urgent for reliable, clean electricity produced from nuclear. Just let me give you some examples. Faced with a fragile electrical grid and the prospect of summertime blackouts, California agreed to earmark hundreds of millions of dollars to buy power from fossil fuel plants that are scheduled to shut down as soon as next year. Tesla is telling its customers and ERCOT, the Texas grid operator, to charge their cars only at night. Russia has reduced natural gas flow into Europe in the Nord Stream 1 pipeline down to 20% of capacity. And Japan is facing brutal heatwaves without efficient to meet demand.

Renewables such as solar and wind are important to our energy future, but they are not the whole story. Every day, more people are realizing the necessity of nuclear power. To combat climate change, we must replace greenhouse gas-intensive fossil fuels with emissions-free energy. Nuclear is the only baseload solution. NuScale's SMR can deliver baseload power and load-follow, better supporting grids that are reliant on intermittent solar and wind generation.

Now I will discuss our Q2 accomplishments and what we foresee for the months ahead. The best way to do this is to use the context of our five key strategic objectives for 2022, which we shared on our June business update call. As a reminder, our 5-year near term objectives are: One, we intend to secure our next committed customer by year end. Two, we intend to issue long-lead material specifications for the nuclear reactor pressure vessel. Three, we intend to complete the reactor building design. Four, we intend to submit a Standard Design Approval Application to the U.S. Nuclear Regulatory Commission for the VOYGR-6 module power plant that UAMPS plans to deploy. Five, we intend to complete our standard plant design, which I'll also refer to as SPD throughout my remarks.

Now let's look at the progress we made in Q2 towards each of these goals. First, we continue to build a potential customer pipeline. The progress is solid at our anchor customer UAMPS in the U.S., and we continue to strengthen our 6 relationships around the world. Moreover, we have 18 signed and active MOUs in 11 countries and 9 strategic relationships, some of which I will discuss in a moment. Customer opportunities in the pipeline are now at over 100, and we are happy with the level of discussions we are

having across the board.

Looking overseas, we have highly concerted efforts in Romania. On June 26, the U.S. Government committed \$14 million towards a front-end engineering and design study in Romania that could lead to the deployment of our VOYGR-6 nuclear power plant. This 8-month effort, which is expected to cost \$28 million in total, will include contributions from Romania SN Nuclearelectrica and other industry participants. The project will provide the Romanians with key site-specific data needed for the deployment of our power plant, such as cost, construction, schedule and licensing details.

Furthermore, on May 23, the United States announced it will provide Romania with a NuScale small modular reactor, SMR, simulator for Romania to establish an E2 Center at University Politehnica in Bucharest. The E2 Center will further Romania's goals of becoming a leader in secure and safe SMR deployment and an SMR educational and training hub in the region. This project is already underway. We are working with the university on planning, coordination and infrastructure needs. We're also currently working to organize a supplier day event in September to further support our efforts in Romania.

During the quarter, we also made great progress in Poland. On July 8, our Polish partner, KGHM, a leading copper and silver mining conglomerate and large industrial energy user, submitted to their regulators an application to assess NuScale's technology. Meanwhile, our proposal for the full scope of work has been issued to KGHM and is now under review. In early August, we expect to receive the tender offer and statement of commencement for the licensing work and start negotiations on the full scope. To support the licensing process, KGHM intends to provide Polish regulators with updated licensing and safety reports by the end of October to remain on track with its goal of choosing a potential site by the end of the current year. All in all, we are pleased with our progress towards securing that second committed customer by year end.

Second is the long-lead material specification for the reactor pressure vessel, one of the major components of the NuScale Power Module, which was completed in May. In addition to supporting our ability to place long-lead material orders, this also represents early completion of another milestone in the DOE development program.

In addition to material specs, we have initiated certain pre-manufacturing activities to ensure that we can support client manufacturing schedules. We executed the upper RPV forging die purchase with Doosan in April of 2022 to prepare for the start of manufacturing. We also completed physical testing of the steam generator tube insulation, demonstrating progress on our manufacturing readiness. We have completed negotiations with PaR Systems on term sheet for manufacturing procurement of the reactor building crane.

In late July, we announced an agreement with National Technical Systems to establish an equipment qualification test chamber, which will allow us to qualify components that meet U.S. Nuclear Regulatory Commission and plant-specific requirements. The initial FXM-19 trial forging was completed this July, and an additional forging manufacturing trial is currently underway. We also completed pressure sensor proof-of-concept testing.

The key takeaway from all of this activity is that NuScale is extensively focused on readiness by actively engaging with our manufacturing partners and completing fabrication tests for first-of-a-kind components. I would go so far as to contend that no other western SMR developer is better prepared to start plant construction than NuScale.

Moving along to our third objective. We completed some key elements of reactor building design. We issued the Revision 0 reactor building structural design on July 1 and another milestone completion for our DOE development program.

Fourth, we made progress on critical activities that support the Standard Design Approval Application, or SDAA. This included delivery of reactor building crane design inputs, completion of reactor building seismic inputs for fuels analysis, and emergency core cooling system valve design deliverables. We also submitted Revision 3, our method by which the emergency planning zone size will be established. Testing and support of the SDAA is ongoing at the NuScale Integral System Test facility in Oregon.

I want to underscore an important facet of our test efforts. The fact that NuScale has reached test mode shows that our efforts are real and they are moving quickly toward manufacturing and commercialization. This is a huge differentiator vis-a-vis other advanced technology providers.

Finally, the SPD is well underway with completion still projected for year end. By completing the SPD in advance of any construction activities, our customers can be confident that we have thought through the challenges of deploying all aspects of a NuScale plant. Completing SPD at our expense saves our customers money that they can then allocate for site-specific design changes as opposed to helping foot the bill for the design of a plant.

We are pleased with our progress on these near term objectives. Furthermore, we obtained important accomplishments outside of these five priorities. Let me elaborate. Most importantly, we formed a new VOYGR services and delivery business unit, or VSD. This unit will be comprised of services, supply chain and client management functions. The VSD will help us to more effectively deliver our VOYGR plants and services, which in turn will help our customers more easily operate and maintain a VOYGR plant. This unit is a key step in our maturation from an R&D organization to a product, services and delivery enterprise.

The VSD will be led by Tom Mundy, who previously served as Chief Commercial Officer, Managing Director for the United Kingdom and Europe, and the Vice President of Program Management. Prior to joining NuScale, Tom served as Founding CEO and President of Exelon Nuclear Partners, LLC, the operating and services arm of a well-established nuclear generating company. I believe Tom's skill and expertise will lead VSD to a great success.

During Q2, we also made some significant progress in partnerships. Most importantly is the license agreement with our partner, Paragon, which will enable widespread use of our NRC-approved, highly integrated protection system, or HIPS, platform. Paragon is a great partner for us. For over 30 years, they have provided the nuclear sector with established technology solutions such as instrumentation and control systems, sophisticated [audio gap] and repair programs. The HIPS platform is the latest iteration of this track record of success.

The HIPS platform is an efficient, cost effective and cybersecure reactor protection solution. We developed the HIPS platform with Paragon's Rock Creek Innovation subsidiary, which develops safety critical applications. Our objective is to make the HIPS technology available to the entire nuclear power industry. Enhancing the safety of all nuclear plants improves public perception of nuclear power, thus supporting our own marketing efforts.

We also announced a collaboration with Lightbridge Fuel, an advanced nuclear field technology company. The DOE awarded MIT \$800,000 to study the use of accident tolerant fuels in our SMR. By studying and simulating the usage and safety performance of their fuel, we have the potential to improve the safety profile of nuclear energy even further beyond the substantial improvements offered by our SMR design.

Now let's move to the latest regulatory developments. Two weeks ago, the NRC voted unanimously to approve the design certification of our SMR. The vote represents the final NRC approval of our design. We are the only SMR vendor to submit an application for design approval and the only SMR design approval so far by the NRC. We anticipated this approval in large part because the NRC had already issued a Standard Design Approval for our 50 megawatt design back in 2020. Once an SDA is issued, the final rule is overwhelmingly likely to be awarded. To avoid confusion, keep in mind that our fourth near term objective, the SDAA, completion refers to our newer 77-megawatt six-module design.

Beyond this development, which applies directly to us, the general support for nuclear continues to grow. For example, at this year's G7 global infrastructure partnership summit, President Biden reaffirmed our country's pledge to combat climate change in part by supporting our SMR deployment in Romania. This is a key demonstration of the White House partnership for global infrastructure and investment and a major accomplishment for our business.

Furthermore in Europe, member countries are advancing to reduce greenhouse emissions based on their nation's energy portfolios and infrastructure. We applaud the EU latest decision to rightfully include nuclear technology as a form of green investment under the EU taxonomy. The Europeans are starting to realize that nuclear is critical to their future. In fact, it's somewhat surprisingly, given their stated stance on nuclear, Germany recently decided not to retire their remaining 3 nuclear power plants due to the dire need for this clean source of power.

Now I'd like to turn the call over to Chris Colbert to cover our financial results. Chris?

Chris Colbert:

Thank you, John, and good afternoon, everyone. I will discuss our second quarter financial performance, update you on our strong capital structure and financial position, then wrap up with reaffirming our outlook for the balance of 2022. You can find all the detailed figures and numbers in our earnings release, so I will focus on the primary drivers of performance. All the figures I refer to will be for second quarter of 2022, unless I note otherwise.

As Diane noted at the start of the call, this earnings release and our 10-Q will report NuScale results for the entire 3 and 6 months ended June 30. Note that our income statement includes only NuScale expenses. We are not including Spring Valley expenses prior to the merger, and they had no expenses subsequently. Since revenue is still small, our focus is on effectively applying our operating expense budget.

As you would expect, with funding in place in May, OpEx grew versus Q1 as we ramped our commercialization plan. R&D expenses increased due to higher professional fees associated with the standard plant design. We also increased headcount to support our licensing fee. The increase in G&A resulted from new hires across the organization, partially offset by lower accounting and finance fees. We spent more on sales and marketing as we built our sales teams and incurred travel expenses as our team works to secure contracts around the world. The DOE cost share increased as we incurred higher qualifying costs.

Having covered that, we did generate revenue in the quarter, and it was somewhat higher than the first quarter. The better top line was due to higher procurement and construction activities supporting UAMPS, which is cost shared with DOE, more customer early works agreements launching and more consulting services. All in, our loss in Q2 was a couple million less than the loss in Q1.

Looking at other uses of cash, CapEx was minimal, consistent with our asset-light model. CapEx was mostly for software and computer hardware to support R&D. Looking ahead, we are well funded to meet our financial projections over the next several years. Our \$350 million in cash and no debt gives us substantial financial flexibility and years of runway.

Let me move now into considerations around our share count. Not surprisingly, there is some confusion, which is a natural result of the complexity associated with our transition to being publicly traded. The slide deck accompanying this call includes a breakout of the share count and how it is determined. Let me walk you through some of the key calculations.

At quarter end, there were over 42 million shares of Class A common stock outstanding and over 178 million shares of Class A common stock issuable upon the exchange of NuScale, LLC Class B units. The Class A common stock represents the equity raised during the merger with Spring Valley Acquisition Corp. It is comprised of 14.4 million shares from Spring Valley Class A shareholders, 3.9 million shares from the Spring Valley founders and 23.7 million shares from PIPE shareholders. The NuScale, LLC Class B units represent the legacy shareholders of NuScale Power. These legacy Class B units are exchangeable into Class A shares. In the coming quarters, we expect the shareholders not subject to lockups will elect to exchange their Class B units to Class shares.

There are also more than 35 million shares of Class A common stock issuable upon the exercise of outstanding stock options and warrants and 1.6 million shares subject to earnout. Outstanding stock options total 14.7 million, public warrants comprise 11.5 million and private placement warrants amount to 8.9 million. All warrants are eligible to be exercised over the next 5 years at a strike price of \$11.50. Given that the market value of NuScale common shares is trending nicely above the strike price level, we have assumed the full exercise of all warrants and related earnouts in our calculation of fully diluted shares.

So adding it up, on a fully diluted basis, we have 257.2 million shares. If any of you need further color on the share count, please reach out to our IR team. We are happy to walk through the calculations in more detail. We understand the level of complexity around the multiple transactions and want to assure that everyone following us fully understands how we arrive at our ownership structure.

Finally, a quick reminder. We are reaffirming our projections for 2022. This is the same outlook first shared in December of last year and blessed again in early June on our business update call. We are confident in our business plan and happy to see progress as anticipated.

Let me turn the call back to John to conclude. John?

John 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 on our future. First, demand for clean, safe nuclear power

is building all over the world. Our industry-leading technology will enable us to supply the world with the carbon-free baseload power it needs to fight climate change.

Second, the industry is increasingly recognized that NuScale's next-generation nuclear technology is safer, more versatile and more cost efficient than ever. Our level of safety far exceeds the already high standards of currently operating plants, which uses decades old technology.

And finally, we are making great progress on our five near term goals, which are securing additional committed customers, issuing long-lead material specifications, completing the reactor building design, completing our standard plant designs, and advancing our Standard Design Approval Application with the NRC. We are highly confident we can achieve these goals by year end.

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

Operator: [Operator Instructions] We'll take our first question from Marc Bianchi with Cowen.

Marc Bianchi: I guess starting with maybe for Chris. You've got the revenue outlook that you're reaffirming here for the year. I'm curious how we should be thinking about cash use in the third and the fourth quarter. Should that be something that's sort of shrinking closer towards a breakeven level? Or maybe any help on where cash balance is expected to end the year?

Chris Colbert: Yes. So in our projections we did in December of last year, we showed use I think of \$155 million of free cash flow this year. And so we're still tracking to that. So when you look at what we had in hand, less what we had for the first half of the year, you should be able to come to a cash number at the end of the year. We didn't break that out separately projected, but I believe you can derive it from the information I just cited, Marc.

Marc Bianchi: Yes. No, that's super helpful. Thanks. I'm curious with the most recent announcement here in the industry with Dow and X-energy, which I thought was kind of interesting. How do prospects like that look for NuScale? Are there industrial applications that you're discussing with customers that could be something that happens this year in terms of an announcement? Or are those sort of further afield for you?

John Hopkins: Yes, Marc. This is John. First, I applaud X-energy in that we don't want to be a monopoly. We do want to see other technologies advance. Dow is a -- in fact, I was at the conference in Houston during the discussion with the Dow CEO commented that they were looking at SMRs potentially for process heat, which we believe is a sweep for us as well. As you know, nuclear doesn't have to be tied to a grid for safety purposes, as proven through the NRC. So at the end of the day, having companies like Dow and others who are looking at process heat, perhaps hydrogen or ammonia production, we can be right next to the end user. So, companies like Dow I think are pretty forward thinking and looking. And they've been doing this for quite some time. It wasn't just out of the blue. So the answer is absolutely. We have abilities to have others similar to Dow utilize our technology.

Marc Bianchi: Okay. Great. Maybe just one more on the UAMPS and carbon-free power project. I think there's some cost estimates that Fluor's working through there. Can you maybe talk to the next milestones associated with that and how investors should think about the -- I've gotten the question a few times, like what's the possibility of costs coming in higher than expected and kind of risking the project viability. I'm just curious for what you guys can

share on that.

- John Hopkins: Yes, Marc. John again. I was actually at a project review a couple weeks ago, which was with the UAMPS management team from CFPP. Fluor attended. Also we had a Japanese manufacturer. We went through the numbers. As anything, there is some escalation in commodities, which is across industry. However, having suppliers such as the Doosans and the Samsungs of the world as also minority shareholders, they're willing to really sharpen the pencil. So they all -- our supply chain anticipates there will be some increases. But at the end of the day, we've all got to ensure that this project's successful. So the meeting went well. There were a lot of plusses in terms of what was announced and things that are getting done on that project. So I feel, again, as I said, with gas prices where they are around \$8 million per Btu, I feel pretty comfortable we're going to come in at a target price that's going to be well received by the customer.
- Marc Bianchi: And what's the timing on sort of the next update on that? Is it something we should be looking to Fluor for an announcement, or would that come from you guys?
- John Hopkins: No, that would come from Fluor. They're in the process of finalizing their Class 3. As you know, there's 5 classifications of estimating. So they'll be working towards their Class 2 up to Class 1. So I suspect here within the next month or so, there should be an announcement coming out from the customer.
- Marc Bianchi: Super. Thanks so much. I'll turn it back.
- Operator: [Operator Instructions] We'll take our next question from Shar Pourreza with Guggenheim Partners.
- Shar Pourreza: Can you guys -- just another topical item just around the Inflation Reduction Act. Just curious, is there any sort of benefits that we should be thinking about to SMRs and NuScale in general? Or do you guys kind of view it for your internal planning purposes as neutral? Just trying to get a bit of a sense at the potential implications there.
- John Hopkins: That's a great question. As you can well imagine, we're all around this as well as others. And Chris, probably better served for you to answer. You've been closer to it than anybody.
- Chris Colbert: Yes. Part of my duty as chief financial officer role is I manage our government relations. And there's been a lot of discussion about the Inflation Reduction Act. One, it was a big surprise to everybody. Two, it's taken a while for people to get their heads around it. Three, our general assessment is that it does provide benefits for customers who would invest in clean energy technology above and beyond what they currently enjoy. And we think that our customers would -- do benefit from that. But we have asked our customers what it specifically means to them because there are a number of requirements, other carveouts and factors that come into play.
- So we're kind of waiting to hear, one, see it pass on Friday, we hope. And second, to hear from our customers how that factors into them and how we can make sure that we get the greatest benefit that act for them in terms of how we structure our contracts and deliver the project. But generally speaking, it's certainly we think should be a positive, if passed. We'd defer to our customers to help us interpret the benefit there. But if it does have that benefit, we would expect to see that flow into our really customer action as we go forward in the year as they evaluate and rethink about what they may do investment wise in clean energy.

- Shar Pourreza: Got it. So no concerns, I guess, internally around sort of the fact that it's I guess trying to incent other technology as well under the legislation, assuming it gets passed.
- John Hopkins: No, we don't see that, Mark.
- Chris Colbert: Yes. And in particular, Mark, there's one section that goes, and specifically it was a concern of Senator Manchin's was to make sure that it was technology neutral. And so for technologies going into construction after 2024, I think it is -- it's really measured based upon what they output in terms of carbon dioxide. And we don't emit in the production of megawatt hours carbon dioxide, so we're in this equal footing with your wind and solar.
- Shar Pourreza: Got it. Okay. Appreciate that. And then I think you sort of touched a little bit around some of the pressure points from an LCOE perspective on UAMPS. But just maybe on the business itself, are you seeing any areas of maybe above plan drags on cash at this point?
- Chris Colbert: You want me to take that one, John?
- John Hopkins: Yes, please.
- Chris Colbert: Yes. In reaffirming our outlook for 2022, that includes what we saw for use of cash. And we monitor very tightly what our spend is. We haven't yet seen any negative impact in terms of an increased drag on cash for 2022. That said, we'll be continuing to monitor it. But most of our spending is in costs for labor, for employees and staff, then for labor that's provided by our contractors such as Fluor and Sargent & Lundy. And as we see perhaps some labor pressures flowing through there, we may see some of that come through. But as of now, we're still tracking to what we projected at the end of last year in terms of cash usage for what we need to get done.
- John Hopkins: Yes, Mark. And as you know, cash is king for us. So being a good steward of that cash is critically important. All our vendors who submit their invoices to us go through a rigorous process to prove competitiveness. So we feel pretty comfortable right now.
- Shar Pourreza: Okay. Got it. And then just lastly, the process of obviously with Romania appears to be I guess one of the more advanced next to UAMPS. You've got the MOU. You're building a simulator. I guess, just what's next in the process? What should we be looking for out of timing, et cetera?
- John Hopkins: Yes. This is John Hopkins. I was in Romania about 3 weeks ago and met with their prime minister and their energy minister. And they, again, indicated the importance of this project to the country of Romania for predominantly energy security as well as climate disruption. But the next process is the schedule towards the end of August, the CEO of Nuclearelectrica is coming with his team to Corvallis to -- we're going to sit down. And then from there, they'll go out to the project to -- and their sit-down with us to go through the project sequencing and scheduling. They're excited to move this as soon as they can.
- Another good plus in this is we know their regulators are in communications with the Nuclear Regulatory Commission. Having gone through the rigor of that NRC, they don't want to have to reinvent the wheel. They will, in fact, put their sovereign stamp as Romania, but they're more than willing to utilize data from the NRC, which is very important.
- Shar Pourreza: Perfect. I appreciate it, guys. By the way, it's Shar in for Mark. Thanks so much. Appreciate it.

John Hopkins: Thank you, sir.

Operator: [Operator Instructions] We'll take a follow-up question from Marc Bianchi with Cowen.

Marc Bianchi: Maybe a couple other points that were updated in this quarter. You have the Lightbridge announcement there. How does that compare to some of these other fuels that we've heard, like TRISO that's out there? How is it different? What is it looking to do that might be similar or different? And then is the thought that if successful, you could drop this fuel into your existing reactor design? Or would there need to be a lot of change to how the reactor's put together?

John Hopkins: I've asked Dr. Jose Reyes that same question. And we don't need accident tolerant fuels because of our safety design basis. This design, it's not required. However, we are working with them, and maybe future state in years to come, there could be an opportunity to use accident tolerant fuels, but nothing near term. Chris, do you have anything to add?

Chris Colbert: It does really represent an opportunity for us to improve upon potentially the performance of our design and as well as a providing an added benefit in terms of the accident tolerant aspect, which does figure into somewhat in the EU taxonomy. So it could be helpful in both those areas, but it's not required for what we're currently doing. And we see it as being truly a benefit if it comes out the way that we think it would.

Marc Bianchi: Got you. Okay. And then the other one was just on the Paragon agreement. My understanding was not part of the business plan that you had put together and presented, so it would be incremental. One, I guess correct me if that understanding is wrong. And then the next part of the question is, what is the addressable market there for you? How big of a revenue and cash flow contributor could this become?

John Hopkins: Yes, Marc. This is John. We worked with Rock Creek for many years that was acquired by Paragon in development of the HIPS program. And we've entered into an agreement, a revenue sharing agreement with Paragon. However, I don't know necessarily that in terms of near term that revenues being derived is going to be really material. But it's just, one, it's a pretty innovative process. And having gone through it, we talked with Paragon. We felt that it should be opened up to the marketplace and not just limited to NuScale alone.

Chris Colbert: In terms of addressable market, Marc, it really could be used to retrofit existing reactors if they wanted to replace their analog systems. And any new reactor design coming through, if they wanted to take advantage of it, could use it. And it has a benefit of being approved by the NRC in terms of as a safety platform, so that has great attraction to people. So really, whatever we're not able to -- even though John doesn't want to be monopolous, whatever we don't monopolize in the market out there potentially could be these systems providing the safety function for those other designs that do get in the market.

John Hopkins: Absolutely.

Marc Bianchi: And it's something that would be sold as a service, more likely, than sort of a one and done equipment or sort of application sale?

Chris Colbert: Yes. It's tied to revenues that they gain off the sale of the -- what they embedded in the overall product.

Marc Bianchi: Okay. Super. Thanks so much, guys. I'll turn it back.

Operator: [Operator Instructions] All right. And at this time, there are no further questions. I'd now like to turn the call back over to John Hopkins for any additional or closing remarks.

John Hopkins: Well, thank you, operator, and thanks to all for you participating on our call today. Before we conclude, again, I'll turn it back over to Diane who will discuss upcoming investor events at which we will be present. And we're looking forward to our next earnings call. Thank you very much. Diane?

Diane Hughes: Thanks, John. We currently have three investor conference appearances scheduled for August and September. Please note, attendance at these conferences is by invitation only for clients of each respective firm. So interested investors, please contact your respective sales representative to register and schedule one-on-one meetings with us.

Tomorrow, August 11, we'll participate in the Raymond James Aspen Energy Summit in Aspen, Colorado. And this September, we plan to present at the UBS Global Energy Transition Conference in London. On September 14, we will present at the virtual Energy and Utilities Access Day, hosted by the New York Stock Exchange.

With that, we will conclude today's call -- oh, actually, we will make a press announcement soon to share more specifics around our planned investor conference appearances. With that, we will conclude today's call. Thank you for your participation. You may now disconnect.

Operator: Thank you. And that does conclude today's presentation. Thank you for your participation. You may now disconnect.