

Oklo Inc: Meltdown

November 1, 2025

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Overview



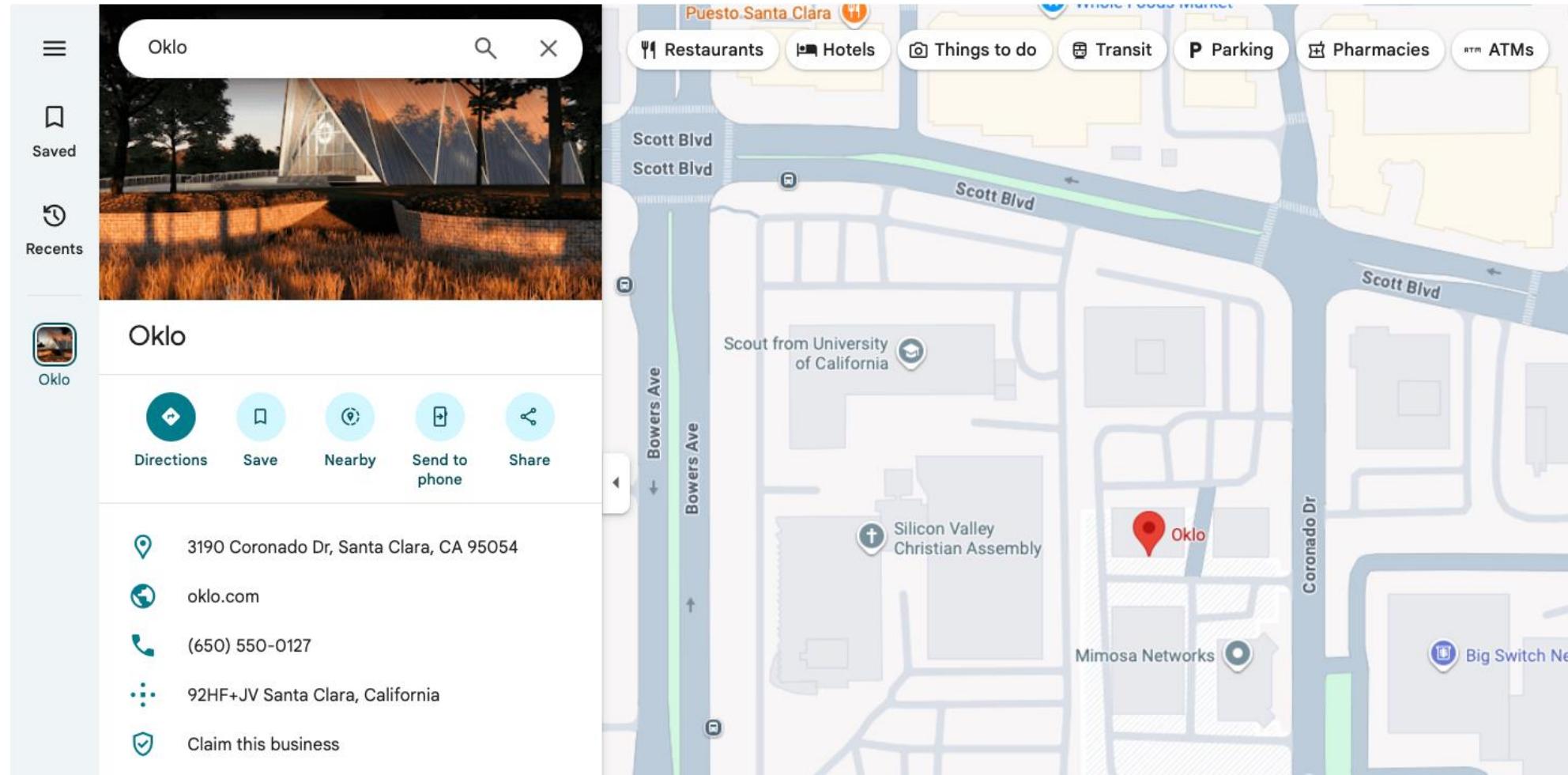
Ticker: OKLO

Stock Price:

\$132.77

- Designer of small modular reactors
- Founded in 2013 by Jacob and Caroline DeWitte
- Went public through SPAC
- Market capitalization of almost \$19.6 billion

Office Picture on Google Maps



Actual Office



Credit: u/East_Economy_7602 on Reddit

Financial Times (Oct. 22, 2025)

Nuclear energy

Inside Oklo: the \$20bn nuclear start-up without any revenue

Silicon Valley company with links to Trump administration rides wave of investor enthusiasm



Commercial and Financial Viability Issues

- Oklo has no revenues, no license to operate reactors, and no legally binding contracts to supply power
- Despite being a pre-revenue business, Oklo's stock market valuation is ~\$20 billion
- Questionable unit economics based on unrealistically low fuel cost estimates
- Business model requires significant amount of capital which Oklo doesn't have

Misleading “Progress”

When will Oklo's powerhouses become available? ^

Oklo will deploy its first commercial advanced reactor in the United States before the end of the decade. Oklo has a site use permit from the U.S. Department of Energy to build its first plant in Idaho, has fuel for its first reactor, and has been engaged with the U.S. Nuclear Regulatory Commission since 2016, preparing to license its first plant. Oklo is a leading advanced reactor company with a site, fuel, and major regulatory progress to date.

- Economic: The energy density of fission affords Oklo sizeable economic advantages over alternatives.
- Reliable: Oklo's reactors are simple systems with long fuel lifetimes, enabling the reliable production of clean heat and electricity consistently throughout that time.

Oklo claims on its Investor FAQs page that its “reactors are simple systems with long fuel lifetimes” but they don’t have any reactors at all.¹

This forward-looking statement doesn’t appear to have any disclaimers.

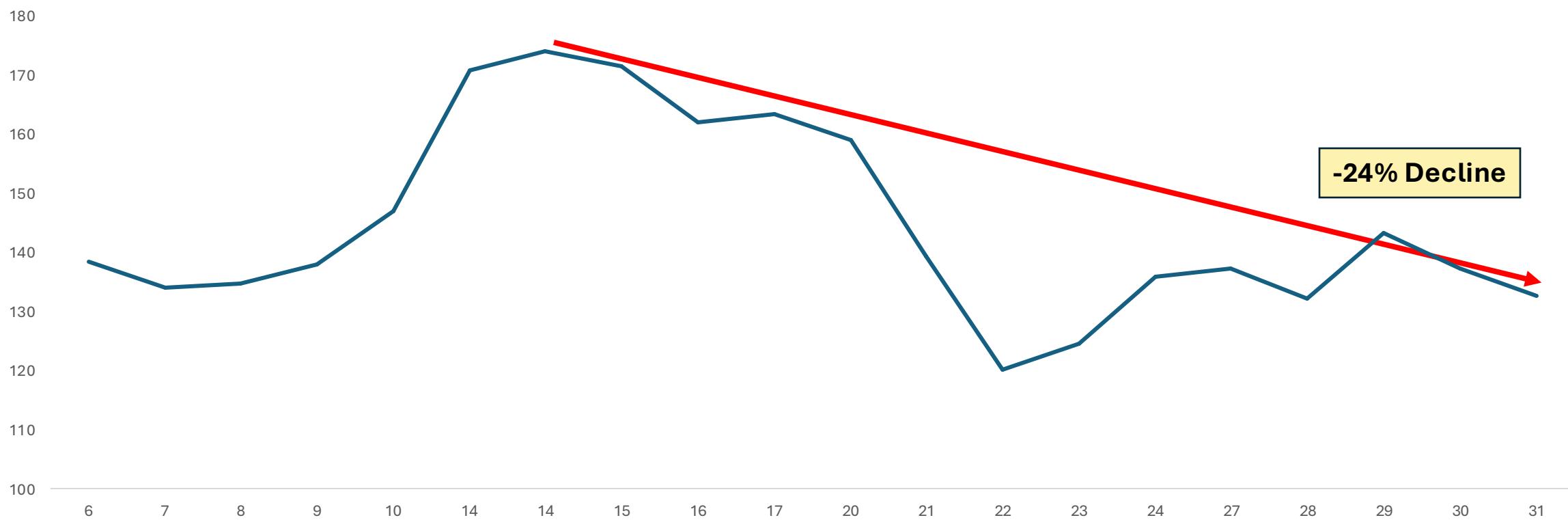
¹ <https://oklo.com/investor-faqs/default.aspx>

Regulatory and Technical Challenges

- Oklo lacks the regulatory approval from the Nuclear Regulatory Commission (NRC) needed to build its first reactor
 - The NRC previously rejected a combined operating and construction license application
- Oklo lacks a long-term supply of High-Assay Low-Enriched Uranium (HALEU) fuel, which has extremely limited domestic commercial supply
- The company is pursuing a commercial license without having built or operated a smaller-scale or non-nuclear prototype first
- SMRs are a new technology and will likely not play as big of a role in powering AI as is currently priced into the stock

The Market Is Starting To See The Problems

- The stock has fallen almost 24% in the two weeks of October while the S&P 500 is up almost 3% over the same time period



Insider Activity

- “Share sales by Oklo executives, including the DeWittes, who own just under 18 per cent of the company, have also attracted attention. The pair made about \$250mn by selling 3.2mn shares in the past six months, according to Bloomberg data analysed by the FT.” – Financial Times (Oct. 22, 2025)

Challenges to the Short Position

There are two requirements for this short to fail in the near term

1. A flood of easy money (lower interest rates, QE, fiscal stimulus, etc.)
 1. The Fed is unlikely to turn on the money printer since inflation is running well above their inflation target. The labor market is cooling but not enough for them to panic
2. Investor appetite for AI turns into irrational exuberance
 1. An AI bubble is being discussed in the news every day. As long as people are worried, it will not be irrational

As neither of these conditions are likely to happen, there doesn't appear to be meaningful downside to this position.

Summary

- ✗ Future revenue is based on non-binding agreements
- ✗ The business model depends on aggressive fuel cost assumptions and large external capital needs that are not currently secured
- ✗ Prior NRC application rejection
- ✗ No secured HALEU supply
- ✗ No smaller-scale or non-nuclear prototype
- ✗ Current market cap is almost \$20 billion with a P/B over 25x
- ✗ Stock price has already declined significantly since its peak