

TERRESTRIAL ENERGY

Terrestrial Energy Inc. Completes Business Combination with HCM II Acquisition Corp.

October 28, 2025

Terrestrial Energy to begin trading on the Nasdaq Stock Market under ticker symbol "IMSR" on October 29, 2025

The transaction closed with gross proceeds exceeding \$292 million before expenses, reflecting previously placed \$50 million common stock PIPE and a negligible level of redemptions

Transaction proceeds to accelerate commercial deployment of Terrestrial Energy's proprietary Integral Molten Salt Reactor (IMSR) nuclear technology

CHARLOTTE, N.C. and STAMFORD, Conn., Oct. 28, 2025 (GLOBE NEWSWIRE) -- Terrestrial Energy Inc. ("Terrestrial Energy" or the "Company"), a developer of small modular nuclear plants using advanced reactor technology, announced today that it has completed its business combination with HCM II Acquisition Corp. (Nasdaq: HOND; HONDW) ("HCM II").

The business combination was approved by HCM II's shareholders on October 20, 2025. In connection with the completion of the business combination, HCM II has been renamed Terrestrial Energy Inc., and its securities will be listed on the Nasdaq Stock Market LLC ("Nasdaq") on October 29, 2025 under the symbols "IMSR" and "IMSRW", respectively.

Simon Irish, CEO of Terrestrial Energy, commented, "The completion of this merger provides the capital and support for a rapid acceleration in our growth plans and our capacity to respond to growing demand for nuclear energy supply across multiple industrial sectors. At 390 MWe, our IMSR unit will be ideally sized both to maintain the critical economies of unit scale required for cost-competitive nuclear energy, while enabling seamless, customer co-located deployment. The IMSR plant will offer best-in-class high-temperature output for superior capital efficiency, a secure fuel supply chain insulated from HALEU-related supply chain disruptions, and a modular design that enables swift construction timelines.

There has never been greater demand for cost-competitive, clean, reliable, high-temperature industrial heat and electricity. This transaction strategically aligns capital with nuclear technology that is well-positioned to meet that demand. Building on more than a decade of engineering, regulatory engagement, and supply chain development, we are now positioned for sustained, effective growth. With our capital-efficient business model, established regulatory track record, and strong partnerships already in place, we are exceptionally well-prepared to lead the next generation of nuclear energy – delivering transformative, scalable solutions that meet the industrial demands of the future."

Shawn Matthews, Chairman and CEO of HCM II, commented, "Terrestrial Energy's IMSR technology represents the ideal nuclear energy solution, offering the safety, efficiency, and economic advantages that are essential for meeting the world's growing energy demands. We are thrilled to help enable and accelerate their time to market through the capital raised from this transaction."

Company Overview

Terrestrial Energy is a developer of Generation IV nuclear plants using proprietary Integral Molten Salt Reactor (IMSR) technology. IMSR technology captures the transformative operating benefits of molten salt reactor technology in a small modular plant design that represents true innovation in affordability, efficiency, and versatility of nuclear energy supply.

Terrestrial Energy's IMSR plants will supply zero-carbon, clean, firm, low-cost, high-temperature industrial heat and/or electricity for a dual-use energy role. Industrial applications include data center power supply, industrial heat and power, grid power, and green fuels sectors. The Company's IMSR plant design, consisting of two operating IMSRs, has an 822 MWth / 390 MWe capacity. Terrestrial Energy's IMSR technology is differentiated from legacy nuclear technology through its use of molten salt reactor design, delivering superior efficiency and inherently safe operation.

Terrestrial Energy's IMSR plants are designed to utilize low-cost, readily available Standard-Assay Low Enriched Uranium (SALEU) fuel enriched to contain less than 5% of uranium-235, providing access to secure and scalable fuel supply chains necessary for widespread fleet deployment. The Company believes the use of SALEU fuel is a strategic advantage given significant geopolitical challenges affecting the commercial availability of High-Assay Low-Enriched Uranium (HALEU) fuel enriched to between 15% and 20% uranium-235.

In recent months, Terrestrial Energy has been selected for both the U.S. Department of Energy (DOE) Office of Nuclear Energy's Advanced Reactor Pilot Program and its Fuel Line Pilot Program. Together, these programs provide a pathway to significantly accelerate Terrestrial Energy's IMSR commercialization.

In February 2025, Terrestrial Energy further advanced its commercialization efforts when Texas A&M University selected Terrestrial

Energy's IMSR plant in a competitive RFP process to site a commercial IMSR plant at the Texas A&M-RELLIS campus. This partnership provides a high-profile platform to showcase a commercial IMSR plant, benefiting from the Texas A&M University System's national leadership in nuclear technology research and development.

Terrestrial Energy has also established strategic partnerships and agreements with leading organizations including Westinghouse, Ameresco, Energy Solutions, Siemens, the U.S. Department of Energy, and multiple U.S. national labs including, Idaho National Laboratory, Oakridge National Laboratory, Argonne National Laboratory, among others. The Company has a pipeline of multiple IMSR plant projects, which are sourced from a portfolio of consortium relationships. These relationships offer sites, construction, fuel supply, plant operating services, as well as heat and power offtake, with the capabilities to deliver further IMSR plant projects. They cover a range of deployment use-cases including co-location for data center power supply, co-located industrial plant heat and power supply, and distributed on-grid generation.

Transaction Overview

As a result of the business combination, Terrestrial Energy has received in excess of \$292 million in gross proceeds, prior to transaction expenses, including \$50 million from a common stock PIPE investment from new non-affiliated fundamental institutional investors, and approximately \$242 million of cash from HCM II's trust account, reflecting redemptions by less than 1% of HCM II's shareholders.

Advisors

Cantor Fitzgerald & Co. served as exclusive capital markets advisor and sole PIPE placement agent. King & Spalding LLP acted as legal counsel to HCM II. Bryan Cave Leighton Paisner LLP served as legal counsel to Terrestrial Energy. DLA Piper LLP (US) served as legal counsel to the placement agent, Cantor Fitzgerald & Co. ICR served as strategic communications advisor to Terrestrial Energy.

About Terrestrial Energy

Terrestrial Energy is a developer of Generation IV nuclear plants that use its proprietary Integral Molten Salt Reactor (IMSR). The IMSR captures the transformative operating benefits of molten salt reactor technology in a plant design that represents true innovation in capital efficiency, cost reduction, versatility and functionality of nuclear energy supply. IMSR plants are designed to be small and modular for distributed supply of low-cost, reliable, dispatchable, clean, high-temperature industrial heat and electricity, and to be customized for dual-use energy role relevant to many industrial applications, such as petrochemical and chemical synthesis, and data center operation. In so doing, IMSR plants extend the application of nuclear energy far beyond electric power markets. Their deployment will support the rapid global decarbonization of the primary energy system across a broad spectrum and increase its sustainability. Terrestrial Energy uses an innovative plant design together with proven and demonstrated molten salt reactor technology and standard nuclear fuel for a nuclear plant with a unique set of operating characteristics and compelling transformative commercial potential. Terrestrial Energy is engaged with regulators, suppliers, industrial partners and energy end-users to build, license and commission the first IMSR plants in the early 2030s.

About HCM II Acquisition Corp.

HCM II Acquisition Corp. was a blank check company formed for the purpose of effecting a merger, amalgamation, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses.

Important Information for Shareholders

The statements contained in this press release that are not purely historical are forward-looking statements. These forward-looking statements include, but are not limited to, statements regarding our expectations, hopes, beliefs, intentions or strategies regarding the future. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intends," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking.

The forward-looking statements contained in this press release are based on our current expectations and beliefs concerning future developments and their potential effects the Company. There can be no assurance that future developments affecting the Company will be those that we have anticipated. These forward-looking statements speak only as of the date this press release is actually delivered and involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. Factors that may cause actual results to differ materially from current expectations include, but are not limited to: (1) the outcome of any legal proceedings that may be instituted against the Company or others following the announcement of the Business Combination; (2) the risk that the Business Combination disrupts current plans and operations of the Company as a result of the announcement and consummation of the Business Combination; (3) the ability to recognize the anticipated benefits of the Business Combination, which may be affected by, among other things, competition, the ability of the combined company to grow and manage growth profitably, maintain relationships with customers and suppliers and retain its management and key employees; (4) changes in applicable laws or regulations; (5) the possibility that the Company may be adversely affected by other economic, business, and/or competitive factors; (6) changes in domestic and foreign business, market, financial, political conditions, and in applicable laws and regulations; (7) the ability to meet stock exchange listing standards following the consummation of the Business Combination; (8) the ability of the Company to build or maintain relationships with customers and suppliers and retain its management and key

employees; and (9) other risk factors described herein as well as the risk factors and uncertainties described in documents filed by the Company with the U.S. Securities and Exchange Commission (the "SEC"), the sections entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" and similar sections in its filings with the SEC, including the Registration Statement relating to the Business Combination filed by the Company, and any periodic Exchange Act reports filed with the SEC such as its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K. The recipient of this press release should carefully consider the foregoing risk factors and the other risks and uncertainties which will be more fully described in the documents filed by the Company from time to time with the SEC. If any of these risks materialize or the underlying assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. In addition, there may be additional risks that the Company presently know, or that it currently believe are immaterial, that could also cause actual results to differ from those contained in the forward-looking statements. Nothing in this communication should be regarded as a representation or warranty, either express or implied, by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward-looking statements will be achieved. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made.

In addition, the information contained in this press release is provided as of the date hereof and may change, and the Company and its representatives and affiliates specifically disclaim any obligation to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, inaccuracies, future events or otherwise, except as may be required under applicable securities laws. Information contained on our website is not a part of or incorporated into this press release.

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