Harbinger Research
Independent Investment Analysis

Coverage Update Report

Renewables
Fusion-Sourced Electricity

September 1, 2026

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American Fusion, Inc. (AMFN – OTCQB)

Advancing Modular Fusion Power Toward Commercial Validation

12-month target range
$0.30 to $0.32
Strong Speculative Buy

Recent Price: **US$0.1285**

Market Data (closing prices, August 31, 2026)	
Market Capitalization (mln)	208.0
Enterprise Value (mln)	~208.5
Basic Shares (000s)	1,619,034
Avg. Volume (30 day, approx.)	~6,700,000
Institutional Ownership (approx.)	0%
Insider Ownership	Large / Unknown
Exchange	OTCQB

Balance Sheet Data (as of June 30, 2026, in $000s)	
Shareholders' Equity (000s)	(1,660)
Price/Book Value	N/A
Cash (000s)	79
Net Working Capital (000s)	(1,708)
Long-Term Debt (000s)	0
Total Debt to Equity Capital	N/A

Company Overview

American Fusion Inc. is a U.S.-based, development-stage fusion energy company advancing the Texatron™ Fusion Engine™, a compact, modular power platform designed around aneutronic deuterium–helium-3 fusion. The Company is developing Texatron for applications ranging from data centers and industrial facilities to defense, remote power and utility-scale generation. Its current focus is testing a 5 MW pre-production system, expanding its intellectual-property portfolio, and advancing the technology toward commercial deployment and Power-as-a-Service. AMFN is SEC-reporting and trades on the OTCQB Venture Market.

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Summary and Investment Opportunity

- **Surging electricity demand is creating an urgent need for reliable power sources**

The AI and data-center boom is reversing decades of modest U.S. electricity-demand growth and creating enormous power loads. Data centers, advanced manufacturing and electrification require dependable 24/7 electricity, often where grid capacity cannot keep pace. This is driving renewed investment in nuclear, natural gas and other power technologies, creating a major opportunity for reliable baseload generation.

- **Commercial fusion is attracting capital, customers, and government support**

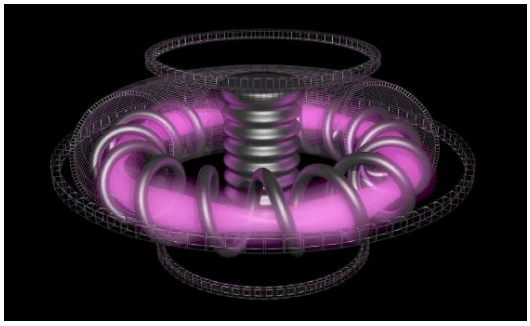
Fusion remains technologically challenging, but the industry is moving toward commercialization. Private fusion companies have attracted billions of dollars in capital, governments are accelerating programs, and key power users are contracting for future fusion-generated electricity. Microsoft has agreed to purchase power from Helion Energy, while Google has contracted for 200 MW from Commonwealth Fusion Systems, validating the demand for successful fusion technologies.

- **American Fusion has advanced Texatron from development into active testing**

American Fusion is developing Texatron™, a compact, modular fusion platform designed around aneutronic deuterium–helium-3 fusion and the potential for relatively direct electricity conversion. Since we first initiated coverage in January, the Company has completed a 5 MW pre-production Texatron, begun formal testing at Texas Tech University, expanded its intellectual-property portfolio to 100 pending U.S. patent applications, strengthened its technical organization, cleaned up substantial legacy capitalization issues, become SEC-reporting and advanced to the OTCQB Venture Market. The next major milestones will increasingly be driven by measurable technical results.

- **Successful Texatron validation could create substantial shareholder value**

AMFN remains a highly speculative investment, but its potential reward is correspondingly large. Texatron is being designed as a family of modular systems ranging from distributed power units to utility-scale installations, with potential applications in data centers, industrial facilities, defense, remote power and the electric grid. Favorable testing results could progressively reduce technical uncertainty and materially increase the value investors assign to the platform. Because of the massive total addressable market and the progress the Company has made since our original initiation of coverage, **we rate the shares of AMFN as a Strong Speculative Buy and set our 12-month price target at $0.30 to $0.32 per share.** We recommend that all risk-tolerant investors consider AMFN shares and the value that they represent.



The Texatron™ Fusion Engine™

Please see analyst certification and disclosures on page 17 and 19 of this report.

Overview and Investment Thesis

American Fusion Inc. ("American Fusion," "AMFN," or the "Company") is developing the Texatron™ Fusion Engine™, a compact, modular fusion-power platform designed to generate electricity using an aneutronic deuterium–helium-3 ("D–^{3}He") reaction. If successful, Texatron could address one of the largest infrastructure opportunities in the world: supplying reliable, high-density electricity to data centers, industrial facilities, defense installations, utilities and other large power users.

The timing is favorable. U.S. electricity demand is accelerating after decades of relatively modest growth, driven particularly by artificial intelligence, data centers, advanced manufacturing and broader electrification. At the same time, fusion investment has reached record levels, governments are pushing the technology toward commercialization, and major technology companies are already contracting for future fusion power.

American Fusion is pursuing an architecture that could offer several important commercial advantages. Texatron is intended to operate through repeated fusion pulses using D–^{3}He fuel, substantially reducing neutron production relative to conventional deuterium–tritium ("D–T") fusion. This could reduce radiation-related engineering requirements while creating the potential for more direct conversion of fusion energy into electricity. The platform is also being designed as a family of standardized systems ranging from relatively small distributed-power units to large utility-scale installations.

Most importantly, American Fusion has advanced rapidly from corporate formation and prototype development into active technology testing. During 2026, the Company completed its combination with Kepler Fusion Technologies, changed its name and ticker from Renewal Fuels/RNWF to American Fusion/AMFN, became an SEC-reporting company, materially simplified its legacy capital structure, expanded its scientific and engineering team, established North Texas engineering operations, completed a 5 MW pre-production Texatron, obtained regulatory authorization for research testing in Texas, began testing at Texas Tech University, expanded its intellectual-property portfolio to 100 pending U.S. patent applications and advanced to the OTCQB Venture Market.

This represents substantial progress from January 2026, when we first initiated coverage and many of these accomplishments remained prospective. At that time, the larger pre-production Texatron and its formal validation program were still future milestones. Today, the Company has operating hardware in an instrumented laboratory-testing program.

The next stage could be considerably more important. American Fusion's testing protocol calls for measurements of plasma temperature and density, fusion reaction rates, radiation activity, voltage generation, power output, pulse characteristics and energy-conversion efficiency. Positive and reproducible results could progressively reduce the technological uncertainty surrounding Texatron and significantly increase the strategic value of the platform.

An Enormous Power Market Is Developing

Electricity is becoming a growth industry. Again.

Artificial intelligence and data-center development are creating enormous new concentrated power loads, while semiconductor manufacturing, industrial reshoring and electrification are adding further demand. The International Energy Agency expects U.S. electricity consumption to increase by more than 420 terawatt-hours between 2025 and 2030, with data centers responsible for approximately half of that growth.

The challenge is not merely producing enough electricity nationally. Many of the largest new users require very large amounts of reliable power in specific locations, often faster than new transmission infrastructure can be built. This is creating growing demand for power sources that can operate around the clock and be located close to the customer.

Fusion could eventually provide an unusually attractive combination: carbon-free power generation, extremely energy-dense fuel, independence from weather conditions, and a fundamentally different radiation and waste profile compared to conventional nuclear fission.

Commercial customers are already positioning themselves for that possibility. Microsoft has entered into an agreement to purchase power from Helion Energy's planned fusion facility, while Google has agreed to purchase 200 MW from Commonwealth Fusion Systems' first planned ARC fusion plant. While these contracts do not validate Texatron specifically, they do demonstrate that sophisticated customers are willing to commit to fusion-generated electricity even before broad commercial deployment has begun.

Private capital flows to the most promising opportunities. The Fusion Industry Association reported record funding levels of approximately $4.48 billion during the twelve months ending July 2026, bringing cumulative reported industry funding since 2021 to approximately $14.24 billion. American Fusion is therefore developing Texatron within an increasingly well-funded commercial ecosystem rather than attempting to create a fusion-energy market from scratch.

Texatron Could Occupy a Very Attractive Commercial Niche

The Company is not attempting to build another massive centralized experimental fusion facility. Texatron has been conceived as a family of compact, pulsed systems intended ultimately for standardized commercial deployment.

The Company's current product roadmap includes:

Planned Configuration	Approximate Output
Micro	0.5 – 2 MW
Mobile	5 – 20 MW
Modular	20 – 50 MW
Utility Class	~100 MW
Grid Scale	250 MW and over

Potential applications range from emergency, military, and remote power through industrial facilities, microgrids and data centers, to regional utility systems. This modular strategy could become a major differentiator. Rather than requiring every customer to finance a massive first-of-a-kind plant, standardized Texatron units could theoretically be matched to individual loads, combined into larger installations and expanded as power requirements grow.

This concept is particularly well suited to data centers. Computing campuses often grow in phases, while access to additional power increasingly constrains expansion. A modular generating system located at the customer site could allow generation capacity to expand alongside computing capacity.

Texatron's D–^{3}He fuel pathway could add another advantage. The primary D–^{3}He reaction produces most of its energy in charged particles rather than high-energy neutrons. This creates the potential for lower neutron exposure, reduced shielding and component damage, and more direct conversion of fusion energy into electricity.

The Company's commercial thesis is therefore more specific than simply "fusion." It is the possibility of compact, modular fusion power that can be deployed where electricity is actually needed.

A Commercial Model Built Around Selling Electricity

American Fusion ultimately intends to monetize Texatron primarily through the sale of power rather than requiring customers to become fusion-reactor operators. Under the Company's Power-as-a-Service strategy, American Fusion or a project-level entity could own and operate Texatron installations and sell electricity through long-term power purchase agreements ("PPAs"). The Company's current commercial plan also contemplates equipment sales or leases, long-term service arrangements, capacity contracts, licensing, and project partnerships.

Behind-the-meter installations could provide dedicated electricity to data centers, industrial plants, semiconductor facilities, military installations, and other large users. Larger systems could operate in front of the meter and supply utility or wholesale markets.

The Company has already delivered a preliminary letter of intent to a Canadian mining company contemplating as much as 20 MW of future Texatron-generated electricity under a proposed 20-year arrangement. While no definitive PPA has been executed, the discussions illustrate the type of customer and contractual structure the Company hopes to pursue.

If Texatron performs as intended, Power-as-a-Service could create attractive long-term economics. Customers would purchase a familiar product, namely electricity, without assuming the technological or operational burden of owning a fusion machine, while American Fusion could retain the recurring cash flows associated with the power-generating asset.

The Investment Case Is Entering Its Most Important Phase

American Fusion spent much of 2026 building out the infrastructure around Texatron. The Company is now SEC reporting, trades on OTCQB, has retained securities counsel for a contemplated future national-exchange uplisting, has expanded its management and technical organization, and has substantially improved the capitalization inherited from Renewal Fuels. These accomplishments increase its ability to raise capital, recruit personnel, establish partnerships, and engage larger customers.

The next important value-creation milestones for the Company are primarily technical in nature.

American Fusion has reached the point where increasingly sophisticated testing can begin answering questions that could not be answered by corporate restructuring, patent applications or engineering drawings. Favorable scientific data, reproducibility, independent evaluation and ultimately meaningful power-output measurements could materially improve the market's assessment of Texatron.

For a company at AMFN's stage, this creates substantial asymmetric potential. The enterprise remains small relative to the markets it hopes eventually to address, while technical success could create opportunities across markets measured in tens or hundreds of gigawatts.

That combination – a rapidly growing need for dependable electricity, a potentially differentiated fusion architecture, significant corporate progress and the beginning of formal technology validation – forms the core of our investment thesis.

Key Catalysts

American Fusion is entering a period in which a relatively small number of developments could materially change the investment case. We believe investors should focus particularly on the following:

- Additional Texatron testing results — continued progress in plasma generation, confinement, diagnostics and integrated system performance.
- Evidence of D–^{3}He fusion — credible measurement of the intended fusion reaction would represent an important technical milestone.
- Quantitative energy and power-output data — increasingly detailed measurements of fusion output, electrical output and energy-conversion performance should become more important than qualitative testing updates.
- Repeatability and independent validation — reproducible results and review by qualified outside scientists or engineers could significantly strengthen the credibility of the technology.
- Commercial agreements and PPAs — additional customer interest, letters of intent or definitive power-purchase agreements would provide evidence of potential market demand for Texatron-generated electricity.
- Additional financing and strategic capital — successful funding could extend the testing program, support larger-scale development and reduce near-term execution constraints.
- Progress toward a national-exchange listing — advancement toward Nasdaq or another national exchange could broaden the Company's investor base, improve liquidity and increase institutional visibility.

We believe the technical catalysts will be by far the most important. Corporate, financing, and commercial milestones can support the development program, but positive and repeatable Texatron performance data would have the greatest potential to materially reduce uncertainty surrounding the Company's technology, and could materially increase the value investors assign to the Company.

Industry Background and Analysis

Electricity Demand Has Re-Entered a Growth Phase

For roughly two decades, U.S. electricity consumption grew slowly enough that power demand could often be treated as relatively predictable. Artificial intelligence and data-center construction have changed that assumption. The International Energy Agency expects the United States to add more than 420 TWh of annual electricity consumption through 2030, with data centers accounting for approximately half of the increase. This creates opportunities for many electricity generation technologies, but particularly those capable of supplying large quantities of reliable electricity around the clock.

Wind and solar can provide low-cost power but are inherently variable in their power generation patterns. Batteries mitigate that variability but remain expensive for extended-duration storage. Natural gas provides dependable electricity generation but creates carbon emissions and fuel-price exposure. Conventional nuclear power provides carbon-free baseload electricity but generally requires very large projects, lengthy development periods, and substantial regulatory oversight.

Fusion seeks to combine many of the most desirable characteristics of these technologies: fuel efficiency, reliable operation, extremely low operational carbon emissions and a substantially different waste and safety profile from conventional nuclear fission.

Fusion Is Moving Toward Commercialization

Fusion occurs when light atomic nuclei combine and release energy, which is the same basic process that powers the sun. Positively charged nuclei naturally repel one another, so fusion systems must create extremely hot plasma and maintain sufficient temperature, density, and confinement for meaningful numbers of fusion reactions to occur.

Because of this, fusion research has been dominated by national laboratories, universities, and enormous government-funded facilities for decades. However, this landscape is changing rapidly.

Private companies are developing multiple reactor architectures, investment has accelerated sharply and potential customers are signing agreements for future fusion-generated electricity. Government policy is also moving toward commercialization. The U.S. Department of Energy's current Fusion Science and Technology Roadmap is explicitly designed to accelerate progress toward fusion pilot plants and commercial deployment.

The regulatory environment is evolving in parallel. The Nuclear Regulatory Commission is developing a fusion-specific framework rather than simply placing fusion reactors into the traditional regulatory structure used for commercial fission reactors. For compact, standardized systems such as Texatron, a regulatory regime capable of accommodating repeatable or mass-produced fusion machines could ultimately be particularly valuable.

Fusion Technologies Are Not All the Same

Commonwealth Fusion Systems is developing a tokamak architecture using high-temperature superconducting magnets and D–T fuel. Helion Energy uses a pulsed field-reversed configuration and is developing direct electricity recovery. TAE Technologies is pursuing another field-reversed architecture with an eventual objective of aneutronic operation. Other developers are pursuing stellarators, inertial confinement, Z-pinches, magnetized-target fusion and additional approaches.

Fuel choice is equally important. D–T fusion is generally regarded as the most accessible fusion reaction at useful rates and therefore dominates many conventional programs. The principal reaction, however, releases most of its energy through high-energy neutrons. Those neutrons damage surrounding materials and require shielding and thermal-energy conversion systems.

The Company’s equipment targets D–^{3}He fusion, which is more difficult to achieve, and its primary reaction produces a helium-4 nucleus and a proton, placing almost all of the reaction energy in charged particles. This offers the potential for much lower neutron exposure and more direct electrical-energy conversion. Secondary deuterium reactions can still produce some neutrons, so “aneutronic” is best understood as neutron-lean rather than literally neutron-free.

This tradeoff lies at the heart of American Fusion's technical proposition: accept the challenge of a more difficult fusion reaction in exchange for the possibility of a simpler and potentially more commercially attractive power system. If successful, Texatron could require less shielding, experience less radiation-induced component damage and eliminate much of the thermal plant normally required to turn nuclear energy into electricity.

Commercial Buyers Are Already Validating the End Market

The fusion industry does not yet have broadly deployed commercial power plants, but major electricity buyers are already positioning themselves for the technology. Microsoft has entered into a power-purchase agreement with Helion Energy for a planned fusion plant targeting at least 50 MW following ramp-up. Google has contracted for 200 MW from Commonwealth Fusion Systems' planned first ARC facility and increased its investment in CFS.

These companies are substantially larger and better funded than American Fusion. Their progress nevertheless supports an important part of AMFN's commercial thesis: credible fusion technology can attract both substantial capital and sophisticated electricity consumers.

The market for electricity is also large enough that Texatron does not need to become the world's dominant fusion architecture to create substantial value. A commercially competitive system could generate significant opportunities by serving those markets where compact size, modular deployment, and local power generation provide meaningful advantages.

Company and Technology Analysis

American Fusion Has Been Rebuilt Around Texatron

American Fusion's present business resulted from the combination of Renewal Fuels and Kepler Fusion Technologies. The transaction closed on February 27, 2026 and is accounted for as a reverse recapitalization, with Kepler treated as the accounting acquirer. Economically, Kepler's fusion technology and leadership became the operating center of the **former** Renewal Fuels public company.

The transformation since then has been extensive.

The Company became American Fusion Inc., redomiciled to Texas and changed its ticker from RNWF to AMFN. It established SEC reporting and completed the FINRA process necessary for priced quotations. AMFN began trading on the OTCQB Venture Market on August 21, 2026. The Company has also retained securities counsel to assist with a contemplated future move to a national securities exchange. Operationally, American Fusion established engineering operations in North Texas and substantially enlarged the scientific, engineering, and corporate organization responsible for developing Texatron.

These developments are more than just administrative. Commercializing an advanced-energy technology requires a functioning corporate platform capable of attracting scientists, engineers, financing partners, vendors, and eventually major customers. American Fusion has spent much of 2026 building that platform around Texatron.

The Texatron Fusion Engine

Texatron is a compact, pulsed fusion platform built around a toroidal—or ring-shaped—confinement chamber. Company patent disclosures describe a number of interrelated design elements, including clamshell and unitary housings, hollow toroidal chambers, rifled internal geometries, electromagnetic structures, specialized coil arrangements and D–^{3}He fuel-injection systems.

In simplified terms, Texatron is intended to create plasma, compress and heat it, confine it briefly under conditions conducive to fusion, and repetitively recover energy from the resulting reactions. Rather than trying to maintain plasma indefinitely in steady-state operation, American Fusion describes Texatron as a pulsed system consisting of repeated controlled fusion cycles. This architecture could potentially support compact systems, modular redundancy and scaling through multiple standardized units.

The Company's objective is not simply to observe fusion in a laboratory. Texatron has been designed from the outset around the eventual production of commercially usable electricity.

Why Deuterium and Helium-3 Matter

Texatron's intended fuel pathway consists primarily of deuterium and helium-3. Deuterium is a naturally occurring isotope of hydrogen and is abundant in ordinary water. Helium-3 is a stable, non-radioactive isotope of helium that is far scarcer on Earth, although relatively more common on the Moon.

The primary fusion reaction is: $D + {}^{3}He \rightarrow {}^{4}He + proton + energy$

The key advantage of this reaction is that the principal reaction products are charged particles, rather than extremely energetic neutrons. In conventional Deuterium-Tritium (D-T) fusion, by comparison, roughly 80% of the energy is carried by a high-energy neutron. Charged particles can interact directly with electromagnetic fields, creating the possibility of recovering fusion energy without first converting all of it into heat, producing steam and driving a turbine.

If American Fusion can successfully implement its approach, Texatron could potentially eliminate substantial conventional power generation equipment, reducing plant size and complexity while making fusion more suitable for distributed power applications.

The Company has stated that it possesses sufficient deuterium and helium-3 to support its anticipated 2026 testing program.

A Platform Rather Than a Single Reactor

American Fusion envisions Texatron as a family of standardized power systems. The current commercial roadmap ranges from approximately 0.5–2 MW micro systems to 250 MW-plus grid-scale configurations. The underlying design philosophy is important.

Traditional nuclear power generation generally achieves scale by building very large individual reactors. Texatron seeks a different model in which standardized modules could be manufactured repeatedly and combined to reach whatever capacity a customer requires. If successful, scale could come through manufacturing volume and replication rather than continually increasing the size and complexity of an individual plant. That could shorten deployment cycles, spread manufacturing learning across a larger number of units and allow customers to add generation as their own facilities expand.

For data centers and other rapidly growing electrical loads, this could be a particularly attractive proposition.

Building an Intellectual-Property Moat

American Fusion has pursued an aggressive intellectual-property strategy. As of August 24, the Company reported 100 pending U.S. patent applications covering a broad range of Texatron-related technologies, including confinement structures, toroidal chamber geometries, electromagnetic systems, fuel injection, coil configurations, power-management systems and alternative system architectures.

The significance is not simply the number of filings. The Company appears to be constructing overlapping intellectual-property protection around multiple components and variations of the platform, potentially making Texatron more difficult to replicate through a simple design-around. The strategic value of that portfolio could rise dramatically if the testing program validates the underlying technology.

Development, Testing and Commercialization

2026 Has Been an Execution Year

When we initiated coverage on January 6, 2026, the larger pre-production Texatron and its formal testing program remained future milestones. American Fusion has since moved much of that roadmap into physical execution.

The Company progressed through earlier prototype generations, completed the structural frame of a 5 MW pre-production system in May and accepted delivery of the machine in June. It then established a formal testing protocol and received Texas Department of State Health Services Certificate R54726, covering research use of 12 registered Texatron model classes at an authorized testing location in Lubbock.

On July 29, an American Fusion scientific and engineering team began testing inside Texas Tech University's Department of Physics & Astronomy facilities. The initial program included laboratory preparation, system-interface checks, instrumentation verification and successful operation of the remote ignition system. Subsequent work included high-voltage operation in a vacuum environment, testing of control and plasma-switching systems, radiation-monitoring calibration and evaluation of supporting electrical equipment.

These steps moved Texatron beyond fabrication and into an instrumented laboratory environment where increasingly meaningful technical data can be generated.

The Testing Program Is Designed to Answer the Most Important Questions

The Company's published protocol calls for measurement of plasma temperature, plasma density, fusion reaction rates, radiation activity, voltage generation, power output, pulse characteristics, and energy-conversion efficiency. The broader development program progresses from subsystem commissioning through deuterium testing, helium-3 integration and full D–^{3}He testing, followed by analysis of the resulting data and evaluation of net-energy performance.

For investors, the development path can be understood relatively easily:

System operation → plasma generation and confinement → measurable fusion reactions → repeatable fusion output → meaningful energy gain → electricity generation → net electrical output → reliable commercial operation.

Each successful step would remove another layer of uncertainty and make subsequent stages of commercialization more credible. American Fusion remains early in this progression, but the important distinction is that it is now using the physical test environment needed to move through it.

Commercialization Can Address Both Sides of the Meter

Texatron's modular architecture provides American Fusion with two broad commercial pathways.

“Behind the meter,” systems could be deployed directly at customer locations. This could prove particularly attractive for data centers, defense facilities, and advanced manufacturing and industrial operations where reliability and access to additional local power are typically more important than obtaining the lowest possible wholesale electricity rate.

In front of the meter, larger Texatron installations could supply utilities, municipalities or wholesale markets under PPAs, capacity contracts or project partnerships. The Company is currently contemplating a range of commercial structures, including owned-and-operated Power-as-a-Service projects, equipment sales and leases, long-term service agreements, and licensing and partnerships.

At this stage, we believe that flexibility is an advantage. Different customers and markets may favor different ownership structures. What matters economically is the same in every case: the ability to provide dependable electricity at an attractive all-in cost.

Technical Success Could Transform the Company's Financing Model

American Fusion currently finances development primarily at the corporate level. This is typical for a pre-commercial technology company but creates dilution because R&D must be funded before projects generate cash flow. Successful technology validation could eventually change this, opening up less-dilutive or non-dilutive funding options for the Company.

A proven Texatron installation operating under a long-term agreement with a creditworthy data-center operator, industrial customer or utility would begin to resemble an infrastructure asset rather than a speculative development project. That could open the door to project-level debt, strategic equity, joint ventures and other forms of financing that would reduce the need for the Company to fund every future installation through issuance of corporate equity.

The transition from financing fusion R&D to financing contracted power assets could become one of the most important long-term economic inflection points in the AMFN story.

Management, Capital Structure, Competition, and Risks

Management and Scientific Team – The Company Greatly Expanded its Organization in 2026

Richard C. Hawkins, *CEO*, American Fusion, Inc.
Richard Hawkins, a veteran capital markets executive and strategic advisor, brings over two decades of experience structuring and executing complex transactions for public companies across multiple markets. He specializes in public company recapitalizations, structured equity and debt financings, and regulatory remediation that unlocks long-term access to capital.

He has led corporate formation and restructuring efforts across jurisdictions, advised on balance sheet cleanups, equity line facilities, and Reg A offerings, and worked directly with boards, legal counsel, and market regulators to resolve compliance and disclosure issues. In addition to his capital markets work, he has served in executive and technical leadership roles for industry organizations and continues to advise public issuers navigating operational or regulatory transition.

Brent Nelson, *Executive Chairman*, American Fusion, Inc.
Brent has more than 30 years of venture-capital and company-building experience, with a stated track record of founding and developing technology businesses and advancing them toward public-market outcomes or strategic exits. His prior ventures span software and hardware innovation, including a digital media player business later sold to Microsoft, medical imaging commercialization initiatives, electric mobility products, and safety technology for surgical workflows. He also has direct experience in natural-resource development, including advancing a copper project in South America and identifying a zinc–silver–lead deposit in Australia, which is relevant to American Fusion's infrastructure-oriented commercialization strategy.

On his LinkedIn page, Mr. Nelson currently lists roles including Managing Director at SAC SA (since 2007), Director at Kepler Aerospace (since 2017), and Director at DROP Protocol Inc. (since 2023), reflecting ongoing involvement in venture formation, technology development, and capital-markets activities.

Brent led Kepler Fusion Technologies prior to the combination and remains a central figure in American Fusion's strategic direction.

Dr. John Brandenburg, *Chief Technology Officer*, is the principal scientist associated with the Texatron platform. He holds a Ph.D. in plasma physics from the University of California, Davis and also serves as the Company's Radiation Safety Officer under its Texas testing authorization.

Michael Carlson, *Chief Financial Officer*, brings more than three decades of finance, capital-markets and corporate-management experience.

Travis Yakimishyn, *Chief Electrical & Power Systems Officer*, is a professional electrical engineer with experience across utility, industrial and infrastructure power systems.

Dwight Cartwright, *Chief Operating Officer*, brings extensive experience in construction, infrastructure and operational project execution.

The Company has supplemented its core leadership with scientific and strategic advisors, including Dr. Robert Duncan and Dr. Noah D'Amico, whose backgrounds encompass physics, nuclear diagnostics, helium-3 separation, advanced-energy research and experimental instrumentation.

American Fusion has also expanded its board of directors and its commercial organization. Developing and commercializing Texatron requires expertise across plasma physics, diagnostics, high-voltage electrical engineering, manufacturing, operations, regulation, project development and capital formation. The Company today has a materially broader organization addressing these disciplines than it did when we first initiated coverage of the Company.

Capital Structure

As of August 7, 2026, American Fusion had approximately 1.619 billion common shares outstanding and 1.8 billion authorized. During the first half of 2026, the Company substantially cleaned up the legacy capitalization inherited from Renewal Fuels, including the court-ordered cancellation of approximately 1.683 billion common shares associated with rescinded legacy transactions. The Company also reduced its authorized common shares from 3.0 billion to 1.8 billion.

The Company's June 30, 2026 10-Q also reflected a number of equity-linked securities and legacy convertible obligations. At quarter-end, approximately $490,000 of related-party convertible notes remained outstanding, and the Company reported approximately 2.45 billion shares underlying potentially dilutive convertible notes and warrants. Importantly, this figure should not be interpreted as an expected future share count, as the Company's capitalization remains subject to restructuring and several of these obligations have since changed. The 10-Q also notes that additional shares are to be issued to former Kepler shareholders pursuant to the merger agreements.

Subsequent to the June quarter, the Company announced on August 21 that it no longer has any convertible notes or other so-called “toxic” convertible debt outstanding and stated that it intends to continue emphasizing equity-based financing rather than variable-price convertible structures. This represents a meaningful improvement from the capital structure reported at June 30, although the Company's ultimate fully diluted post-restructuring share count cannot yet be determined precisely from currently available public information.

American Fusion also has one outstanding Special 2020 Series A Preferred Control Share, held by an entity controlled by Executive Chairman Brent Nelson. The share does not represent common-stock ownership but carries 60% of the Company's voting power, giving Mr. Nelson effective control over the Company.

For additional details, please see the Company's June 30, 2026 Form 10-Q:
https://www.sec.gov/Archives/edgar/data/96664/000107997326001063/amfn_10q-063026.htm
and its August 21, 2026 announcement, "American Fusion Inc. Approved for Trading on OTCQB Venture Market."
https://americanfusionenergy.com/news/american-fusion-inc-otc-amfn-approved-for-trading-on-otcqb-venture-market

Financial Position

American Fusion remains a development-stage company and will require additional capital to execute its plans. As of June 30, 2026, the Company reported approximately:

Cash	$79,000
Total Assets	$197,000
Current Liabilities	$1.86 million
Working Capital Deficit	$1.71 million
Six-Month Revenue	$58,000*
Six-Month Net Loss	$1.94 million

*The Company's $58,000 of revenue came from an ancillary government / institutional procurement transaction and is unrelated to Texatron commercialization.

American Fusion raised approximately $1.17 million during the first half through prepaid-warrant funding and equity-unit sales. Management has indicated that substantially more funding will be required and has discussed a planned capital raise of up to approximately $50 million. The Company's ability to attract progressively larger amounts of capital will likely depend heavily on continued technical progress.

Competitive Landscape

Company	Symbol / Status	Fusion Technology	Market Cap / Latest Private Valuation
Commonwealth Fusion Systems	Private	High-field tokamak using high-temperature superconducting magnets; D–T fusion	Private — est. ~$5.0B
Helion Energy	Private	Pulsed field-reversed configuration; direct electricity recovery; D–^{3}He pathway	Private — $15.5B June 2026 post-money valuation
TAE Technologies	Private	Beam-driven field-reversed configuration; ultimately targeting aneutronic hydrogen–boron fusion	Private — ~$5.7B implied secondary valuation; pending >$6B merger transaction
General Fusion	NASDAQ: GFUZ	Magnetized Target Fusion using mechanical compression of magnetized plasma	$527M
Zap Energy	Private	Sheared-flow-stabilized Z-pinch fusion	Private — latest reported valuation ~$1.1B
Type One Energy	Private	High-field stellarator fusion	Private — proposed 2026 Series B at $900M pre-money
Oklo	NYSE: OKLO	Advanced fission, not fusion; compact fast-reactor power plants	$8.24B

*Public-company market capitalizations are based on the August 25, 2026 closing price. Private-company figures are the latest available funding-round, transaction, or secondary-market valuations and are therefore not directly equivalent to public market capitalization

The Company's competitive landscape demonstrates both the scale of capital flowing into fusion and the diversity of approaches being pursued. American Fusion is substantially smaller and earlier in technical validation than the industry's leaders, but Texatron is differentiated by its combination of compact size, pulsed operation, modular deployment, D–^{3}He fuel and potential direct electricity conversion. The Company does not need to dominate the broader fusion industry to create substantial value; it needs to establish a commercially attractive position in applications where these characteristics provide meaningful advantages.

Risks

Technology and Fusion-Validation Risk

Fusion energy remains an extraordinarily difficult scientific and engineering undertaking. Texatron must achieve the temperature, plasma density and confinement conditions required for meaningful D–^{3}He fusion reactions. American Fusion has not yet publicly demonstrated commercially relevant fusion output. Failure to produce compelling and reproducible test results would materially impair the investment thesis and the likely value of the Company.

Net-Energy and Electricity-Generation Risk

A successful fusion reaction is not the same as a successful power plant. Texatron must eventually produce sufficient recoverable fusion energy to overcome the energy consumed by the entire system and convert that energy into usable electricity at commercially attractive efficiency. The Company could therefore achieve important scientific milestones without actually achieving commercially viable net electrical output.

Repeatability, Reliability and Component-Life Risk

Commercial customers require reliable power supplies rather than isolated successful tests. For the Company to succeed, Texatron must demonstrate that its pulsed operating cycle can be repeated reliably over extended

periods without unacceptable component degradation. Maintenance requirements, equipment life, and system uptime will ultimately be as important commercially as peak fusion performance.

Scaling and Manufacturing Risk

Success with the current pre-production system would not guarantee comparable performance in larger configurations. American Fusion must also develop manufacturing processes capable of producing standardized Texatron units at acceptable cost, quality and volume. Its proposed product family spans a wide range of power outputs, creating additional engineering and manufacturing challenges.

Capital Structure, Financing, and Dilution Risk

American Fusion will require substantial additional capital to complete development and advance toward commercialization. At June 30, the Company reported legacy convertible obligations and significant potentially dilutive securities; on August 21, the Company subsequently announced that it no longer had any convertible notes or other "toxic" convertible debt outstanding. However, the Company's ultimate post-restructuring fully diluted share count cannot yet be determined precisely from available public information, and the Kepler transaction contemplates additional share issuances to former Kepler shareholders. Future equity financing and other equity-linked obligations could therefore materially dilute current and future shareholders.

For more information on this risk, please visit the SEC's Edgar system for the Company's latest 10-Q filing: https://www.sec.gov/Archives/edgar/data/96664/000107997326001063/amfn_10q-063026.htm

Helium-3 Supply Risk

Helium-3 is very scarce relative to deuterium on Earth. Current research requirements are small, but widespread commercial deployment of D–^{3}He fusion would require a substantially larger and dependable supply chain for helium-3. The availability and cost of helium-3 could therefore influence the long-term scalability and economics of Texatron to a large degree.

Regulatory Risk

The U.S. regulatory framework for fusion is evolving and appears potentially more favorable than the traditional fission regime, but final commercial requirements remain under development. The Company's existing Texas authorization permits research activities, but this does not constitute regulatory approval for future commercial Texatron installations. Such regulatory approvals could be withheld for an indeterminate amount of time.

Intellectual-Property Risk

The Company's 100 disclosed patent applications are pending applications rather than issued patents. Some applications may be rejected, narrowed, or provide less competitive protection than the Company anticipates. Even issued patents may ultimately be challenged or designed around, or fail to deliver the desired IP protection.

Competitive Risk

American Fusion competes with fusion companies possessing substantially greater financial and scientific resources than those of the Company. Commonwealth Fusion Systems, Helion Energy, TAE Technologies and numerous other developers are pursuing competing approaches toward commercial fusion. Advanced fission, natural gas, geothermal energy, and renewable power generation paired with storage and other technologies also compete for many of the power customers that the Company plans to target.

Commercial-Adoption Risk

Large customers are likely to require extensive validation before relying on a first-generation fusion system for mission-critical electricity. Initial projects may require performance guarantees, backup systems, insurance protection, and conservative contract terms, potentially extending commercialization timelines or reducing the attractiveness of early project economics.

Control and Key-Personnel Risk

The Special Series A Preferred share held by an entity controlled by Brent Nelson provides 60% voting power, leaving public common shareholders with limited influence over corporate actions and decisions. The Company also relies heavily on a relatively small number of scientists, engineers and executives. Loss of key personnel could slow or impede system development.

Small-Cap and Share-Price Volatility Risk

AMFN remains a highly speculative small-cap security traded on the OTCQB Venture market. Trading liquidity, investor sentiment, and reactions to individual technical announcements may cause share-price movements that are substantially larger than changes in the Company's underlying financial condition or operations.

Conclusion and Investment Thesis

American Fusion has accomplished a substantial amount since we initiated coverage in January 2026. What was then largely a newly assembled public-company fusion story has become a more developed operating enterprise with a completed 5 MW pre-production Texatron, an active laboratory-testing program, broader technical leadership, a rapidly expanding patent portfolio, a substantially improved capital structure, SEC reporting and OTCQB trading.

More importantly, AMFN is approaching the stage at which scientific results can begin to matter far more than corporate milestones.

The market developing around the Company is highly favorable. Electricity demand is accelerating. Data-center operators are searching for enormous quantities of reliable new generation. Governments are supporting fusion commercialization. Private capital flowing into the sector has reached record levels. Major technology companies have already contracted to purchase future fusion power. Against this backdrop, Texatron targets an especially attractive segment of the market: compact, modular power generation capable of operating at or near the point where electricity is consumed.

If American Fusion can demonstrate meaningful and repeatable fusion performance using its D–^{3}He architecture, and subsequently translate that performance into reliable electricity generation, Texatron could potentially serve applications ranging from remote and military installations through hyperscale data centers and utility-scale power generation.

Its modular architecture could also create a different deployment model from traditional nuclear power. Standardized systems could potentially be manufactured in volume, installed incrementally and combined as customer requirements increase. Successful projects could ultimately be financed as long-duration infrastructure assets supported by PPAs rather than solely through American Fusion's corporate balance sheet.

These outcomes remain ahead of the Company, but the Company is significantly closer to answering critical technical questions about its technology today than it was eight months ago. We believe the next phase of the investment story will increasingly be driven by data: plasma performance, fusion reaction measurements, repeatability, energy output, electricity generation, and independent validation. Positive results at each stage

could progressively reduce technical uncertainty and increase both the strategic and financial value of the Texatron platform.

For investors willing to accept the substantial risks inherent in early-stage fusion development, we believe American Fusion represents an unusually leveraged opportunity to participate in a potentially transformative energy technology that addresses an enormous and rapidly growing market. **We therefore reconfirm our rating of Strong Speculative Buy and set our 12-month target price range at $0.30 to $0.32.** We believe all risk-tolerant investors should carefully consider the value AMFN shares represent.

Our Rating System

We rate enrolled companies based on the appreciation potential we believe their shares represent. The performance of those companies rated "Speculative Buy" or "Strong Speculative Buy" are often highly dependent on some future event, such as FDA drug approval or the development of a new key technology.

Explanation of Ratings Issued by Harbinger Research

STRONG BUY	We believe the enrolled company will appreciate more than 50% relative to the general market for U.S. equities during the next 12 to 24 months.
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STRONG SPECULATIVE BUY	We believe the enrolled company could appreciate more than 50% relative to the general market for U.S. equities during the next 12 to 24 months, if certain assumptions about the future prove to be correct.
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NEUTRAL	We expect the enrolled company to trade between -10% and +10% relative to the general market for U.S. equities during the following 12 to 24 months.
SELL	We expect the enrolled company to underperform the general market for U.S. equities by more than 10% during the following 12 to 24 months.

Analyst Certification

I, Brian R. Connell, CFA, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report.

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Analyst Highlight

Brian R. Connell, CFA **Senior Research Analyst**

Mr. Connell has over 25 years' experience in the securities industry, as an equity analyst and portfolio manager, and as the Founder and CEO of StreetFusion (acquired by CCBN/StreetEvents), a software company serving the institutional investment community. On the sellside, Mr. Connell served as the technology analyst for Neovest, an Atlanta-based boutique, and as a Senior Analyst - Internet for Preferred Capital Markets, an investment bank based in San Francisco. Mr. Connell has also held the position of Executive Director of Marquis Capital Management, a technology-focused hedge fund.

Mr. Connell holds degrees in Economics and Psychology from Duke University, and is a CFA Charterholder.

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