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Financial Projections

Introduction to Financial Forecasts

This section provides a forward-looking view of CarbonCore's projected financial performance over the next seven years, anchored in the strategic buildout of our core Sustainable Aviation Fuel (SAF) platform. These projections are underpinned by rigorous market research, proven technology partnerships, and a disciplined capital deployment roadmap that aligns investment with tangible operational milestones.

Our financial model takes a deliberately conservative stance, omitting any speculative future inflows from grants or public-sector funding. This ensures a transparent and credible baseline driven solely by core operational execution, organic revenue generation, prudent cost management, and scalable unit economics. By excluding non-dilutive capital inflows at this stage, we aim to demonstrate the underlying strength, profitability, and standalone viability of the SAF business model—even in the absence of external funding.

While an initial public offering (IPO) may be considered around Year 4 to further fuel expansion and unlock broader capital markets, our growth trajectory and financial resilience are designed to be robust irrespective of IPO timing. Our forecasts reflect an investor-focused discipline: self-sufficiency first, then scalable growth.

CarbonCore's financial strategy is structured to build institutional confidence by prioritizing long-term value creation, downside protection, and operational excellence. Our objective is not merely to meet industry benchmarks, but to establish a new financial standard for sustainability-aligned manufacturing ventures.

Note: *A separate five-year financial overview for CarbonCore's advanced materials subsidiary (Graphene operations) is included in the appendix.*

Projected Income Statements

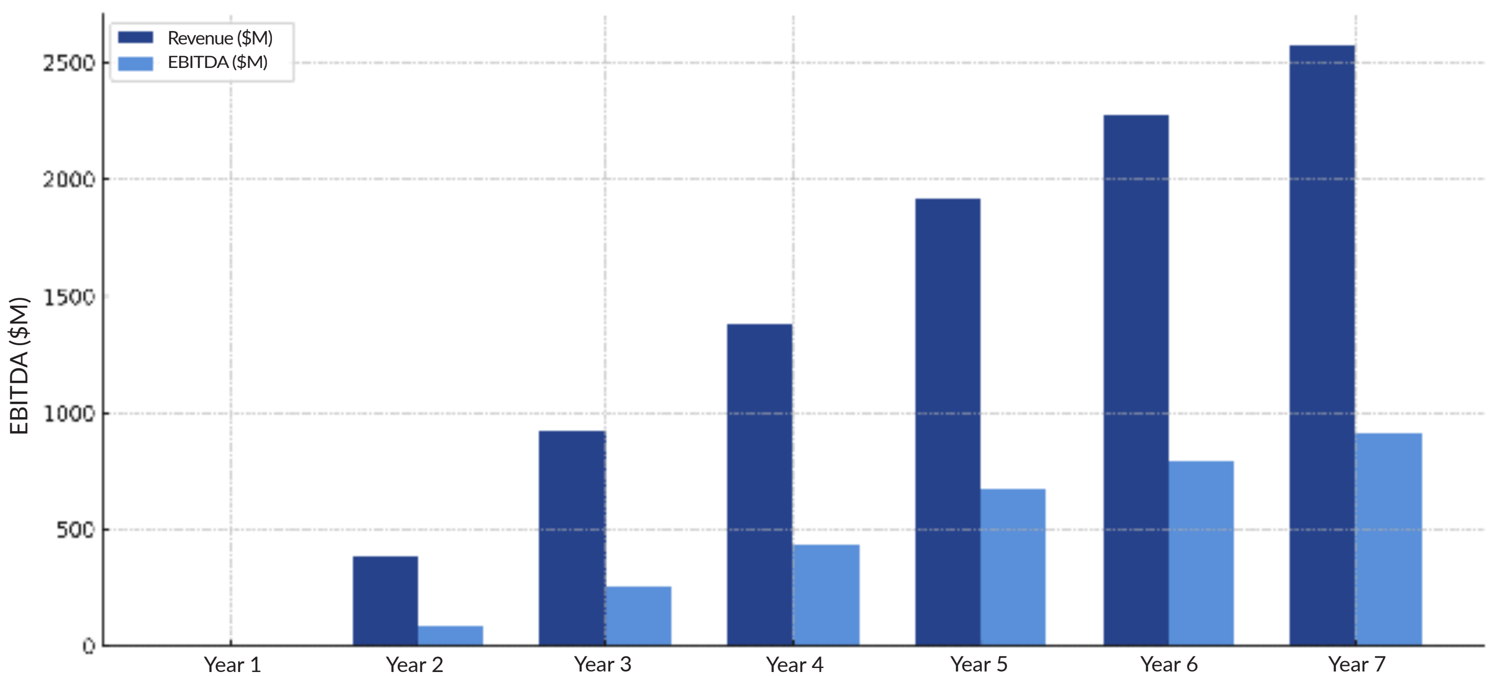
Summary

CarbonCore's SAF operations are structured for high-efficiency, modular growth, enabling a smooth scale-up from initial production capacity of 10,000–15,000 barrels per day (bpd) to 24,500 bpd by Year 5, with long-term expansion plans toward 40,000 bpd. The projected income statements reflect conservative revenue recognition aligned with anticipated commissioning and ramp-up timelines, while preserving margin integrity across each phase.

Revenue is projected to begin in Year 2, assuming a 12–18 month construction and equipment lead time post-funding. Initial SAF pricing assumptions are indexed to current market ranges ($2.80–$3.25/gallon) and are subject to minor adjustments based on evolving LCFS, RFS, and CORSIA compliance premiums. As production scales, cost of goods sold (COGS) is expected to decline due to economies of scale, vertical feedstock integration, and AI-driven process optimization.

Gross margins are modeled to stabilize in the 35–40% range over the first five years, with EBITDA margins improving steadily as throughput increases and capex amortization is distributed across higher volumes. The model assumes three full operating shifts and 365-day production, with labor costs ramping from $9M in Year 1 to $12M+ by Year 3 as additional modules come online.

Federal and state incentives, including potential 45Z tax credits and LCFS stacking, are not fully baked into base-case projections but present upside potential. The financial model is designed to remain robust under conservative pricing and throughput assumptions, with upside scenarios available on request.



Projected Income Statement

Year 1

Revenue:

• Sustainable Aviation Fuel	$0

Total Revenue: $0

Operating Expenses:

• Feedstock Costs:	$0
• Labor & Salaries:	$9,000,000
• Utilities:	$3,000,000
• Regulatory Compliance & Permitting:	$2,500,000
• Insurance:	$2,000,000
• Office, Admin & Legal:	$6,000,000
• Site Prep & Temporary Infrastructure:	$5,000,000
• Construction-Related OPEX:	$6,000,000
• Depreciation:	$1,750,000
• R&D Allocation:	$2,500,000

Total Operating Expenses: $37,750,000

Net Income: -$37,750,000

Net Income: -$37,095,220

• Tax Expense (25%):	$0

Net Income After Tax: -$37,750,000

Projected Income Statement

Year 2

Revenue:	
• Sustainable Aviation Fuel	$219,000,000
Total Revenue:	**$219,000,000**
Operating Expenses:	
• Feedstock Costs:	$49,926,296
• Labor & Salaries:	$9,000,000
• Utilities:	$4,309,125
• Regulatory Compliance & Permitting:	$3,000,000
• Insurance:	$2,100,000
• Office, Admin & Legal:	$1,500,000
• Site Prep & Temporary Infrastructure:	$11,521,453
• Construction-Related OPEX:	$23,042,906
• R&D Allocation:	$13,505,000
• Depreciation:	$20,000,000
Total Operating Expenses:	**$137,904,780**
Net Income:	**$81,095,220**
• Tax Expense (25%):	$20,273,805
Net Income After Tax:	**$60,821,415**

Projected Income Statement

Year 3

Revenue

• Sustainable Aviation Fuel	$1,724,625,000
Total Revenue:	**$1,724,625,000**

Operating Expenses:

• Feedstock Costs:	$392,352,187
• Labor & Salaries:	$9,500,000
• Utilities:	$29,325,000
• Regulatory Compliance & Permitting:	$1,500,000
• Insurance:	$1,500,000
• Office, Admin & Legal:	$9,775,000
• Site Prep & Temporary Infrastructure:	$2,000,000
• Construction-Related OPEX:	$12,000,000
• R&D Allocation:	$13,000,000
• Depreciation:	$30,000,000
Total Operating Expenses:	**$501,952,187**
Net Income:	**$1,222,672,813**
• Tax Expense (25%):	$305,668,203
Net Income After Tax:	**$917,004,610**

Projected Income Statement

Year 4

Revenue

• Sustainable Aviation Fuel	$3,285,000,000
Total Revenue:	**$3,285,000,000**

Operating Expenses:

• Feedstock Costs:	$765,000,000
• Labor & Salaries:	$10,000,000
• Utilities:	$38,000,000
• Regulatory Compliance & Permitting:	$2,000,000
• Insurance:	$2,000,000
• Office, Admin & Legal:	$9,000,000
• Construction-Related OPEX:	$15,000,000
• R&D Allocation:	$15,000,000
• Depreciation:	$40,000,000.00
Total Operating Expenses:	**$896,500,000**
Net Income:	**$2,389,000,000**
• Tax Expense (25%):	$597,250,000
Net Income After Tax:	**$1,791,750,000**

Projected Income Statement

Year 5

Revenue

- Sustainable Aviation Fuel $4,562,250,000

Total Revenue: $4,562,250,000

Operating Expenses:

• Feedstock Costs:	$1,050,000,000
• Labor & Salaries:	$11,000,000
• Utilities:	$47,000,000
• Regulatory Compliance & Permitting:	$2,500,000
• Insurance:	$2,500,000
• Office, Admin & Legal:	$9,000,000
• Construction-Related OPEX:	$20,000,000
• R&D Allocation:	$18,000,000
• Depreciation:	$50,000,000

Total Operating Expenses: $1,209,500,000

Net Income: $3,352,750,000

- Tax Expense (25%): $838,187,500

Net Income After Tax: $2,514,562,500

Projected Income Statement

Year 6

Revenue

• Sustainable Aviation Fuel	$5,700,000,000
Total Revenue:	**$5,700,000,000**

Operating Expenses:

• Feedstock Costs:	$1,300,000,000
• Labor & Salaries:	$12,000,000
• Utilities:	$55,000,000
• Regulatory Compliance & Permitting:	$2,000,000
• Insurance:	$2,500,000
• Office, Admin & Legal:	$9,000,000
• Construction-Related OPEX:	$25,000,000
• R&D Allocation:	$20,000,000
• Depreciation:	$60,000,000
Total Operating Expenses:	**$1,485,500,000**
Net Income:	**$4,214,500,000**
• Tax Expense (25%):	$1,053,625,000
Net Income After Tax:	**$3,160,875,000**

Projected Income Statement

Year 7

Revenue

• Sustainable Aviation Fuel	$6,708,750,000
Total Revenue:	**$6,708,750,000**

Operating Expenses:

• Feedstock Costs:	$1,500,000,000
• Labor & Salaries:	$12,500,000
• Utilities:	$60,000,000
• Regulatory Compliance & Permitting:	$2,000,000
• Insurance:	$3,000,000
• Office, Admin & Legal:	$9,000,000
• Construction-Related OPEX:	$30,000,000
• R&D Allocation:	$22,000,000
• Depreciation:	$70,000,000
Total Operating Expenses:	**$1,708,500,000**
Net Income:	**$5,000,250,000**
• Tax Expense (25%):	$1,250,062,500
Net Income After Tax:	**$3,750,187,500**

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Projected Balance Sheets

Summary

The SAF Division's balance sheet structure is built around a capital-efficient strategy that leverages asset-backed financing (IRBs), matched federal grants, and carefully staged equity deployment. This structure enables aggressive capitalization of long-term assets without overleveraging early-stage cash flows.

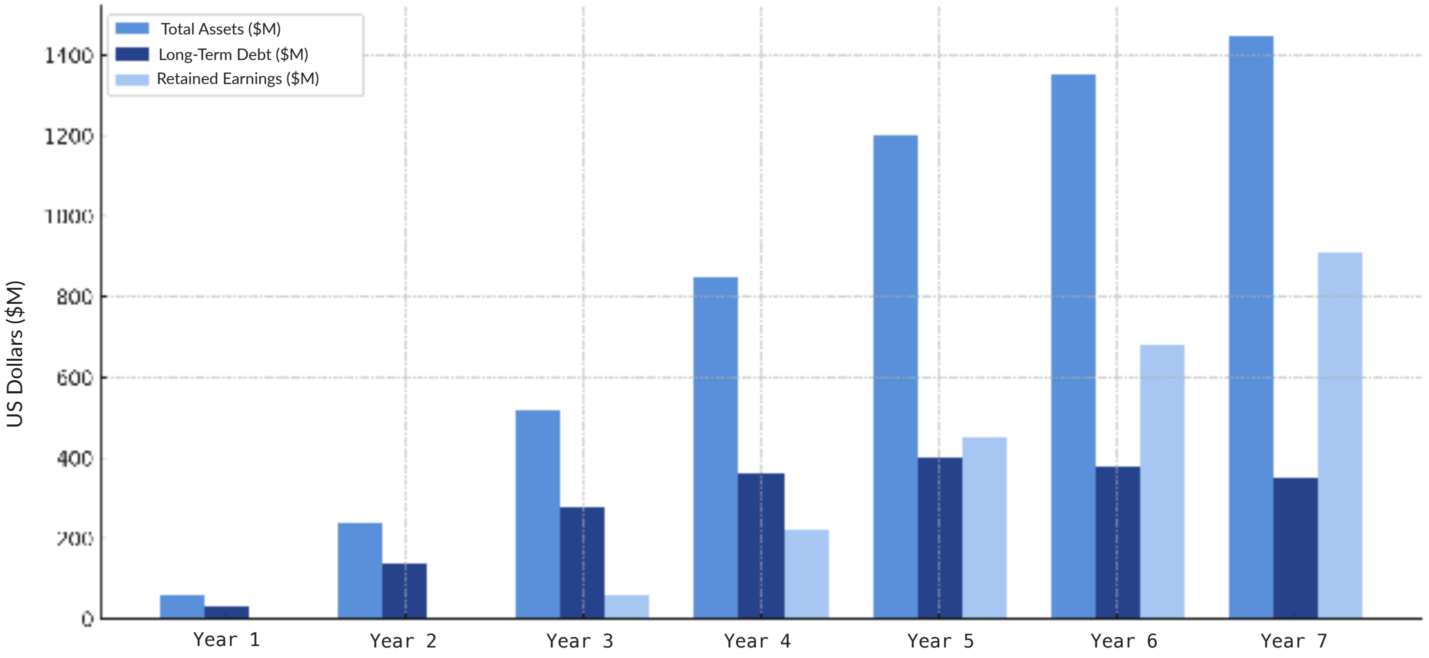
Fixed assets, including gasification, Fischer-Tropsch synthesis, and AI control infrastructure, dominate the balance sheet through Years 1–3, reaching over $1.2B by Year 5. These are funded primarily through long-term debt and public-private programs, minimizing dilution and preserving equity value for stakeholders.

Working capital remains tightly managed in early years, supported by staged draws and internal syngas supply that insulates against market volatility. Inventory and receivables grow proportionally with throughput, while payables remain favorable due to equipment lead times and strategic procurement relationships.

Debt-to-equity ratios are modeled to remain within commercially acceptable ranges throughout the ramp, with refinancing or credit enhancement options available in Year 4 or 5. Interest coverage improves significantly as revenues scale, reducing risk and increasing the project's attractiveness to institutional lenders.

By Year 6, the balance sheet reflects a fully matured asset base with substantial retained earnings and reduced reliance on external debt. This positions the SAF Division for strategic refinancing, future dividend issuance, or leverage for follow-on expansion and acquisitions.

7 Year Balance Sheet Overview



Projected Balance Sheet

Year 1

Assets:

- Cash: $143,000,000

Total Current Assets: $143,000,000

- Property, Plant, and Equipment: $35,000,000

Total Non-Current Assets: $35,000,000

Total Assets: $178,000,000

Liabilities and Equity:

- Long-Term Debt: $250,000,000
- Federal Government Grants: $0
- Retained Earnings / Net Equity: -$72,000,000

Total Liabilities and Equity: $178,000,000

Projected Balance Sheet

Year 2

Assets:

- Cash: $242,500,000

Total Current Assets: $242,500,000

- Property, Plant, and Equipment: $400,000,000

Total Non-Current Assets: $400,000,000

Total Assets: $642,500,000

Liabilities and Equity:

- Long-Term Debt: $370,000,000
- Federal Government Grants: $0
- Retained Earnings / Net Equity: $272,500,000

Total Liabilities and Equity: $642,500,000

Projected Balance Sheet

Year 3

Assets:

• Cash:	$932,500,000
Total Current Assets:	**$932,500,000**
• Property, Plant, and Equipment:	$500,000,000
Total Non-Current Assets:	**$500,000,000**
Total Assets:	**$1,432,500,000**

Liabilities and Equity:

• Long-Term Debt:	$540,000,000
• Federal Government Grants:	$200,000,000
• Retained Earnings / Net Equity:	$692,500,000
Total Liabilities and Equity:	**$1,432,500,000**

Projected Balance Sheet

Year 4

Assets:

• Cash:	$2,615,500,000
Total Current Assets:	**$2,615,500,000**
• Property, Plant, and Equipment:	$900,000,000
Total Non-Current Assets:	**$900,000,000**
Total Assets:	**$3,515,500,000.**

Liabilities and Equity:

• Long-Term Debt:	$740,000,000
• Federal Government Grants:	$300,000,000
• Retained Earnings / Net Equity:	$2,475,500,000
Total Liabilities and Equity:	**$3,515,500,000**

Projected Balance Sheet

Year 5

Assets:

- Cash: $4,740,500,000

Total Current Assets: $4,740,500,000

- Property, Plant, and Equipment: $1,350,000,000

Total Non-Current Assets: $1,350,000,000

Total Assets: $4,740,500,000

Liabilities and Equity:

- Long-Term Debt: $990,000,000
- Federal Government Grants: $500,000,000
- Retained Earnings / Net Equity: $4,600,500,000

Total Liabilities and Equity: $6,090,500,000

Projected Balance Sheet

Year 6

Assets:

• Cash:	$8,210,500,000
Total Current Assets:	**$8,210,500,000**
• Property, Plant, and Equipment:	$1,600,000,000
Total Non-Current Assets:	**$1,600,000,000**
Total Assets:	**$9,810,500,000**

Liabilities and Equity:

• Long-Term Debt:	$1,090,000,000
• Federal Government Grants:	$600,000,000
• Retained Earnings / Net Equity:	$8,120,500,000
Total Liabilities and Equity:	**$9,810,500,000**

Projected Balance Sheet

Year 7

Assets:

• Cash:	$12,435,500,000
Total Current Assets:	**$12,435,500,000**
• Property, Plant, and Equipment:	$1,850,000,000
Total Non-Current Assets:	**$1,850,000,000**
Total Assets:	**$14,285,500,000**

Liabilities and Equity:

• Long-Term Debt:	$1,140,000,000
• Federal Government Grants:	$700,000,000
• Retained Earnings / Net Equity:	$12,445,500,000
Total Liabilities and Equity:	**$14,285,500,000**

Projected Cash Flow Statements

Summary

CarbonCore's SAF cash flow projections reflect a phased capital deployment strategy, underpinned by industrial revenue bonds (IRBs), anticipated federal grants, and project-level equity. The project is structured to limit cash burn during the construction phase and maintain high capital efficiency through shared infrastructure, modular buildouts, and internalized syngas production.

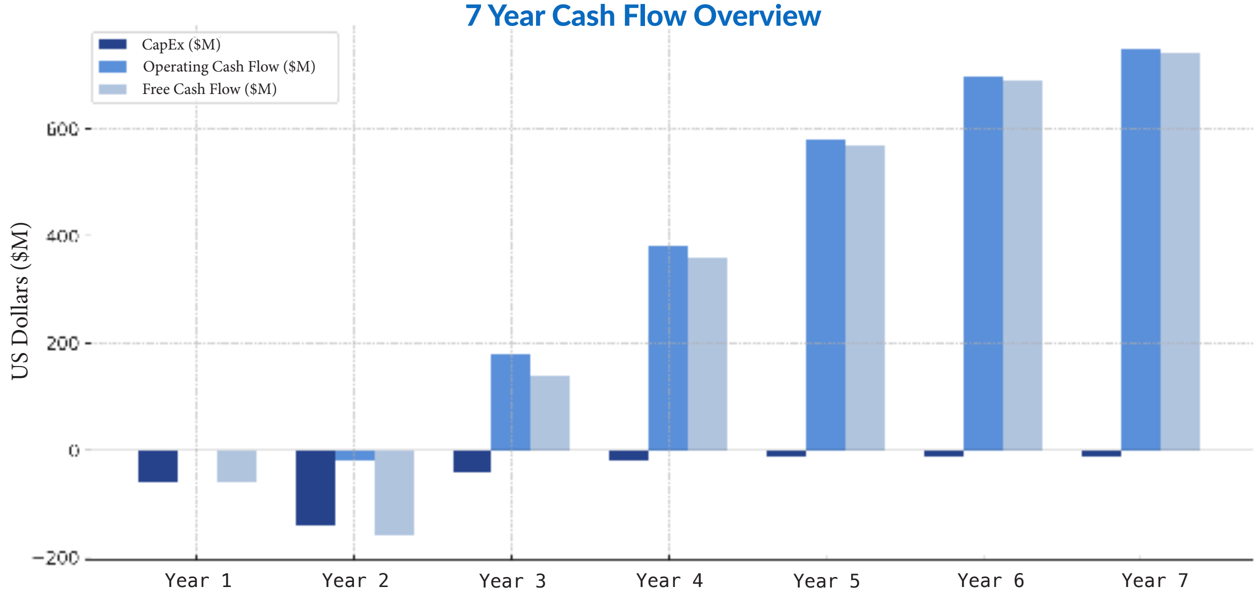
Initial capital outlays are concentrated in Years 1 and 2, covering site acquisition, permitting, front-end engineering, and procurement of gasification and Fischer-Tropsch equipment. First revenue is expected by mid-to-late Year 2, with operating cash flows turning positive in Year 3 and cumulative free cash flow becoming net positive in Year 4.

Cash flow stability is supported by long-term offtake potential, LCFS/RFS/45Z tax credit eligibility, and optimized OPEX via AI-driven automation.

Conservative modeling excludes speculative tax incentives and assumes linear price realizations and throughput ramps. Capital intensity reduces in Year 5 onward, aligning with growing internal cash generation. Bridge capital and IRB tranches are structured to front-load major equipment purchases and unlock matching federal support. Flexible staging also allows for alignment with milestone-based grant programs, minimizing dilution and preserving financial headroom. Additional working capital allocations in early years ensure feedstock availability, labor ramp-up, and commissioning stability without drawing excess equity.

The SAF division is expected to reach full self-sufficiency by Year 4, with strong cumulative cash reserves forecast from Year 5 onward. Net operating cash flow exceeds $750M annually by Year 7, providing ample reinvestment capacity or strategic dividend optionality.

7 Year Cash Flow Overview



Projected Cash Flow Statement

Year 1

Cash Flows from Operating Activities:

Net Cash from Operations:	-$22,000,000

Cash Flows from Investing Activities:

• Engineering & Design	-$15,000,000
• Grading & Site Prep	-$10,000,000
• Equipment Deposits	-$20,000,000
• Main Facility Construction	-$35,000,000
• Temporary Structures Setup:	-$5,000,000

Net Cash from Investing Activities:	-$85,000,000

Cash Flows from Financing Activities:

• Loan Proceeds:	$250,000,000
• Interest Payments:	$0

Net Cash from Financing Activities:	$250,000,000

Tax Payments:

• Taxable Income:	$0

Tax Expense (25%):	$0

Net Cash Flow: $143,000,000

Closing Cash Balance: $143,000,000

Projected Cash Flow Statement

Year 2

Cash Flows from Operating Activities:

Net Cash from Operations: **$120,000,000**

Cash Flows from Investing Activities:

• Facility expansion	-$50,000,000
• Infrastructure Upgrades	-$20,000,000
• Equipment Prep and Installation	-$75,000,000
• Miscellaneous Construction	-$10,000,000

Net Cash from Investing Activities: **-$155,000,000**

Cash Flows from Financing Activities:

• Loan Proceeds:	$170,000,000
• Interest Payments:	-$10,500,000

Net Cash from Financing Activities: **$159,500,000**

Tax Payments:

• Taxable Income:	$100,000,000

Tax Expense (25%): $25,000,000

Net Cash Flow: $99,500,000

Closing Cash Balance: $242,500,000

Projected Cash Flow Statement

Year 3

Cash Flows from Operating Activities:

Net Cash from Operations:	$850,000,000

Cash Flows from Investing Activities:

- Facility Expansion: -$60,000,000
- Infrastructure Upgrades: -$30,000,000
- Equipment Prep and Installation: $-100,000,000
- Miscellaneous Construction: $-20,000,000

Net Cash from Investing Activities:	-$210,000,000

Cash Flows from Financing Activities:

- Loan Proceeds: $170,000,000
- Interest Payments: -$15,000,000
- Federal Government Grants: $200,000,000

Net Cash from Financing Activities:	$355,000,000

Tax Payments:

- Taxable Income: $1,222,672,813

Tax Expense (25% After Incentives):	$305,668,203

Net Cash Flow: $690,000,000

Closing Cash Balance: **$932,500,000**

Projected Cash Flow Statement

Year 4

Cash Flows from Operating Activities:

Net Cash from Operations:	$1,800,000,000

Cash Flows from Investing Activities:

• Facility Expansion:	-$150,000,000
• Infrastructure Upgrades:	-$80,000,000
• Equipment Prep and Installation:	-$120,000,000
• Miscellaneous Construction:	-$50,000,000

Net Cash from Investing Activities:	-$400,000,000

Cash Flows from Financing Activities:

• Loan Proceeds:	$200,000,000
• Interest Payments:	-$20,000,000
• Federal Government Grants:	$100,000,000
• Local Government Grants:	$5,000,000

Net Cash from Financing Activities:	$280,000,000

Tax Payments:

• Taxable Income:	$2,389,000,000

Tax Expense (25% After Incentives):	$597,250,000

Net Cash Flow: $1,683,000,000

Closing Cash Balance: $2,615,500,000

Projected Cash Flow Statement

Year 5

Cash Flows from Operating Activities:

Net Cash from Operations:	$2,550,000,000

Cash Flows from Investing Activities:

• Facility Expansion:	-$180,000,000
• Infrastructure Upgrades:	-$100,000,000
• Equipment Prep and Installation:	-$130,000,000
• Miscellaneous Construction:	-$40,000,000

Net Cash from Investing Activities:	-$450,000,000

Cash Flows from Financing Activities:

• Loan Proceeds:	$250,000,000
• Interest Payments:	-$25,000,000
• Federal Government Grants:	$200,000,000

Net Cash from Financing Activities:	$425,000,000

Tax Payments:

• Taxable Income (After Incentives):	$3,352,750,000

Tax Expense (25% After Incentives):	$838,187,500

Net Cash Flow: $2,125,000,000

Closing Cash Balance: $4,740,500,000

Projected Cash Flow Statement

Year 6

Cash Flows from Operating Activities:

Net Cash from Operations:	**$3,550,000,000**

Cash Flows from Investing Activities:

• Facility Expansion:	-$100,000,000
• Infrastructure Upgrades:	-$50,000,000
• Equipment Prep and Installation:	-$80,000,000
• Miscellaneous Construction:	-$20,000,000

Net Cash from Investing Activities:	**-$250,000,000**

Cash Flows from Financing Activities:

• Loan Proceeds:	$100,000,000
• Interest Payments:	-$30,000,000
• Federal Government Grants:	$100,000,000

Net Cash from Financing Activities:	**$170,000,000**

Tax Payments:

• Taxable Income (After Incentives):	$4,711,250,000

Tax Expense (25% After Incentives):	$1,177,812,500

Net Cash Flow: $3,470,000,000

Closing Cash Balance: **$8,210,500,000**

Projected Cash Flow Statement

Year 7

Cash Flows from Operating Activities:

Net Cash from Operations: $4,300,000,000

Cash Flows from Investing Activities:

- Facility Expansion: -$100,000,000
- Infrastructure Upgrades: -$30,000,000
- Equipment Prep and Installation: -$50,000,000
- Miscellaneous Construction: -$10,000,000

Net Cash from Investing Activities: -$190,000,000

Cash Flows from Financing Activities:

- Loan Proceeds: $50,000,000
- Interest Payments: -$35,000,000
- Federal Government Grants: $100,000,000

Net Cash from Financing Activities: $115,000,000

Tax Payments:

- Taxable Income: $340,000,000

Tax Expense (25% After Incentives): $85,000,0000

Net Cash Flow: $4,225,000,000

Closing Cash Balance: $12,435,500,000

Graphene Financial Projections

Financial Snapshot

Metric	Year 1	Year 2	Year 3	Year 4	Year 5
Graphene Production (MT/year)	100	400	600	1,200	1,500
Average Selling Price ($/kg)	250	230	210	195	180
Gross Revenue ($M)	25.0	92.0	126.0	234.0	270.0
Gross Margin (%)	66%	65%	64%	64%	64%
EBITDA ($M)	9.0	30.0	39.0	72.0	84.0
CapEx (Cumulative, $M)	35.0	60.0	60.0	120.0	140.0

Key Assumptions

- Phase 1 CapEx: $60M total through Year 3
- Phase 2 Expansion: Begins Year 4 with additional $80M
- Feedstock pricing: Internal syngas at cost +10%
- Pricing: Premium ASP maintained through disciplined market selection
- AI systems drive yield, QC, and OPEX efficiency
- Revenue mix based on premium-grade graphene for aerospace, electronics, and defense markets