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Blue Biofuels (BIOF – OTCQB)

Patented Cellulosic Fuel Technology Is Advancing from Pilot Development Toward Full Commercial Production

Recent Price: \$0.1078

Market Data

(as of market close, September 29, 2026)

Market Capitalization (mln)	34.95
Fully Diluted Market Cap (mln)	52.33
Fully Diluted Shares (mln)	485.48
Avg. Volume (30 reported days)	195,390
Institutional Ownership	N/A
Insider Ownership	~31.09%
52-Week Range	\$0.0661 – \$0.1999
Exchange	OTCQB

Ownership and share counts: latest reported.

Balance Sheet Data (as of June 30, 2026, in \$000s)

Shareholders' Equity	(4,059)
Price/Book Value	N/A
Cash	\$22
Net Working Capital	(3,341)
Long-Term Debt	1,755
Total Debt to Equity Capital	N/A

Company Overview

Blue Biofuels is a Florida-based renewable-fuels technology company that finalized the development of its patented Cellulose-to-Sugar process for the production of cellulosic ethanol from plant-based biomass. Additionally, through VertiBlue Fuels, its 50/50 joint venture with Vertimass, the Company also plans to produce Sustainable Aviation Fuel, renewable gasoline, and other renewable hydrocarbon fuels from the cellulosic ethanol produced by Blue Biofuels. The Company has advanced its technology through pilot development, Department of Energy-supported scale-up, and additional optimization, and is now working toward demonstration, engineering, project financing, and commercial construction. The Company has also submitted two USDA Section 9003 loan-guarantee applications.

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Summary and Investment Opportunity

- **Technology Almost Ready for Commercialization**

Blue Biofuels has advanced its patented Cellulose-to-Sugar technology through pilot development, Department of Energy-supported grants and scale-up, and process optimization. Third-party testing has confirmed high conversion rates of cellulosic material into sugars and ethanol. The next stage of development includes integrated and continuous demonstrations, engineering and design of the commercial facility, permitting, and other work required to move the technology toward commercial construction.

- **A Patented Process Designed to Turn Abundant Biomass into Renewable Fuels**

The Company's Cellulose-to-Sugar process is designed to convert plant-based cellulose into fermentable sugars and subsequently into cellulosic ethanol. Potential feedstocks include King Grass, sugarcane bagasse, corn stover, and other agricultural residues. Through VertiBlue Fuels, its 50/50 joint venture with Vertimass, the Company will convert ethanol into Sustainable Aviation Fuel (SAF), renewable gasoline, and other renewable hydrocarbons.

- **The Company Believes It Has Three Key Cost Leadership Advantages**

The first advantage is the high yield of the Cellulose-to-Sugar process, where the Company claims yields of 85-92 gallons per ton of feedstock. The second advantage is that management plans to grow King Grass as an energy crop, which can grow to 15 feet tall, and which can be harvested year-round. This reduces the planting, harvesting, and storage costs compared to other crops. The Company claims it can yield between 3,000 and 4,000 gallons per acre of King Grass, meaning it would need fewer acres and incur lower logistical and transportation costs. The third advantage is its joint venture that will convert the ethanol into SAF, thereby maximizing credits and incentives. This combination gives Blue Biofuels the unique position of total vertical integration from biomass to SAF.

- **Nearly Unlimited Growth Potential in Florida and Other Locations**

The Company has secured a 35-acre production site in Frostproof, Florida. This is in the middle of the area where the historic orange industry was thriving. Unfortunately, citrus canker has now destroyed the historical citrus industry, resulting in approximately 500,000 acres of former orange groves that are now available to be repurposed. This land could lead to over a billion gallons per year of biofuel production, meaning that the Company could build multiple factories in Florida alone.

- **Sustainable Aviation Fuel Addresses a Large Pre-Existing Fuel Market**

Commercial aviation continues to depend overwhelmingly on conventional jet fuel. Sustainable Aviation Fuel production is increasing but is expected to represent only approximately 0.8% of worldwide aviation-fuel consumption in 2026. Government policy is also creating additional demand, including mandated Sustainable Aviation Fuel (SAF) use in the European Union and United Kingdom, and renewable-fuel incentives in the United States.

- **Blue Biofuels Needs a Cash Infusion to Clear Its Next Commercialization Hurdles**

Blue Biofuels is seeking additional capital to complete integrated demonstration units (IDUs) and run them continuously for four months. The Company has submitted applications under the United States Department of Agriculture Section 9003 program for loan guarantees of approximately \$149 million for a commercial-scale Cellulose-to-Sugar facility and approximately \$148 million through VertiBlue for a commercial-scale ethanol-to-SAF facility. Successful operation of the IDUs, together with an engineering report from an independent third-party engineering firm, will give access to the loan guarantees.

Industry Background and Analysis

Sustainable Aviation Fuel Addresses a Large Existing Fuel Market

Unlike most ground transportation markets, commercial aviation has no near-term alternatives to liquid hydrocarbon fuel. Aircraft require fuels with high energy density, and the existing global fleet and fueling infrastructure were built around conventional jet fuel. Sustainable Aviation Fuel (SAF) is intended to provide an alternative with carbon intensity ranging from much lower to almost zero that can be blended with conventional fuel as a drop-in fuel for use in the industry's existing aircraft and infrastructure.

Sustainable Aviation Fuel (SAF) production is growing rapidly from a small base. The International Air Transport Association estimates that global production increased from approximately 1.0 million metric tonnes in 2024 to 1.9 million tonnes in 2025 and is expected to reach approximately 2.4 million tonnes in 2026. Even at that level, Sustainable Aviation Fuel would represent only about 0.8% of worldwide aviation-fuel consumption.

This creates a market that is simultaneously very large and at an early stage of renewable-fuel penetration. The challenge is not simply producing additional fuel. Sustainable Aviation Fuel must also meet aviation specifications, deliver meaningful life-cycle emissions reductions, secure adequate feedstock, and ultimately be produced at economics that airlines, fuel suppliers, governments, and other participants can support.

Government Policy Is Creating Additional Demand

Government policy has become an important part of SAF market development. The European Union's ReFuelEU Aviation program began requiring a 2% Sustainable Aviation Fuel share at European Union airports in 2025, increasing to 6% in 2030 and ultimately to 70% in 2050.

The United Kingdom has established a separate mandate that began at 2% in 2025. The requirement is 3.6% in 2026 and is scheduled to increase to 10% in 2030 and 22% in 2040. The United Kingdom is also expected to place increasing limits on the portion of the mandate that can be satisfied through the currently dominant pathway based on hydro-processed fats, oils, and greases, creating more demand over time for additional feedstocks and technologies.

The United States has taken a different approach. Rather than imposing a comparable nationwide Sustainable Aviation Fuel blending mandate, federal policy supports renewable fuels through programs including the Renewable Fuel Standard and the Clean Fuel Production Credit. The Environmental Protection Agency established a cellulosic-biofuel requirement of 1.30 billion Renewable Identification Numbers for 2026 and 1.36 billion for 2027. One Renewable Identification Number is equivalent to one ethanol-equivalent gallon for purposes of the program.

The Section 45Z Clean Fuel Production Credit also provides an incentive for qualifying domestically produced lower-emission transportation fuel sold through the end of 2029. The dollar amount ultimately available as a credit depends on the fuel's emissions profile and other statutory requirements.

Cellulosic Biomass Provides a Large Potential Feedstock Base

The availability of renewable feedstock is one of the central constraints on long-term biofuel production. Much of today's renewable diesel and Sustainable Aviation Fuel industry depends on fats, oils, and greases, including used cooking oil and similar materials. These are useful feedstocks, but their supply is inherently limited.

Cellulosic biomass represents a much larger potential resource. The Department of Energy's 2023 Billion-Ton Report identifies the potential for approximately 1.1 to 1.5 billion tons of annual biomass production in a mature United States market. The Department estimates that biomass on this scale could support approximately 60 billion gallons of low-carbon liquid fuels while continuing to satisfy projected requirements for food, feed, fiber, conventional forest products, and exports.

These resources include agricultural residues, forestry residues, waste materials, and dedicated energy crops. For Blue Biofuels, this is important because the Cellulose-to-Sugar process is designed to use the cellulose contained in precisely these types of materials rather than depend upon a single feedstock.

Cellulosic Fuels Remain Technically Difficult to Produce at Commercial Scale

The size of the resource does not mean that commercial conversion is easy. Cellulose is structurally difficult to break down, and earlier attempts to commercialize cellulosic ethanol in the United States encountered significant technical and economic challenges.

Even today, the Environmental Protection Agency notes that relatively few sources of commercial-scale cellulosic biofuel exist outside renewable natural gas and ethanol produced from corn-kernel fiber.

This history makes the economics of biomass preparation, conversion yield, catalyst or enzyme requirements, feedstock cost, energy use, and plant design particularly important. Blue Biofuels has successfully addressed those issues through its Cellulose-to-Sugar technology and a development program moving toward commercial scale.

Company & Opportunity Analysis

Technology and Competitive Position

King Grass and the Cellulose-to-Sugar Process

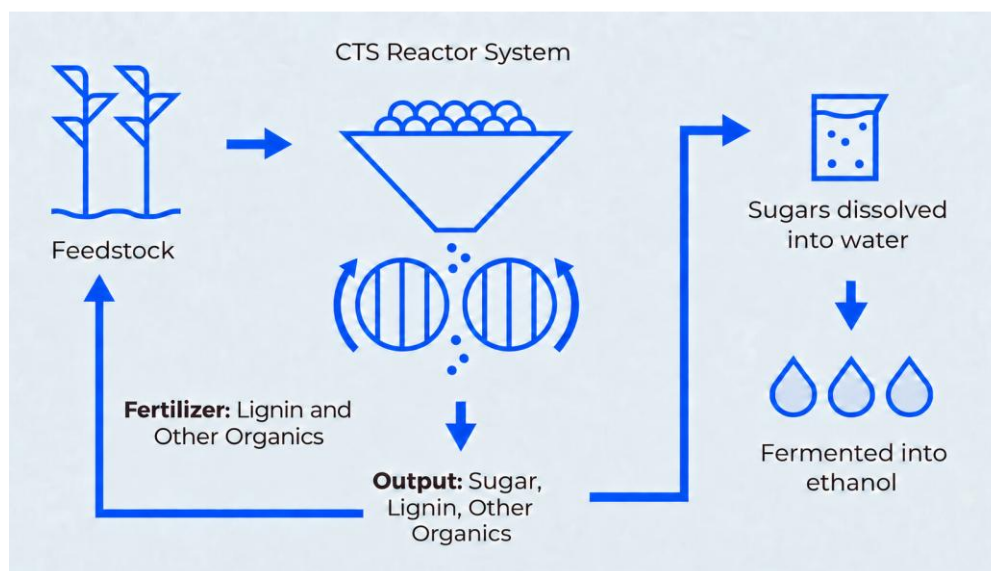
Plant-based biomass contains cellulose, a polymer of sugar molecules. Blue Biofuels' patented Cellulose-to-Sugar (CTS) process uses continuous mechanical and chemical processing to release soluble sugars, which can be fermented into ethanol. The commercial objective is to recover those sugars efficiently and at a cost that supports fuel production.

King Grass is a dedicated energy crop in management's feedstock plan. The Company also intends to process agricultural residues such as sugarcane bagasse, corn stover, and wheat straw, allowing future plants to match local biomass availability and cost.

Management's projected yield of 35–45 dry tons per acre per year of king grass, combined with 85–92 gallons of ethanol per dry ton, implies approximately 3,000–4,100 gallons of ethanol per acre annually. These are feedstock and ethanol estimates, not SAF yields. Delivered biomass cost, moisture, harvesting, storage, transport, and sustained conversion efficiency will determine whether this potential translates into commercial economics.



The CTS Reactor Releases Fermentable Sugars



From King Grass to Sustainable Aviation Fuel

BIOMASS PREPARATION AND SUGAR RECOVERY



ETHANOL PRODUCTION AND DOWNSTREAM FUEL CONVERSION

1. Harvest and prepare the feedstock. King Grass supplies structural carbohydrates in its stalks and leaves. Harvested biomass must be collected and conditioned for reliable reactor feeding. Particle size, moisture, contamination, and consistency affect handling and conversion. The Company's materials do not specify the final commercial preparation train; those details are proprietary.

2. Use CTS to release the sugars. The proprietary reactor combines mechanical action with chemical catalysis to break down the cellulosic material. Cellulose and hemicellulose consist of linked sugar units; CTS makes those units available as soluble sugars. The reactor output also contains lignin and other organics that make up the grass. These are a separate biomass fraction rather than the fermentable sugar stream and are recovered later in the process and returned to the land as fertilizer.

3. Recover a usable sugar solution. The supplied information shows the sugars being dissolved in water as glucose, xylose, and other sugar variants before fermentation. Sugar losses or difficult separations would weaken overall yield.

4. Ferment the sugars and recover ethanol. Microorganisms (yeast) convert the dissolved sugars into ethanol, with carbon dioxide generated during fermentation. The resulting liquid requires downstream recovery and conditioning for fuel conversion. The exact ethanol concentration and recovery equipment remain engineering choices: Vertimass describes CADO as capable of processing alcohol mixed with water, so a fully dehydrated ethanol stream should not be assumed.

5. Convert ethanol into hydrocarbons. VertiBlue, the 50/50 joint venture, would use Vertimass' Consolidated Alcohol Deoxygenation and Oligomerization (CADO) technology. Catalysis removes oxygen from the alcohol and builds larger hydrocarbon molecules suitable for fuel products, with water as a coproduct. This is the chemical step that takes the process beyond ethanol. Vertimass describes a consolidated reactor system, with the final product mix dependent on process configuration.

6. Separate, finish, and qualify the fuel products. The hydrocarbon output must be separated into the intended product streams and meet the relevant finished fuel specifications. Vertimass describes aviation components rich in aromatics and cycloparaffins, alongside opportunities in renewable gasoline and other fuels. Aviation use also requires pathway qualification, appropriate blending, and fuel-quality testing. The gasoline registration discussed below does not establish aviation approval. Ethanol yield is not SAF yield. The final volume of saleable SAF also depends on downstream conversion efficiency, the product split, recovery losses, operating uptime, and blending requirements. Commercial results must validate the entire chain.

Development Has Progressed Beyond the Initial Laboratory Stage

The Company has built and operated a pilot Cellulose-to-Sugar system and states that it completed additional scale-up, testing, and optimization during 2025. The Company's public filings state that third-party testing confirmed conversion results into sugars and ethanol, although final commercial-system design and operating parameters continue to be developed.

The Department of Energy has also supported development of the technology. After an earlier Phase I Small Business Innovation Research award, Blue Biofuels received a \$1.15 million Phase II award. The Department described the work as including additional feedstocks, scale-up of biomass pretreatment and fermentation, catalyst-cost reduction, lignin separation and catalyst recovery, and preparation of a conceptual engineering package for a one-million-gallon-per-year demonstration plant.

The Department of Energy also notes that cellulosic ethanol made from non-food agricultural residues such as sugarcane bagasse and corn stover has the potential to reduce emissions by more than 70% compared with equivalent petroleum-derived fuels. Actual emissions reductions from future Blue Biofuels facilities will depend on their specific feedstocks, energy use, logistics, and operating configuration, but the Company expects them to be well above the 70% mark.

VertiBlue Extends the Process from Ethanol to Hydrocarbon Fuels

In January 2024, the Company formed VertiBlue Fuels as a 50/50 joint venture with Vertimass. Vertimass has developed a catalytic process that converts ethanol and other alcohols into hydrocarbon products. The Company's plan is to use this technology to convert ethanol into Sustainable Aviation Fuel (SAF), renewable gasoline, and other renewable products.

Vertimass has already achieved an important regulatory milestone for one of its products. The Environmental Protection Agency approved registration and use of Vertimass' renewable gasoline blend stock for blends of up to 20% with conventional gasoline.

The SAF pathway is at an earlier regulatory stage. The International Civil Aviation Organization currently lists Vertimass' "Cycloalkanes from Ethanol" pathway among technologies under evaluation through the ASTM aviation-fuel qualification process. Vertimass also describes its technology as being prepared for commercialization rather than as a fully commercialized process.

The Potential Advantage Must Ultimately Be Demonstrated at Scale

Blue Biofuels' planned competitive position rests on several related factors: abundant feedstocks, high conversion yields, relatively uncomplicated mechanical and chemical processing, potentially low feedstock costs, and the ability to move from cellulosic ethanol into higher-value hydrocarbon fuels.

Those advantages are meaningful if they carry through to sustained commercial operation. That is why the next stage of the Company's development is important. The issue is no longer simply whether the Cellulose-to-Sugar process can produce ethanol. The remaining work is intended to establish the operating, engineering, cost, and reliability information needed to finance and construct much larger facilities.

Commercialization Plan and Near-Term Financing

The Next Financing Is Tied to Defined Development Milestones

Blue Biofuels has progressed through invention, patenting, pilot development, Department of Energy-supported scale-up, and initial engineering. The Company's current development program is intended to move from those activities into the integrated demonstration and detailed engineering work required before commercial construction.

This distinction is important. The contemplated near-term financing is not simply intended to fund additional laboratory research. According to the Company, the principal uses include construction and operation of Integrated Demonstration Units, completion of extended operating demonstrations, detailed engineering and design for a commercial facility, permitting, and related project-development expenses.

An Integrated Demonstration Unit (IDU) is intended to operate the principal elements of the technology together and demonstrate continuous production under conditions relevant to a commercial plant. According to the Company's most recent filing, the United States Department of Agriculture requires first-of-a-kind commercial renewable-fuel technologies seeking Section 9003 support to operate the relevant demonstration system for 120 days using the intended commercial feedstock and producing material that meets specified technical requirements.

Two USDA Applications Provide a Potential Path to Larger-Scale Project Financing

The United States Department of Agriculture Section 9003 program provides loan guarantees of up to \$250 million for qualifying advanced-biofuel, renewable-chemical, and biobased-product projects. The program is structured around commercial lending: rates and terms are negotiated between the lender and borrower, while the federal guarantee supports eligible project debt. Federal participation cannot exceed 80% of eligible project cost, and borrowers must contribute meaningful equity or additional debt.

Blue Biofuels has submitted two applications under the program. The first, submitted in September 2024 by VertiBlue Fuels, seeks a \$148 million loan guarantee for a commercial-scale ethanol-to-SAF facility based on Vertimass technology. The second, submitted in September 2025, seeks a \$149 million loan guarantee for a commercial-scale facility using the Company's Cellulose-to-Sugar process. The Company has also obtained an LOI from an insurance company to provide an insurance wrap on the financing not covered by the USDA loan guarantee. The USDA and the insurance company both require the running of an integrated demonstration unit analyzed by a third-party engineering firm before offering the loan guarantees and insurance wrap.

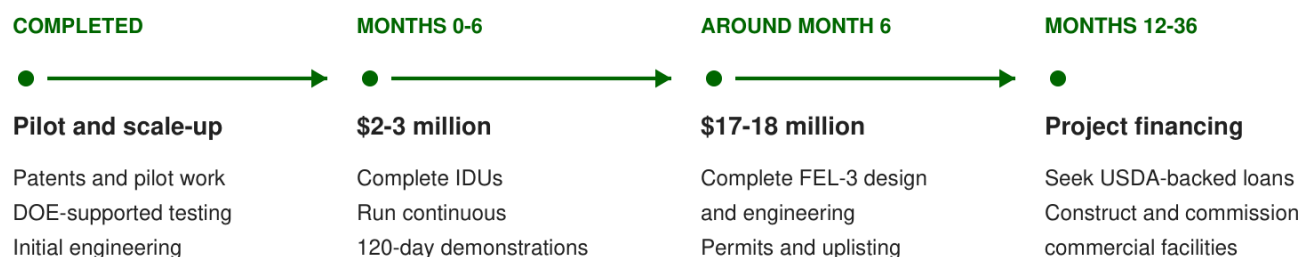
These applications should not be confused with committed financing. They do, however, establish the project-financing structure the Company is attempting to reach. The immediate development program is designed in substantial part to generate the demonstration, engineering, and project information required to continue through that process.

The Commercialization Sequence

The Company's development plan can be understood as a series of increasingly large stages. The first stage established the underlying Cellulose-to-Sugar process through laboratory work, patents, and pilot development. Department of Energy-supported work then expanded feedstock testing and process scale-up. The current stage is intended to demonstrate integrated operation and complete the more detailed engineering needed for commercial facilities.

If those steps are completed successfully, the next stage would be completion of project financing, followed by construction, commissioning, and operation of the first commercial facilities.

Management's Planned Commercialization Milestones



Near-term target: approximately \$20 million

Relative timing shown by management; financing, approvals and construction remain conditional.

Source: Blue Biofuels "Next Steps" presentation slide. IDU = Integrated Demonstration Unit; FEL-3 = final front-end engineering and design. Months are relative project stages, not calendar dates.

Planned uses include \$2.0 million for IDU operation, \$9 million for ethanol-to-SAF engineering, \$7.25 million for cellulose-to-ethanol engineering, \$1 million for general and administrative costs, \$0.373 million for permits, and \$0.5 million for a potential Nasdaq uplisting. These estimates total approximately \$20.12 million, consistent with the approximately \$20 million funding target.

This structure also explains the role of the near-term capital for the integrated demonstration unit. It is intended to finance the work needed to advance beyond a functioning pilot process and facilitate financing of the next steps toward commercial production.

The Florida Site

The Company announced in February 2025 that it had entered into an agreement to acquire 35.5 acres in Frostproof, Florida, for its planned production facilities. The site is located in an agricultural area of Central Florida with access to biomass feedstock and transportation infrastructure and was selected to accommodate future expansion.

The Company has also worked with Global Management Partners on initial engineering and design for the planned facilities. Its current plans contemplate locating Cellulose-to-Sugar production and downstream fuel conversion in Florida, creating the potential, over time, for a vertically integrated operation extending from biomass feedstock through finished renewable fuels.

Planned Commercial Facilities & Project Economics

Management Plans Two Related Commercial Operations

The Company's commercialization strategy involves two related processes. A Cellulose-to-Sugar facility would convert biomass into cellulosic ethanol, while the VertiBlue facility would convert ethanol into Sustainable Aviation Fuel and other renewable hydrocarbon products.

The Company's July 2026 presentation, based on its USDA loan guarantee applications, indicates that the Company is seeking to build a 25-million-gallon-per-year cellulose-to-ethanol facility together with a 60-million-gallon-per-year ethanol-to-Sustainable Aviation Fuel facility through VertiBlue, with the latter obtaining the additional ethanol from other sources during the initial operating years. Final capacities remain dependent on engineering, financing, and the sequence in which the facilities are constructed.

Management Projects Strong Economics at Commercial Scale

Model phase	Development and construction			Production		
In \$000,000s	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Revenue	—	—	—	137.7	254.6	259.6
Raw material costs	—	—	—	27.4	50.7	51.7
Other operating expenses	3.5	8.7	8.7	60.6	96.6	98.6
EBITDA	(3.5)	(8.7)	(8.7)	49.7	107.3	109.3
Capital expenditures	16.6	139.8	139.8	—*	—*	—*

Source: In millions; model years are not calendar years. Includes the 25-million-gallon-per-year ethanol facility and Blue Biofuels' 50% interest in the 60-million-gallon-per-year ethanol-to-SAF venture. Figures are management projections, not historical results; a dash denotes zero. *No expansion capital expenditures are modeled in Years 4–6. EBITDA is shown separately from capital expenditures and is not free cash flow.

The Company's July 2026 financial model assumes several years of development and construction before commercial revenue begins. Under the assumptions used in that presentation, revenue (all figures include only half of the joint venture) reaches approximately \$137.7 million during the first modeled production year as production ramps up and increases to approximately \$254.6 million and \$259.6 million during the following two years at full-scale production.

Management projects Earnings Before Interest, Taxes, Depreciation and Amortization of approximately \$49.7 million during the first production year, increasing to approximately \$107.3 million and \$109.3 million in the subsequent two years. These figures are management projections rather than established operating results and depend on assumptions concerning plant capacity, production yields, feedstock costs, fuel prices, regulatory credits, tax incentives, and successful operation of technologies that have not yet been demonstrated at full commercial scale.

Fuel Sales Are Only One Part of the Projected Revenue Model

Renewable fuel projects can receive value from both the physical fuel and environmental or tax attributes associated with qualifying production. The Company's materials therefore model economics using fuel sales together with anticipated renewable-fuel credits and federal clean-fuel incentives.

Under the Renewable Fuel Standard, qualifying cellulosic fuels may generate valuable Renewable Identification Numbers. Blue Biofuels believes its planned cellulosic products could qualify for the applicable categories, although the specific future pathways remain subject to Environmental Protection Agency approval.

The federal Clean Fuel Production Credit provides an additional potential source of value for qualifying domestically produced transportation fuels. For fuel produced after December 31, 2025, the statutory applicable amount is either \$0.20 or \$1.00 per gallon before application of the emissions factor and inflation adjustment, depending on applicable labor and other requirements. The current credit extends through fuel sold before January 1, 2030.

The ultimate economics will therefore depend on more than simply how much ethanol or Sustainable Aviation Fuel a facility produces. Feedstock cost, conversion yield, plant utilization, fuel pricing, carbon intensity, qualification for renewable-fuel credits, and the regulatory environment will all affect cash generation. The Company estimates it will be profitable without the incentives and very profitable with the incentives. This is the lead it claims it has over industry peers.

Scale Supports the Company's Long-Term Plan

Management does not intend the first facilities to represent the ultimate size of the business. The Company's current filing describes plans for 10–20 Florida facilities following successful operation of the first plant and ultimately contemplates expansion into other domestic and international markets. It plans capacity in Florida alone of up to a billion gallons of fuel per year. The Company believes there is enough feedstock in Florida to support that volume, which would represent over 30% of the projected total U.S. SAF market in 2030.

The economic rationale is that much of the development work performed for the first commercial facilities—including process design, engineering, demonstration, permitting experience, supply-chain development, and operating knowledge—could be reused in subsequent projects. The extent to which that model can be replicated will depend first on the operating and financial performance of the initial facilities.

Management, Development Milestones, and Conclusion

Management Team Combines Technology, Engineering, and Capital-Markets Experience

Benjamin Slager, *Chairman and Chief Executive Officer*

Ben developed the Cellulose-to-Sugar technology and has more than 30 years of experience developing and commercializing technology businesses. Company materials state that he previously founded three companies that progressed through technology development and commercialization to successful exits.

Anthony Santelli, *Chief Financial Officer*

Anthony brings experience in public and private companies and previously spent approximately 18 years as a money manager. His responsibilities include financial reporting and capital formation.

Kevin Hissem, *Vice President, Engineering*

Kevin leads engineering activities and previously served as president of a large fabrication and machining operation serving industries including power generation, aerospace, nuclear energy, and government. He has been involved in the integration of the Company's pilot plant and engineering of its planned commercial facilities.

Eric Libra, Ph.D., *Vice President, Technology*

Eric has a background in chemical-process development and scale-up in the pharmaceutical and specialty-chemical industries. His experience includes moving technologies from laboratory and pilot development into larger-scale production.

The Company Has Accumulated a Series of Development Milestones

Blue Biofuels' current position is the result of over a decade of technology and project development. The Company has obtained multiple patents covering its technology, constructed and operated a pilot Cellulose-to-Sugar system, and received both Phase I and Phase II Small Business Innovation Research support from the Department of Energy. The two awards totaled approximately \$1.36 million, including the \$1.15 million Phase II program intended to support additional scale-up and engineering.

The Company formed VertiBlue Fuels with Vertimass in 2024, providing the downstream technology relationship for conversion of ethanol into Sustainable Aviation Fuel and other hydrocarbon products. Vertimass has separately obtained Environmental Protection Agency registration for its renewable gasoline blendstock and continues work on qualification and commercialization of its aviation-fuel pathway.

Blue Biofuels has also entered into an agreement to acquire the 35.5-acre Frostproof site, worked with an outside engineering firm on facility design, signed a Memorandum of Understanding with World Energy Sustainable Products concerning future purchases of ethanol and Sustainable Aviation Fuel, and submitted the two United States Department of Agriculture Section 9003 loan-guarantee applications. It also recently signed a Letter of Intent with the Ben Hill Griffin (BHG) group under which BHG will supply sufficient King Grass as feedstock to produce up to 100 million gallons of cellulosic ethanol per year.

The Next Stage Is Focused on Demonstration and Commercial Engineering

The Company's near-term objectives are considerably different from those of an early research-stage technology company. The central tasks are now to finance and complete larger integrated demonstration work, run the required extended demonstrations, complete more detailed engineering and permitting for a commercial facility, advance regulatory approvals, and continue through the project-financing process.

Successful completion of these steps would not itself constitute commercial production. It would provide the operating and engineering information required to move the planned facilities toward financing, construction, commissioning, and ultimately production.

The Company's longer-term objective is to combine its own cellulosic ethanol production with the Vertimass conversion process, creating an integrated route from cellulosic biomass to Sustainable Aviation Fuel and other renewable hydrocarbon products. Management also intends to develop additional production sites assuming that the first commercial facilities perform as planned.

Conclusion

Blue Biofuels has progressed from the original development of its Cellulose-to-Sugar technology through patenting, pilot operation, government-supported scale-up, additional testing, and initial commercial engineering. At the same time, the Company has established a downstream relationship with Vertimass, identified a Florida location for planned commercial facilities, and entered the United States Department of Agriculture Section 9003 project-financing process.

The market the Company intends to serve is also developing. Sustainable Aviation Fuel remains a small percentage of worldwide aviation-fuel consumption, while government mandates and incentives are increasing its use and encouraging additional technologies and feedstocks. The United States has a very large potential cellulosic biomass resource, but commercial conversion of that material into fuel has historically been difficult.

The Company's current development program is intended to address the next part of that challenge. Near-term capital would fund the demonstration, engineering, permitting, and project-development work required to determine how the technologies perform as they approach commercial scale and to advance the planned facilities through the project-financing process.

If the Company completes that work substantially as planned, the next stage would be financing and construction of its first commercial facilities. Those facilities would provide the first full-scale test of the production economics presented by management and, if successfully operated, would establish the foundation for the Company's planned expansion into additional renewable fuel production facilities.

Market Data Sources and Methodology

Price and 52-week range: [MarketWatch BIOF quote](#). Volume: [Stock Analysis daily history](#). Average volume is the mean of the 30 most recent reported daily observations through September 29, 2026 (August 17–September 29); the source omits August 21. Ownership is the latest reported estimate from [Stock Analysis statistics](#).

Share counts: [Blue Biofuels Form 10-Q for June 30, 2026](#). Basic shares are 324.17 million, reported as of August 9. Gross fully diluted shares of 485.48 million include 123.24 million options (vested and unvested), 33.46 million warrants after the disclosed post-quarter exercise, 3.56 million shares from convertible notes, and 1.05 million issuable restricted stock units. No treasury-stock offset is applied. Future financing, contingent anti-dilution grants, and conversion-price resets are excluded. Market capitalizations equal the September 29 closing price of \$0.1078 multiplied by the respective share count. Share and ownership figures are latest reported data, not a same-day capitalization ledger.

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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 sell side, 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.