Oklo Inc.

Consolidated Financial Statements & Management's Discussion and Analysis[1]
For the Quarterly Period Ended March 31, 2024

[1] The Consolidated Financial Statements and Management's Discussion and Analysis presented as Exhibit 99.1 and Exhibit 99.2, respectively, were extracted from Form 8-K Filed May 13, 2024. All references herein pertain to that report.

Exhibit 99.1

OKLO INC.

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Oklo Inc.
Consolidated Balance Sheets

	As of	
	March 31, 2024 (unaudited)	**December 31, 2023**
Assets		
Current assets:		
Cash and cash equivalents	$ 38,018,782	$ 9,867,588
Prepaid and other current assets	5,762,841	4,330,465
Total current assets	43,781,623	14,198,053
Property and equipment, net	625,563	577,671
Operating lease right-of-use assets	33,392	82,677
Other assets	-	25,361
Total assets	$ 44,440,578	$ 14,883,762
Liabilities, redeemable convertible preferred stock and stockholders' deficit		
Current liabilities:		
Accounts payable	$ 2,499,224	$ 2,273,823
Other accrued expenses	1,112,685	835,541
Operating lease liability	37,895	93,935
Total current liabilities	3,649,804	3,203,299
Simple agreement for future equity	73,067,000	46,042,000
Right of first refusal liability	25,000,000	-
Total liabilities	101,716,804	49,245,299
Commitments and contingencies (Note 13)		
Redeemable convertible preferred stock:		
Redeemable convertible preferred stock, $0.0001 par value – 7,000,000 shares authorized; $25,129,945 aggregate liquidation preference; 6,585,881 shares issued and outstanding at March 31, 2024 and December 31, 2023	25,030,520	25,030,520
Stockholders' deficit:		
Common stock, $0.0001 par value – 14,000,000 shares authorized; 5,058,554 and 4,836,577 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively	506	484
Additional paid-in capital	3,208,277	2,100,903
Accumulated deficit	(85,515,529)	(61,493,444)
Total stockholders' deficit	(82,306,746)	(59,392,057)
Total liabilities, redeemable convertible preferred stock and stockholders' deficit	$ 44,440,578	$ 14,883,762

See accompanying notes to consolidated financial statements.

Oklo Inc.
Consolidated Statements of Operations and Comprehensive Loss
(unaudited)

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Operating expenses		
Research and development	$ 3,660,642	$ 1,916,450
General and administrative	3,709,746	1,419,848
Total operating expenses	7,370,388	3,336,298
Loss from operations	(7,370,388)	(3,336,298)
Other income (loss)		
Change in fair value of simple agreement for future equity	(16,793,000)	(1,373,000)
Interest income	141,303	325
Total other loss	(16,651,697)	(1,372,675)
Loss before income taxes	(24,022,085)	(4,708,973)
Income taxes	-	-
Net loss	$(24,022,085)	$ (4,708,973)
Basic and diluted net loss per common share	$ (4.79)	$ (0.99)
Weighted average number of common shares outstanding – basic and diluted	5,014,604	4,771,025

See accompanying notes to consolidated financial statements.

Oklo Inc.
Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Deficit
(unaudited)

Three Months Ended March 31, 2024

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Par Value			
Balance at January 1, 2024	6,585,881	$ 25,030,520	4,836,577	$ 484	$ 2,100,903	$ (61,493,444)	$ (59,392,057)
Exercise of stock options	-	-	221,977	22	439,900	-	439,922
Stock-based compensation	-	-	-	-	667,474	-	667,474
Net loss	-	-	-	-	-	(24,022,085)	(24,022,085)
Balance at March 31, 2024	6,585,881	$ 25,030,520	5,058,554	$ 506	$ 3,208,277	$ (85,515,529)	$ (82,306,746)

Three Months Ended March 31, 2023

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Par Value			
Balance at January 1, 2023	6,585,881	$ 25,030,520	4,771,025	$ 477	$ 1,209,244	$ (29,320,787)	$ (28,111,066)
Stock-based compensation	-	-	-	-	48,241	-	48,241
Net loss	-	-	-	-	-	(4,708,973)	(4,708,973)
Balance at March 31, 2023	6,585,881	$ 25,030,520	4,771,025	$ 477	$ 1,257,485	$ (34,029,760)	$ (32,771,798)

See accompanying notes to consolidated financial statements.

Oklo Inc.
Consolidated Statements of Cash Flows
(unaudited)

	Three Months Ended March 31,	
	2024	**2023**
Cash flows from operating activities		
Net loss	$(24,022,085)	$ (4,708,973)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	48,841	10,996
Change in fair value of simple agreement for future equity	16,793,000	1,373,000
Stock-based compensation	667,474	48,241
Change in operating assets and liabilities:		
Prepaid and other current assets	(292,060)	(255,208)
Other assets	25,361	5,377
Accounts payable	(574,395)	(420,901)
Other accrued expenses	73,242	690,093
Operating lease liability	(6,755)	(4,991)
Net cash used in operating activities	(7,287,377)	(3,262,366)
Cash flows from investing activities		
Purchases of property and equipment	(96,733)	-
Net cash used in investing activities	(96,733)	-
Cash flows from financing activities		
Proceeds from exercise of stock options	439,922	-
Proceeds from right of first refusal liability	25,000,000	-
Proceeds from simple agreement for future equity	10,232,000	340,000
Payment of deferred issuance costs	(136,618)	-
Net cash provided by financing activities	35,535,304	340,000
Net decrease in cash and cash equivalents	28,151,194	(2,922,366)
Cash and cash equivalents – beginning of period	9,867,588	9,653,528
Cash and cash equivalents – end of period	$ 38,018,782	$ 6,731,162
Supplemental disclosure of cash flow information		
Cash paid for interest	$ -	$ -
Cash paid for income taxes	-	-
Supplemental noncash investing and financing activities		
Deferred issuance costs included in accounts payable	$ 799,796	$ 684,990
Deferred issuance costs included in accrued expense and other	203,902	-

See accompanying notes to consolidated financial statements.

Oklo Inc.
Notes to Consolidated Financial Statements
March 31, 2024
(unaudited)

1. Nature of Operations and Organization

Oklo Inc. (the "Company"), formerly, UPower Technologies, Inc., was incorporated on July 3, 2013. The Company is developing advanced fission power plants called "powerhouses" to provide clean, reliable, and affordable energy at scale. The Company is pursuing two complementary tracks to address this demand: providing reliable, commercial-scale energy to customers; and selling used nuclear fuel recycling services to the U.S. market.

The Company plans to commercialize its liquid metal fast reactor technology with the Aurora powerhouse product line. The first commercial Aurora powerhouse is designed to produce up to 15 megawatts of electricity (MWe) on both recycled nuclear fuel and fresh fuel. The Company's advanced fission technology has a history of successful operation, first demonstrated by the Experimental Breeder Reactor-II, which sold and supplied power to the grid and showed effective waste recycling capabilities for over 30 years of operation. Furthermore, the Company has achieved several significant deployment and regulatory milestones, including securing a site use permit from the U.S. Department of Energy ("DOE") for the Idaho National Laboratory ("INL") Site and a fuel award from INL for a commercial-scale advanced fission power plant in Idaho.

On May 9, 2024, pursuant to an Agreement and Plan of Merger and Reorganization (as amended, modified, supplemented or waived, the "Merger Agreement"), dated July 11, 2023, by and among the Company, AltC Acquisition Corp., a Delaware corporation ("AltC") and AltC Merger Sub, Inc., a Delaware corporation and a direct, wholly owned subsidiary of AltC ("Merger Sub"), Merger Sub was merged with and into the Company, with the Company surviving the merger as a wholly owned subsidiary of AltC (the "Merger" and, together with the other transactions contemplated by the Merger Agreement, the "Business Combination") (as further described in Note 15). In connection with the closing of the Business Combination, AltC changed its name to Oklo Inc.

Liquidity

As of March 31, 2024, the Company's cash and cash equivalents were $38,018,782. The Company continues to incur significant operating losses. For the three months ended March 31, 2024, the Company had a net loss of $24,022,085 and used cash in operating activities of $7,287,377. As of March 31, 2024, the Company had accumulated deficits of $85,515,529. Management expects that significant on-going operating expenditures will be necessary to successfully implement the Company's business plan and develop of its powerhouses. These circumstances raised substantial doubt about the Company's ability to continue as a going concern for at least the next twelve months.

Immediately following the closing of the Business Combination (the "Closing"), the Company had additional cash of approximately $263.3 million, after giving effect to the payment of transaction expenses, which will be utilized to fund the Company's powerhouses, operations and growth plans. The Company believes that as a result of the Business Combination its existing cash and cash equivalents, as well as cash received from the Business Combination, will be sufficient to fund its operations for the next twelve months from the date the financial statements were issued as of and for the three months ended March 31, 2024.

The accompanying condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements and accompanying notes have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The accompanying consolidated financial statements reflect all adjustments including normal recurring adjustments, necessary to present fairly the financial position, results of operations, and cash flows for the periods presented in accordance with U.S. GAAP. References to U.S. GAAP issued by the Financial Accounting Standards Board (the "FASB") in these accompanying notes to the consolidated financial statements are to the FASB Accounting Standards Codification ("ASC" or the "Codification").

Segments

To date, the Company has viewed its financial information on an aggregate basis for the purposes of evaluating financial performance and allocating the Company's resources. Accordingly, the Company has determined that it operates in one segment.

Principles of Consolidation

The consolidated financial statements include the Company's accounts and those of its wholly owned subsidiary Oklo Power LLC. All intercompany transactions and balances have been eliminated.

Use of Estimates

Preparation of financial statements in conformity with U.S. GAAP requires management to make estimates, judgments, and assumptions that affect the amounts reported and disclosed in the consolidated financial statements and accompanying notes. Actual results could differ materially from these estimates. On an ongoing basis, the Company evaluates its estimates, including those related to the valuation of the operating lease liabilities and operating right-of-use assets, useful lives of property and equipment, stock-based compensation expense, valuation allowance on deferred tax assets, and fair value of simple agreement for future equity. These estimates, judgments, and assumptions are based on current and expected economic conditions, historical data, and experience available at the date of the accompanying consolidated financial statements, and various other factors that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities.

Risk and Uncertainties

The Company is subject to continuing risks and uncertainties in connection with the current macroeconomic environment, including as a result of inflation, increasing interest rates, instability in the global banking system, geopolitical factors, results of a global pandemic such as the COVID-19 pandemic or otherwise, including the ongoing conflicts in Ukraine and Israel. At this point, the extent to which these effects may impact the Company's future financial condition or results of operations is uncertain, and as of the date of issuance of these financial statements, the Company is not aware of any specific event or circumstance that would require the update of any estimates or judgments or an adjustment of the carrying value of any assets or liabilities. Given the nature of the business, the ongoing conflicts in Ukraine and Israel have not had a specific impact on the Company's financial performance. These estimates may change as new events occur and additional information is obtained and will be recognized in the financial statements as soon as they become known.

Comprehensive Loss

Comprehensive loss is defined as the change in equity of a business during a period from transactions and other events and circumstances from non-owner sources. Comprehensive loss includes net loss as well as other changes in stockholders' deficit which includes certain changes in equity that are excluded from net loss. To date, the Company has not had any transactions that are required to be reported in comprehensive loss other than the net loss incurred from operations.

Net Loss Per Common Share

Basic net loss per common share is calculated by dividing the net loss by the weighted-average number of shares of common stock outstanding for the period, without consideration for potential dilutive securities. Diluted net loss per common share is computed by dividing net loss by the weighted-average number of common shares and common share equivalents of potentially dilutive securities outstanding for the period. Potentially dilutive securities include redeemable convertible preferred stock and stock options. Since the Company was in a loss position for the periods presented, basic net loss per common share is the same as diluted net loss per common share since the effects of potentially dilutive securities are antidilutive.

Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid investments with an original contractual maturity at the date of purchase of three months or less. The maximum amount placed in any one financial institution is currently limited in order to reduce risk via the use of Insured Cash Sweep accounts such that all funds are insured by the Federal Deposit Insurance Corporation (FDIC). The Company has not experienced any losses in such accounts and believes it is not exposed to significant credit risk regarding its cash and cash equivalents. As of March 31, 2024 and December 31, 2023, cash and cash equivalents were $38,018,782 and $9,867,588, respectively.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation and amortization. Expenditures for repairs and maintenance that do not improve or extend the life of the assets are expensed as incurred. When property and equipment are sold or otherwise disposed of, the related cost and accumulated depreciation and amortization are removed from the respective accounts, and any resulting gains or losses are included on the consolidated statement of operations.

Depreciation expense is computed using the straight-line method generally based on the following estimated useful lives of the related assets:

Furniture and fixtures	7 years
Computers	3 to 7 years
Software	3 years
Leasehold improvements	Shorter of lease term or estimated useful life of the asset

Impairment of Long-Lived Assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When such events or changes in circumstances occur, the Company assesses the recoverability of long-lived assets by determining whether the carrying value of such assets will be recovered through their undiscounted expected future cash flow. If the future undiscounted cash flow is less than the carrying amount of these assets, the Company recognizes an impairment loss based on the excess of the carrying amount over the fair value of the assets. No impairment losses were recognized on any long-lived assets during the three months ended March 31, 2024 and 2023.

Leases

The Company has lease arrangements for its offices. The Company determines if an arrangement is a lease at inception by evaluating whether the arrangement conveys the right-of-use ("ROU") to an identified asset and whether the Company obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. Leases are recorded as an operating lease right-of-use assets and operating lease liability on the consolidated balance sheets. Leases with an initial term of 12 months or less are not recorded on the consolidated balance sheets.

Lease ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the expected lease term, including options to extend the lease when it is reasonably certain that the Company will exercise that option. The Company uses the discount rate implicit in the lease unless that rate cannot be readily determined. In that case, the Company uses its incremental borrowing rate, which is the rate of interest that the Company would have to pay to borrow on a collateralized basis an amount equal to the lease payments over the expected lease term. Lease ROU assets consist of the initial measurement of lease liabilities, any lease payments made to lessor on or before the lease commencement date, adjusted for any lease incentives received, and any initial direct costs incurred by the Company.

Operating lease expense for lease payments is recognized on a straight-line basis over the expected lease term. There were no finance lease obligations.

Fair Value Measurements

The authoritative guidance with respect to fair value established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels and requires that assets and liabilities carried at fair value be classified and disclosed in one of three categories, as presented below. There are no transfers in and out of Levels 1 and 2, and activity in Level 3 fair value measurements.

Financial instruments measured at fair value on a recurring basis were based upon a three-tier hierarchy as follows:

Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly as corroborated by market data.

Level 3: Unobservable inputs in which little or no market data exists, therefore developed using management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

The Company determines the level in the fair value hierarchy within which each fair value measurement falls in its entirety, based on the lowest level input that is significant to the fair value measurement in its entirety. In determining the appropriate levels, the Company performs an analysis of the assets and liabilities at each reporting period end.

The Company's cash and cash equivalents, prepaid expenses and other current assets, accounts payable, accrued expenses and other current liabilities approximate their fair value due to the short-term nature of these assets and liabilities. The Company's SAFE Notes (as further described in Note 5) were carried at fair value and classified as Level 3 liabilities.

Redeemable Convertible Preferred Stock

The Company has issued redeemable convertible preferred stock that includes certain redemption rights upon an event that is outside the control of the Company. Accordingly, the redeemable convertible preferred stock is presented as mezzanine equity, outside of stockholders' deficit at their issuance date fair value, net of any issuance costs. The Company assesses whether the redeemable convertible preferred stock has become redeemable or the probability that the redeemable preferred stock will become redeemable in determining whether to record subsequent measurement adjustments.

Research and Development

Research and development represent costs incurred to develop the Company's technology. These costs consist of personnel costs, including salaries, employee benefit costs, bonuses and stock-based compensation expenses, software costs, computing costs, hardware and experimental supplies, and expenses for outside engineering contractors for analytical work and consulting costs. The Company expenses all research and development costs in the periods in which they are incurred.

General and Administrative

General and administrative expenses consist primarily of payroll and other personnel-related costs, including stock-based compensation expense, for the Company's employees involved in general corporate functions including finance and human resources, rent and other occupancy expenses, professional fees for legal and accounting, travel costs, promotional expenses, as well as depreciation and amortization expense for capitalized assets associated with these functions.

Cost-Share Projects

The Company has certain cost-share reimbursable projects for several research and development ("R&D") projects related to nuclear recycling technologies awarded by the DOE's Advanced Research Projects Agency ("ARPA") (the "cost-share projects") where the Company elected to record the reimbursements on a net presentation basis in the consolidated financial statements. During the three months ended March 31, 2024 and 2023, the Company offset certain R&D expenses related to the cost-share projects totaling $143,768 and $19,173, respectively, based on the period in which the expense was incurred and reimbursable under the guidelines of the cost-share project on the consolidated statements of operations and comprehensive loss. In addition, the Company purchased $36,238 of property and equipment under the guidelines of the cost-share projects during the three months ended March 31, 2024 and reflected $36,238 of the cost-share reimbursement as an offset to the cost basis of the property and equipment, resulting in no carrying value for the property and equipment on the consolidated balance sheets and no reported cash flows. In the event the property and equipment is sold upon completion of the cost-share projects, the Company may be obligated to reimburse the DOE in the event the proceeds are in excess of $5,000 per asset, which at such time, if applicable, will be reported on a net presentation basis with no gain recognized and no cash flows.

Stock-Based Compensation

The Company accounts for stock-based compensation by measuring and recognizing expense for all stock-based payments made to employees and non-employees based on the estimated grant-date fair values for all stock-based compensation arrangements. The Company recognizes compensation over each recipient's requisite service period, which is generally the vesting period. The Company has elected to recognize actual forfeitures by reducing the stock-based compensation in the same period as the forfeitures occur. The Company estimates the fair value of stock options granted to employees and non-employees using the Black-Scholes option pricing model. The Black-Scholes option pricing model requires the input of subjective assumptions, including the Company's common stock fair value, expected volatility, expected dividend yield, risk-free rate of return, and the expected term. The Company classifies stock-based compensation expense in the same manner in which the award recipient's cash compensation cost is classified on the consolidated statements of operations and comprehensive loss.

Income Taxes

Because the Company has not generated revenue and is anticipated to remain as such for the next several years, income taxes have been minimal to date. The Company follows the asset and liability method of accounting for income taxes under ASC 740, *Income Taxes*. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that included the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

ASC 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. There were no unrecognized tax benefits and no amounts accrued for interest and penalties as of March 31, 2024 and 2023.

The Company is currently not aware of any issues under review that could result in significant payments, accruals, or material deviation from its position.

Recent Accounting Pronouncements

In March 2024, the FASB issued Accounting Standards Update ("ASU") ASU 2024-02, *Codification Improvements - Amendments to Remove Reference to Concept Statements*, which amends the Codification to remove references to various concepts statements and impacts a variety of topics in the Codification. ASU 2024-02 applies to all reporting entities within the scope of the affected accounting guidance, but in most instances the references removed are extraneous and not required to understand or apply the guidance. Generally, the amendments in ASU 2024-02 are not intended to result in significant accounting changes for most entities. ASU 2024-02 is effective January 1, 2025 and is not expected to have a significant impact on the Company's consolidated financial statements.

3. Balance Sheet Components

Prepaid and Other Current Assets

Prepaid and other current assets are summarized as follows:

	As of	
	March 31, 2024 (unaudited)	**December 31, 2023**
Prepaid expenses	$ 565,775	$ 369,881
Deferred issuance costs	4,849,859	3,709,542
Cost-share receivables	196,846	126,042
Refundable deposit	125,000	125,000
Other	25,361	-
Total prepaid and other current assets	$ 5,762,841	$ 4,330,465

Prepaid expenses include prepaid consulting fees, insurance premiums, rent and other charges. The deferred issuance costs are specific incremental costs of the public company business combination. Cost-share receivables refer to the monetary assets obtained by the Company through several R&D cost-share projects related to nuclear recycling technologies awarded by the DOE's ARPA. Refundable deposit represents an advance payment for the grant of a right to purchase certain land, subject to certain conditions, located at the DOE facility in Pike County, Ohio.

Prepaid expenses are amortized over the straight-line method over the contract term. The deferred issuance costs will be charged against the proceeds of the public company business combination unless it is aborted requiring them to be expensed. Cost-share receivables are recorded as eligible costs are incurred. The refundable deposit will either be applied to the final purchase price of the land or refunded no later than December 31, 2024.

Property and Equipment, Net

Property and equipment are summarized as follows:

	As of	
	March 31, 2024 (unaudited)	**December 31, 2023**
Computers	$ 281,126	$ 196,882
Furniture and fixtures	64,912	64,912
Software	404,954	392,465
Leasehold improvements	30,762	30,762
Total property and equipment, gross	781,754	685,021
Less accumulated depreciation and amortization	(156,191)	(107,350)

Total property and equipment, net	$	625,563	$	577,671

Depreciation and amortization expense for the three months ended March 31, 2024 and 2023 totaled $48,841 and $10,996, respectively.

Accrued Expenses and Other

Accrued expenses and other are summarized as follows:

	As of			
	March 31, 2024 (unaudited)		December 31, 2023	
Accrued expenses	$	719,365	$	482,984
Accrued payroll and bonus		318,490		196,900
Credit card liabilities		74,580		155,407
Other		250		250
Total accrued expenses and other	$	1,112,685	$	835,541

4. Leases

On September 10, 2021, the Company entered into a commercial real estate sub-lease agreement for 7,350 square feet of office space in Santa Clara, California, with an initial term of 2.75 years.

The table below presents supplemental information related to operating leases:

	Three Months Ended March 31,			
	2024		2023	
Operating lease costs during the period	$	90,347	$	80,366
Cash payments included in the measurement of operating lease liabilities during the period	$	57,330	$	55,566
Weighted-average remaining lease term (in years) as of period-end		0.17		1.17
Weighted-average discount rate during the period		6.85%		6.85%

The Company generally utilizes its incremental borrowing rate based on information available at the commencement of the lease in determining the present value of future payments since the implicit rate for the Company's leases is not readily determinable**.**

Variable lease expense includes rental increases that are not fixed, such as those based on amounts paid to the lessor based on cost or consumption, such as maintenance and utilities.

The components of operating lease costs were as follows:

	Three Months Ended March 31,			
	2024		2023	
Research and development	$	66,857	$	52,416
General and administrative		23,490		27,950
Total operating lease costs [(1)]	$	90,347	$	80,366

(1) Month-to-month lease arrangements for the three months ended March 31, 2024 and 2023 of $39,772 and $38,064, respectively, are included in operating lease costs.

The minimum lease payments above do not include common area maintenance charges, which are contractual obligations under the Company's lease, but are not fixed and can fluctuate from year to year and are expensed as incurred. Common area maintenance charges for the three months ended March 31, 2024 and 2023 of $20,490 and $19,454, respectively, are included in operating expenses on the consolidated statements of operations and comprehensive loss.

Maturities of the operating lease liability as of March 31, 2024 are summarized as follows:

Year Ending December 31,	
2024 (remaining months of the year)	$ 38,220
Minimum lease payments	38,220
Less imputed interest	(325)
Present value of operating lease liability, representing current portion of operating lease liability	$ 37,895
Current portion of operating lease liability	$ 37,895

5. Simple Agreement for Future Equity

The Company issued simple agreements for future equity ("SAFEs") to investors (the "SAFE Notes"). The SAFE Notes allow investors to purchase equity at a negotiated price now with the investor receiving equity in the future with no set time for conversion. The SAFE Notes will convert on an equity financing, as further described below, if such equity financing is consummated. The SAFE Notes generally focus on equity rounds, however, there are terms included for a liquidity event (as further described below) or dissolution event, which allow for conversion into equity or cash at the option of the holder under certain circumstances. The Company determined that the SAFE Notes are not legal form of an outstanding share or legal form debt (i.e., no creditors' rights), therefore, the Company evaluated the SAFE Notes to determine whether they must be classified as a liability under ASC 480, *Distinguishing Liabilities from Equity*.

During the three months ended March 31, 2024 and 2023, the Company issued SAFE Notes in exchange for aggregate proceeds of $10,232,000 and $0, respectively. For the three months ended March 31, 2024, the Company received cash proceeds of $10,232,000 from the issuance of SAFE Notes during the period. For the three months ended March 31, 2023, the Company received cash proceeds of $340,000 from the subscription of a SAFE.

Upon a future equity financing involving preferred shares, SAFE Notes settle into a number of preferred shares equal to the greater of (i) the number of shares of standard preferred stock equal to the amount invested under the SAFE Note divided by the lowest price per share of the standard preferred stock, or (ii) the invested amount of the SAFE Note divided by a discounted price to the price investors pay to purchase the standard preferred shares in the financing (with such discounted price calculated by reference to a valuation cap). Alternatively, upon the occurrence of a change of control, a direct listing or an initial public offering (described as a "liquidity event") (other than a qualified financing), the investors shall have the option to receive either (i) cash payment equal to the invested amount under such SAFE Note, or (ii) a number of shares of common stock equal to the invested amount divided by the liquidity price set forth in the applicable SAFE Note. Given the SAFE Notes include a provision allowing for the investors to receive a portion of the proceeds upon a change of control equal to the greater of their investment amount or the amount payable based upon a number of shares of common stock equal to the investment amount divided by the liquidity price, the occurrence of which is outside the control of the Company, this provision requires the SAFE Notes to be classified as a liability pursuant to ASC 480 because a change in control is an event that is considered not under the sole control of the Company (see Note 7).

If a dissolution event occurs prior to the termination of the SAFE Notes, the investor will be entitled to receive a portion of the related proceeds equal to the purchase amount (or the amount received for the SAFE Note). In connection with the Business Combination, the Company and the SAFE investors amended the SAFE Notes to convert in connection with the closing of the Business Combination with AltC.

The outstanding principal balance as of March 31, 2024 and December 31, 2023, for the SAFE Notes were $42,557,000 and $32,325,000, respectively. As of March 31, 2024, $13,994,800 and $28,562,200 have a valuation cap of $300,000,000 and $500,000,000, respectively. As of December 31, 2023, $12,130,000 and $20,195,000 have a valuation cap of $300,000,000 and $500,000,000, respectively. No SAFE Notes converted into shares of the Company's preferred stock during the three months ended March 31, 2024 and 2023.

6. Right of First Refusal Liability

On February 16, 2024, the Company entered into a letter of intent (the "LOI") with an unrelated third party (the "third party") for the purchase of power from the Company's planned powerhouses to serve certain data centers in the U.S. on a 20-year timeline, and at a rate to be formally specified in one or more future Power Purchase Agreement(s) (each a "PPA") (subject to the requirement that the price meets the market rate, discount and most favored nation terms contained in the agreement). In addition, the third party will have the right to renew and extend PPAs for additional 20-year terms.

The LOI, provides for the third party to have a continuing right of first refusal for a period of thirty-six (36) months following its execution to purchase energy output produced by certain powerhouses developed by the Company in the U.S., subject to certain provisions and excluded powerhouses, for power capacity of no less than 100 MWe of energy output and up to cumulative maximum of 500 MWe of total energy output (the "ROFR"). In exchange for the ROFR and other rights contained in the LOI, in March 2024, the third party paid the Company $25,000,000 (the "Payment"). In connection with the Payment, the Company agreed to supply power at a discount to the most favored nation pricing to the third party in a future PPA (location to be determined); provided that pricing set out in a PPA will include an additional discount if needed such that the total savings against most favored nation pricing over the course of the PPA is equivalent to the Payment. The third party can assign its rights under the LOI, in whole or in part, at any time. As of March 31, 2024, the outstanding balance under the right of first refusal liability was $25,000,000, as reflected on the consolidated balance sheets.

7. Fair Value Measurements

The Company's SAFE Notes are recorded at fair value on the consolidated balance sheets. The fair value of the Company's SAFE Notes is based on significant inputs not observable in the market which cause the instrument to be classified as a Level 3 measurement with the fair value hierarchy. The valuation uses probabilities considering pay-offs under various scenarios as follows: (i) an equity financing where the SAFE Notes will convert into certain preferred stock; (ii) a liquidity event (change of control, and initial public offering) where the SAFE noteholders will have an option to receive either a cash payment equal to the invested amount under such SAFE Note, or a number of shares of common stock equal to the invested amount divided by the liquidity price; and (iii) dissolution event where the SAFE noteholders will be entitled to receive a portion of the related proceeds equal to the purchase amount. The Company determined the fair value of the SAFE Notes under the Monte Carlo simulation method which was used to estimate the future market value of invested capital ("MVIC") of the Company at a liquidity event and the expected payment to the SAFE holders at each simulated MVIC value. The Company believes these assumptions would be made by a market participant in estimating the valuation of the SAFE Notes. The Company assesses these assumptions and estimates on an on-going basis as additional data impacting the assumptions and estimates are obtained. Changes in the fair value of the SAFE Notes are recognized on the consolidated statements of operations and comprehensive loss.

The key assumptions used in the Monte Carlo simulation are presented in the table below:

	As of March 31,	
	2024	**2023**
Asset volatility [(1)]	84.4%	90.8%
Risk-free rate [(2)]	4.2%	3.6%
Expected term [(3)]	60 Months	60 months

(1) Asset volatility measures the uncertainty about the realization of expected future returns that was estimated based on the methodologies assuming default risk based on the implied and historical volatility of the share price of peer companies.

(2) Risk-free rate based on the U.S. Treasury yield in effect at the time of SAFE Notes consistent with the expected term.

(3) The simulation considers total 5-year term. If there are no events occurring within 5-years then the SAFE noteholders are expected to receive their principal amount.

The following table presents a reconciliation of the liability measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	Three Months Ended March 31,	
	2024	**2023**
Beginning balance	$46,042,000	$13,340,000
SAFE Notes issued during the period	10,232,000	-
Change in fair value during the period	16,793,000	1,373,000
Ending balance	$73,067,000	$14,713,000

As of March 31, 2024 and December 31, 2023, the estimated fair value of the SAFE Notes totaled $73,067,000 and $46,042,000, respectively. The change in fair value during the period, as reflected in the above table, is included in other income (loss) on the consolidated statements of operations and comprehensive loss.

8. Redeemable Convertible Preferred Stock

The Company's Amended and Restated Certificate of Incorporation dated November 5, 2018, as amended on March 24, 2020, pursuant to the Certificate of Amendment, both filed with the Secretary of the State of Delaware, authorized the issuance of 7,000,000 shares of preferred stock, par value of $0.0001 per share.

Preferred Stock Series	Shares Issued and Outstanding	Original Issue Price Per Share	Carrying Value [1]	Liquidation Amount
Series A-1	4,526,703	$ 4.6557	$20,983,596	$21,074,971
Series A-2	55,135	3.6274	192,134	199,997
Series A-3	2,004,043	1.9236	3,854,790	3,854,977
Totals	6,585,881		$25,030,520	$25,129,945

(1) Amounts are net of issuance costs $86,667 for Series A-1, $12,758 for Series A-2 and $0 for Series A-3.

The terms and conditions of the Series A-1 Preferred Stock, Series A-2 Preferred Stock, and Series A-3 Preferred Stock (collectively, the "Preferred Stock") are as follows:

Conversion

At the option of the holder, shares of Preferred Stock are convertible into the number of shares of common stock that is determined by dividing the original issue price per share of Preferred Stock by the conversion price per share (at issuance the conversion price was the same as the original issue price) applicable to each share of Preferred Stock in effect at the date of conversion. The conversion price is subject in each case to certain adjustments to reflect the issuance of common stock, options, warrants, or other rights to subscribe for or to purchase shares of the Company's common stock for a consideration per share less than the conversion price then in effect. Each share of Preferred Stock will mandatorily convert into shares of common stock at the then-effective conversion rate upon the earlier of (a) the closing of a firm commitment underwritten public offering of common stock at a price of at least $13.9671 per share resulting in gross proceeds to the Company of at least $50 million and a post-money fully diluted valuation of $250 million following with the common stock is listed for trading on the Nasdaq Stock Market's National Market, the New York Stock Exchange or another exchange or marketplace approved the Board of Directors (the "Board") or (b) the date and time, or the occurrence of an event, specified by vote or written consent of holders of at least 60% of the Preferred Stock.

Redemption

The Preferred Stock is not redeemable at the option of the holder. However, the shares of the Preferred Stock are redeemable upon the occurrence of certain Deemed Liquidation Events, as described below, outside the Company's control following the election of the holders of Preferred Stock. Mergers or consolidations involving the Company, or liquidations of it, subject to certain provisions, are considered Deemed Liquidation Events unless holders of at least 60% of outstanding Preferred Stock elect otherwise by written notice sent to the Company at least five days prior to the effective date of any such event. To date, no such Deemed Liquidation Events have occurred.

Liquidation Amount

In the event of a liquidation, dissolution or winding-up of the Company, prior to any distribution to holders of common stock, holders of Preferred Stock are entitled to payment of an amount per share equal to the greater of (a) the original issue price, plus any dividends declared but unpaid thereon or (b) the amount that would be due if all shares of Preferred Stock had been converted to common stock immediately prior to the liquidation, dissolution or winding-up (the "Liquidation Amount"). If upon any such liquidation, dissolution or winding up of the Company, the assets of the Company available for distribution to its stockholders shall be insufficient to pay the holders of shares of Preferred Stock the full amount of the Liquidation Amount to which they shall be entitled, the holders of shares of Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

After payment in full of the Liquidation Amount, the holders of Common Stock are entitled to receive the remaining assets of the Company available for distribution to its stockholders' pro rata based on the number of shares of common stock held by each holder.

Dividends

Dividends of $0.3725 per share of Series A-1 Preferred Stock, $0.2902 per share of Series A-2 Preferred Stock, and $0.1539 per share of Series A-3 Preferred Stock are payable only when, as, and if, declared by the Board of the Company. The Company is under no obligation to declare such dividends.

Voting Rights

The holders of the Preferred Stock are entitled to the number of votes equal to the number of shares of common stock into which the shares of the Preferred Stock held by each holder are then convertible. The holders of Preferred Stock are entitled to vote together with the holders of the Company's common stock, as a single class, on all matters submitted to a vote of stockholders. The holders of Preferred Stock are entitled to elect two (2) directors, exclusively and as a separate class, out of five (5) directors.

9. Common Stock

The Company's Amended and Restated Certificate of Incorporation dated November 5, 2018, as amended on March 24, 2020, pursuant to the Certificate of Amendment, both filed with the Secretary of the State of Delaware, authorized the issuance of 14,000,000 shares of common stock, par value of $0.0001 per share. The holders of common stock are entitled to elect three (3) directors, exclusively and as a separate class, out of five (5) directors.

The Company reserved shares of its common stock for the potential future issuances of 6,585,881 Preferred Stock and for potential future issuances of stock option awards outstanding and available for future grants (see Note 10).

During the three months ended March 31, 2024, the Company issued 221,977 shares of its common stock upon the exercise of stock options with an exercise price of $439,922.

10. Stock-Based Compensation

In 2016, the Board and the stockholders of the Company approved the 2016 Stock Incentive Plan of Oklo Inc. (the "Plan"). The Plan provides for the issuance of common stock options, appreciation rights, restricted stock units and other stock-based awards to employees, officers, directors, and consultants. Since the Plan's inception, only stock options have been awarded under it. Options with a time-based vesting schedule vest at the rate of 20% per year over a period of 5 years, beginning one year following the related grant date, and expire ten years from the date of the grant. Options with milestone-based vesting vest upon completion of milestones specific to each grant. The Plan initially had 1,000,000 shares reserved for issuance under the Plan at its inception. In December 2021, the Company's Board increased the number of shares of common stock reserved for issuance under the Plan to 1,938,894. In December 2023, the Company's Board increased the number of shares of common stock reserved for issuance under the Plan to 2,539,514.

Compensation expense for the three months ended March 31, 2024 and 2023 includes the portion of awards vested in the periods for all stock-based awards granted, based on the grant date fair value estimated using a Black-Scholes option valuation model, consistent with authoritative guidance utilizing the following assumptions:

	Three Months Ended March 31,	
	2024	**2023**
Expected volatility	79.67%	-
Expected dividend yield	0.00%	-
Risk-free interest rate	4.08%	-
Expected term	6.3 years	-

Expected Volatility – The Company determines volatility based on the historical volatilities of comparable publicly traded companies over a period equal to the expected term because it has no trading history for its common stock price. The comparable companies were chosen based on the similar size, stage in the life cycle, or area of specialty. The Company will continue to apply this process until a sufficient amount of historical information regarding volatility on its own stock becomes available.

Expected Dividend Yield – The Company has not, and does not, intend to pay dividends.

Risk-free Interest Rate – The Company applies the risk-free interest rate based on the U.S. Treasury yield in effect at the time of the grant consistent with the expected term of the award.

Expected Term – The Company calculated the expected term using the simplified method. This method uses the average of the contractual term of the option and the weighted-average vesting period in accordance with authoritative guidance.

Fair Value of Common Stock – The grant date fair market value of the shares of common stock underlying stock options has historically been determined by the Company's Board. Because there has been no public market for the Company's common stock, the Board exercises reasonable judgment and considers a number of objective and subjective factors to determine the best estimate of the fair market value, which include contemporaneous valuations performed by an independent third-party, important developments in the Company's operations, sales of redeemable convertible preferred stock, the rights, preferences and privileges of the Company's redeemable convertible preferred stock relative to those of its common stock, lack of marketability of its common stock, actual operating results, financial performance, the likelihood of achieving a liquidity event for the Company's security holders, the trends, the economy in general, the stock price performance and volatility of comparable public companies.

A summary of the stock option award activity during the three months ended March 31, 2024 is as follows:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual

			Life (in years)
Stock option awards outstanding at January 1, 2024	1,884,965	$ 9.62	8.47
Exercised	(221,977)	1.98	
Granted	58,020	26.47	
Stock option awards outstanding at March 31, 2024	1,721,008	11.17	8.54
Stock option awards exercisable at March 31, 2024	358,695	2.46	6.64
Stock option awards not vested at March 31, 2024	1,362,313		
Stock option awards available for future grants at March 31, 2024	12,557		

The aggregate grant date fair value of stock options granted during the three months ended March 31, 2024 and 2023 was $1,109,656 and $0 respectively. The weighted-average grant-date fair value of stock options granted during the three months ended March 31, 2024 and 2023 was $19.13 and $0 per share, respectively.

The total fair value of stock options vested during the three months ended March 31, 2024 and 2023 was $191,907 and $55,693, respectively.

The intrinsic value for stock options exercised represents the difference between the estimate of fair value based on the valuation of the shares of common stock as of the reporting date and the exercise price of the stock option. During the three months ended March 31, 2024 and 2023, the intrinsic value of the Company's stock option exercises was $4,204,255 and $0, respectively.

The exercise prices of the stock option awards outstanding and exercisable are summarized as follows as of March 31, 2024:

Exercise Price	Outstanding Awards (Shares)	Vested Awards (Shares)
$ 0.44	4,729	4,729
$ 1.75	445,759	273,643
$ 2.48	212,480	16,255
$ 2.87	176,880	53,958
$ 19.28	823,140	8,360
$ 26.47	58,020	1,750
	1,721,008	358,695

Stock-based compensation expense charged to operations is summarized as follows:

	Three Month Ended March 31,	
	2024	2023
Research and development	$ 394,748	$ 33,315
General and administration	272,726	14,926
Total costs charged to operations	$ 667,474	$ 48,241

As of March 31, 2024, there was approximately $11,742,000 of total unrecognized compensation expense related to outstanding unvested share-based compensation arrangements granted under the Plan. The cost is expected to be recognized over a weighted-average period of 4.46 years.

11. Income Taxes

The provision for income taxes in interim periods is determined using an estimate of the Company's annual effective tax rate, adjusted for discrete items, if any, that arise during the period. Each quarter, the Company updates its estimate of its annual effective tax rate, and if the estimated annual effective tax rate changes, the

Company makes a cumulative adjustment in such period. The quarterly provision for income taxes, and estimate of the Company's annual effective tax rate, are subject to variation due to several factors, including variability in pre-tax income (or loss), the mix of jurisdictions to which such income relates, changes in how the Company conducts business, and tax law developments.

The income tax provision effective tax rate for the three months ended March 31, 2024 and 2023 was 0.0%.

The realization of deferred tax assets is dependent upon a variety of factors, including the generation of future taxable income, the reversal of deferred tax liabilities, and tax planning strategies. Based upon the Company's historical operating losses and the uncertainty of future taxable income, the Company has provided a valuation allowance against most of the deferred tax assets as of March 31, 2024 and 2023.

As of March 31, 2024 and 2023, the Company has no uncertain tax positions or interest and penalties accrued.

12. Pension Plan

The Company has a qualified 401(k) defined contribution plan that allows eligible employees of the Company to participate in the plan, subject to limitations. The plan allows for discretionary matching contributions by the Company, up to 4% of eligible annual compensation made by participants of the plan. The Company contributions to the plan were $96,549 and $81,271 for the three months ended March 31, 2024 and 2023, respectively.

13. Commitments and Contingencies

Contract commitments

The Company enters into contracts in the normal course of business with third-party contract research organizations, contract development and manufacturing organizations and other service providers and vendors. These contracts generally provide for termination on notice and, therefore, are cancellable contracts and not considered contractual obligations and commitments.

Contingencies

From time to time, the Company may become involved in litigation matters arising in the ordinary course of business. The Company is not a party to any legal proceedings, nor is it aware of any material pending or threatened litigation. There were no contingent liabilities as of March 31, 2024.

14. Related Party Transactions

The Company entered into a demand note on January 30, 2017 with the Chief Operating Officer, bearing interest at the rate of 0.66% based on Applicable Federal Rate as published by the Internal Revenue Service for January 2017. During the three months ended March 31, 2023, the Company received interest income of $13. The note was repaid in full on April 18, 2023.

15. Subsequent Events

The Company has evaluated subsequent events through the date these financial statements were available to be issued, and determined that except for the transactions described below, there have been no events that occurred that would require adjustments to the Company's disclosures.

Business Combination

On May 9, 2024, in connection with the Business Combination, the Company's equityholders, including the Company's stockholders and holders of SAFE Notes (following the Closing, "Oklo equityholders"), received 78,996,459 shares of newly issued Class A common stock, par value $0.0001 per share (following the Closing, "Oklo Class A common stock"), as well as the contingent right to receive up to an aggregate of 15,000,000 shares of Oklo Class A common stock, which will be issued to eligible holders of pre-Closing securities of the Company during the five-year period following the Closing, in three separate tranches (i) upon the satisfaction of certain price targets or (ii) if the Company undergoes a change in control (a "Change in Control" as defined in the Merger Agreement), the price per share received by stockholders of the Company in such Change in Control transaction, among other certain conditions and other provisions. In addition, certain AltC founders received 12,500,000 shares of Oklo Class A common stock subject to vesting during the five-year period following the Closing in four separate tranches upon the satisfaction of certain price targets or in the event of a sale of the Company, among other conditions.

Exhibit 99.2

OKLO MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the financial condition and results of operations of Oklo Inc. ("Legacy Oklo") should be read together with our audited financial statements, unaudited consolidated financial statements and related notes included elsewhere on this Current Report on Form 8-K. The discussion and analysis should also be read together with our pro forma financial information as of and for the three months ended March 31, 2024. See "Unaudited Pro Forma Condensed Combined Financial Statements" included as Exhibit 99.3 to this Current Report on Form 8-K. In addition to historical information, the following discussion contains forward-looking statements. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ materially from those projected in the forward-looking statements include, but are not limited to, those discussed in the sections entitled "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" in this Current Report on Form 8-K. References in this section to "Oklo," "we," "our," "us" and the "Company" generally refer to Legacy Oklo and its consolidated subsidiary prior to the Business Combination (as defined herein).

Overview

We were founded in 2013 with the goal of revolutionizing the energy landscape by developing clean, reliable, affordable energy solutions at scale. Global demand for reliable, clean energy is growing rapidly, with 63% of Fortune Global companies publicly committing to emissions reductions by 2050 and an expected $2 trillion annual spend on new clean power generation globally by 2030. We are pursuing two complementary tracks to address this demand: providing reliable, commercial-scale energy to customers and selling used nuclear fuel recycling services to the U.S. market.

We are developing next-generation fast fission power plants called "powerhouses." In our differentiated build, own, and operate business model, we plan to sell power in the forms of electricity and heat directly to customers, which we believe can allow for fast-tracked customer adoption. In addition, we are a leader in the nuclear industry in the development of fuel recycling, which can unlock the energy content of used fuel; we also believe this business unit can complement our market position by vertically integrating and securing our fuel supply chain.

The fast fission technology we are working to commercialize was demonstrated by the Experimental Breeder Reactor-II ("EBR-II"), a fast fission plant that was operated by the U.S. government for 30 years. Our powerhouse product line, called the "Aurora," builds on this legacy of proven and demonstrated technology. Our Aurora powerhouse product line is designed to be inherently safe, to be able to run on fresh or recycled fuel, and to produce 15-50 megawatts electric ("MWe"). Because the Aurora powerhouses are designed to operate by harnessing the power of high-energy, or "fast," neutrons, they will be able to tap into the vast energy reserves remaining in existing used nuclear fuel from conventional nuclear power plants, which is currently considered nuclear waste. We estimate there is enough energy in the form of nuclear waste globally to meet the projected U.S. demand for electricity for 100 years with fast fission power plants.

We have achieved several significant deployment and regulatory milestones, including securing a site use permit from the U.S. Department of Energy ("DOE") for the Idaho National Laboratory ("INL") site and a fuel award from INL for a commercial-scale Aurora powerhouse in Idaho. We have announced plans fortwo additional Aurora powerhouses in southern Ohio and have been tentatively selected to provide power and heat to Eielson Air Force Base. Furthermore, we have a robust pipeline of potential customer engagements across a number of industries, having signed non-binding letters of intent that we believe could result in the deployment of Aurora powerhouses totaling over 700 MWe in capacity. The early market interest in our solutions exemplifies the potential demand for our size range of powerhouses and differentiated business model. Our first powerhouse is targeted for deployment in 2027.

Our Business Model

Our primary product will be the energy produced from our Aurora powerhouses once operational. Our planned business model is to sell the energy to customers via power purchase agreements ("PPAs"), as opposed to selling our powerhouse designs. This business model allows for recurring revenue, the opportunity to capture profitability upon improved operational efficiency, and enables novel project financing structures. This business model sets us apart from the traditional nuclear power industry, other companies in the advanced fission industry, and other larger scale energy types such as natural gas. Selling power via PPAs is a common practice within the renewable energy sector and indicates that this business model could be feasible for power plants within the size range targeted by our Aurora product line (i.e., starting with 15 MWe and ranging upward to anticipated sizes of 50 MWe).

The traditional nuclear power industry comprises developers of large (ranging from approximately 600MWe to over 1,000 MWe) light water reactors who sell or license their reactor designs to large utilities who then construct and operate the nuclear power plant. The developer's focus on regulatory approval of the design may lock in certain lifecycle regulatory costs that are realized by the owner-operator during construction and operations. As a result, lifecycle cost implications are generally not addressed cohesively between the developer and the owner-operator, and the regulatory strategy does not holistically implement the lifecycle benefits of the technology's inherent safety characteristics. To date, the advanced fission industry is largely following the historical blueprint of developers seeking design certifications or approvals, and utilities bearing the future burden of licensing. While there are a number of advanced reactor designers developing smaller sized reactors than those traditionally used in the nuclear power industry, most of these developers are generally pursuing regulatory approval of groupings of these smaller reactors as part of singular larger plants, sizes of 200 MWe and up to 1,000 MWe.

In contrast, we plan to be the designer, builder, owner, and operator of our powerhouses and plan to focus on small-scale powerhouses (15 MWe to 50 MWe). As a result, we have an incentive to relentlessly focus on the full lifecycle of a safe, well-maintained, cost-effective powerhouse and holistically implement the benefits of an inherently safe, simple design. We expect this approach to enable us to reduce and manage lifecycle regulatory and operating costs in an integrated fashion, as opposed to the historical model used in the nuclear power industry that divides the incentives and responsibilities between the developer and the utility.

Selling electricity under PPAs follows an established revenue model in global power markets. While this model is more typically used for renewable energy solutions, we believe it is a compelling model for us because of the relatively small size and the lower expected capital costs of our powerhouses, when compared with other nuclear power plants. In addition, our model is designed to generate recurring revenue in a way that the traditional licensing model does not. For example, in the traditional technology licensing model, after the sale of the design, recurring revenue is dependent upon the sale of service contracts, including fuel services, which may result in prices being undercut by intermediaries. We expect our powerhouses to be profitable from the first year of operation due to our anticipated favorable unit economics. We also believe this approach will drive unit growth and allow us to ultimately launch higher output versions of our powerhouses.

We believe that our potential customers want to buy power, rather than own or operate power plants, and will prefer affordable solutions that meet their environmental and operational goals. We plan to further accelerate customer adoption by offering minimal to potentially zero upfront costs and quick delivery times. With non-binding letters of intent from potential customers for over 700 MWe, we believe our powerhouses are an ideal fit for target markets in decentralized use cases such as data centers, national defense, factories, industrial customers, off-grid and rural customers and utilities.

In addition to selling power under PPAs, we believe we have an embedded opportunity to enhance our mission with our advanced nuclear fuel recycling technology. We are actively developing nuclear fuel recycling capabilities with the goal of deploying a commercial-scale fuel recycling facility in the United States by the 2030s. Used nuclear fuel waste still contains more than 90% of its energy content, and we believe there is enough energy in the form of used nuclear fuel globally to power the expected electrical needs in the United States for 100 years with fast fission power plants. More than 90,000 metric tons of used nuclear fuel waste have been generated since 1950, and an additional 2,000 metric tons are generated every year. Currently, other countries recycle used nuclear fuel waste, but the United States does not, and there is an enormous opportunity to do so. Our reactors are specifically designed to run on either fresh or recycled nuclear fuel, and nuclear fuel recycling could provide future margin uplift for our power sales business, as well as the potential for new revenue streams.

Recent Developments

Business Combination

AltC Acquisition Corp. ("AltC"), previously entered into an Agreement and Plan of Merger and Reorganization, dated as of July 11, 2023 (as amended, modified, supplemented or waived, the "Merger Agreement"), by and among AltC Merger Sub, Inc., a Delaware corporation and a direct and wholly owned subsidiary of AltC ("Merger Sub"), and Legacy Oklo. On May 9, 2024, pursuant to the Merger Agreement, Merger Sub was merged with and into Legacy Oklo, with Legacy Oklo surviving such merger as a wholly owned subsidiary of AltC (the "Merger," and together with the other transactions contemplated by the Merger Agreement, the "Business Combination"). In connection with the closing of the Business Combination (the "Closing"), AltC changed its name to "Oklo Inc." The Company is herein referred to as "Oklo" following the Closing, and as "Legacy Oklo" prior to the Closing, as described below.

As a result of the Business Combination, and after giving effect to the conversion of all outstanding Legacy Oklo common stock and shares of Legacy Oklo common stock issued upon conversion of Legacy Oklo preferred stock and Legacy Oklo SAFE Notes, which occurred immediately prior to the effective time of the Merger (i) each issued and outstanding Legacy Oklo common stock converted into the right to receive approximately 6.062 shares of newly issued shares of Class A common stock, par value $0.01 per share ("Oklo Class A common stock"), and (ii) each stock option to purchase Legacy Oklo common stock (each, a "Legacy Oklo stock option") converted into the right to receive an option to purchase Oklo Class A common stock (an "Oklo Option") having substantially similar terms to the corresponding Legacy Oklo stock option, including with respect to vesting and termination-related provisions, except that each such Oklo Option represented the right to receive the number of shares of Oklo Class A common stock equal to the product of (a) the number shares of Legacy Oklo common stock subject to the corresponding Legacy Oklo stock option immediately prior to the effective time of the Merger and (b) approximately 6.062.

In addition, in connection with the Business Combination, the contingent right to receive up to an aggregate of 15,000,000 shares of Oklo Class A common stock, which will be issued to eligible holders of pre-Closing securities of the Company during the five-year period following the Closing, in three separate tranches (i) upon the satisfaction of certain price targets or (ii) if the Company undergoes a change in control (a "Change in Control" as defined in the Merger Agreement), the price per share received by stockholders of Oklo in such Change in Control transaction, among other certain conditions and other provisions. In addition, certain AltC founders received 12,500,000 shares of Oklo Class A common stock subject to vesting during the five-year period following the Closing in four separate tranches upon the satisfaction of certain price targets or in the event of a sale of the Company, among other conditions.

After giving effect to the Business Combination and the redemption of AltC Class A common stock in connection with the special meeting of stockholders on May 7, 2024, there were 122,096,270 shares of Oklo Class A common stock issued and outstanding. Of those shares, 78,996,459 were issued to holders of Legacy Oklo equity securities in respect of such Legacy Oklo equity securities, representing approximately 64.7% of Oklo's Class A common stock voting power.

Oklo's Class A common stock commenced trading on the New York Stock Exchange ("NYSE") under the symbols "OKLO", on May 10, 2024.

Key Factors Affecting Our Performance

We believe that our future success and financial performance depend on a number of factors that present significant opportunities for our business, but also pose risks and challenges, including those discussed in the section titled *"Risk Factors" in this Current Report on Form 8-K.*

Product Development Plan

We plan to leverage the next-generation fast fission powerhouses that we are developing in order to sell power to a variety of potential customers, including data centers, national defense, factories, industrial customers, off-grid and rural customers and utilities.

Commercial deployment of any advanced fission power plant requires obtaining regulatory approvals for design, construction, and operation. Our regulatory strategy has been focused on a custom combined license application. We submitted an initial custom combined license application with the NRC in March 2020, which was denied without prejudice in 2022, and we are working toward submitting an updated custom combined license application for review. In March 2020, we became the first advanced fission company to submit a custom combined license application, and we remain the only such company to do so. It is uncertain when, if at all, we will obtain regulatory approvals for the design, construction and operation of any of our powerhouses. Our financial condition and results of operation are likely to be materially and adversely affected if we do not obtain such approvals and to the extent this process takes longer or costs more than we expect.

Additionally, we plan to be the designer, builder, owner, and operator of our powerhouses and plan to focus on small-scale powerhouses (15 MWe to 50 MWe). As a result, we have an incentive to relentlessly focus on the full lifecycle of a safe, well-maintained, cost-effective powerhouse and holistically implement the benefits of an inherently safe, simple design. We expect this approach to enable us to reduce and manage lifecycle regulatory and operating costs in an integrated fashion, as opposed to the historical model used in the nuclear power industry that divides the incentives and responsibilities between the developer and the utility. However, this model exposes us directly to the costs of building, owning and operating our powerhouses. Our cost projections are heavily dependent upon fuel and raw materials (such as steel), equipment and technical and construction service providers (such as engineering, procurement, construction firms). The global supply chain, on which we will rely, has been significantly impacted in recent years by inflation, instability in the banking sector, war and other hostilities, the COVID-19 pandemic, and other economic uncertainties, resulting in potential significant delays and cost fluctuations. Similar developments in the future may impact our performance from both a deployment and cost perspective.

Plan of Operations

To further our target of deploying our first powerhouse in 2026 or 2027, during 2024 we plan to be engaged in the following key initiatives:

- Progress regulatory approval with the Nuclear Regulatory Commission ("NRC") including a Pre-Application Readiness Assessment for our next Combined Operating Licensing Agreement ("COLA"), expected to begin in the first half of 2024.

- Initiate regulatory pre-application related activities with the NRC for licensing of commercial fuel fabrication.

- Continue work related to fuel recycling such as pre-application regulatory alignment efforts with the NRC, research and development both independently and in conjunction with the DOE focused on facility and process design.

- Work with INL on fuel manufacturing, including preparation of documentation for regulatory review and finalization of the facility design.

- Advance partnerships related to fuel enrichment, fuel fabrication, and other key supply chain elements, as well as other procurement activities to expand our fuel sourcing supply chain.

- Execute on key non-fuel elements of our supply chain including, steam turbine generator sourcing, steel, and other construction inputs.

- Progress engineering procurement and construction negotiations for construction of Aurora powerhouses.

- Initiating site preparation for announced facilities at the INL, and Piketon, Ohio as well as progressing similar plans at the Eielson Air Force Base in Alaska.

- Negotiate and execute additional letters of intent to purchase power through power purchase agreements with potential multiple customers.

- Continue to hire additional personnel and implement processes, and systems necessary to deliver our business strategy.

For the three months ended March 31, 2024, our total operating expenses were $7,370,388. We expect our total operating expenses for 2024 to be in the range of $40,000,0000 to $50,000,000.

Nuclear Energy Industry

The nuclear energy industry operates in a politically sensitive environment, and the successful execution of our business model is dependent upon public support for nuclear power, in general, in the U.S. and other countries. Recently, the U.S. government has indicated through bipartisan action that it recognizes the importance of nuclear power in meeting the United States' growing energy needs. However, the current political environment in the U.S. could change at any time, including in response to events and circumstances over which we exercise no control and the perception of such events and circumstances. Additionally, opposition by third parties could delay the licensing that our business model requires. As a result, our performance will depend in part on factors generally affecting the views and policies regulating nuclear energy industry, which we cannot predict over the long term.

Key Components of Results of Operations

Operating Expenses

Oklo's operating expenses consist of research and development and general and administrative expenses.

Research and Development

Research and development ("R&D") expenses represent costs incurred to develop our technology. These costs consist of personnel costs, including salaries, employee benefit costs, bonuses and stock-based compensation expenses, software costs, computing costs, hardware and experimental supplies, and expenses for outside engineering contractors for analytical work and consulting costs. We expense all R&D costs in the periods in which they are incurred, however, occasionally the reimbursement would be received in the following period.

Oklo has several recycling technology projects awarded as R&D cost-share projects through the Department of Energy's Advanced Research Projects Agency — Energy ("ARPA-E") and the DOE Technology Commercialization Fund ("TCF"). The TCF project does not involve any funds being reimbursed to Oklo. A budget was initially approved for each of these cost-share projects, and as certain expenses and capital expenditures for equipment, are incurred, such expenses or capital expenditures are reported to ARPA-E and then a pre-determined percentage of such expenses or capital expenditures are reimbursed by ARPA-E back to Oklo. The expenses are categorized as R&D expenses which are then partially reimbursed.

General and Administrative

Our general, and administrative ("G&A") expenses primarily comprise various components not related to R&D, such as personnel costs, regulatory fees, promotion expenses, costs associated with maintaining and filing intellectual property, meals and entertainment expenses, travel expenses, and other expenditures related to external professional services including legal, engineering, marketing, human resources, audit, and accounting services. Personnel costs include salaries, benefits, and stock-based compensation expenses. As we continue to grow and expand our workforce and operations, and in light of the increased costs associated with operating as a public company, we anticipate that our G&A expenses will rise for the foreseeable future.

Other Income (Loss)

Other income (loss) consists of interest income and the remeasurement gains and losses related to simple agreements for future equity ("*SAFEs*").

Income Taxes

Income taxes primarily consists of income taxes in certain jurisdictions in which we conduct business. We have a full valuation allowance for deferred tax assets, including net operating loss carryforwards and tax credits related primarily to research and development. To date, because we are pre-revenue, income taxes have been minimal.

Results of Operations

The following tables set forth our results of operations for the periods presented. The period-to-period comparison of financial results is not necessarily indicative of future results.

Comparison of the Three Months Ended March 31, 2024 and 2023

The following tables set forth our historical results for the periods indicated, and the changes between periods:

	Three Months Ended March 31,		2024 versus 2023	
	2024	**2023**	**$ Change**	**% Change**
Operating expenses				
Research and development	$ 3,660,642	$ 1,916,450	$ 1,744,192	91.0%
General and administrative	3,709,746	1,419,848	2,289,898	161.3%
Total operating expenses	7,370,388	3,336,298	4,034,090	120.9%
Loss from operations	(7,370,388)	(3,336,298)	(4,034,090)	120.9%
Other income (loss)				
Change in fair value of simple agreement for future equity	(16,793,000)	(1,373,000)	(15,420,000)	1123.1%
Interest income	141,303	325	140,978	NM
Total other loss	(16,651,697)	(1,372,675)	(15,279,022)	1113.1%
Loss before income taxes	(24,022,085)	(4,708,973)	(19,313,112)	410.1%
Income taxes	-	-	-	NM
Net loss	$(24,022,085)	$ (4,708,973)	$(19,313,112)	410.1%

Percentage changes that are considered not meaningful are denoted with NM.

Research and Development

The following table sets forth R&D expenses by category:

	Three Months Ended March 31,		2024 versus 2023	
	2024	**2023**	**$ Change**	**% Change**
Payroll and employee benefits of research and development personnel	$ 2,377,413	$ 1,343,037	$ 1,034,376	77.0%
Stock-based compensation	394,748	33,315	361,433	1084.9%
Subscription and professional fees	534,350	81,056	453,294	559.2%
Travel, entertainment and other related expenses	127,656	151,992	(24,336)	-16.0%
Other expenses	226,475	307,050	(80,575)	-24.2%
Total research and development expenses	$ 3,660,642	$ 1,916,450	$ 1,744,192	91.0%

R&D expenses increased by $1,744,192 or 91.0%, for the three months ended March 31, 2024 compared to the three months ended March 31, 2023. The increase was primarily due to an increase of $1,034,376 in total payroll and employee benefits of research and development personnel attributable to an increase in the weighted-average headcount of approximately 70% and an increase in salary over the prior period, an increase of $361,433 in stock-based compensation expenses, and an increase of $453,294 in subscription and professional fees; partially offset by a decrease of $80,575 in other expenses.

General and Administrative

The following table sets forth G&A expenses by category:

	Three Months Ended March 31,		2024 versus 2023	
	2024	2023	$ Change	% Change
Payroll and employee benefits of general corporate functions and finance personnel	$ 1,192,777	$ 647,992	$ 544,785	84.1%
Stock-based compensation	272,726	14,926	257,800	1727.2%
Regulatory fees	95,307	218,154	(122,847)	-56.3%
Professional services	1,681,903	344,658	1,337,245	388.0%
Travel, entertainment and other expenses	467,033	194,118	272,915	140.6%
Total general and administrative expenses	$ 3,709,746	$ 1,419,848	$ 2,289,898	161.3%

G&A expenses increased by $2,289,898, or 161.3% for the three months ended March 31, 2024 compared to the three months ended March 31, 2023. The increase was primarily due to an increase of $1,337,245 in professional services primarily due to an increase in accounting and tax service fees, an increase of $544,785 in payroll and employee benefits of general corporate functions and finance personnel attributable to an increase in the weighted-average headcount of approximately 44% and average salary over the prior period, and an increase of $272,915 related to travel, entertainment, and other expenses; partially offset by a decrease of $122,847 in regulatory fees.

Other Loss

The following table sets forth other loss:

	Three Months Ended March 31,		2024 versus 2023	
	2024	2023	$ Change	% Change
Change in fair value of simple agreement for future equity	$(16,793,000)	$ (1,373,000)	$(15,420,000)	1123.1%
Interest income	141,303	325	140,978	NM
Total other loss	$(16,651,697)	(1,372,675)	$(15,279,022)	1113.1%

The loss for change in fair value of SAFEs of $16,793,000 for the three months ended March 31, 2024 represents the remeasurement loss in the fair value related to the simple agreement for future equity as compared to the fair value as of December 31, 2023. The loss for change in fair value of SAFEs of $1,373,000 for the three months ended March 31, 2023 represents the remeasurement loss in the fair value related to the simple agreement for future equity as compared to the fair value as of December 31, 2022.

Interest income increased by $140,978, for the three months ended March 31, 2024 compared to the three months ended March 31, 2023. The increase was primarily due to an increase in interest income related to an increase in our cash balances from the prior period.

Liquidity and Capital Resources

Since inception, we have financed our operations primarily through the issuance and sale of equity, equity-linked instruments, such as SAFEs, alternative arrangements and preferred stock. We have not generated any cash from our operations to date.

In addition to our current cash resources, we entered into the Merger Agreement in July 2023, which closed on May 9, 2024. Our consolidated financial statements do not reflect the transactions contemplated by the Business Combination. Management believes the pro forma cash and cash equivalents of approximately $301.7 million after the Business Combination will be adequate to fund our planned operations for at least the next twelve months.

As of March 31, 2024, our cash and cash equivalents were $38,018,782. We continue to incur significant operating losses. For the three months ended March 31, 2024 and 2023, we had a net loss of $24,022,085 and $4,708,973 respectively, and used cash in operating activities of $7,287,377 and $3,262,366, respectively. As of March 31, 2024 and 2023, we had accumulated deficits of $85,515,529 and $61,493,444, respectively. Management expects that significant on-going operating expenditures will be necessary to successfully implement our business plan and develop and market its products. These circumstances raised substantial doubt about our ability to continue as a going concern for at least the next twelve months.

Immediately following the closing of the Business Combination, we had additional cash of approximately $263.3 million, after giving effect to the payment of transaction expenses, which will be utilized to fund our powerhouses, operations and growth plans. We believe that as a result of the Business Combination our existing cash and cash equivalents, as well as cash received from the Business Combination, will be sufficient to fund our operations for the next twelve months from the date the financial statements were issued as of and for the three months ended March 31, 2024.

Our future capital requirements will depend on many factors, including the timing and extent of our spending to support the completion of our powerhouses and research and development efforts, and the cost associated with our operations and its growth. While we believe that the cash received from the Business Combination will be sufficient to meet our current contemplated business plan, there can be no assurance this will be the case. In order to finance our plan for our powerhouses and associated costs, it is possible that we will need to raise additional financing. If additional financing is required by us from outside sources, we may not be able to raise such financing on terms acceptable to us or at all. If we are unable to raise additional capital on acceptable terms when needed, we could be required to delay and scale back some of our business plan and development of our powerhouses and other operations, which could materially harm our business, prospects, financial condition, and operating results. Our accompanying consolidated financial statements contained elsewhere in Exhibit 99.1 to this Current Report on Form 8-K have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

Cash Flows Comparison

The following table sets forth our cash flows for the period indicated.

Cash Flows Comparison for the Three Months Ended March 31, 2024 and 2023

	Three Months Ended March 31,	
	2024	**2023**
Net cash used in operating activities	$ (7,287,377)	$ (3,262,366)
Net cash used in investing activities	(96,733)	-
Net cash provided by financing activities	35,535,304	340,000
Net increase (decrease) in cash and cash equivalents	$ 28,151,194	$ (2,922,366)
Cash and cash equivalents, end of period	$ 38,018,782	$ 6,731,162

Operating Activities

Net cash used in operating activities of $7,287,377 during the three months ended March 31, 2024, was primarily attributable to our net loss of $24,022,085, offset by $17,509,315 in noncash adjustments and $774,607 increase in our working capital. Noncash adjustments consisted of $48,841 in depreciation and amortization, $16,793,000 in loss upon change in fair value of SAFEs, and $667,474 in share-based compensation. The $774,607 increase in working capital is primarily due to a $292,060 use of cash for prepaid and other current assets, a $574,395 use of cash for accounts payable and a $6,755 use of cash for the operating lease liability; offset by a $25,361 decrease in other assets and a $73,242 increase for other accrued expenses.

Net cash used in operating activities of $3,262,366 during the three months ended March 31, 2023 was primarily attributable to our net loss of $4,708,973, offset by $1,432,237 in noncash adjustments and a $14,370 decrease in our working capital. Noncash adjustments consisted of $10,996 in depreciation and amortization, $1,373,000 in loss upon change in fair value of SAFEs, and $48,241 in share-based compensation. The $14,370 decrease in working capital is primarily due to a $255,208 use of cash for prepaid and other assets, a $420,901 use of cash for accounts payable and a $4,991 use of cash for the operating lease liability; offset by a $5,377 decrease in other assets and a $690,093 increase for other accrued expenses.

Investing Activities

Net cash used in investing activities for the three months ended March 31, 2024 and 2023 was due to the purchase of property and equipment of $96,733 and $0, respectively.

Financing Activities

Net cash provided by financing activities for the three months ended March 31, 2024 was from the proceeds from the issuance of SAFEs of $10,232,000 and proceeds from the exercise of stock options of $439,922; offset by payment of deferred issuance costs of $136,618. Net cash provided by financing activities for the three months ended March 31, 2023 was from the proceeds from the issuance of SAFEs of $340,000.

Commitments and Contractual Obligations

We do not have any material commitments or contractual obligations other than with respect to the leases under which we lease real estate for office space. These leases are classified as operating leases with various expiration dates through 2024. See Note 13 in our accompanying consolidated financial statements contained elsewhere in Exhibit 99.1 to this Current Report on Form 8-K for more information regarding our commitments and contractual obligations.

Off-Balance Sheet Arrangements

As of the date of this Current Report on Form 8-K, we do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Critical Accounting and Estimates

Our consolidated financial statements and the related notes thereto included elsewhere in this Current Report on Form 8-K are prepared in accordance with U.S. generally accepted accounting principles (*U.S. GAAP*). The preparation of our consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts and related disclosures in our financial statements and accompanying notes. We base our estimates on historical experience and on various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions due to the inherent uncertainty involved in making those estimates and any such differences may be material.

We believe that the following accounting policies involve a high degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of our operations. See Note 2 in our accompanying consolidated financial statements contained elsewhere in Exhibit 99.1 to this Current Report on Form 8-K for a description of our other significant accounting policies.

Stock-based Compensation

We account for stock-based compensation by measuring and recognizing expense for all stock-based payments made to employees and non-employees based on the estimated grant-date fair values for all stock-based compensation arrangements. We recognize compensation over each recipient's requisite service period, which is generally the vesting period. We have elected to recognize actual forfeitures by reducing the stock-based compensation in the same period as the forfeitures occur. We estimate the fair value of stock options granted to employees and non-employees using the Black-Scholes option pricing model. The determination of fair value requires significant judgment and the use of estimates, particularly with regard to Black-Scholes assumptions such as our common stock fair value, stock price volatility, and expected option lives to value equity-based compensation.

We measure the fair value of each stock option at the date of grant using a Black-Scholes option pricing model. Volatility is determined by reference to the actual volatility of several publicly traded companies that are similar to us in our industry sector. We do not anticipate paying any cash dividends in the foreseeable future and therefore use an expected dividend yield of zero in the option valuation model. We use the treasury yield curve rates for the risk-free interest rate in the option valuation model with maturities similar to the expected term of the options. We estimate the calculated the expected term using the simplified method that uses the average of the contractual term of the option and the weighted-average vesting period.

Simple Agreement for Future Equity

We record our SAFEs at fair value that requires significant inputs not observable in the market which cause the instrument to be classified as a Level 3 measurement with the fair value hierarchy. The valuation uses probabilities considering pay-offs under various scenarios as follows: (i) an equity financing where the SAFEs will convert into certain preferred stock; (ii) a liquidity event where the SAFE noteholders will have an option to receive either a cash payment equal to the invested amount under such SAFE Note, or a number of shares of common stock equal to the invested amount divided by the liquidity price; and (iii) dissolution event where the SAFE noteholders will be entitled to receive a portion of the related proceeds equal to the purchase amount. We utilized an independent third-party to determine the fair value of the SAFEs under the Monte Carlo simulation method which was used to estimate the future market value of our invested capital ("MVIC") at a liquidity event and the expected payment to the SAFE holders at each simulated MVIC value. We believe these assumptions would be made by a market participant in estimating the valuation of the SAFEs. We assess these assumptions and estimates on an on-going basis as additional data impacting the assumptions and estimates are obtained.

There is substantial judgment in selecting the assumptions which we use to determine the fair value of the SAFEs and other companies could use similar market inputs and experience and arrive at different conclusions with respect to those used to calculate fair value. Using alternative assumptions could cause there to be differences in the resulting fair value. If the fair value were to increase, the amount of loss that would result would also increase. Conversely, if the fair value were to decrease, the amount of expense would decrease.

Emerging Growth Company Accounting Election

Upon completion of the transaction, we expect to operate with Emerging Growth Company (EGC) status within the meaning of the Securities Act, as modified by the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not EGCs. We could retain EGC status until December 31, 2026, although circumstances could cause us to lose that status earlier, including if the market value of common stock held by non-affiliates exceeds $700,000,000 as of any June 30 before that time, in which case we would no longer qualify for EGC status as of the following December 31.

Further, Section 102(b)(1) of the JOBS Act exempts EGCs from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Securities Exchange Act of 1934, as amended) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-EGCs but any such election to opt out is irrevocable. We intend to take advantage of the benefits of this extended transition period.

Recent Accounting Pronouncements

A discussion of recently issued accounting standards applicable to Legacy Oklo is described in Note 2, *Summary of Significant Accounting Policies*, in the notes to the consolidated financial statements contained elsewhere in Exhibit 99.1 to this Current Report on Form 8-K.