

## **GEVO PROVIDES BUSINESS UPDATE**

ENGLEWOOD, Colo., September 8, 2020 (GLOBE NEWSWIRE) -- Gevo, Inc. ("Gevo") (NASDAQ: GEVO), today provided an update on its business and strategic plans.

### **Highlights:**

- Gevo recently raised approximately \$46 million, net of expenses, from a Registered Direct Offering and approximately \$16 million as a result of warrant exercises. This capital infusion substantially improves Gevo's ability to execute on its strategic plans.
- Gevo continues to pursue a licensing and developer strategy that is expected to enable the construction of up to three production facilities and capacity expansions. The production facilities and expansions are needed to provide the product required under its existing and expected, future take-or-pay, off-take agreements. The licensing and developer strategy should reduce or eliminate the need for Gevo construction capital by utilizing project-level debt and third-party equity.
- Gevo continues to seek a targeted capital raise of ~\$200 million of project-level equity using a project financing structure to build up to three production facilities. The first expanded production facility or project is expected to be located at Gevo's current production facility located in Luverne, Minnesota.
- As previously announced, Gevo engaged Citigroup Global Markets Inc. ("Citigroup") to lead a process to develop the three projects and procure the capital needed by Gevo to build up to three production facilities. Gevo expects it will take approximately one year to develop and close the financing for the first project. Assuming Gevo successfully closes on a financing in the next 12 months, Gevo would expect production of hydrocarbon fuels from the first project in late 2023 or early 2024.

"We currently have approximately \$81 million in cash on the balance sheet. This cash will provide us with the ability to eliminate the White-box convertible note on the maturity date at the end of the year. I am pleased to say that we now have more financial resources to execute on our strategy. We plan to use those resources to complete critical work related to full engineering, site access and development, and permitting work necessary to fully develop our initial three production facilities to project finance standards. Furthermore, we will continue to develop the marketplace and try to obtain more renewable hydrocarbon offtake contracts," said Patrick Gruber, Chief Executive Officer of Gevo.

## **Business and Strategy Review**

### ***Marketplace Development***

Gevo will continue to develop the marketplace and try to create additional customer demand for its next generation of renewable premium gasoline, jet fuel and diesel fuel products that have the potential to achieve zero carbon emissions, while addressing the market need of reducing greenhouse gas emissions with sustainable alternatives.

### ***Utilizing Special Purpose Entities for Production Facilities Construction***

Gevo's strategy is to act as the licensor of its technology and project developer. This strategy is intended to allow Gevo to recapture the capital deployed to develop projects, with such capital recoveries occurring at financial closings of any successful development projects. Gevo's current strategy is for any production facilities to be owned by Special Purpose Entities ("SPEs") that will be non or limited-recourse companies. Gevo intends to negotiate minority ownership interests in the SPEs. The developer business model is expected to provide Gevo with fee income streams from SPEs for value-added functions around technology licensing, project management, and operations and maintenance. There is no assurance that Gevo will be successful in executing this licensing and developer project finance strategy.

### ***Update on Project Financing Efforts***

In April 2020, Gevo engaged Citigroup to help secure project finance funding to develop and establish production capabilities for its contracted products across up to three production facilities. To facilitate this expansion, Gevo estimates the project capital cost would be around \$700 million, including \$200 million of equity and \$500 million of debt. Gevo is still in the early phase of the Citigroup process of securing financing with the process slowed somewhat due issues related to the COVID-19 pandemic. Gevo expects it will take approximately one year to develop and close the financing for the first project. Production of hydrocarbon fuels from the first project is not expected prior to late 2023 or early 2024.

Gevo believes the following additional key milestones are important to potential project investors: finalizing and acquiring the rights to the additional production facility sites, completing engineering work to finalize the exact capital requirements, securing additional take-or-pay contracts and developing plans to mitigate various financial risks associated with the proposed projects. On a proforma modeling basis, which incorporates a range of assumptions, the production facilities in the SPEs should yield greater than 20% levered internal rate of returns for investors. Gevo cannot assure whether it will be successful in securing investors for its potential development projects on acceptable terms or at all.

## ***Capital Deployment***

Going forward, Gevo intends to use its cash to secure additional customers, further develop the marketplace for its low-carbon fuels, fund incremental process improvements, engineering, and site development and permitting. Gevo believes its stronger capitalization provides it the needed flexibility and financial strength to manage through the development process of securing project financing as well as to weather unexpected challenges.

## **About Gevo**

Gevo is commercializing the next generation of renewable premium gasoline, jet fuel and diesel fuel with the potential to achieve zero carbon emissions, addressing the market need of reducing greenhouse gas emissions with sustainable alternatives. Gevo uses low-carbon renewable resource-based carbohydrates as raw materials, and is in an advanced state of developing renewable electricity and renewable natural gas for use in production processes, resulting in low-carbon fuels with substantially reduced carbon intensity (the level of greenhouse gas emissions compared to standard petroleum fossil-based fuels across their lifecycle). Gevo's products perform as well or better than traditional fossil-based fuels in infrastructure and engines, but with substantially reduced greenhouse gas emissions. In addition to addressing the problems of fuels, Gevo's technology also enables certain plastics, such as polyester, to be made with more sustainable ingredients. Gevo's ability to penetrate the growing low-carbon fuels market depends on the price of oil and the value of abating carbon emissions that would otherwise increase greenhouse gas emissions. Gevo believes that its proven, patented, technology enabling the use of a variety of low-carbon sustainable feedstocks to produce price-competitive low carbon products such as gasoline components, jet fuel, and diesel fuel yields the potential to generate project and corporate returns that justify the build-out of a multi-billion dollar business. Learn more at our website: [www.gevo.com](http://www.gevo.com)

## **Forward-Looking Statements**

Certain statements in this press release may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements relate to a variety of matters, including, without limitation, statements related to Gevo's plans and strategy, Gevo's ability to repay its debts, Gevo's use of cash, the projected proforma 20% investment returns of the projects in the SPEs, the Citigroup project finance process, Gevo's ability to raise capital to fund its projects, Gevo's expectations regarding the structure and terms of any project finance transaction, Gevo's expectations regarding project capital costs, Gevo's ability to produce its products, Gevo's ability to realize revenue from its proposed projects, and other statements that are not purely statements of historical fact. These forward-

looking statements are made on the basis of the current beliefs, expectations and assumptions of the management of Gevo and are subject to significant risks and uncertainty. Investors are cautioned not to place undue reliance on any such forward-looking statements. All such forward-looking statements speak only as of the date they are made, and Gevo undertakes no obligation to update or revise these statements, whether as a result of new information, future events or otherwise. Although Gevo believes that the expectations reflected in these forward-looking statements are reasonable, these statements involve many risks and uncertainties that may cause actual results to differ materially from what may be expressed or implied in these forward-looking statements. For a further discussion of risks and uncertainties that could cause actual results to differ from those expressed in these forward-looking statements, as well as risks relating to the business of Gevo in general, see the risk disclosures in the Annual Report on Form 10-K of Gevo for the year ended December 31, 2019, and in subsequent reports on Forms 10-Q and 8-K and other filings made with the U.S. Securities and Exchange Commission by Gevo.

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