Gevo, Inc. Provides Company and Project Updates

June 27, 2022

ENGLEWOOD, Colo., June 27, 2022 (GLOBE NEWSWIRE) -- Gevo, Inc. (NASDAQ: GEVO) (“Gevo” or the “Company”), a renewable fuels company focused on the production of sustainable aviation fuel (“SAF”), today provides updates on the Company and projects currently in process.

Follow-on Equity Offering

On June 5th, 2022, the Company executed a registered direct offering of 33.3 million shares to certain institutional investors. That offering closed on June 8th, 2022, and the net proceeds of $139.2 million combined with the Company’s existing cash, cash equivalents, restricted cash and marketable securities provide the Company with approximately $555.7 million of liquidity (as of June 15, 2022) to fund future operations and capital projects. As part of the offering, the Company issued 33.3 million Series 2022-A Warrants with an exercise price of $4.37 per share. If all 33.3 million Series 2022-A Warrants were to be exercised in cash at the exercise price of $4.37 per share, the Company would receive additional net proceeds of approximately $145.7 million.

The recent offering has further strengthened the Company’s balance sheet, which is expected to facilitate the financing of the Company’s Net-Zero 1 project (”NZ1”) and provide financial resources for the Company’s numerous growth opportunities. Given the forecasts of a recession in the near future and a generally negative market outlook, the Board of Directors made the decision to raise equity capital to ensure to the highest probability that Gevo has enough cash on hand to close its NZ1 financing, even if Gevo is responsible for 100% of the equity in the project. Gevo is in the process of developing additional plant sites to meet demand under its existing SAF and hydrocarbon supply agreements, and some of the proceeds are expected to be used to advance those efforts.

Market Development

Gevo now has more than 200 million gallons per year (“MGPY”) of predominantly take-or-pay, financeable SAF and hydrocarbon fuel supply agreements, which are expected to support project debt financing. This level of demand would require three additional plants of equal size to the expected capacity of NZ1 (currently expected to be approximately 55 million gallons per year) to be built over the next four years to satisfy those agreements. Based on current market projections, collectively, these agreements represent approximately $1.2 billion in expected sales per year.

Net-Zero 1 Status

Gevo’s NZ1 project is on schedule with initial volumes of SAF expected to be delivered in 2025 to fulfill a portion of existing SAF and hydrocarbon supply agreements. NZ1 is expected to produce approximately 55 MGPY of SAF or 62 MGPY of total hydrocarbon volumes, which would satisfy part of the 200 MGPY of financeable SAF and hydrocarbon supply agreements that are currently in place.

The transition to an ethanol-to-SAF design from Gevo’s original isobutanol-to-SAF and isooctane design has resulted in an expected increase of output capacity which should result in increased cash flow. Gevo’s engineering design work to date has resulted in an expected 35% uplift in hydrocarbon output and a 22% expected uplift in co-product volume. These higher projected volumes suggest a 33% improvement in project EBITDA[1], or an expected increase from $150 million per year to $200 million per year of project EBITDA when comparing the two designs.[2] The difference in capital cost between the two designs is negligible; however, the uplift in volumes associated with the ethanol-to-SAF design leads to increased cash flows per unit of capital invested.

Key NZ1 development milestones

Through year-end 2022:

- Close the purchase of the land for NZ1 in Lake Preston, South Dakota
- Execute commercial development, build, own and operate agreements for:
  - Water
  - Wind energy
  - Green hydrogen
- Select engineering, procurement and construction (“EPC”) contractor
- Select fabricator for hydrocarbon plant modules
- Substantial Completion of Front End Engineering Design
- Break ground and begin site preparation at Lake Preston
- Order long lead equipment

Through first-half 2023:

- Close the construction financing, including non-recourse debt

Throughout the remainder of 2022 and 2023, Gevo will update stockholders about certain key milestones related to the development, financing, and construction of NZ1. Updates to those milestones will be found in the Company’s press releases and investor presentations in the IR section of Gevo’s website.

Additional Plant Sites

The Company is in the process of identifying and performing early site development work for additional SAF production locations. These sites include

several greenfield locations that are particularly advantageous in terms of potential economics, opportunities to decarbonize, and time to market. Gevo is also pursuing prospects with several existing ethanol plant sites, including those of ADM. Existing ethanol plants need to be decarbonized with renewable energy or de-fossilized energy and/or carbon sequestration. Gevo has developed a preferred list of partners and sites with decarbonization in mind and is engaged in preliminary feasibility and development discussions with several of them, including ADM.

RNG Project Status
Gevo's renewable natural gas ("RNG") project in Northwest Iowa (the "RNG Project") has been producing biogas and is now upgrading and injecting RNG into the natural gas pipeline. The RNG Project generates renewable natural gas captured from dairy cow manure. The manure for the RNG Project is supplied by three dairy farms located in Northwest Iowa totaling over 20,000 milking cows. When at full operational capacity, the RNG Project is expected to generate approximately 355,000 MMBtu of RNG per year, which will be transported and sold in California. BP Canada Energy Marketing Corp. and BP Products North America Inc. (collectively, "bp") will market the RNG in California on behalf of Gevo, and Gevo expects that the RNG Project will generate between $16 and $22 million of Project EBITDA[1] per year beginning by 2023 depending on a variety of assumptions, including the value of credits under the federal Renewable Fuel Standard Program ("RFS") and the Low Carbon Fuel Standard ("LCFS") in California. Gevo expects to be able to get approval for Renewable Identification Numbers ("RINs") through RFS and carbon credits from LCFS later this year or next year.

Verity Tracking
Verity Tracking is developing the tools, techniques, software, data access to track carbon score and other sustainability attributes using "blockchain" technology. The benefit is having audited, transparent, immutable sustainability data attached to biofuels and is expected to be valuable to our customers, colleague companies, and partners. Verity has continued to develop 3rd party partnerships that will contribute to its development objectives over the coming quarters. Gevo and Blocksize-Capital have identified a series of internal milestones that Verity will need to achieve over the next few quarters in order to develop into a stand-alone business unit, either as part of Gevo or as a separate entity.

Chevron
The letter of intent between Gevo and Chevron that was signed in September of 2021 and scheduled to expire on March 31, 2022, has been extended until August 31, 2022. Chevron has a strong interest in Gevo's isobutanol-to-SAF, isobutylene and isooctane technology. Chevron and the Company have mutually agreed upon an extension that allows discussions and negotiations to continue.

Management Comment
Dr. Patrick Gruber, CEO of Gevo commented, "While this has been a productive quarter and year-to-date, the financial markets have been chaotic. Our recent decision to issue equity was made to ensure Gevo's balance sheet could withstand the challenging financial markets that we expect over the next two years while continuing to move forward with our NZ projects. As we move closer to FID and financial close on the debt component for NZ1, it should be clear to investors that Gevo has the capital needed to execute its development plan and that the value proposition of the SAF that will be produced by NZ1 is remarkable. Over time, as demand from the aviation industry continues to exceed supply, there should be opportunities for early movers, like Gevo, to create additional, accretive partnerships that will benefit our stockholders."

Upcoming Investor Conferences
Presentations provided in conjunction with these events will be available on Gevo's website at www.gevo.com in the Investor Relations section on the morning of the respective presentation. Members of Gevo's senior management will participate in the following hosted investor events:

Enercom Denver Annual Energy Conference - August 9, 2022 Denver, CO
Citi Midstream/Energy Infrastructure Conference – August 16-17, 2022 Las Vegas, NV
Credit Suisse Carbon Negative Conference - September 14-15, 2022 San Diego, CA

About Gevo Inc.

Gevo's mission is to transform renewable energy and carbon into energy-dense liquid hydrocarbons. These liquid hydrocarbons can be used for drop-in transportation fuels such as gasoline, jet fuel, and diesel fuel, that when burned have potential to yield net-zero greenhouse gas emissions when measured across the full lifecycle of the products. 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.

Gevo believes that Argonne National Laboratory GREET model is the best available standard of scientific based measurement for life cycle inventory or LCI.

Important Cautions Regarding 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, Gevo's financial condition as of June 15, 2022, Gevo's business development activities, Gevo's ability to the commercialize its projects, Gevo's supply agreements, financial projections, whether any of the Series 2022-A Warrants will ever be exercised and the amount of proceeds Gevo may receive in connection therewith, Gevo's ability to successfully develop, construct and finance its projects, whether Gevo's supply agreements are financeable, Gevo's ability to achieve cash flow from its planned projects, Chevron and whether Gevo and Chevron will enter into binding, definitive agreements and other statements that are not purely statements of historical fact. These forward-looking statements are made based on 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, 2021, 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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[1] Project EBITDA is a non-GAAP financial measure that we define as total operating revenues less total operating expenses for the project.

[2] Under similar long run market price assumptions for key modeling inputs such as corn, SAF, co-products, and environmental benefits.