Gevo, Inc. Provides Company and Project Updates

October 10, 2022

ENGLEWOOD, Colo., Oct. 10, 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 an update on the Company and projects currently in process.

Market Development
Gevo now has approximately 375 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 multiple plants to be built over the next four years to satisfy those agreements. Based on current market projections and certain assumptions, collectively, these agreements represent approximately $2.3 billion in expected annual sales. Offtake partners include: Trafigura, Kolmar, Delta Airlines, American Airlines, Alaska Airlines, Finnair, Japan Airlines, British Airways, Aer Lingus, and SAS.

Inflation Reduction Act
The Inflation Reduction Act ("IRA") which was signed into law in August of this year is helpful to many companies in the renewable energy industry and is a positive signal for SAF specifically. The first phase of this two-phased approach to encouraging investment in the SAF industry creates a SAF blenders tax credit for the 2023-2024 period with a value potential of $1.25 per gallon. In the second two-year phase, 2025-2027, it created a Clean Fuel Production Credit ("CFPC") that has a credit of $1.75 per gallon for domestically produced, net-zero carbon intensity ("CI") score SAF. The value of both credits is based on the CI score of the fuel produced and requires a minimum 50% reduction in greenhouse gas ("GHG") emissions. Gevo, like other net-zero businesses, is expected to benefit from such a program because of the expected low CI score of Gevo products.

Net-Zero 1 Status
Following the recent groundbreaking ceremony in Lake Preston, South Dakota, the Net-Zero 1 ("NZ1") project is on schedule with initial volumes of SAF expected to be delivered in 2025. NZ1 is expected to produce approximately 55 MGPY of SAF, or 62 MGPY of total hydrocarbon volumes, which would satisfy part of the ~375 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 continues to yield improved output expectations as pre-project planning has been completed through phase 2 of front-end loading work ("FEL-2"). The results of this work, combined with support from the CFPC, have led to the forecast Project EBITDA[1] for NZ1 to be in the range of $300-$325 million per year, a 56% increase at the mid-point from the prior estimate of $200 million per year. The total installed cost for NZ1, including the capital required for the alcohol-to-jet fuel plant as well as any site development costs, is currently forecasted to be approximately $850 million, a 33% increase from the prior estimate of $640 million. This increase is primarily due to increased steel, equipment, and supply chain costs related to the inflationary environment.

Progress on Key NZ1 Development Milestones
Through year-end 2022:

√ Close the purchase of the land for NZ1 in Lake Preston, South Dakota
√ Execute development agreements for:

- √ Wind energy
- - Wastewater (design no longer requires)
- √ 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

Through first-half 2023:

• Close the construction financing, including non-recourse debt
• Order long lead equipment

Throughout the remainder of 2022 and 2023, Gevo expects to update stockholders about certain key milestones related to the development, financing, and construction of NZ1 as well as subsequent Net-Zero plants. Updates to those milestones will be found in the Company's press releases and investor presentations in the Investor Relations section of Gevo's website.

Additional Plant Sites
Gevo continues to make steady progress on securing future SAF production locations beyond NZ1. These future sites must offer an appealing mix of attributes that enable the Company to produce low-cost fuels with the lowest carbon footprint possible. Gevo's preferred list of partners and locations with decarbonization in mind are continuously being refined and the Company 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") continues to ramp up its production. The Company recently received notice from the federal Renewable Fuel Standard ("RFS") that the RNG produced qualifies for Renewable Identification Numbers ("RINs"). Gevo will begin to recognize revenue for RNG sales in the third quarter of 2022; however, initial revenue will be limited to the value of the commodity,

exclusive of environmental credits and will represent a partial quarter. Some sales revenue from environmental attributes are expected in the fourth quarter of 2022; however, the full extent of the available credits will begin contributing to revenue in 2023 due to timing of the approval and documentation process for the Low Carbon Fuel Standard ("LCFS") credits.

The RNG Project is expected to generate Project EBITDA[1] in the range of $16-$22 million per year beginning in 2023, depending on a variety of assumptions, including the value of credits under the federal RFS and the LCFS in California.

Verity Tracking & U.S. Department of Agriculture Grant
Gevo is proud to have been tentatively awarded up to $30 million by the U.S. Department of Agriculture to advance its Climate-Smart Farm-to-Flight initiative. This award and program are expected to be finalized in the coming months.

Gevo will be working with its strong team of partners in the Lake Preston, South Dakota area to lower the Company's carbon footprint throughout the SAF business system as well as within other projects in Gevo's portfolio of projects. Gevo plans to deliver a high-quality carbon accounting system that will help reward growers who adopt farming methods that reduce greenhouse GHG emissions. This accounting system will focus on the importance of immutable tracking and tracing of carbon-intensity scores that begins at the farm level and follows the molecules through the production of SAF and finally to its ultimate use in a jet engine. Gevo plans to accomplish these goals through further development and implementation of Verity Tracking, which is a blockchain-enabled solutions platform for carbon tracking throughout an entire business system.

Chevron
Conversations between Chevron and Gevo continue as we each evaluate how best to structure our relationship going forward. Chevron and the Company have mutually agreed upon an extension to the letter of intent between the parties that allows these discussions and negotiations to continue.

Management Comment
Dr. Patrick Gruber, CEO of Gevo commented, "With the bulk of the engineering and design work for Gevo's NZ1 project in South Dakota nearing completion and our RNG project in Iowa up and running, a portion of our team can shift their focus to the development and planning for projects beyond NZ1. We now have approximately 375 MGPY of commercial offtake commitments. Our team will take all that we have learned, and continue to learn, from the design and construction process for NZ1 and leverage that growing knowledge base as we plan and design each subsequent plant. Gevo has developed an outstanding set of partners with the capability to help execute our plans. We are excited to get on with building out capacity and getting product to the market at commercial scale. NZ1 is going to demonstrate how a commercial scale SAF plant can achieve net-zero greenhouse gas emissions." Dr. Gruber continued, "The passage of the Inflation Reduction Act is a game changer and is expected to reward companies like ours that drive to net-zero emissions."

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:

Capital One Investor Conference – December 6, 2022, in Houston, TX

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 it possesses the technology and know-how to convert various carbohydrate feedstocks through a fermentation process into alcohols and then transform the alcohols into renewable fuels and materials, through a combination of its own technology, know-how, engineering, and licensing of technology and engineering from Axens North America, Inc., which 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 NZ1 project, including the timing of NZ1, the total installed capital estimate for NZ1, the financial projections in this press release, the RNG Project, Gevo's business development activities, 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.