Gevo Provides Renewable Natural Gas Production Update

July 15, 2024

ENGLEWOOD, Colo., July 15, 2024 (GLOBE NEWSWIRE) -- Gevo, Inc. (NASDAQ: GEVO) announced today that its renewable natural gas ("RNG") business recently achieved record production levels.

"I am pleased that we achieved an annualized production rate of approximately 402,000 MMBtu in May, exceeding our previous record of approximately 401,000 MMBtu in March," said Staci Bogue-Buchholz, Vice President and General Manager of Gevo's RNG facilities. "These results show we have hit our stride from a production perspective, and I think we have room for further improvement too. The system is running well."

On June 21, 2024, our RNG production experienced a slight disruption due to a severe flooding event that impacted the Rock Valley, Iowa community. As a result of our mitigation efforts, we still achieved monthly RNG production of 29,082 MMBtu in June inclusive of planned downtime for maintenance, and the system has returned to its normal operational state. The company does not expect this to materially impact the annual production target of approximately 400,000 MMBtu.

Commenting on the rain and flooding in Rock Valley, Bogue-Buchholz said: "While Gevo was lucky, many of our neighbors and surrounding communities were not so fortunate. We are heartbroken for our community as they deal with this tremendous impact and are looking for opportunities to support recovery and resiliency from future flooding."

Gevo's RNG is produced by capturing methane biogas from manure digestors across three dairy farms in northwest Iowa. The biogas is then delivered by pipeline to a centrally located gas upgrading unit where it is brought to pipeline-quality RNG and injected into the local gas pipeline.

RNG is biogenic methane that substitutes for fossil-based methane, or "natural gas". The benefit of RNG from a process like Gevo's, which is made from renewable carbon and mitigates fugitive methane emissions during production, is that the overall mitigation of greenhouse gases is large. The resulting carbon negative RNG may be purchased and claimed in California and other low-carbon fuels markets to fuel compressed natural gas heavy duty vehicles.

Gevo is currently operating under a California Air Resources Board ("CARB") temporary pathway, which provides the RNG produced with a carbon intensity score of -150 gCO2e/MJ. Gevo has applied for, and expects to receive, a permanent score of -350 gCO2e/MJ, the timing of which is uncertain but is believed to occur by the end of 2024. It is estimated that receipt of the permanent score will approximately double the stand-alone non-GAAP adjusted EBITDA[1] currently generated by Gevo's RNG business.

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

Learn more at Gevo's website: www.gevo.com

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[1] Non-GAAP adjusted EBITDA is calculated by adding back depreciation and amortization and non-cash stock-based compensation to GAAP loss from operations.