Gevo, Inc. Announces Sale of Approximately $20 Million of Investment Tax Credits Generated by the Gevo NW Iowa RNG Facility Under Inflation Reduction Act, Helping to Drive Further Investment in Clean Energy

September 19, 2024

ENGLEWOOD, Colo., Sept. 19, 2024 (GLOBE NEWSWIRE) -- Gevo, Inc. (NASDAQ: GEVO) is pleased to announce the sale of approximately $20 million in Investment Tax Credits to an undisclosed corporate buyer. This transaction monetizes Inflation Reduction Act (“IRA”) Investment Tax Credits generated from the commercialization of a renewable natural gas (“RNG”) production facility by Gevo NW Iowa RNG, LLC (“Gevo RNG”) and provides net cash proceeds of approximately $17 million to Gevo after transaction fees.

The Gevo RNG asset has been optimized to produce approximately 400,000 MMBtus of RNG per year, and Gevo expects to further increase production over time. Additional RNG value could be unlocked through the monetization of Section 45Z Clean Fuel Production Credits under the IRA, once those rules are defined.

Gevo RNG generates RNG by collecting manure on dairy farms and placing it in anaerobic digesters installed on those farms, where biogas (also known as biomethane) is captured, then refined to replace fossil natural gas as a transportation fuel. Gevo’s commercial partner sells the RNG into California. Using an estimated carbon intensity score that incorporates the methane avoidance crediting aligned in the California Air Resources Board Low Carbon Fuel Standard, the RNG produced by the Gevo RNG facility is expected to yield upwards of 175,000 metric tons of carbon dioxide equivalent greenhouse gas emissions reductions annually. Gevo continues to explore increased scaling and margin expansion opportunities for its RNG business, and how to leverage it synergistically with its other lines of business.

“We continue to seek out ways to unlock shareholder value from our operations,” said Dr. Pat Gruber, CEO of Gevo. “This is just one example of how our mission to optimize renewable energy and seek out efficiencies creates opportunities.”

Net proceeds from the monetization of these tax credits improve Gevo’s liquidity, increase cash flow from operations, and improve the company’s ability to fund strategic sustainable aviation fuels (“SAF”) and other growth projects that deliver value to shareholders.

The IRA has changed the way federal clean energy tax credits are monetized and has altered the way companies approach how they leverage investment and production tax credits for renewable energy projects. The IRA permits the buying and selling of these credits for cash, which creates a new avenue for companies seeking tax savings through a growing tax credit market, rather than requiring commitment to a long-term renewable energy investment with a sponsor. This area of tax credit transferability is continuing to develop, but the current market offers the advantage of acquiring credits at a discount, reducing the investment timeframe and providing a straightforward legal procedure in comparison to traditional tax equity dealings.

“Gevo RNG began as a low-carbon source of heat energy for our facilities but has increased in value as it helps to reduce use of fossil energy in transportation while creating cash flow and driving further investment in clean energy,” Gruber said. “This is the kind of efficiency that Gevo’s circular economy fosters, and we expect it will continue to deliver shareholder returns as it grows.”

About Gevo
Gevo's mission is to convert renewable energy and biogenic carbon into sustainable fuels and chemicals with a net zero or better carbon footprint. Gevo’s innovative technology can be used to make a variety of products, including SAF, motor fuels, chemicals, and other materials. Gevo’s business model includes developing, financing, and operating production facilities for these renewable fuels and other products. It currently runs one of the largest dairy-based renewable RNG facilities in the United States. It also owns the world’s first production facility for specialty alcohol-to-jet (“ATJ”) fuels and chemicals. Gevo emphasizes the importance of sustainability by tracking and verifying the carbon footprint of their business systems through its Verity subsidiary.

For more information, see **www.gevo.com.**

Forward Looking Statement
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 RNG and its operations, the ability to monetize additional tax credits, 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, 2023 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.

Media Contact
Lindsay Fitzgerald
Senior Vice President of Public Affairs
PR@gevo.com