

Gevo Inc

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Gevo exceeds \$1.5B in long-term revenue contracts after striking deal with Trafigura Trading; stock jumps

Gevo Inc (NASDAQ:GEVO) announced Thursday that it has entered into a binding Renewable Hydrocarbons Purchase and Sale Agreement with Trafigura Trading LLC, a wholly owned subsidiary of Trafigura Group Pte Ltd.

The agreement is a long term, take or pay contract and is the largest contract in Gevo's history. Trafigura is one of the world's leading independent commodity trading companies with over \$171 billion and over \$54 billion in revenue and assets, respectively.

Under the contract, Gevo said Trafigura is expected to take delivery of 25MPGY of renewable hydrocarbons, the majority of which is expected to be low-carbon premium gasoline with a smaller portion of the volume for sustainable aviation fuel (SAF), starting in 2023.

Gevo's stock recently traded up by 174% to \$1.50 a share in New York.

READ: Gevo inks partnership to provide Sustainable Aviation Fuel and renewable premium gasoline in India and neighboring countries

Gevo said this commitment will support Trafigura's efforts to develop the market for low-carbon fuels including low-carbon premium gasoline. The agreement will also enable Trafigura to supply SAF to both US and international customers whose interest is growing in low-carbon jet fuel.

"This is our largest single contract to date, and with it, brings Gevo to over \$1.5B of revenue in long term contracts when added to the other contracts we have in place," said Gevo CEO Patrick Gruber in a statement.

"As drop-in fuels, Gevo's renewable, very high-octane gasoline and SAF are a perfect fit with Trafigura's existing fuels business and will allow them to integrate these low-carbon options seamlessly into their supply chains. We expect that our low-carbon fuels will enable certain of Trafigura's customers to substantially lower their carbon footprint."

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Price: 2.135

Market Cap: \$255.41 m

1 Year Share Price Graph



November 2019 June 2020 November 20

Share Information

Code: GEVO

Listing: NASDAQ

52 week	High	Low
	2.88	0.46

Sector: Chemicals

Website: www.gevo.com

Company Synopsis:

Gevo is a next generation "low-carbon" fuel company focused on the development and commercialization of renewable alternatives to petroleum-based products. Low-carbon fuels reduce the carbon intensity, or the level of greenhouse gas emissions, compared to standard fossil-based fuels across their lifecycle. The most common low-carbon fuels are renewable fuels.

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