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## Gevo says it now has the financial resources to execute on strategy as it looks to close a project financing in next 12 months

Gevo Inc (NASDAQ:GEVO) (FRA:ZGV3), which is developing renewable alternatives to petrol, is well-capitalized and continues to advance its project financing efforts to establish production facilities so it can fulfil contracts for its green fuels.

In a business update, the Colorado-based company said the facilities were needed to provide the product required under existing and expected, future take-or-pay, off-take agreements.

### READ: Gevo says its intellectual property worth \$412M following third-party evaluation

Earlier this year, Gevo hired investment giant Citigroup Inc (NYSE:C) to lead the process to procure the capital needed to build up to three production facilities. Gevo estimates the project capital cost would be around \$700 million, including \$200 million of equity and \$500 million of debt.

It reckons it will take around a year to close the financing for the first project.

"We currently have approximately \$81 million in cash on the balance sheet," noted Patrick Gruber, CEO of Gevo, who also highlighted that the firm had recently raised around \$46 million net from an offering and roughly \$16 million from warrant exercises.

"This cash will provide us with the ability to eliminate the White-box convertible note on the maturity date at the end of the year. I am pleased to say that we now have more financial resources to execute on our strategy.

"We plan to use those resources to complete critical work related to full engineering, site access and development, and permitting work necessary to fully develop our initial three production facilities to project finance standards.

"Furthermore, we will continue to develop the marketplace and try to obtain more renewable hydrocarbon offtake contracts."

Gevo's plan is to be the licensor of its technology and the project developer, which enables it to recapture capital deployed to develop projects at the financial closings.

It aims for the production facilities to be owned by Special Purpose Entities (SPEs), in which Gevo has negotiated a minority interest.

This model is expected to provide Gevo with fee income streams from SPEs for value-added functions around technology licensing, project management, and operations and maintenance.

**Price:** 1.81

**Market Cap:** \$216.53 m

#### 1 Year Share Price Graph



December 2019 June 2020 December 20

#### Share Information

**Code:** GEVO

**Listing:** NASDAQ

|                |             |            |
|----------------|-------------|------------|
| <b>52 week</b> | <b>High</b> | <b>Low</b> |
|                | 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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Gevo also noted in the statement that if it successfully closes on a financing in the next 12 months, it expects production of hydrocarbon fuels from the first project in late 2023 or early 2024.

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