UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended June 30, 2021

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 001-35397

RENEWABLE ENERGY GROUP, INC.
(Exact name of registrant as specified in its charter)

Delaware	**26-4785427**
(State of other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
416 South Bell Avenue Ames Iowa	**50010**
(Address of principal executive offices)	(Zip code)

(515) 239-8000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $.0001 per share	REGI	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 31, 2021, the registrant had 50,235,068 shares of Common Stock outstanding.

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FORWARD LOOKING STATEMENTS

This quarterly report on Form 10-Q contains, in addition to historical information, certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts contained in this report, including statements regarding our future results of operations and financial position, strategy and plans, and our expectations of future operations, are forward-looking statements. The words "believe," "may," "will," "would," "might," "could," "estimate," "continue," "anticipate," "design," "intend," "plan," "seek," "potential," "expect" and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, strategy, short-term and long-term business operations and objectives, and financial needs. Forward-looking statements include, but are not limited to, statements about:

- our business plans and strategies, including, but not limited to, our downstream objectives and undertakings and the proposed capacity expansion of our Geismar, Louisiana renewable diesel biorefinery, including financing such expansion;
- our financial performance, including expectations regarding revenues, cost of revenues and operating expenses;
- changes in governmental programs, policymaking and requirements or encouraged use of biofuels, including Biodiesel Mixture Excise Tax Credit, Renewable Fuels Standard 2 ("RFS2") in the United States, renewable fuel policies in Canada and Europe, and state level programs such as California's Low Carbon Fuel Standard ("LCFS");
- the availability, future price and volatility of feedstocks and other inputs;
- the expansion of our distribution network and transportation costs;
- the future price and volatility of petroleum;
- our liquidity and working capital requirements;
- our leasing practices;
- anticipated trends and challenges in our business and competition in the markets in which we operate;
- our ability to successfully implement our acquisition strategy and integration strategy;
- our ability to protect proprietary technology and trade secrets;
- our risk management activities;
- the industry’s capacity, production and imports;
- product performance, in cold weather or otherwise;
- seasonal fluctuations in our business;
- our current products as well as products we are developing;
- our ability to retain and recruit key personnel;
- our current and future indebtedness and our compliance, or failure to comply, with restrictive and financial covenants in our various debt agreements and any additional indebtedness required for the capacity expansion of our Geismar, Louisiana renewable diesel biorefinery;
- our marketable securities;
- critical accounting policies and estimates, the impact or anticipated impact of recent accounting pronouncements, guidance or changes in accounting principles and future recognition of impairments for the fair value of assets, including goodwill, financial instruments, intangible assets and other assets acquired;
- operating risks and the impact of disruptions to our business including, but not limited to, closures at our plant located in Geismar, Louisiana and the COVID-19 pandemic, including any potential resurgence of COVID-19 such as from the recent more transmissible Delta and Lambda variant strains; and
- assumptions underlying or relating to any of the foregoing.

These statements reflect current views with respect to future events and are based on assumptions and subject to risks and uncertainties. We note that a variety of factors, including but not limited to those Risk Factors discussed in Item 1A of Part II, could cause actual results and experience to differ materially from the anticipated results or expectations expressed in our forward-looking statements. Given these uncertainties, you should not place undue reliance on these forward-looking statements.

Forward-looking statements contained in this report present management’s views only as of the date of this report. We undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any further disclosures we make on related subjects in our 10-Q and 8-K reports filed with the Securities and Exchange Commission after the date hereof.

PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL INFORMATION

RENEWABLE ENERGY GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)
(in thousands, except share and per share amounts)

	June 30, 2021	December 31, 2020
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 608,754	$ 84,441
Marketable securities	252,344	149,521
Accounts receivable (net of allowance for doubtful accounts of $ 1,170 and $ 1,631, respectively)	169,867	143,475
Inventories	364,400	209,361
Prepaid expenses and other assets	105,751	67,657
Restricted cash	3,000	3,777
Total current assets	1,504,116	658,232
Long-term marketable securities	199,716	120,022
Property, plant and equipment, net	610,462	594,796
Right of use assets	32,028	28,840
Goodwill	16,080	16,080
Intangible assets, net	9,180	10,708
Other assets	44,335	32,720
TOTAL ASSETS	$ 2,415,917	$ 1,461,398
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt	$ 6	$ 50,088
Current maturities of operating lease obligations	12,841	14,581
Accounts payable	151,162	132,938
Accrued expenses and other liabilities	35,709	34,875
Deferred revenue	17,591	13,488
Total current liabilities	217,309	245,970
Deferred income taxes	6,542	6,607
Long-term debt (net of debt issuance costs of $ 13,574 and $ 1,731, respectively)	536,426	15,158
Long-term operating lease obligations	19,004	15,223
Other liabilities	3,441	4,485
Total liabilities	782,722	287,443
COMMITMENTS AND CONTINGENCIES		
EQUITY:		
Common stock ($0.0001 par value; 300,000,000 shares authorized; 50,235,068 and 39,334,839 shares outstanding, respectively)	6	5
Common stock—additional paid-in-capital	705,119	392,247
Retained earnings	1,009,949	891,211
Accumulated other comprehensive income	(80)	1,160
Treasury stock (6,191,632 and 10,591,074 shares outstanding, respectively)	(81,799)	(110,668)
Total equity	1,633,195	1,173,955
TOTAL LIABILITIES AND EQUITY	$ 2,415,917	$ 1,461,398

See notes to condensed consolidated financial statements.

RENEWABLE ENERGY GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)
(in thousands, except share and per share amounts)

	Three months ended		Six months ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
REVENUES:				
Bio-based diesel sales	$ 741,393	$ 451,329	$ 1,220,887	$ 857,727
Bio-based diesel government incentives	74,773	92,075	135,022	158,522
	816,166	543,404	1,355,909	1,016,249
Other revenue	54	501	54	613
	816,220	543,905	1,355,963	1,016,862
COSTS OF GOODS SOLD	692,707	521,350	1,158,649	888,746
GROSS PROFIT	123,513	22,555	197,314	128,116
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	35,015	28,427	66,192	55,912
GAIN ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	(39)	(187)	(39)	(187)
IMPAIRMENT OF ASSETS	916	—	1,738	—
INCOME (LOSS) FROM OPERATIONS	87,621	(5,685)	129,423	72,391
OTHER INCOME (EXPENSE), NET:				
Gain (loss) on debt extinguishment	(2,527)	619	(4,449)	1,791
Gain on lease termination	—	4,459	—	4,459
Interest income	1,184	550	2,496	550
Other income (expense)	(241)	1,665	539	1,362
Interest expense	(4,271)	(1,664)	(5,388)	(4,610)
	(5,855)	5,629	(6,802)	3,552
INCOME (LOSS) BEFORE INCOME TAXES	81,766	(56)	122,621	75,943
INCOME TAX EXPENSE	(2,250)	(1,629)	(3,883)	(2,961)
NET INCOME (LOSS)	$ 79,516	$ (1,685)	$ 118,738	$ 72,982
LESS—EFFECT OF PARTICIPATING SHARE-BASED AWARDS	729	—	1,475	1,500
NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS	$ 78,787	$ (1,685)	$ 117,263	$ 71,482
Basic net income (loss) per share available to common stockholders:				
Net income (loss) per share	$ 1.64	$ (0.04)	$ 2.65	$ 1.83
Diluted net income (loss) per share available to common stockholders:				
Net income (loss) per share	$ 1.62	$ (0.04)	$ 2.62	$ 1.66
Weighted-average shares used to compute basic net income (loss) per share available to common stockholders:				
Basic	48,120,735	39,177,381	44,294,421	39,078,219
Weighted-average shares used to compute diluted net income (loss) per share available to common stockholders:				
Diluted	48,576,626	39,177,381	44,769,007	43,000,196

See notes to condensed consolidated financial statements.

RENEWABLE ENERGY GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(unaudited)
(in thousands)

	Three months ended		Six months ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Net income (loss)	$ 79,516	$ (1,685)	$ 118,738	$ 72,982
Unrealized gains (losses) on marketable securities, net of taxes of $—, $108, $(11) and $108, respectively	(69)	307	(242)	307
Foreign currency translation adjustments	339	535	(998)	(16)
Other comprehensive income (loss)	270	842	(1,240)	291
Comprehensive income (loss)	$ 79,786	$ (843)	$ 117,498	$ 73,273

See notes to condensed consolidated financial statements.

RENEWABLE ENERGY GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(unaudited)
(in thousands, except share amounts)

	Company Stockholders' Equity						
	Common Stock Shares	Common Stock	Common Stock - Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total
BALANCE, January 1, 2020	38,967,079	$ 5	$ 438,591	$ 768,398	$ (1,994)	$ (105,488)	$ 1,099,512
Conversion of restricted stock units to common stock (net of 25,134 shares of treasury stock purchased)	38,144	—	—	—	—	(578)	(578)
Settlement of stock appreciation rights in common stock (net of 14,438 shares of treasury stock purchased)	16,704	—	(5)	—	—	(240)	(245)
Convertible debt extinguishment impact (net of tax impact of $ 1,013)	—	—	(17,829)	—	—	—	(17,829)
Stock compensation expense	—	—	1,367	—	—	—	1,367
Other comprehensive loss	—	—	—	—	(551)	—	(551)
Net income	—	—	—	74,667	—	—	74,667
BALANCE, March 31, 2020	39,021,927	$ 5	$ 422,124	$ 843,065	$ (2,545)	$ (106,306)	$ 1,156,343
Conversion of restricted stock units to common stock (net of 86,701 shares of treasury stock purchased)	230,265	—	—	—	—	(2,063)	(2,063)
Settlement of stock appreciation rights in common stock (net of 21,794 shares of treasury stock purchased)	39,962	—	(276)	—	—	(776)	(1,052)
Convertible debt extinguishment impact (net of tax impact of $ 1,055)	—	—	(20,860)	—	—	—	(20,860)
Stock compensation expense	—	—	1,855	—	—	—	1,855
Other comprehensive income	—	—	—	—	842	—	842
Net loss	—	—	—	(1,685)	—	—	(1,685)
BALANCE, June 30, 2020	39,292,154	$ 5	$ 402,843	$ 841,380	$ (1,703)	$ (109,145)	$ 1,133,380

	Company Stockholders' Equity						
	Common Stock Shares	Common Stock	Common Stock - Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total
BALANCE, January 1, 2021	39,334,839	$ 5	$ 392,247	$ 891,211	$ 1,160	$ (110,668)	$ 1,173,955
Conversion of restricted stock units to common stock (net of 150,906 shares of treasury stock purchased)	254,396	—	—	—	—	(10,026)	(10,026)
Settlement of stock appreciation rights in common stock (net of 2,598 shares of treasury stock purchased)	4,673	—	(176)	—	—	(1,431)	(1,607)
Equity issuance (net of issuance costs of $19,970)	5,750,000	1	365,279	—	—	—	365,280
Settlement of 2036 convertible senior notes conversions (net of tax impact of $1,143)	2,195,836	—	(26,183)	—	—	22,946	(3,237)
Stock compensation expense	—	—	1,844	—	—	—	1,844
Other comprehensive loss	—	—	—	—	(1,510)	—	(1,510)
Net income	—	—	—	39,222	—	—	39,222
BALANCE, March 31, 2021	47,539,744	$ 6	$ 733,011	$ 930,433	$ (350)	$ (99,179)	$ 1,563,921
Conversion of restricted stock units to common stock (net of 39,053 shares of treasury stock purchased)	99,802	—	—	—	—	(2,732)	(2,732)
Settlement of stock appreciation rights in common stock (net of 92,264 shares of treasury stock purchased)	107,095	—	(502)	—	—	(5,568)	(6,070)
Settlement of 2036 convertible senior notes conversions (net of tax impact of $1,294)	2,488,427	—	(29,352)	—	—	25,680	(3,672)
Stock compensation expense	—	—	1,962	—	—	—	1,962
Other comprehensive income	—	—	—	—	270	—	270
Net income	—	—	—	79,516	—	—	79,516
BALANCE, June 30, 2021	50,235,068	$ 6	$ 705,119	$ 1,009,949	$ (80)	$ (81,799)	$ 1,633,195

See notes to condensed consolidated financial statements.

RENEWABLE ENERGY GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands)

	Six months ended	
	June 30, 2021	**June 30, 2020**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 118,738	$ 72,982
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation expense	22,003	18,037
Amortization expense of assets and liabilities, net	10,469	8,968
Accretion of convertible note discount	247	464
Amortization of marketable securities	1,441	111
Gain on sale of property, plant and equipment	(39)	(187)
(Gain) loss on debt extinguishment	4,449	(1,791)
Provision for doubtful accounts	16	509
Impairment of assets	1,738	—
Stock compensation expense	3,806	3,222
Deferred tax expense	2,382	1,855
Gain on lease termination	—	(4,459)
Other operating activities	103	123
Changes in assets and liabilities:		
Accounts receivable, net	(26,518)	607,215
Inventories	(155,050)	1,257
Prepaid expenses and other assets	(50,293)	(33,667)
Accounts payable	9,490	(183,887)
Accrued expenses and other liabilities	(144)	(17,718)
Operating lease obligations	(9,420)	(8,969)
Deferred revenue	4,103	(2,233)
Cash provided by (used in) operating activities	(62,479)	461,832
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash paid for marketable securities	(319,421)	(179,476)
Cash received from maturities of marketable securities	135,222	—
Cash paid for purchase of property, plant and equipment	(32,478)	(31,048)
Other investing activities	(1,500)	187
Cash used in investing activities	(218,177)	(210,337)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net repayments on revolving line of credit	—	(76,990)
Cash received from notes payable	550,000	—
Cash paid on notes payable	(78,055)	(73,051)
Cash paid for debt issuance costs	(12,375)	—
Cash received from equity offering	385,250	—
Cash paid for equity offering costs	(19,970)	—
Cash paid for conversion of restricted stock units and stock appreciation rights	(20,435)	(3,938)
Cash provided from (used in) financing activities	804,415	(153,979)
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	523,759	97,516
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, Beginning of period	88,218	53,436
Effect of exchange rate changes on cash	(223)	(2)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, End of period	$ 611,754	$ 150,950

(continued)

RENEWABLE ENERGY GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands)

	Six months ended	
	June 30, 2021	**June 30, 2020**
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION:		
Cash paid for income taxes	$ 2,808	$ —
Cash paid for interest	$ 4,589	$ 3,724
Leased assets obtained in exchange for new operating lease liabilities	$ 12,980	$ 1,873
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Amounts included in period-end accounts payable for:		
Purchases of property, plant and equipment	$ 10,514	$ 4,467
Debt issuance cost	$ 1,526	$ —

(concluded)

See notes to condensed consolidated financial statements.

(in thousands, except share and per share amounts)

NOTE 1 — BASIS OF PRESENTATION AND NATURE OF THE BUSINESS

The condensed consolidated financial statements have been prepared by Renewable Energy Group, Inc. and its subsidiaries (the "Company" or "REG"), pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") have been condensed or omitted as permitted by such rules and regulations. All adjustments, consisting of normal recurring adjustments, have been included. Management believes that the disclosures are adequate to present fairly the financial position, results of operations and cash flows at the dates and for the periods presented. It is suggested that these interim financial statements be read in conjunction with the consolidated financial statements and the notes thereto appearing in the Company's latest annual report on Form 10-K filed on March 1, 2021. Results for interim periods are not necessarily indicative of those to be expected for the fiscal year.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and related disclosures. Actual results could differ from those estimates.

The Company owns and operates a network of twelve bio-based diesel production facilities, with ten locations in North America and two locations in Europe, and an aggregate nameplate production capacity of 505 million gallons per year ("mmgy"). Ten of these plants are "multi-feedstock capable", which allows them to use a broad range of low carbon feedstocks, such as distillers corn oil, used cooking oil and inedible animal fats in addition to vegetable oils, such as soybean oil, and canola oil.

The bio-based diesel industry and the Company's business have benefited from certain federal and state government programs. The federal biodiesel mixture excise tax credit (the "BTC") was retroactively reinstated on December 20, 2019 for the years 2018 and 2019. The BTC has also been extended through December 31, 2022. The modification of federal and state government programs could adversely affect the financial results of the Company.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies should be read in conjunction with a summary of the significant accounting policies the Company has disclosed in its Annual Report on Form 10-K for the year ended December 31, 2020.

Restricted Cash

The Company segregates certain cash balances as restricted cash that represent those funds required to be set aside by a contractual agreement. The Company classifies restricted cash between current and non-current assets based on the length of time of the restricted use.

As of June 30, 2021 and 2020, current restricted cash was $3,000 for both periods, representing pledges for outstanding letters of credit issued to support our operations. See the table below for reconciliation of "Cash, Cash Equivalents and Restricted Cash" in the Condensed Consolidated Statements of Cash Flows:

	June 30, 2021	June 30, 2020
Cash and cash equivalents	$ 608,754	$ 147,950
Restricted cash	3,000	3,000
Total cash, cash equivalents and restricted cash in the Condensed Statements of Cash Flows	$ 611,754	$ 150,950

Marketable Securities

The Company's marketable securities are classified as available-for-sale and are reported at fair value, with unrealized gains and losses, net of tax, recorded in accumulated other comprehensive income (loss). The Company classifies its marketable securities as either current or long-term based on each instrument's underlying contractual maturity date. Realized gains or losses and declines in value judged to be other-than-temporary, if any, on available-for-sale securities are reported in other income, net. The Company evaluates such investments periodically for possible other-than-temporary impairment. A decline of fair value below amortized costs of debt securities is considered an other-than-temporary impairment if the Company has the intent to sell the security or if it is more likely than not that the Company will be required to sell the security before recovery of the entire amortized cost basis. In those instances, an impairment charge equal to the difference between the fair value and the amortized cost basis is recognized in earnings. Regardless of the Company's intent or requirement to sell a debt security, an impairment is considered other-than-temporary if the Company does not expect to recover the entire amortized cost basis; in those instances, a credit loss equal to the difference between the present value of the cash flows expected to be allocated based on credit risk and the amortized cost basis of the debt security is recognized in earnings. The Company has no current requirement or intent to sell a material portion of marketable securities as of June 30, 2021. The Company expects to recover up to (or beyond) the initial cost of investment for securities held. In computing realized gains and losses on available-for-sale securities, the Company determines cost based on amounts paid, including direct costs such as commissions to acquire the security, using the specific identification method.

Renewable Identification Numbers ("RINs")

When the Company produces and sells a gallon of bio-based diesel for use in the United States,1.5 to 1.7 RINs per gallon are generated. RINs are used to track compliance with the Renewable Fuel Standard, using the EPA moderated transaction system. RFS2 allows the Company to attach between zero and 2.5 RINs to any gallon of bio-based diesel. As a result, a portion of the selling price for a gallon of bio-based diesel sold in the U.S. is generally attributable to RFS2 compliance. However, RINs that the Company generates are a form of government incentive and not a result of the physical attributes of the bio-based diesel production. Therefore, no cost is allocated to the RIN when it is generated, regardless of whether the RIN is transferred with the bio-based diesel produced or held by the Company pending attachment to other bio-based diesel production sales. Additionally, RINs, once obtained through the production and sale of gallons of bio-based diesel, may be separated by the acquirer and sold separately.

In addition, the Company also obtains RINs from third parties who have separated the RINs from gallons of bio-based diesel. From time to time, the Company holds varying amounts of these separated RINs for resale. RINs obtained from third parties are initially recorded at their cost and are subsequently revalued at the lower of cost or net realizable value as of the last day of each accounting period. The resulting adjustments are reflected in costs of goods sold for the period. The value of these RINs is reflected in “Prepaid expenses and other assets” on the Condensed Consolidated Balance Sheets. The cost of goods sold related to the sale of these RINs is determined using the average cost method, while market prices are determined by RIN values, as reported by the Oil Price Information Service ("OPIS").

Low Carbon Fuel Standard

The Company generates LCFS credits for its low carbon fuels or blendstocks when its qualified low carbon fuels are transported into an LCFS market and sold for qualifying purposes. LCFS credits are used to track compliance with the LCFS. As a result, a portion of the selling price for a gallon of bio-based diesel sold into an LCFS market is also attributable to LCFS compliance. However, LCFS credits that the Company generates are a form of government incentive and not a result of the physical attributes of the bio-based diesel production. Therefore, no cost is allocated to the LCFS credit when it is generated, regardless of whether the LCFS credit is transferred with the bio-based diesel produced or held by the Company.

In addition, the Company also obtains LCFS credits from third-party trading activities. From time to time, the Company holds varying amounts of these third-party LCFS credits for resale. LCFS credits obtained from third parties are initially recorded at their cost and are subsequently revalued at the lower of cost or net realizable value as of the last day of each accounting period, and the resulting adjustments are reflected in costs of goods sold for the period. The value of LCFS credits obtained from third parties is reflected in “Prepaid expenses and other assets” on the Condensed Consolidated Balance Sheet. The cost of goods sold related to the sale of these LCFS credits is determined using the average cost method, while market prices are determined by LCFS values, as reported by the OPIS.

The Company records assets acquired and liabilities assumed through the exchange of non-monetary assets based on the fair value of the assets and liabilities acquired or the fair value of the consideration exchanged, whichever is more readily determinable.

Convertible Debt

In June 2016, the Company issued $152,000 aggregate principal amount of 4% convertible senior notes due in 2036 (the "2036 Convertible Senior Notes"). See "Note 7 - Debt" for a further description of the 2036 Convertible Senior Notes and information regarding our April 2021 notice of redemption of all such notes. During the three and six months ended June 30, 2021, the Company received notices of conversions related to the 2036 Convertible Senior Notes in total principal amount of $32,544 and $59,619, respectively. The Company elected to settle the principal balances of $32,544 and $59,619, respectively, in cash and the conversion premium by issuing 2,488,427 and 4,684,263, respectively, of common shares from treasury stock, resulting in a loss on debt extinguishment, of $2,527 and $4,449, respectively. As of June 30, 2021, the 2036 Convertible Senior Notes have all been redeemed and all obligations thereto have been satisfied and discharged.

During the three and six months ended June 30, 2020, the Company used $31,855 to repurchase $14,000 principal amount and $57,804 to repurchase $25,008 principal amount of the 2036 Convertible Senior Notes, respectively, reflecting conversion premium, after tax impact, of $20,860 and $38,689, respectively, as a reduction of Additional Paid-in Capital and gains on debt extinguishment of $619 and $1,791, respectively, as reflected in the Condensed Consolidated Statements of Operations.

2028 Green Bonds

On May 20, 2021, the Company completed the sale and issuance of $550,000 aggregate principal amount of our 5.875% senior secured notes due in 2028 (the "Green Bonds"). The Company recorded $13,901 in legal, professional and underwriting fees related to the issuance of the Green Bonds. The Company currently intends to use the net proceeds from this offering for capital expenditures related to the expansion of its Geismar, Louisiana biorefinery. See "Note 7 - Debt" for a further description of the Green Bonds.

Security Repurchase Programs

In January 2019 and February 2020, the Company's Board of Directors approved repurchase programs of up to $75,000 and $100,000, respectively, of the Company's convertible notes and/or shares of common stock (the "2019 Program" and "2020 Program", respectively). Under these programs, the Company may repurchase convertible notes or shares from time to time in open market transactions, privately negotiated transactions or by other means. The timing and amount of repurchase transactions under each program are determined by the Company's management based on its evaluation of market conditions, share price, convertible note price, legal requirements and other factors.

The table below sets out the information regarding the activities under the 2019 and 2020 Programs during the three and six months ended June 30, 2020:

	Three months ended June 30, 2020		Six months ended June 30, 2020	
	Principal amount in 000's	January 2019 Program	Principal amount in 000's	January 2019 Program
2036 Convertible Senior Notes Repurchases	$ 14,000	$ 31,855	$ 25,008	$ 57,804

The 2019 Program was fully utilized as of September 30, 2020. The remaining amount of the 2020 Program was $91,914 as of June 30, 2021.

Equity Offering

On March 19, 2021, the Company completed an equity offering pursuant to which it sold 5,750,000 shares of common stock to various underwriters at a price of $67.00 per share before underwriting discounts and commissions. The proceeds that the Company received from the financing activity were $385,250 before underwriting discounts and commissions, fees, and other out-of-pocket costs of $19,970. The net proceeds from the transaction were $365,280.

Revenue Recognition

The Company generally has a single performance obligation in its arrangements with customers. The Company believes for most of its contracts with customers, control is transferred at a point in time, typically upon delivery to the customers. When the Company performs shipping and handling activities after the transfer of control to the customers (e.g., when control transfers prior to delivery), they are considered as fulfillment activities, and accordingly, the costs are accrued for when the related revenue is recognized. Taxes collected from customers relating to product sales and remitted to governmental authorities are excluded from revenues. The Company generally expenses sales commissions when incurred because the amortization period would have been less than one year. The Company records these costs within selling, general and administrative expenses.

The following is a description of principal activities from which we generate revenue. Revenues from contracts with customers are recognized when control of the promised goods or services are transferred to our customers, in an amount that reflects the consideration that we expect to receive in exchange for those goods or services.

- sales of biodiesel and renewable diesel produced at our facilities, including RINs and LCFS credits;
- resale of biodiesel, renewable diesel and petroleum acquired from third parties, along with the sale of renewable diesel and petroleum-based products further blended with biodiesel produced at our wholly owned facilities or acquired from third parties;
- sales of separated RINs and LCFS credits;
- sales of raw materials, glycerin and other co-products of the bio-based diesel production process;
- other revenue, including bio-based diesel facility management and operational services; and
- incentive payments from federal and state governments, including the BTC, and from the USDA Advanced Biofuel Program.

Disaggregation of revenue:

All revenue recognized in the income statement, except for Bio-based diesel Government Incentives, is considered to be revenue from contracts with customers. The following table depicts the disaggregation of revenue according to product line and segment:

	Reportable Segments				
Three months ended June 30, 2021	**Bio-based Diesel**	**Services**	**Corporate and other**	**Intersegment Revenues**	**Consolidated Total**
Bio-based diesel sales, net of BTC-related amount due to customers of $—	$ 573,915	$ —	$ —	$ (1,389)	$ 572,526
Petroleum diesel sales	—	—	33,678	—	33,678
LCFS credit sales	39,150	—	—	—	39,150
Separated RIN sales	67,388	—	—	—	67,388
Co-product sales	17,532	—	—	—	17,532
Raw material sales	3,406	—	—	—	3,406
Other bio-based diesel revenue	7,713	—	—	—	7,713
Other revenues	—	19,408	—	(19,354)	54
Total revenues from contracts with customers	$ 709,104	$ 19,408	$ 33,678	$ (20,743)	$ 741,447
Bio-based diesel government incentives	74,773	—	—	—	74,773
Total revenues	$ 783,877	$ 19,408	$ 33,678	$ (20,743)	$ 816,220

Three months ended June 30, 2020	**Bio-based Diesel**	**Services**	**Corporate and other**	**Intersegment Revenues**	**Consolidated Total**
Bio-based diesel sales, net of BTC-related amount due to customers of $(25)	$ 338,987	$ —	$ —	$ (478)	$ 338,509
Petroleum diesel sales	—	—	22,496	—	22,496
LCFS credit sales	30,709	—	—	—	30,709
Separated RIN sales	26,992	—	—	—	26,992
Co-product sales	12,908	—	—	—	12,908
Raw material sales	7,692	—	—	—	7,692
Other bio-based diesel revenue	12,023	—	—	—	12,023
Other revenues	—	26,486	—	(25,985)	501
Total revenues from contracts with customers	$ 429,311	$ 26,486	$ 22,496	$ (26,463)	$ 451,830
Bio-based diesel government incentives	92,075	—	—	—	92,075
Total revenues	$ 521,386	$ 26,486	$ 22,496	$ (26,463)	$ 543,905

Six months ended June 30, 2021	Bio-based Diesel	Services	Corporate and other	Intersegment Revenues	Consolidated Total
	Reportable Segments				
Bio-based diesel sales, net of BTC-related amount due to customers of $—	$ 922,889	$ —	$ —	$ (2,416)	$ 920,473
Petroleum diesel sales	—	—	74,187	—	74,187
Separated RIN sales	96,988	—	—	—	96,988
LCFS credit sales	77,461	—	—	—	77,461
Co-product sales	29,216	—	—	—	29,216
Raw material sales	5,085	—	—	—	5,085
Other bio-based diesel revenue	17,477	—	—	—	17,477
Other revenues	—	36,760	—	(36,706)	54
Total revenues from contracts with customers	$ 1,149,116	$ 36,760	$ 74,187	$ (39,122)	$ 1,220,941
Bio-based diesel government incentives	135,022	—	—	—	135,022
Total revenues	$ 1,284,138	$ 36,760	$ 74,187	$ (39,122)	$ 1,355,963

Six months ended June 30, 2020	Bio-based Diesel	Services	Corporate and other	Intersegment Revenues	Consolidated Total
Bio-based diesel sales, net of BTC-related amount due to customers of $1,104	$ 622,484	$ —	$ —	$ (3,103)	$ 619,381
Petroleum diesel sales	—	—	66,832	—	66,832
Separated RIN sales	42,512	—	—	—	42,512
LCFS credit sales	64,743	—	—	—	64,743
Co-product sales	24,952	—	—	—	24,952
Raw material sales	18,646	—	—	—	18,646
Other bio-based diesel revenue	20,661	—	—	—	20,661
Other revenues	—	46,019	—	(45,406)	613
Total revenues from contracts with customers	$ 793,998	$ 46,019	$ 66,832	$ (48,509)	$ 858,340
Bio-based diesel government incentives	158,522	—	—	—	158,522
Total revenues	$ 952,520	$ 46,019	$ 66,832	$ (48,509)	$ 1,016,862

Contract balances:

The following table provides information about receivables and contract liabilities from contracts with customers:

	June 30, 2021	December 31, 2020
Trade accounts receivable from customers	$ 114,386	$ 74,774
Short-term contract liabilities (deferred revenue)	$ (1,117)	$ (946)
Short-term contract liabilities (accounts payable)	$ (699)	$ (914)

The Company receives payments from customers based upon contractual billing schedules; accounts receivable are recorded when the right to consideration becomes unconditional. Contract liabilities include payments received in advance of performance under the contract, and are realized with the associated revenue recognized under the contract. Significant changes to the contract liabilities during the three and six months ended June 30, 2021 and 2020 are as follows:

	April 1, 2021	Cash receipts (Payments)	Less: Impact on Revenue	Other	June 30, 2021
Deferred revenue	$ 603	$ 4,964	$ 4,450	$ —	$ 1,117
Payables to customers related to BTC	699	—	—	—	699
	$ 1,302	$ 4,964	$ 4,450	$ —	$ 1,816

	April 1, 2020	Cash receipts (Payments)	Less: Impact on Revenue	Other	June 30, 2020
Deferred revenue	$ 365	$ 4,669	$ 5,032	$ —	$ 2
Payables to customers related to BTC	255,193	(182,819)	—	2,956	75,330
	$ 255,558	$ (178,150)	$ 5,032	$ 2,956	$ 75,332

	January 1, 2021	Cash receipts (Payments)	Less: Impact on Revenue	Other	June 30, 2021
Deferred revenue	$ 946	$ 17,928	$ 17,757	$ —	$ 1,117
Payables to customers related to BTC	914	(215)	—	—	699
	$ 1,860	$ 17,713	$ 17,757	$ —	$ 1,816

	January 1, 2020	Cash receipts (Payments)	Less: Impact on Revenue	Other	June 30, 2020
Deferred revenue	$ 631	$ 13,736	$ 14,365	$ —	$ 2
Payables to customers related to BTC	255,193	(182,819)	—	2,956	75,330
	$ 255,824	$ (169,083)	$ 14,365	$ 2,956	$ 75,332

New Accounting Standards

On December 18, 2019, the FASB issued ASU 2019-12, which affects general principles within ASC 740, Income Taxes. The ASU removes the following exceptions: (1) incremental approach for intra-period tax allocation when there is a loss from continuing operations and income or a gain from other items, (2) exception to the requirement to recognize a deferred tax liability for equity method investments when a foreign subsidiary becomes an equity method investment, (3) exception to the ability not to recognize a deferred tax liability for a foreign subsidiary when a foreign equity method investment becomes a subsidiary, and (4) exception to the general methodology for calculating income taxes in an interim period when a year-to-date loss exceeds the anticipated loss for the year. The ASU also will make changes to franchise tax recognition, consideration of the tax basis recognition of goodwill related to acquisitions, specify tax allocation to subsidiaries, reflecting a change in tax law in the interim period annual effective tax rate computation in the period of enactment, and changes to the employee stock ownership plans and investments. For public business entities, the amendments in ASU 2019-12 are effective for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. The adoption of ASU 2019-12 did not have a material impact on the Company's condensed consolidated financial statements.

On January 16, 2020, the FASB issued ASU 2020-01, which clarifies the interaction between Topic 321 (Equity Securities), Topic 323 (Equity Method Investments) and Topic 815 (Derivatives and Hedging). This amendment clarifies that an entity should not consider whether the settlement of a forward contract or exercise of an option is accounted for under Topic 323 or whether the fair value option is in accordance with Topic 825. For public business entities, the amendments in ASU 2020-01 are effective for fiscal years beginning December 15, 2020, and interim periods within those fiscal years. The adoption of ASU 2020-01 did not have a material impact on the Company's condensed consolidated financial statements.

On March 9, 2020, the FASB issued ASU 2020-03, which clarifies and updates various topics specific to the Company such as: (1) Amending Topic 820 to explicitly apply to non-financial items accounted for as derivatives under Topic 815. (2)

Improve the understanding of Topic 470 and the alignment of Line-of-Credit arrangements and Revolving-Debt arrangements. (3) Clarification on the determination of a contractual term in a net investment in a lease determined in accordance with Topic 842 and Topic 326. For public business entities, the amendments in ASU 2020-03 are effective for fiscal years beginning after December 15, 2019, and interim periods beginning after December 15, 2020. The adoption of ASU 2020-03 did not have a material impact on the Company's condensed consolidated financial statements.

On March 12, 2020, the FASB issued ASU 2020-04, which provides a relief that is elective and applies to all entities, subject to meeting certain criteria, that have contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. Optional expedients are provided for contract modification accounting under the following Codification topics and subtopics: ASC 310, Receivables; ASC 470, Debt; ASC 840 or ASC 842, Leases; and ASC 815-15, Derivatives and Hedging: Embedded Derivatives. The ASU also establishes (1) a general contract modification principle that entities can apply in other areas that may be affected by reference rate reform and (2) certain elective hedge accounting expedients. The amendments in ASU 2020-04 are effective for all entities as of March 12, 2020, through December 31, 2022. The Company is still evaluating the impact of the guidance on its condensed consolidated financial statements.

On August 5, 2020, the FASB issued ASU 2020-06, which reduces the complexity of the accounting for convertible debt instruments and its effect on earnings per share calculation. The guidance reduces the number of accounting models used for convertible debt instruments, which will result in fewer embedded conversion features being recognized separately from the original contract. This will also affect the guidance associated with convertible debt for earnings-per-share by requiring the if-converted method rather than the treasury stock method, requiring that potential share settlement be included in the calculation of diluted earnings per share and clarifying that an entity should use the weighted-average share count from each quarter when calculating the year-to-date weighted-average share count. For public business entities, the amendments in ASU 2020-06 are effective for fiscal years beginning after December 15, 2021, including interim periods within those years, and early adoption is permitted for fiscal years beginning after December 15, 2020, including interim periods within those years. The Company is evaluating the impact of the guidance on its condensed consolidated financial statements, but does not expect the impact to be material.

NOTE 3 — MARKETABLE SECURITIES

The Company's investments in marketable securities are stated at fair value and are available-for-sale.The following table summarizes the Company's investments in marketable securities:

	June 30, 2021				
	Maturity	Gross Amortized Cost	Total Unrealized Gains	Total Unrealized Losses	Fair Value
		Short-term marketable securities			
Commercial paper	Within one year	$ 152,141	$ —	$ (5)	$ 152,136
Corporate bonds	Within one year	97,728	—	(21)	97,707
Municipal bonds	Within one year	2,500	1	—	2,501
Total		$ 252,369	$ 1	$ (26)	$ 252,344
		Long-term marketable securities			
Corporate bonds	Within one - five years	$ 182,838	$ —	$ (157)	$ 182,681
U.S. Treasury bills	Within one - five years	5,000	—	(7)	4,993
Municipal bonds	Within one - five years	12,043	—	(1)	12,042
Total		$ 199,881	$ —	$ (165)	$ 199,716

	December 31, 2020				
	Maturity	Gross Amortized Cost	Total Unrealized Gains	Total Unrealized Losses	Fair Value
		Short-term marketable securities			
Commercial paper	Within one year	$ 48,685	$ 31	$ (2)	$ 48,714
Corporate bonds	Within one year	78,282	45	(18)	78,309
U.S. Treasury bills	Within one year	19,995	2	—	19,997
Municipal bonds	Within one year	2,500	1	—	2,501
Total		$ 149,462	$ 79	$ (20)	$ 149,521
		Long-term marketable securities			
Corporate bonds	Within one - five years	$ 91,694	$ 35	$ (40)	$ 91,689
U.S. Treasury bills	Within one - five years	25,000	1	(5)	24,996
Municipal bonds	Within one - five years	3,335	2	—	3,337
Total		$ 120,029	$ 38	$ (45)	$ 120,022

NOTE 4 — INVENTORIES

Inventories consist of the following:

	June 30, 2021	December 31, 2020
Raw materials	$ 131,832	$ 65,969
Work in process	7,141	5,515
Finished goods	225,427	137,877
Total	$ 364,400	$ 209,361

Inventories are valued at the lower of cost or net realizable value. Cost is determined based on the first-in, first-out method. There wereno lower of cost or market adjustments made to the inventory values reported as of June 30, 2021 and December 31, 2020.

NOTE 5 — OTHER ASSETS

Prepaid expense and other assets consist of the following:

	June 30, 2021	December 31, 2020
Commodity derivatives and related collateral, net	$ 34,987	$ 5,433
Prepaid expenses	22,575	27,933
Deposits	1,989	2,047
RIN inventory	10,034	869
Taxes receivable	34,173	29,621
Other	1,993	1,754
Total	$ 105,751	$ 67,657

RIN inventory is valued at the lower of cost or net realizable value. There were no lower of cost or market adjustments made to the inventory values reported as of June 30, 2021 and December 31, 2020.

Other noncurrent assets consist of the following:

	June 30, 2021	December 31, 2020
Investments	$ 14,579	$ 13,005
Spare parts inventory	2,567	2,610
Catalysts	14,985	7,408
Deposits	357	451
Other	11,847	9,246
Total	$ 44,335	$ 32,720

NOTE 6 — INTANGIBLE ASSETS

Intangible assets consist of the following:

	June 30, 2021		
	Cost	Accumulated Amortization	Net
Raw material supply agreement	$ 6,230	$ (3,911)	$ 2,319
Renewable diesel technology	8,300	(3,919)	4,381
Acquired customer relationships	4,747	(2,273)	2,474
Other intangibles	200	(194)	6
Total intangible assets	$ 19,477	$ (10,297)	$ 9,180

	December 31, 2020		
	Cost	Accumulated Amortization	Net
Raw material supply agreement	$ 6,230	$ (3,618)	$ 2,612
Renewable diesel technology	8,300	(3,643)	4,657
Acquired customer relationships	4,747	(2,025)	2,722
Other intangible assets	904	(187)	717
Total intangible assets	$ 20,181	$ (9,473)	$ 10,708

The Company recorded intangible amortization expense of $442 and $824 for the three and six months ended June 30, 2021, and $318 and $671 for the three and six months ended June 30, 2020, respectively.

The estimated intangible asset amortization expense for the remainder of 2021 through 2027 and thereafter is as follows:

July 1, 2021 through December 31, 2021	$ 769
2022	1,619
2023	1,629
2024	1,640
2025	1,574
2026	611
2027 and thereafter	1,338
Total	$ 9,180

NOTE 7 — DEBT

The following table shows the Company's term debt:

	June 30, 2021	December 31, 2020
5.875% Senior Secured Green Bonds, due 2028	$ 550,000	$ —
4.00% Convertible Senior Notes	—	47,057
REG Ralston term loan	—	13,241
REG Capital term loan	—	6,665
Other	6	14
Total term debt before debt issuance costs	550,006	66,977
Less: Current portion of long-term debt	6	50,088
Less: Debt issuance costs (net of accumulated amortization of $327 and $990, respectively)	13,574	1,731
Total long-term debt	$ 536,426	$ 15,158

Green Bonds

On May 20, 2021, the Company completed the sale and issuance of $550,000 aggregate principal amount 5.875% senior secured notes due 2028 pursuant to an indenture, dated May 20, 2021 (the "Indenture"), by and among the Company, certain of its subsidiaries, as guarantors, and UMB Bank, N.A., a national banking association, as trustee. The Green Bonds bear interest at a rate of 5.875% per annum, payable semi-annually in arrears on June 1 and December 1, beginning on December 1, 2021. The Green Bonds will mature on June 1, 2028, unless earlier repurchased or redeemed. The Company currently intends to use the net proceeds from this offering for capital expenditures related to the expansion of its Geismar, Louisiana renewable diesel biorefinery. The Company recorded $13,901 in legal, professional and underwriting fees related to the issuance of the Green Bonds. These financing costs are being amortized using the effective interest method over the term of the debt. Prior to June 1, 2024, the Company may, at its option but subject to the conditions in the Indenture, (i) redeem up to 35% of the aggregate principal amount of the Green Bonds at a redemption price equal to105.875% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, to, but not including, the redemption date, with the net cash proceeds received by the Company in one or more equity offerings; provided that at least 65% of the aggregate principal amount of the Green Bonds issued under the Indenture (including any additional notes originally issued under the Indenture) remain outstanding after each such redemption or (ii) redeem all or part of the Green Bonds at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but not including, the applicable redemption date of the notes redeemed by us and a "make-whole" premium. On or after June 1, 2024, 2025 and 2026, respectively, the Company may, at its option but subject to the conditions in the Indenture, redeem some or all of the Green Bonds at the redemption price of 102.938%, 101.469% and 100.000%, respectively, plus accrued and unpaid interest, if any, to, but not including, the applicable redemption date of the notes redeemed by us. Upon the occurrence of a change in control (as defined in the Indenture), each holder of the Green Bonds may require the Company to repurchase all or a portion of the Green Bonds in cash at a price equal to 101.0% of the aggregate principal amount to be repurchased, plus accrued and unpaid interest, if any, thereon to, but not including, the date of repurchase.

The Indenture contains covenants that, among other things, limit the Company's ability and the ability of its restricted subsidiaries to:

- incur additional indebtedness or issue certain disqualified stock or preferred stock;
- create liens;
- pay dividends or distributions, redeem or repurchase equity;
- prepay subordinated indebtedness or make certain investments;
- transfer or sell assets;
- engage in a consolidation or merger, or sell, transfer or otherwise dispose of all or substantially all of their assets; and
- enter into certain transactions with affiliates.

These covenants are subject to a number of exceptions and limitations as described in the Indenture. The Green Bonds and related guarantees are secured by substantially all of the assets of the Company and its guarantor subsidiaries subject to certain exceptions and limitations; provided that the security interests granted by the Company and such guarantor subsidiaries that are obligors under the M&L and Services Revolver on (i) their working capital assets (including accounts receivable and inventory) will be contractually senior and (ii) all other assets will be contractually subordinated, in each case, to the security interests granted by them on such assets to secure the Green Bonds and related guarantees pursuant to an intercreditor agreement.

The Indenture provides for customary events of default (subject in certain cases to customary grace and cure periods), which include nonpayment, breach of certain covenants, payment defaults or acceleration of other indebtedness, a failure to pay certain judgments and certain events of bankruptcy and insolvency. Generally, if an event of default occurs and is continuing, the trustee or holders of at least 25% in principal amount of the then outstanding Green Bonds may declare the principal of, premium, and accrued but unpaid interest on all the Green Bonds to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest will be due and payable immediately.

2036 Convertible Senior Notes

On June 2, 2016, in a private offering to qualified institutional buyers, the Company issued $152,000 aggregate principal amount of the 2036 Convertible Senior Notes bearing interest at a rate of 4.00% per year payable semi-annually in arrears on June 15 and December 15 of each year, beginning December 15, 2016.

On April 12, 2021, the Company issued a notice of redemption to redeem all outstanding 2036 Convertible Senior Notes on June 15, 2021 at a redemption price equal to 100% of the principal amount of the notes redeemed. Because the redemption date is the interest payment date relating to the regular record date of June 1, 2021, the holders of the notes on June 1, 2021 were entitled to receive, on the redemption date, the unpaid interest that had accrued on such note. By June 11, 2021, the Company had received notices of conversion from all bondholders on the remaining 2036 Convertible Senior Notes and as of June 15, 2021, all outstanding 2036 Convertible Senior Notes were fully redeemed and all obligations thereto were satisfied and discharged. The Company elected to settle all conversions of each $1,000 principal amount of such notes being converted, with $1,000 in cash and any conversion value in excess of that amount in shares of the Company's common stock.

Other term debt

On April 22, 2021, REG Ralston, LLC and REG Capital, LLC paid off the outstanding balance of the term loans owed of $12,556 and $6,596, respectively.

Lines of Credit

The following table shows the Company's lines of credit:

	June 30, 2021	December 31, 2020
Amount outstanding under lines of credit	$ —	$ —
Maximum available to be borrowed under lines of credit	$ 149,666	$ 149,666

The Company's wholly owned subsidiaries, REG Services Group, LLC and REG Marketing & Logistics Group, LLC, are borrowers under a Credit Agreement dated December 23, 2011 with the lenders party thereto ("Lenders") and Wells Fargo Capital Finance, LLC, as the agent, (as amended, the "M&L and Services Revolver"). At June 30, 2021, the maximum commitment of the Lenders under the M&L and Services Revolver to make revolving loans was $150,000, subject to borrowing base limitations and further subject to an accordion feature, which allows the borrowers to request commitments for additional revolving loans in an aggregate amount not to exceed to $50,000, the making of which is subject to customary conditions, including the consent of Lenders providing such additional commitments.

The maturity date of the M&L and Services Revolver is September 30, 2021. Loans advanced under the M&L and Services Revolver bear interest based on a one-month LIBOR rate (which shall not be less than zero), plus a margin based on Quarterly Average Excess Availability (as defined in the Revolving Credit Agreement), which may range from 1.75% per annum to 2.25% per annum.

The M&L and Services Revolver contains various loan covenants that restrict each subsidiary borrower's ability to take certain actions, including restrictions on incurrence of indebtedness, creation of liens, mergers or consolidations, dispositions of assets, repurchase or redemption of capital stock, making certain investments, making distributions to the Company unless certain conditions are satisfied, entering into certain transactions with affiliates or changing the nature of the subsidiary's business. In addition, the subsidiary borrowers are required to maintain a fixed charge coverage ratio of at least 1.0 to 1.0 if excess availability under the M&L and Services Revolver is less than 10% of the $150,000 maximum commitment, or $15,000. The M&L and Services Revolver is secured by the subsidiary borrowers' membership interests and substantially all of their assets. In addition, the M&L and Services Revolver is secured by the accounts receivable and inventory of REG Albert Lea, LLC, REG Houston, LLC, REG New Boston, LLC, REG Geismar, LLC, and REG Seneca, LLC (collectively, the "Plant Loan Parties") subject to a $40,000 limitation with respect to each of the Plant Loan Parties and the obligations under the M&L and Services Revolver are guaranteed by the Company.

NOTE 8 — DERIVATIVE INSTRUMENTS

The Company enters into New York Mercantile Exchange ("NYMEX") NY Harbor ULSD ("NY Harbor ULSD" or previously referred to as heating oil), Chicago Board of Trade ("CBOT") Soybean Oil (previously referred to as soybean oil) and NYMEX Natural Gas futures, swaps and options ("commodity contract derivatives") to reduce the risk of price volatility related to anticipated purchases of feedstock raw materials and to protect cash margins from potentially adverse effects of price volatility on bio-based diesel sales where prices are set at a future date. All of the Company's commodity contract derivatives are designated as non-hedge derivatives and recorded at fair value on the Condensed Consolidated Balance Sheets. Unrealized gains and losses are recognized as a component of bio-based diesel costs of goods sold reflected in current results of operations. As of June 30, 2021, the net notional volumes of NY Harbor ULSD, CBOT Soybean Oil and NYMEX Natural Gas covered under the open commodity derivative contracts were approximately 86 million gallons, 317 million pounds and 2 million million British thermal units, respectively.

The Company offsets the fair value amounts recognized for its commodity contract derivatives with cash collateral with the same counterparty under a master netting agreement. The net position is presented within prepaid and other assets in the Condensed Consolidated Balance Sheets. The following table sets forth the fair value of the Company's commodity contract derivatives and amounts that offset within the Condensed Consolidated Balance Sheets:

	June 30, 2021		December 31, 2020	
	Assets	Liabilities	Assets	Liabilities
Gross amounts of derivatives recognized at fair value	$ 21,088	$ 10,484	$ 3,458	$ 12,164
Cash collateral paid (received)	24,383	—	14,139	—
Total gross amount recognized	45,471	10,484	17,597	12,164
Gross amounts offset	(10,484)	(10,484)	(12,164)	(12,164)
Net amount reported in the condensed consolidated balance sheets	$ 34,987	$ —	$ 5,433	$ —

The following table sets forth the commodity contract derivatives gains and (losses) included in the Condensed Consolidated Statements of Operations:

	Location of Gain (Loss) Recognized in income	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Commodity derivatives	Cost of goods sold – Bio-based diesel	$ 13,038	$ (4,755)	$ 11,248	$ 48,767

NOTE 9 — FAIR VALUE MEASUREMENT

The fair value hierarchy prioritizes the inputs used in measuring fair value as follows:

- Level 1 — Quoted prices for identical instruments in active markets.
- Level 2 — Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations, in which all significant inputs are observable in active markets.
- Level 3 — Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

A summary of assets (liabilities) measured at fair value is as follows:

	As of June 30, 2021			
	Total	Level 1	Level 2	Level 3
Commercial paper	$ 152,136	$ —	$ 152,136	$ —
Corporate bonds	$ 280,388	—	280,388	—
U.S. Treasury bills	$ 4,993	4,993	—	—
Municipal bonds	$ 14,543	—	14,543	—
Commodity contract derivatives	$ 10,604	(479)	11,083	—
	$ 462,664	$ 4,514	$ 458,150	$ —

	As of December 31, 2020			
	Total	Level 1	Level 2	Level 3
Commercial paper	$ 48,714	$ —	$ 48,714	$ —
Corporate bonds	$ 169,998	—	169,998	—
U.S. Treasury bills	$ 44,992	44,992	—	—
Municipal bonds	$ 5,839	—	5,839	—
Commodity contract derivatives	$ (8,706)	(3,069)	(5,637)	$ —
	$ 260,837	$ 41,923	$ 218,914	$ —

The estimated fair values of the Company’s financial instruments, which are not recorded at fair value, are as follows:

	As of June 30, 2021		As of December 31, 2020	
	Asset (Liability) Carrying Amount	Fair Value	Asset (Liability) Carrying Amount	Fair Value
Financial liabilities:				
Debt and lines of credit	$ (550,006)	$ (557,450)	$ (66,977)	$ (418,107)

The carrying amounts reported in the Condensed Consolidated Balance Sheets for cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate their fair values. Money market funds are included in cash and cash equivalents on the Condensed Consolidated Balance Sheets.

The Company used the following methods and assumptions to estimate fair value of its financial instruments:

Marketable securities: The fair value of marketable securities, which include Treasury bills and municipal notes/bonds, commercial paper and corporate notes/bonds is obtained using quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in markets that are not active and inputs other than quoted prices, e.g., interest rates and yield curves.

Commodity derivatives: The instruments held by the Company consist primarily of futures contracts, swap agreements, purchased put options and written call options. The fair value of contracts based on quoted prices of identical assets in an active exchange-traded market is reflected in Level 1. Contract fair value that is determined based on quoted prices of similar contracts in over-the-counter markets is reflected in Level 2.

Debt and lines of credit: The fair value of long-term debt and lines of credit was established using discounted cash flow calculations and current market rates reflecting Level 2 inputs.

NOTE 10 — NET INCOME (LOSS) PER SHARE

Basic net income (loss) per share is presented in conformity with the two-class method required for participating securities, which include restricted stock units ("RSUs").

Under the two-class method, net income (loss) is reduced for distributed and undistributed dividends earned in the current period. The remaining earnings are then allocated to Common Stock and the participating securities. The Company calculates the effects of participating securities on diluted earnings per share ("EPS") using both the “if-converted or treasury stock” and "two-class" methods and discloses the method which results in a more dilutive effect. The effects of stock appreciation rights and convertible notes on diluted EPS are calculated using the treasury stock method unless the effects are anti-dilutive to EPS.

For the 2036 Convertible Senior Notes, the Company’s current intent was to settle conversions using cash for the principal amount of convertible senior notes converted, with the remaining value satisfied at the Company’s option in cash, stock or a combination of cash and stock. Therefore, the dilutive effect of the convertible senior notes was limited to the conversion premium.

The following potentially dilutive weighted average securities were excluded from the calculation of diluted net income (loss) per share available to common stockholders during the periods presented, as the effect was anti-dilutive:

	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
2036 Convertible Senior Notes	—	6,438,722	—	—

The following table presents the calculation of diluted net income (loss) per share available to common stockholders:

	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Net income (loss) available to the Company's common stockholders - Basic	$ 78,787	$ (1,685)	$ 117,263	$ 71,482
Plus (less): effect of participating securities	729	—	1,475	1,500
Net income (loss) available to common stockholders	79,516	(1,685)	118,738	72,982
Less: effect of participating securities	(729)	—	(1,475)	(1,500)
Net income (loss) available to the Company's common stockholders - Diluted	$ 78,787	$ (1,685)	$ 117,263	$ 71,482
Shares:				
Weighted-average shares used to compute basic net income (loss) per share	48,120,735	39,177,381	44,294,421	39,078,219
Adjustment to reflect conversion of convertible notes	—	—	—	3,444,714
Adjustment to reflect stock appreciation right conversions	455,891	—	474,586	477,263
Weighted-average shares used to compute diluted net income (loss) per share	48,576,626	39,177,381	44,769,007	43,000,196
Net income per share available to common stockholders - Diluted				
Diluted net income (loss)	$ 1.62	$ (0.04)	$ 2.62	$ 1.66

NOTE 11 — REPORTABLE SEGMENTS AND GEOGRAPHIC INFORMATION

The Company reports its reportable segments based on products and services provided to customers. The Company re-assesses its reportable segments on an annual basis. The Company's reportable segments generally align the Company's external financial reporting segments with its internal operating segments, which are based on its internal organizational structure, operating decisions, and performance assessment. The Company's reportable segments at June 30, 2021 and for the year ended December 31, 2020 are composed of Bio-based Diesel (formerly known as the Biomass-based Diesel segment), Services and Corporate and other activities. The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

The Bio-based Diesel segment processes waste vegetable oils, animal fats, virgin vegetable oils and other feedstocks into bio-based diesel. The Bio-based Diesel segment also includes the Company’s purchases and resales of bio-based diesel produced by third parties. Revenue is derived from the purchases and sales of bio-based diesel, the renewable portion of sales of biodiesel and renewable diesel blended with petroleum-based diesel, RINs and raw material feedstocks acquired from third parties, sales of processed bio-based diesel from Company facilities, related byproducts and renewable energy government incentive payments, in the U.S. and internationally.

The Services segment offers services for managing the construction of bio-based diesel production facilities and managing ongoing operations of third-party plants and collects fees related to the services provided. The Company does not allocate items that are of a non-operating nature or corporate expenses to the business segments. Revenues from services provided to other segments are recorded by the Services segment at cost.

The Corporate and Other segment includes trading activities related to petroleum-based heating oil and diesel fuel, including the petroleum portion of sales of biodiesel and renewable diesel blended with petroleum-based diesel; as well as corporate activities, which consist of corporate office expenses such as compensation, benefits, occupancy, and other administrative costs, including management service expenses. Corporate and Other also includes income/(expense) not associated with the reportable segments, such as corporate general and administrative expenses, shared service expenses, interest expense and interest income, all reflected on an accrual basis of accounting. In addition, Corporate and Other includes cash and other assets not associated with the reportable segments, including investments. Intersegment revenues are reported by the Services and Corporate and Other segments.

The following table represents the significant items by reportable segment:

	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Net sales from continuing operations:				
Bio-based Diesel	$ 783,877	$ 521,386	$ 1,284,138	$ 952,520
Services	19,408	26,486	36,760	46,019
Corporate and Other	33,678	22,496	74,187	66,832
Intersegment revenues	(20,743)	(26,463)	(39,122)	(48,509)
	$ 816,220	$ 543,905	$ 1,355,963	$ 1,016,862
Income (loss) from continuing operations before income taxes:				
Bio-based Diesel	$ 96,073	$ 964	$ 144,324	$ 77,411
Services	(4,939)	(230)	(8,937)	(1,008)
Corporate and Other	(9,368)	(790)	(12,766)	(460)
	$ 81,766	$ (56)	$ 122,621	$ 75,943
Depreciation and amortization expense, net:				
Bio-based Diesel	$ 14,687	$ 11,392	$ 28,591	$ 23,430
Services	961	842	1,849	1,583
Corporate and Other	1,208	1,177	2,032	1,992
	$ 16,856	$ 13,411	$ 32,472	$ 27,005
Cash paid for purchases of property, plant and equipment:				
Bio-based Diesel	$ 20,572	$ 16,139	$ 30,386	$ 22,934
Services	1,314	1,838	1,662	2,166
Corporate and Other	105	4,041	430	5,948
	$ 21,991	$ 22,018	$ 32,478	$ 31,048

	June 30, 2021	December 31, 2020
Goodwill:		
Services	$ 16,080	$ 16,080
Assets:		
Bio-based Diesel	$ 1,340,304	$ 1,101,179
Services	90,419	69,152
Corporate and Other	1,496,891	784,829
Intersegment eliminations	(511,697)	(493,762)
	$ 2,415,917	$ 1,461,398

Geographic Information:

The following geographic data include net sales attributed to the countries based on the location of the subsidiary making the sale and long-lived assets based on physical location. Long-lived assets represent the net book value of property, plant and equipment.

	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Net revenues:				
United States	$ 741,538	$ 463,102	$ 1,193,020	$ 849,041
International	74,682	80,803	162,943	167,821
	$ 816,220	$ 543,905	$ 1,355,963	$ 1,016,862

	June 30, 2021	December 31, 2020
Long-lived assets:		
United States	$ 582,200	$ 565,657
International	28,262	29,139
	$ 610,462	$ 594,796

NOTE 12 — COMMITMENTS AND CONTINGENCIES

In the last quarter of 2020, the Company discovered a blending discrepancy in connection with its preparation for a standard IRS audit of its BTC filings. The Company self-reported the findings to the IRS and initiated an investigation overseen by the Audit Committee of the Company's Board of Directors. In March 2021, the Company paid to the IRS the $40,505 assessment, excluding interest which was paid in April 2021, to correct the REG Seneca BTC claims (hereafter "BTC Correction"). The Company is working with its customers on BTC re-filings on the relevant gallons to reduce further the BTC Correction, which may include recovering amounts from its customers. There can be no assurances that future reduction to the BTC Correction will occur.

On March 2, 2021, a putative class action lawsuit was filed against the Company and certain of its current and former executive officers in the United Stated District Court for the Southern District of New York. On March 12, 2021, a putative class action lawsuit against the same defendants was filed in the United States District Court for the Central District of California. On June 24, 2021, the two cases were consolidated in the Southern District of New York under the caption *In re Renewable Energy Group Securities Litigation, No. 21-cv-1832*, and a consolidated amended complaint was filed on July 9, 2021.

The complaint purports to be brought on behalf of shareholders who purchased the Company's common stock between March 8, 2018 and February 25, 2021, the date on which the Company announced its restatement related to BTC. Plaintiffs allege that defendants made false and misleading statements about the Company's business, financial results and prospects in violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. The complaint seeks unspecified damages, attorneys' fees, and other costs. The Company denies any and all allegations of wrongdoing and intends to vigorously defend against the litigation.

On July 27, 2021, a stockholder derivative complaint was filed in the United States District Court for the District of Delaware based on allegations substantially similar to those in the class action, and purporting to assert claims on the Company's behalf against current and former officers and directors for alleged violation of Sections 14(a) and 20(a) of the Exchange Act, breach of fiduciary duties, unjust enrichment, and waste of corporate assets.

In addition, the Securities and Exchange Commission ("SEC") has requested information about the restatement, and the Company is cooperating with the SEC.

Given the relatively early stages of these matters, the Company is unable to estimate the reasonably possible loss or range of loss, if any, that may result. The Company is also involved in various other legal proceedings in the normal course of business. The Company currently believes that any ultimate liability arising out of such proceedings will not have a material adverse effect on the Company's financial position, results of operations or cash flows.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

We encourage you to read this Management's Discussion and Analysis of Financial Condition and Results of Operations in conjunction with the accompanying condensed consolidated financial statements and related notes. Forward-looking statements contained in this report present management's views only as of the date of this report. Except as required under applicable law, we do not intend to issue updates concerning any future revisions of management's views to reflect events or circumstances occurring after the date of this report.

Objective

We are one of North America's largest producers of advanced biofuels focusing on providing cleaner, lower carbon transportation fuels. We utilize a nationwide production, distribution, and logistics system as part of an integrated value chain model designed to convert natural fats, oils and greases into advanced biofuels. We believe our fully integrated approach, which includes acquiring feedstock, operating biorefineries, distributing fuel through a network of terminals, and managing biorefinery facility construction and upgrades, positions us to serve the market for cleaner transportation fuels.

In addition to our acquisition of Keck Energy in September 2018, we opened our first REG branded fueling station in July 2019 adjacent to our biorefinery in Seneca, Illinois to serve a variety of customers from trucking fleets to local diesel vehicle owners. In June 2020, we entered into an agreement with a third party pursuant to which it agreed to exclusively sell REG branded fuels at certain of its cardlock locations. These are the initial parts of our downstream strategy, which is focused on three important objectives: margin expansion across the value chain, including by directing production to the most profitable geographies; realization of higher biodiesel values through blends of biodiesel into petroleum and renewable diesel; and increased demand for our biodiesel via sales of 100% pure biodiesel, or B100, to end consumers.

In October 2020, we announced that we plan to expand the effective capacity of our Geismar, Louisiana biorefinery. The Geismar project brings together the planned expansion with an improvement project for the existing site. This joint project is expected to take total site production capacity from 90 million to 340 million gallons, enhance existing operations and improve operational reliability and logistics. The combined project is expected to be mechanically complete in 2023 with full operations in early 2024. The capital cost for the entire Geismar construction project, inclusive of the expansion as well as operational and logistics enhancements to the current plant, is estimated to be $950 million. We have received all required permits to proceed with construction and recently obtained funding to begin the project with a combination of cash on hand, marketable securities, borrowings under our credit facilities, and proceeds from our public offering of common stock that closed in March 2021 and our Green Bonds that closed on May 20, 2021, as discussed below, or from other sources. In addition, we have agreed upon a long-term marine terminal lease for terminal and logistics services. There can be no guarantee that we will be able to complete this project in a timely manner or increase the capacity of our biorefinery at Geismar, Louisiana on time, at our estimated budget, or at all. The expansion is subject to a number of conditions and risks.

On March 19, 2021, we completed an equity offering pursuant to which we sold 5,750,000 shares of common stock to various underwriters at a price of $67.00 per share before underwriting discounts and commissions. The net proceeds from the offering were $365.3 million. We currently intend to use the net proceeds from this offering for working capital and other general corporate purposes, which may include the repayment of our existing indebtedness and the funding of capital expenditures, including capital expenditures related to the expansion of our Geismar, Louisiana biorefinery. We may also use a portion of the net proceeds from this offering to finance potential strategic transactions, although we currently have no binding commitments or agreements to complete any such transaction.

On May 20, 2021, we completed the sale and issuance of $550.0 million aggregate principal amount of our 5.875% Green Bonds due 2028. We recorded $13.9 million in legal, professional and underwriting fees related to the issuance of the Green Bonds. We currently intend to use the net proceeds from this offering for capital expenditures related to the expansion of its Geismar, Louisiana biorefinery.

We believe that the execution of these strategies will enable us to expand our margins, diversify sources of profitability, manage our business through varying market conditions, and increase shareholder value.

We own and operate a network of twelve biorefineries. Ten biorefineries are located in the United States and two in Germany. Eleven biorefineries produce biodiesel and one produces renewable diesel ("RD"). Our twelve bio-based diesel production facilities have an aggregate nameplate production capacity of 505 million gallons per year ("mmgy").

We are a lower carbon bio-based diesel producer. We primarily produce our bio-based diesel from a wide variety of low carbon feedstocks, including distillers corn oil, used cooking oil and inedible animal fat. We also produce bio-based diesel from virgin vegetable oils, such as soybean oil or canola oil, which tend to be higher in price. We believe our ability to process a wide variety of feedstocks at most of our facilities provides us with a cost advantage over many bio-based diesel producers, particularly those that rely primarily on virgin vegetable oils.

We also sell petroleum-based heating oil and diesel fuel, which enables us to offer a variety of fuel products to a broader customer base. We sell heating oil and ultra-low sulfur diesel, or ULSD, at terminals throughout the northeastern United States, as well as BioHeat® blended heating fuel at one of these terminal locations. In 2018, we expanded our sales of biofuel blends to Midwest and West Coast terminal locations and look to potentially expand in other areas across North America and internationally.

The table below reflects our gallons sold during the three and six months ended June 30, 2021 and 2020 (totals may not foot due to rounding):

		Gallons sold (millions)			
		Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
REG-produced Bio-based Diesel:					
	Biodiesel - U.S.	98.4	113.2	169.7	186.0
	Biodiesel - International	12.8	11.6	21.0	24.0
	Renewable diesel	15.4	20.4	28.2	37.6
		126.6	145.2	218.9	247.6
Third party Bio-based Diesel:					
	Biodiesel	8.1	5.7	11.4	7.0
	Renewable diesel	11.5	9.4	26.0	17.9
		19.6	15.1	37.4	24.9
Petroleum-based diesel		17.0	22.8	41.0	50.4
Total		163.1	183.2	297.3	322.9

During 2020, we sold 651 million gallons of fuel, which included 502 million bio-based diesel gallons produced at REG facilities, 61 million bio-based diesel gallons we purchased from third parties and 88 million petroleum-based diesel gallons.

Our businesses are organized into three reportable segments – the Bio-based Diesel segment, the Services segment and Corporate and Other.

Bio-based Diesel Segment (formerly known as Biomass-based Diesel segment)

Our Bio-based Diesel segment includes:

- the operations of the following bio-based diesel production refineries:
  - a 30 mmgy nameplate capacity biodiesel production facility located in Ralston, Iowa;
  - a 35 mmgy nameplate capacity biodiesel production facility located near Houston, Texas;
  - a 45 mmgy nameplate capacity biodiesel production facility located in Danville, Illinois;
  - a 30 mmgy nameplate capacity biodiesel production facility located in Newton, Iowa;
  - a 60 mmgy nameplate capacity biodiesel production facility located in Seneca, Illinois;
  - a 30 mmgy nameplate capacity biodiesel production facility located near Albert Lea, Minnesota;
  - a 30 mmgy nameplate capacity biodiesel production facility located in Mason City, Iowa;
  - a 75 mmgy nameplate capacity renewable diesel production facility located in Geismar, Louisiana;
  - a 27 mmgy nameplate capacity biodiesel production facility located in Emden, Germany;
  - a 23 mmgy nameplate capacity biodiesel production facility located in Oeding, Germany;
  - a 100 mmgy nameplate capacity biodiesel production facility located in Grays Harbor, Washington; and
  - a 20 mmgy nameplate capacity biodiesel production facility located in DeForest, Wisconsin.
- purchases and resales of bio-based diesel, the renewable portion of sales of biodiesel and renewable diesel blended with petroleum-based diesel, RINs and LCFS credits (each as defined herein), and raw material feedstocks acquired from third parties; and

- incentives received from federal and state programs for renewable fuels.

The nameplate capacity listed above, which is based on original plant design, is distinguished from a facility's effective capacity, which represents the maximum average throughput that satisfies certain defined technical constraints.

We derive a small portion of our revenues from the sale of co-products of the bio-based diesel production process. For the three and six months ended June 30, 2021 and 2020, our revenues from the sale of co-products were less than 5% of our total Bio-based Diesel segment revenues. For the three and six months ended June 30, 2021 and 2020, revenues from the sale of petroleum-based heating oil and diesel fuel acquired from third parties, along with the sale of these items further blended with biodiesel produced by our facilities or purchased from third parties, were approximately 4% and 6% for the respective periods for 2021 and 4% and 7% for the same periods in 2020, of our total revenues.

In accordance with EPA regulations, we generate 1.5 to 1.7 RINs for each gallon of bio-based diesel we produce and sell in the United States. RINs are used to track compliance with RFS2, using the EPA moderated transaction system, or EMTS. RFS2 allows us to attach between zero and 2.5 RINs to any gallon of bio-based diesel we sell. When we attach RINs to a sale of bio-based diesel gallons, a portion of our selling price for a gallon of bio-based diesel is generally attributable to RFS2 compliance; but no cost is allocated to the RINs generated by our bio-based diesel production because RINs are a form of government incentive and not a result of the physical attributes of the bio-based diesel production. In addition, RINs, once obtained through the production and sale of gallons of bio-based diesel, may be separated by the acquirer and sold separately. We regularly obtain RINs from third parties for resale, and the value of these RINs is reflected in “Prepaid expenses and other assets” on our Condensed Consolidated Balance Sheets. At each balance sheet date, this RIN inventory is valued at the lower of cost or net realizable value and any resulting adjustments are reflected in our cost of goods sold for the period. The cost of RINs obtained from third parties is determined using the average cost method. Because we do not allocate costs to RINs generated by our bio-based diesel production, fluctuations in the value of our RIN inventory represent fluctuations in the value of RINs we have obtained from third parties.

The table below summarizes our RINs balances available to be sold and the median closing price per RIN at June 30, 2021 and December 31, 2020 according to OPIS:

	Quantity		OPIS Median Closing Price per RIN	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Bio-based diesel RINs	29,919,775	3,962,710	$ 1.66	$ 1.02
Advanced biofuels RINs	2,336,903	817,464	$ 1.66	$ 1.02

We generate Low Carbon Fuel Standard, or LCFS, credits for our low carbon fuels or blendstocks when our qualified low carbon fuels are imported into states that have adopted an LCFS program and sold for qualifying purposes. As a result, a portion of the selling price for a gallon of bio-based diesel sold into an LCFS market is also attributable to LCFS compliance. Like RINs, LCFS credits that we generate are a form of government incentive and not a result of the physical attributes of the bio-based diesel production. Therefore, no cost is allocated to the LCFS credit when it is generated, regardless of whether the LCFS credit is transferred with the bio-based diesel produced or held by us. In general, the value of LCFS credits fluctuates with the price and demand for fuel. In the first six months of 2021, the value of LCFS credits decreased from $199 per credit on January 4, 2021 to $183 per credit on June 30, 2021.

The below table summarizes approximate amounts of our LCFS credits available to be sold and the median closing price per LCFS credit at June 30, 2021 and December 31, 2020 according to OPIS:

	Quantity		OPIS Median Closing Price per LCFS Credit	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
California LCFS	17,070	2,618	$ 182.50	$ 199.00
Oregon LCFS	7,298	8,967	$ 126.00	$ 123.00

Services Segment

Our Services segment, which primarily provides services to our Bio-based Diesel segment, includes:

- bio-based diesel facility management and operational services, whereby we provide day-to-day management and operational services to bio-based diesel production facilities; and

- construction management services, whereby we act as the construction management and general contractor for the construction of bio-based diesel production facilities.

Corporate and Other Segment

Our Corporate and Other segment includes:

- trading activities related to petroleum-based heating oil and diesel fuel, including the petroleum portion of sales of biodiesel and renewable diesel blended with petroleum-based diesel;
- corporate activities, which consist of corporate office expenses such as compensation, benefits, occupancy and other administrative costs, including management service expenses; and
- income/(expense) activities not associated with the reportable segments, such as corporate general and administrative expenses and shared service expense.

Impact of COVID-19 on Our Business

In March 2020, the World Health Organization declared COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 pandemic has negatively impacted the global economy, disrupted consumer spending and global supply chains, and created significant volatility and disruption of financial markets.

In response to the outbreak and business disruption, first and foremost, we have prioritized the health and safety of our employees. We established a COVID-19 Emergency Response Team ("ERT") to monitor the health of our employees and mitigate the infection risk of our employees. Based on input from the ERT, we have implemented several initiatives in response to the COVID-19 pandemic, such as remote workplace requirements for all office and administrative employees, social distancing protocols for our production employees and any visitors to our facilities, and additional paid time off for employees as needed in order to deal with health or family issues related to COVID-19. As more states, counties and schools have been re-opening and with the continued successful distribution of COVID-19 vaccines, we do not anticipate having to curtail or cease our operations due to COVID-19 in the foreseeable future.

Market demand for fuels was significantly impacted by COVID-19 in 2020, with significant signs of recovery in the first half of 2021. There continues to be more economic activity and loosening of restrictions as more of the U.S. population gets vaccinated. We are optimistic that the U.S. economy is rebounding from the COVID-19 pandemic. The extent of the impact of the COVID-19 pandemic on our business remains uncertain and difficult to predict, as the duration and severity of the global pandemic evolves and variant strains of COVID-19 arise. We cannot reasonably estimate the duration and severity of the COVID-19 pandemic, or its overall impact on our business. We continue to monitor the impact of the COVID-19 pandemic and will adjust our operations, as necessary. We believe our cash on hand, our investments in short-term marketable securities and the cash available to us under our lines of credit will allow us to manage the anticipated impact of COVID-19 on our business operations for the foreseeable future. We do not currently plan or anticipate any changes to our workforce due to COVID-19.

For a further discussion of the uncertainties and business risks associated with the COVID-19 pandemic, see Part II, Item 1A, "Risk Factors."

Factors Influencing Our Results of Operations

The principal factors affecting our results of operations and financial conditions are the market prices for bio-based diesel and the prices for the feedstocks used to produce bio-based diesel, as well as governmental programs designed to create incentives for the production and use of cleaner renewable fuels.

Governmental programs favoring bio-based diesel production and use

Bio-based diesel has historically been more expensive to produce than petroleum-based diesel. The bio-based diesel industry’s growth has largely been the result of federal and state programs that require or incentivize the production and use of bio-based diesel, which allows bio-based diesel to be price-competitive with petroleum-based diesel.

The RFS2 bio-based diesel requirement was implemented in 2010, stipulating volume requirements for the amount of bio-based diesel and other advanced biofuels that must be utilized in the United States each year. Under RFS2, Obligated Parties, including petroleum refiners and fuel importers, must show compliance with these standards. Currently, biodiesel and renewable diesel satisfy three categories of an Obligated Party’s annual renewable fuel required volume obligation, or RVO—bio-based diesel, advanced biofuel, and renewable fuel. The final RVO targets for the bio-based diesel and advanced biofuels volumes for the years 2016 to 2021 as set by the EPA are as follows:

	2016	2017	2018	2019	2020	2021
Bio-based diesel	1.90 billion gallons	2.00 billion gallons	2.10 billion gallons	2.10 billion gallons	2.43 billion gallons	2.43 billion gallons
Total Advanced biofuels	3.61 billion RINs*	4.28 billion RINs*	4.29 billion RINs*	4.92 billion RINs*	5.04 billion RINs*	N/A

*Ethanol equivalent gallons (defined as 1 RIN per gallon based on the RIN production of ethanol, where biodiesel equates to 1.5 RINs per gallon and renewable diesel equates to 1.7 RINs per gallon)

As of the date of this report, the EPA has not issued the 2021 RVO for Total Advanced biofuels and it is uncertain when the EPA will issue the RVO and at what level the 2021 RVO will be.

The federal biodiesel mixture excise tax credit, or the BTC, has historically provided a $1.00 refundable tax credit per gallon to the first blender of bio-based diesel with petroleum-based diesel fuel. The BTC became effective January 1, 2005, but since January 1, 2010 it has been allowed to lapse and then been reinstated a number of times. The BTC was retroactively reinstated on December 20, 2019 for the fiscal years 2018 and 2019. The BTC was also extended through December 31, 2022.

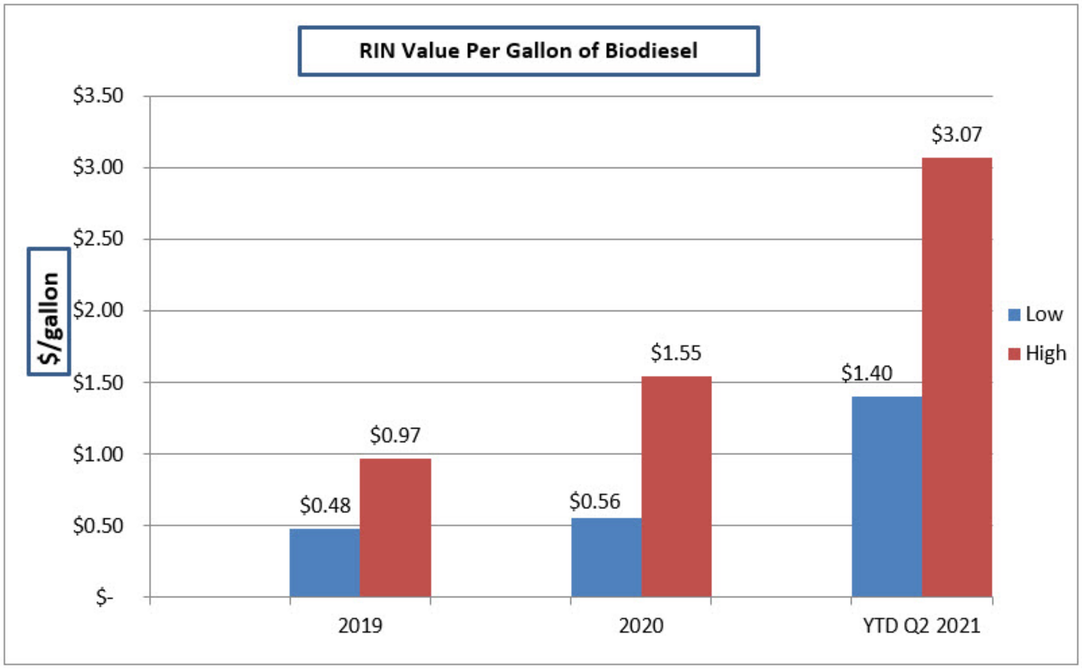
As a result of this history of retroactive reinstatement of the BTC, we and many other bio-based diesel industry producers have adopted contractual arrangements with customers and vendors specifying the allocation and sharing of any retroactively reinstated incentive. The BTC net benefit was allocated to our corresponding quarterly adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") when the business giving rise to the retroactive credit was conducted.

Bio-based diesel and feedstock price fluctuations

Our operating results generally reflect the relationship between the price of bio-based diesel, including credits and incentives, and the price of feedstocks used to produce bio-based diesel.

Bio-based diesel is a cleaner low carbon, renewable alternative to petroleum-based diesel fuel and is primarily sold to the end user after it has been blended with petroleum-based diesel fuel. Bio-based diesel prices have historically been heavily influenced by petroleum-based diesel fuel prices. Accordingly, bio-based diesel prices have generally been impacted by the same factors that affect petroleum prices, such as crude oil supply and demand balance, worldwide economic conditions, wars and other political events, OPEC production quotas, changes in refining capacity and natural disasters.

Regulatory and legislative factors also influence the price of bio-based diesel. LCFS credits, established by the California Low Carbon Fuel Standard regulation, which is a rule designed to reduce greenhouse gas emissions associated with transportation fuels used in California and the Oregon Clean Fuel Program, have had an increasing impact on our bio-based diesel pricing in those states. In addition, bio-based diesel RIN pricing, a value component that was introduced via RFS2 in July 2010, has had a significant impact on our bio-based diesel pricing in the U.S. The following table shows for 2019, 2020 and the first six months of 2021 the high and low average monthly contributory value of RINs, as reported by OPIS, to the average B100 spot price of a gallon of biodiesel, as reported by OPIS, in terms of dollars per gallon.



At the beginning of 2021, the value of RINs, as reported by OPIS, to the average B100 spot price of a gallon of biodiesel was $1.48 per gallon. The value of RINs to the average B100 spot price of a gallon of biodiesel increased to $2.49 per gallon at the end of June 2021. It reached a high of $3.07 per gallon of biodiesel in June 2021 and a low of $1.40 per gallon in January 2021. D4 RIN values trended higher throughout the first half of 2021, supported by D6 RIN values in which the D4 category can be used to satisfy an Obligated Party's D6 RIN obligation along with an increase in feedstock pricing relative to ULSD values as seen in the heating oil to soybean oil ("HOBO") spread. During 2020, RINs were negatively impacted by the overall decrease in demand for transportation fuels due to COVID-19, which translates into reduced volume obligations for Obligated Parties under the RFS. We enter into forward contracts to sell RINs and we use risk management position limits that are intended to manage RIN exposure.

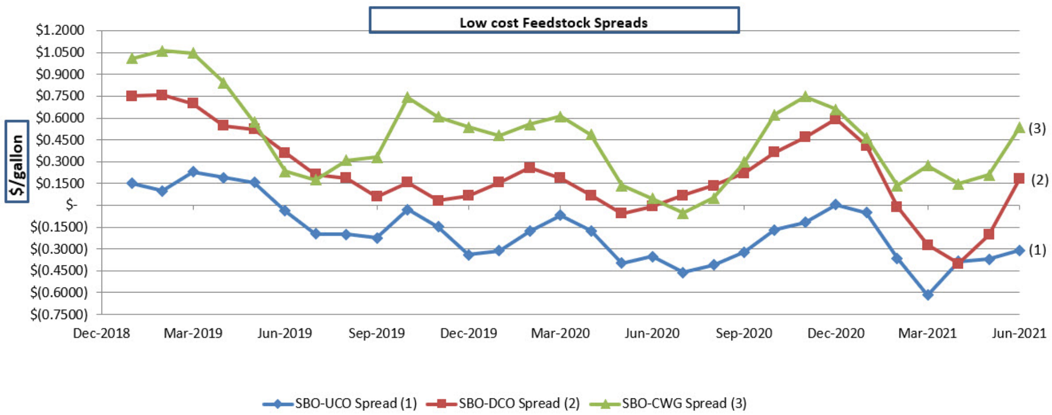
During the full year 2020 and the first six months of 2021, feedstock expense accounted for 80% and 86%, respectively, of our production cost, while methanol and chemical catalysts expense accounted for 3% each in the full year 2020 and 3% and 2%, respectively, in the first six months of 2021 of our costs of goods sold.

Feedstocks for bio-based diesel production, such as distillers corn oil, used cooking oil, animal fat, canola oil and soybean oil, are commodities and market prices for them will be affected by a wide range of factors unrelated to the price of bio-based diesel and petroleum-based diesel. There are a number of factors that influence the supply and price of our feedstocks, such as the following: bio-based diesel demand; export demand; government policies and subsidies; weather conditions; ethanol production; cooking habits and eating habits; number of restaurants near collection facilities; hog/beef/poultry supply and demand; palm oil supply; soybean meal demand and/or production, and crop production both in the U.S. and South America. Increasing production of bio-based diesel and, particularly recent prospective expansion of RD capacity, and the development of alternative fuels and renewable chemicals also put pressure on feedstock supply and availability to the bio-based diesel industry. The bio-based diesel industry may have difficulty procuring feedstocks at economical prices if competition for bio-based diesel feedstocks increases due to newly added production capacity.

During 2020 and the first six months of 2021, 65% and 76%, respectively, of the feedstocks used in our operations were comprised of distillers corn oil, used cooking oil and inedible animal fats, with the remainder coming from virgin vegetable oils.

The recent increase in CME Soyoil Futures price has correlated with an increase in price for all of our feedstocks. This has increased the cost of producing bio-based diesel at our refineries.

The graph below illustrates the spread between the cost of producing one gallon of biodiesel made from soybean oil to the cost of producing one gallon of biodiesel made from the specified low carbon feedstock for the period January 2019 to June 2021. The results were derived using assumed conversion factors for the yield of each feedstock and subtracting the cost of producing one gallon of biodiesel made from each respective low carbon feedstock from the cost of producing one gallon of biodiesel made from soybean oil.



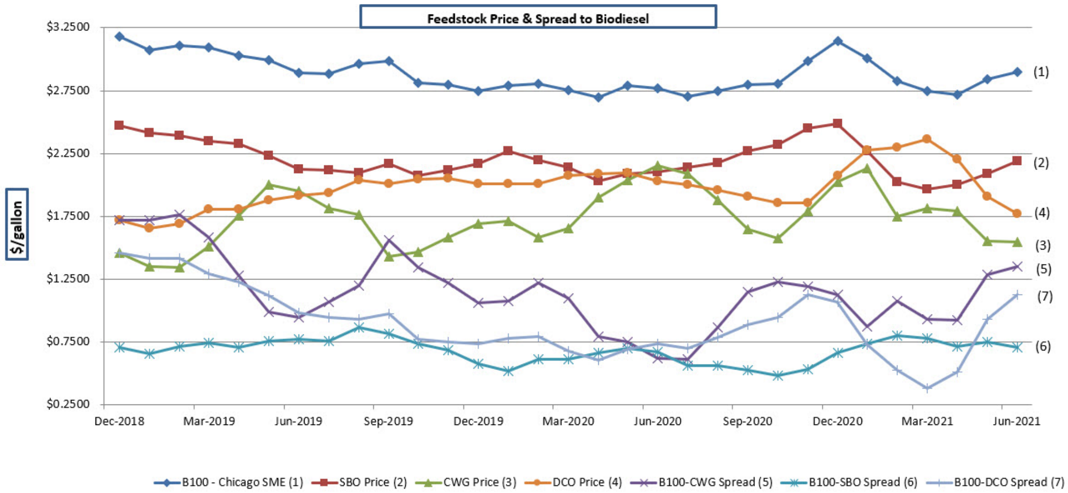
(1) Used cooking oil ("UCO") prices are based on the monthly average of the daily low sales price of C.I. adjusted Gulf of Mexico yellow grease as reported by The Jacobson for the period of January 1, 2019 through June 30, 2019. The prices from July 1, 2019 through June 30, 2021 are based on the monthly average of the daily low sales price of Gulf of Mexico used cooking oil as reported by The Jacobsen (based on 8.5 pounds per gallon).

(2) Distillers corn oil ("DCO") prices are reported as the monthly average of the daily distillers corn oil market values delivered to Illinois as reported by The Jacobsen (based on 8.2 pounds per gallon).

(3) Choice white grease ("CWG") prices are based on the monthly average of the daily low prices of Missouri River choice white grease as reported by The Jacobsen (based on 8.0 pounds per gallon).

(4) Soybean oil (crude) ("SBO") prices are based on the monthly average of the daily closing sale price of the nearby soybean oil contract as reported by CBOT (based on 7.5 pounds per gallon).

Our results of operations generally will benefit when the spread between bio-based diesel prices and feedstock prices widens and will be harmed when this spread narrows. The following graph shows feedstock cost data for choice white grease and soybean oil on a per gallon basis compared to the per gallon sale price data for biodiesel, and the spread between biodiesel and each of soybean oil and choice white grease, from January 2019 to June 2021.



(1) Biodiesel prices are based on the monthly average of the midpoint of the high and low prices of B100 (Chicago SME) as reported by OPIS.

(2) Soybean oil (crude) prices are based on the monthly average of the daily closing sale price of the nearby soybean oil contract as reported by CBOT (based on 7.5 pounds per gallon).

(3) Choice white grease prices are based on the monthly average of the daily low price of Missouri River choice white grease as reported by The Jacobsen (based on 8.0 pounds per gallon).

(4) Distillers corn oil prices are based on based on the monthly average of the daily low price of Illinois distillers corn oil as reported by The Jacobsen (based on 8.2 pounds per gallon).

(5) Spread between biodiesel price and choice white grease price.

(6) Spread between biodiesel price and soybean oil (crude) price.

(7) Spread between biodiesel price and distillers corn oil price.

During the first six months of 2021, the average NY Harbor ULSD price was $1.88 per gallon, up $0.63 from the fourth quarter of 2020 average of $1.25 per gallon. NY Harbor ULSD prices increased during the first six months of 2021, from a high of $2.16 per gallon in June 2021 to a low of $1.46 per gallon in January 2021. Improving demand stemming from the easing of lockdown measures in the United States and internationally supported the recover in energy prices. OPEC and other crude oil producers have remained disciplined in levels of crude oil production, allowing for stocks to remain within the 5-year range. Commodity prices have broadly rallied through the first half of the year as increasing interest rates and relatively higher levels of inflation have supported the broader commodity asset class.

The U.S. biodiesel price increased significantly during the first six months of 2021. The average U.S. biodiesel price, as indicated by the Chicago SME B100 price reported by OPIS, was $4.95 per gallon for the first six months of 2021. During the first half of 2021, B100 reached a high of $6.15 in June 2021 and a low of $3.72 in January 2021. Biodiesel prices increased primarily due to the continued rapid increase in RIN prices driven by the increase in soybean oil and other feedstock pricing during the first half of the year.

The average soybean oil price for the first half of 2021 was $0.56 per pound. Soybean oil prices ranged from a high of $0.72 per pound in June 2021 to a low of $0.42 per pound in January 2021. Soybean oil prices reached record price levels in June on firm levels of demand combined with a tightening soybean balance sheet and significant weather risk premiums in the market.

Risk Management

The profitability of producing bio-based diesel largely depends on the spread between prices for feedstocks and bio-based diesel, including incentives, each of which is subject to fluctuations due to market factors and each of which is not significantly correlated. Adverse price movements for these commodities directly affect our operating results. We attempt to protect cash margins for our own production and our third-party trading activity by entering into risk management contracts that are intended to mitigate the impact on our margins from price volatility in feedstocks and bio-based diesel. We create offsetting positions by using a combination of forward fixed-price physical purchases and sales contracts on feedstock and bio-based diesel and risk management futures contracts, swaps and options primarily on the New York Mercantile Exchange ("NYMEX") NY Harbor ULSD and CBOT Soybean Oil; however, the extent to which we engage in risk management activities varies substantially from time to time, and from feedstock to feedstock, depending on market conditions and other factors. In making risk management decisions, we utilize research conducted by outside firms to provide additional market information in addition to our internal research and analysis.

Distillers corn oil, used cooking oil, inedible animal fat, canola oil and soybean oil were the primary feedstocks we used to produce bio-based diesel in 2020 and the first six months of 2021. We utilize several varieties of inedible animal fat, such as beef tallow, choice white grease and poultry fat derived from livestock. There is no established futures market for these low carbon feedstocks. The purchase prices for low carbon feedstocks are generally set on a negotiated flat price basis or spread to a prevailing market price reported by the USDA price sheet or The Jacobsen. Our efforts to risk manage against changing prices for distillers corn oil, used cooking oil and inedible animal fat have involved entering into futures contracts, swaps or options on other commodity products, such as CBOT soybean oil and NYMEX NY Harbor ULSD. However, these products do not always experience the same price movements as low carbon feedstocks, making risk management for these feedstocks challenging. We manage feedstock supply risks related to bio-based diesel production in a number of ways, including, where available, through long-term supply contracts. The purchase price for soybean oil under these contracts may be indexed to prevailing CBOT soybean oil market prices with a negotiated market basis. We utilize futures contracts, swaps and options to risk manage, or lock in, the cost of portions of our future feedstock requirements generally for varying periods up to one year.

Our ability to mitigate our risk of falling bio-based diesel prices is limited. We have entered into forward contracts to supply bio-based diesel. However, pricing under these forward sales contracts generally has been indexed to prevailing market prices, as fixed price contracts for long periods on acceptable terms have generally not been available. There is no established derivative market for bio-based diesel in the United States. Our efforts to hedge against falling bio-based diesel prices generally involve entering into futures contracts, swaps and options on other commodity products, such as diesel fuel and NYMEX NY Harbor ULSD. However, price movements on these products are not highly correlated to price movements of all of the contract components in aggregate of bio-based diesel.

We generate 1.5 to 1.7 bio-based diesel RINs for each gallon of bio-based diesel we produce and sell in the United States. We also obtain RINs from third-party transactions which we hold for resale. There is no established futures market for bio-based diesel RINs, which severely limits the ability to risk manage the price of RINs. We enter into forward contracts to sell RINs, and we use risk management position limits to manage RIN exposure, however, pricing under those forward contracts generally has been indexed to prevailing market prices as fixed price contracts for long periods have generally not been available.

As a result of our strategy, we frequently have gains or losses on derivative financial instruments that are conversely offset by losses or gains on forward fixed-price physical contracts on feedstocks and bio-based diesel or inventories. Gains and losses on derivative financial instruments are recognized each period in operating results while corresponding gains and losses on physical contracts are generally not recognized until quantities are delivered or title transfers which may be in the same or later periods. Our results of operations are impacted when there is a period mismatch of recognized gains or losses associated with the change in fair value of derivative instruments used for risk management purposes at the end of the reporting period but the purchase or sale of feedstocks or bio-based diesel has not yet occurred resulting in the offsetting gain or loss that will be recognized in a later accounting period.

We recorded risk management gains of $13.0 million and $11.2 million from our derivative financial instrument activity for the three and six months ended June 30, 2021, respectively, compared to a loss of $4.8 million and a gain of $48.8 million for the three and six months ended June 30, 2020, respectively. Changes in the value of these futures, swaps or options instruments are recognized in current income or loss.

Increasing importance of renewable diesel

Renewable diesel is made from the same renewable resources as biodiesel but uses a different production process. The result is a renewable fuel that is chemically similar to, and a drop-in replacement for, petroleum diesel. Renewable diesel is a relatively new fuel but has quickly become popular because it reduces emissions and delivers strong performance. Renewable diesel can also be blended with biodiesel. Our proprietary blend of renewable diesel and biodiesel, which we call REG Ultra Clean®, is designed to capture the best properties of the two fuels.

Renewable diesel has become an increasingly significant part of our business. Renewable diesel carries a premium price to biodiesel as a result of a variety of factors including the ability to blend it with petroleum diesel seamlessly, better cold weather performance, and its generation of more RINs on a per gallon basis. Our renewable diesel production facility in Geismar, Louisiana generated a significant portion of our adjusted EBITDA in 2020 and in the six months ended June 30, 2021. We experienced two fires at this facility in 2015 that each resulted in the plant being shut down for a period of time. If production at this facility were interrupted again due to a fire, a global pandemic such as COVID-19 or for any other reason, it would have a disproportionately significant and material adverse impact on our results of operations and financial condition.

Seasonality

Our operating results are influenced by seasonal fluctuations in the demand for biodiesel. Our biodiesel sales tend to decrease during the winter season due to reduced blending concentrations to adjust for performance during colder weather. Colder seasonal temperatures can cause the higher cloud point biodiesel we make from inedible animal fats to become cloudy and eventually gel at a higher temperature than petroleum-based diesel, renewable diesel, or lower cloud point biodiesel made from soybean oil, canola oil or distillers corn oil. Such gelling can lead to plugged fuel filters and other fuel handling and performance problems for customers and suppliers. Reduced demand in the winter for our higher cloud point biodiesel can result in excess supply of such higher cloud point biodiesel and lower prices for such biodiesel. In addition, most of our biodiesel production facilities are located in colder Midwestern states in proximity to feedstock origination, and our costs of shipping can increase as more biodiesel is transported to warmer climate geographies during winter. To mitigate some of these seasonal fluctuations, we upgraded our Newton and Danville biorefineries in 2018 to produce distilled biodiesel from low-cost feedstocks, which has improved cold-weather performance.

RIN prices may also be subject to seasonal fluctuations. The RIN is dated for the calendar year in which it is generated, commonly referred to as the RIN vintage. Since only 20% of the annual RVO of an Obligated Party (as defined under the RFS2) can be satisfied by prior year RINs, most RINs must come from biofuel produced or imported during the RVO year. As a result, RIN prices can be expected to decrease as the calendar year progresses if the RIN market is oversupplied compared to that year's RVO and increase if the market is undersupplied. The table below provides a comparison between actual RIN generation and RVO level for Advanced Biofuel as set by the EPA, together with the impact of the SREs.

Period	**RIN Generation (Advanced Biofuel)**	**Finalized RVO level for Advanced Biofuel**	**Estimated Advanced Biofuel RVO Exempted due to SREs**
2018	4.34 billion RINs	4.29 billion RINs*	0.34 billion RINs
2019	4.87 billion RINs	4.92 billion RINs*	0.04 billion RINs
2020	5.28 billion RINs	5.04 billion RINs*	**
Q2 2021	2.53 billion RINs	**	**

**Ethanol equivalent gallons*
***Not yet determined*

Industry capacity, production, and imports

Our operating results are influenced by our industry’s capacity and production, including in relation to RFS2 production requirements. Under RFS2, Obligated Parties are entitled to satisfy up to 20% of their annual requirement with prior year RINs. Bio-based diesel production and/or imports, as reported by EMTS, were 2.65 billion gallons for 2019. The amount of bio-based diesel produced and/or imported into the U.S. in 2020 was 2.88 billion gallons. In the first six months of 2021, according to EMTS data, 1.41 billion gallons of bio-based diesel were produced and/or imported into the U.S., compared to the equivalent 1.35 billion gallons over the same period in 2020.

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations is based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amount of assets, liabilities, equities, revenues and expenses and related disclosure of contingent assets and liabilities. We evaluate our estimates on an ongoing basis. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for judgments we make about the carrying values of assets and liabilities that are not readily apparent from other sources. Because these estimates can vary depending on the situation, actual results may differ from the estimates.

We have disclosed under the heading “Critical Accounting Policies” in our Annual Report on Form 10-K for the year ended December 31, 2020 the critical accounting policies which materially affect our financial statements. There have been no material changes from the critical accounting policies previously disclosed. You should carefully consider the critical accounting policies set forth in our Annual Report on Form 10-K.

Results of Operations

Three and six months ended June 30, 2021 and 2020

Set forth below is a summary of certain financial information (dollars in thousands and gallons in millions except for per gallon data) for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	**2020**	**2021**	**2020**
Gallons sold	163.1	183.2	297.3	322.9
Average bio-based diesel price per gallon	$ 4.42	$ 2.68	$ 4.11	$ 2.85
Revenues from continuing operations	$ 816,220	$ 543,905	$ 1,355,963	$ 1,016,862
Cost of goods sold from continuing operations	692,707	521,350	1,158,649	888,746
Gross profit	123,513	22,555	197,314	128,116
Selling, general and administrative expenses	35,015	28,427	66,192	55,912
Gain on disposal of property, plant and equipment	(39)	(187)	(39)	(187)
Impairment of assets	916	—	1,738	—
Income (loss) from operations	87,621	(5,685)	129,423	72,391
Other income (expense), net	(5,855)	5,629	(6,802)	3,552
Income tax expense	(2,250)	(1,629)	(3,883)	(2,961)
Net income (loss)	$ 79,516	$ (1,685)	$ 118,738	$ 72,982
Effect of participating share-based awards	729	—	1,475	1,500
Net income (loss) available to the Company's common stockholders	$ 78,787	$ (1,685)	$ 117,263	$ 71,482

Results of Operations:

Revenues. In the three and six months ended June 30, 2021, our revenues increased by $272.3 million and $339.1 million, or 50% and 33%, compared to the respective periods in 2020. In the first half of 2021, ULSD prices averaged $1.88 per gallon compared to $1.26 per gallon in the same period in 2020. The significant increase in ULSD prices resulted from general market optimism and improving demand stemming from the easing of lockdown measures in the United States and internationally, particularly when compared to the second quarter of 2020 where prices were historically low due to the onset of the COVID-19 pandemic and strict lockdowns. RIN values trended higher throughout the first half of 2021 along with an increase in feedstock pricing relative to ULSD values as seen in the heating oil to soybean oil ("HOBO") spread. As a result of these factors, our average selling price increased $1.74 and $1.26, or 65% and 44%, respectively, in the three and six months ended June 30, 2021, compared to the same periods in 2020. The increase in our revenues was partially offset by a decrease of 20.1 million and 25.6 million, or 11% and 8%, in total gallons sold for the same period as a result of our focus on product mix and optimization of gallons sold.

Our average bio-based diesel sales price per gallon increased $1.74 and $1.26, or 65% and 44%, respectively, for the three and six months ended June 30, 2021 compared to the same periods in 2020, due primarily to continued price increases, including ULSD and RIN prices for delivered RINs. The increase in the average sales price contributed to a $318.8 million and $406.9 million increase in revenues for the three and six months ended June 30, 2021, respectively, when applied to the number of gallons sold in the comparable 2020 periods. The increase in RIN prices also positively affected separated RIN sales resulting in revenues of $40.4 million and $54.5 million, or an increase of 150% and 128%, respectively, for the three and six months ended June 30, 2021 compared to the same period in 2020. The decrease in gallons sold for the three and six months ended June 30, 2021 accounted for a revenue decrease of $88.8 million and $105.2 million, using the average selling price for bio-based diesel for the applicable periods. Also negatively affecting revenues was the decrease in government incentives revenue in the three and six months ended June 30, 2021, of $17.3 million and $23.5 million, caused by lower BTC revenues due to lower gallons sold.

Costs of goods sold. Our costs of goods sold increased $171.4 million and $269.9 million, or 33% and 30%, respectively, for the three and six months ended June 30, 2021, compared to the same periods in 2020. Costs of goods sold as a percentage of revenues were 85% for each of the three and six months ended June 30, 2021, and 96% and 87%, respectively, for the three and six months ended June 30, 2020. The increase in costs of goods sold was primarily driven by significantly higher feedstock costs in the quarter and the first half ended June 30, 2021 compared to same period in 2020, as described in detail below. The increase was partially offset by risk management gains of $13.0 million and $11.2 million, respectively, in the three and six months ended June 30, 2021 compared to a loss of $4.8 million and a gain of $48.8 million in the same period in 2020. The 2021 changes in risk management are a result of significant increases in soybean oil prices and were partially offset by a loss related to increasing ULSD prices throughout the current period. In 2020, energy prices dropped to a historically low level due to the COVID-19 pandemic resulting in risk management gains.

We experienced significantly higher costs across all of our feedstocks in the three and six months ended June 30, 2021. Average prices for low carbon feedstocks used in our production were $0.50 and $0.44, respectively, per pound for the three and six months ended June 30, 2021, as compared to $0.29 and $0.28, respectively, per pound for the three and six months ended June 30, 2020. Average soybean oil costs were $0.63 and $0.53, respectively, per pound for the three and six months ended June 30, 2021, as compared to $0.29 and $0.30, respectively, per pound for the three and six months ended June 30, 2020. Average canola oil costs were $0.63 and $0.55, respectively, per pound for the three and six months ended June 30, 2021, as compared to $0.29 and $0.31, respectively, per pound for the three and six months ended June 30, 2020. Average distillers corn oil costs were $0.51 and $0.44, respectively, per pound for the three and six months ended June 30, 2021, as compared to $0.28 and $0.27, respectively, per pound for the three and six months ended June 30, 2020.

Selling, general and administrative expenses. Our selling, general and administrative expenses were $35.0 million and $66.2 million, respectively, for the three and six months ended June 30, 2021, or 4% and 5%, respectively, of total revenue for the periods, and $28.4 million and $55.9 million, respectively, or 5% for both periods, of total revenue, compared to the same periods in 2020. The increases of $6.6 million and $10.3 million, or 23% and 18%, respectively, resulted primarily from higher employee related compensation and benefits.

Impairment of assets. During the three and six months ended June 30, 2021, we recorded impairment charges of $0.9 million and $1.7 million related to certain equipment and intangible assets deemed not recoverable given the assets' economic obsolescence. During the same periods of 2020, we did not record any impairment charges.

Other income (expense), net. Other expense was $5.9 million and $6.8 million, respectively for the three and six months ended June 30, 2021, compared to other income of $5.6 million and $3.6 million, respectively, for the same periods in 2020. Other income (expense) is primarily comprised of gain (loss) on debt extinguishment, interest expense, interest income and other non-operating items. The change in other expense, net between the two periods was mainly due to no gain on lease termination for the three and six months of 2021 compared to the gain of $4.5 million on lease termination in the comparable periods in 2020. The increase in expense was also due to the loss on debt extinguishment in the three and six months ended June 30, 2021 of $2.5 million and $4.4 million, respectively, compared to gains on debt extinguishment of $0.6 million and $1.8 million, for the same periods in 2020, respectively. We also had higher interest expense for the three and six months ended June 30, 2021 of $4.3 million and $5.4 million, respectively, due to the issuance of our Green Bonds, compared to interest expense of $1.7 million and $4.6 million for the same respective periods in 2020.

Income tax expense. We recognized an income tax expense of $2.3 million and $3.9 million, respectively, for the three and six months ended June 30, 2021, as compared to an income tax expense of $1.6 million and $3.0 million, respectively, for the same periods in 2020. Our tax provision for an interim period is determined using an estimate of our annual effective tax rate, adjusted for discrete items arising in that period. Our effective tax rate differs from the statutory tax rate primarily due to the fact that we have a valuation allowance on our domestic deferred tax assets and most of our foreign deferred tax assets.

Effects of participating share-based awards. Effects of participating share-based awards was $0.7 million and $1.5 million, respectively, for the three and six months ended June 30, 2021 compared to none and $1.5 million, respectively, for the same periods in 2020.

Non-GAAP Financial Measures:

Adjusted EBITDA

Earnings before interest, taxes, depreciation and amortization ("EBITDA") and adjusted EBITDA are not measures of financial performance under GAAP. We use EBITDA and EBITDA adjusted for certain additional items, identified in the table below, or Adjusted EBITDA, as a supplemental performance measure. We present EBITDA and Adjusted EBITDA because we believe they assist investors in analyzing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. In addition, we use Adjusted EBITDA to evaluate, assess and benchmark our financial performance on a consistent and a comparable basis and as a factor in determining incentive compensation for our executives.

(In thousands)	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Net income (loss)	**$ 79,516**	**$ (1,685)**	**$ 118,738**	**$ 72,982**
Adjustments:				
Income tax expense	2,250	1,630	3,883	2,961
Interest expense	4,271	1,664	5,388	4,610
Depreciation	11,088	9,103	22,003	18,037
Amortization of intangible and other assets	918	318	1,590	671
EBITDA	$ 98,043	$ 11,030	$ 151,602	$ 99,261
Gain on sale of assets	(39)	(187)	(39)	(187)
(Gain) loss on debt extinguishment	2,527	(619)	4,449	(1,791)
Gain on lease termination	—	(4,459)	—	(4,459)
Interest income	(1,184)	(550)	(2,496)	(550)
Other income, net	241	(1,665)	(539)	(1,362)
Impairment of assets	916	—	1,738	—
Executive severance	663	—	663	—
Stock compensation	1,962	2,611	3,806	3,978
Adjusted EBITDA	**$ 103,129**	**$ 6,161**	**$ 159,184**	**$ 94,890**

Adjusted EBITDA is a supplemental performance measure that is not required by, or presented in accordance with, generally accepted accounting principles, or GAAP. Adjusted EBITDA should not be considered as an alternative to net income (loss) or any other performance measure derived in accordance with GAAP, or as an alternative to cash flows from operating activities or a measure of our liquidity or profitability. Adjusted EBITDA has limitations as an analytical tool, and should not be considered in isolation, or as a substitute for any of our results as reported under GAAP. Some of these limitations are:

- Adjusted EBITDA does not reflect our cash expenditures or the impact of certain cash charges that we consider not to be an indication of our ongoing operations;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital requirements;
- Adjusted EBITDA does not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our indebtedness;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect cash requirements for such replacements;
- stock-based compensation expense is an important element of our long term incentive compensation program, although we have excluded it as an expense when evaluating our operating performance; and
- other companies, including other companies in our industry, may calculate these measures differently than we do, limiting their usefulness as a comparative measure.

Liquidity and Capital Resources

Our principal sources of liquidity are existing cash balances, marketable securities, cash generated by our operations and our ability to borrow under our revolving credit facilities, or such credit facilities as we may be able to obtain from time to time. Our principal uses of liquidity are paying the costs and expenses associated with our operations, servicing outstanding indebtedness and making capital expenditures. Our cash requirements will also depend on capital expenditures in connection with future facility projects, such as our announced capacity expansion of our Geismar, Louisiana biorefinery and expenditures in connection with future acquisitions of assets or businesses that are complementary to our operations or part of our growth strategies.

On March 19, 2021, the Company completed an equity offering pursuant to which it sold 5,750,000 shares of common stock to various underwriters at a price of $67.00 per share before underwriting discounts and commissions. The net proceeds from the offering were $365.3 million. We currently intend to use the net proceeds from this offering for working capital and other general corporate purposes, which may include the repayment of our existing indebtedness and the funding of capital expenditures, including capital expenditures related to the expansion of our Geismar, Louisiana biorefinery. We may also use a portion of the net proceeds from this offering to finance potential strategic transactions, although we currently have no binding commitments or agreements to complete any such transaction.

On May 20, 2021, the Company completed the sale and issuance of $550,000 aggregate principal amount of our Green Bonds due 2028. The Company recorded $13,901 in legal, professional and underwriting fees related to the issuance of the Green Bonds. The Company currently intends to use the net proceeds from the Green Bonds for capital expenditures related to the expansion of its Geismar, Louisiana biorefinery.

Sources of liquidity. At June 30, 2021, the total of our cash and cash equivalents and marketable securities was $1,060.8 million, compared to $354.0 million at December 31, 2020. At June 30, 2021, we had total assets of $2,415.9 million, compared to $1,461.4 million at December 31, 2020. At June 30, 2021, we had term debt before debt issuance costs of $550.0 million, compared to term debt of $67.0 million at December 31, 2020. Our debt is subject to various financial covenants. We were in compliance with all financial covenants associated with our borrowings as of June 30, 2021.

Our term debt (in thousands) is as follows:

	June 30, 2021	December 31, 2020
5.875% Senior Secured Green Bonds, due 2028	$ 550,000	$ —
4.00% Convertible Senior Notes	—	47,057
REG Capital term loan	—	6,665
REG Ralston term loan	—	13,241
Other	6	14
Total term debt before debt issuance costs	$ 550,006	$ 66,977

A full description of our credit facilities and other agreements related to our outstanding indebtedness is included under the heading “Liquidity and Capital Resources” in our Annual Report on Form 10-K for the year ended December 31, 2020.

2036 Convertible Senior Notes

In April 12, 2021, the Company issued a notice of redemption to redeem all outstanding 2036 Convertible Senior Notes on June 15, 2021 at a redemption price equal to 100% of the principal amount of the notes redeemed. Because the redemption date is the interest payment date relating to the regular record date of June 1, 2021, the holders of the notes on June 1, 2021 were entitled to receive, on the redemption date, the unpaid interest that had accrued on such note. By June 11, 2021, the Company had received notices of conversion from all bondholders on the remaining 2036 Convertible Senior Notes and as of June 15, 2021, all outstanding 2036 Convertible Senior Notes were fully redeemed and all obligations thereto were satisfied and discharged. The Company elected to settle all conversions of each $1,000 principal amount of such notes being converted, with $1,000 in cash and any conversion value in excess of that amount in shares of the Company's common stock.

During the three and six months ended June 30, 2021, we received notices of conversions related to the 2036 Convertible Senior Note in total principal amounts of $32.5 million and $59.6 million, respectively. We elected to settle the respective principal balances of $32.5 million and $59.6 million in cash and settle the conversion premium by issuing 2,488,427 and 4,684,263 shares of common stock from treasury stock, respectively.

During the three and six months ended June 30, 2020, we used $31.9 million and $57.8 million to repurchase $14.0 million and $25.0 million principal amount of the 2036 Convertible Senior Notes, respectively.

In addition, we had revolving debt (in thousands) as follows:

	June 30, 2021	December 31, 2020
Amount outstanding under lines of credit	$ —	$ —
Maximum available to be borrowed under lines of credit	$ 149,666	$ 149,666

While the maximum commitment under the M&L and Services Revolver is $150.0 million, availability under that facility is subject to a borrowing base and if excess availability under that facility is less than 10% of the maximum commitment, or $15.0 million, the subsidiary borrowers of that facility are then required to maintain a fixed charge coverage ratio of at least 1.0 to 1.0. As of December 31, 2020 and June 30, 2021, the subsidiary borrowers would not have been able to satisfy that fixed charge coverage ratio if availability was less than 10% of the maximum commitment or usage of the facility was more than $135.0 million on such dates.

Cash flows. The following table presents information regarding our cash flows and cash and cash equivalents for the six months ended June 30, 2021 and 2020 (in thousands):

	Six Months June 30,	
	2021	2020
Cash provided by (used in) operating activities	$ (62,479)	$ 461,832
Cash used in investing activities	(218,177)	(210,337)
Cash provided by financing activities	804,415	(153,979)
Net change in cash, cash equivalents and restricted cash	523,759	97,516
Cash, cash equivalents and restricted cash end of period	$ 611,754	$ 150,950

In the first six months of 2021, we used $62.5 million of cash in operations, compared to cash generated from operations of $461.8 million in the first six months of 2020. The increase in cash used was largely driven by a decrease in collection of receivables of $633.7 million due to the partial collection of the 2019 and 2018 BTC in 2020, combined with an increase in inventory build in the first six months of 2021 of $155.1 million compared to inventory build in the first six months of 2020 of $1.3 million. These increases in cash used in operations were partially offset by a decrease in outstanding accounts payable for the first six months of 2021 compared to the same period of 2020 of $193.4 million and an increase in net income ($118.7 million for the six months ended June 30, 2021 as compared to a net income of $73.0 million for the six months ended June 30, 2020). The increase in the net income for the six months ended June 30, 2021 was primarily due to stronger margins and higher RIN prices.

We used $218.2 million of cash in investing activity in the first six months of 2021, compared to $210.3 million of cash used in investing activities in the first six months of 2020. The increase in cash used by investing activities was primarily due to net investments of $184.2 million in high quality marketable securities, compared to net investments of $179.5 million in marketable securities in 2020. In addition, we used $32.5 million of cash for property, plant and equipment purchases and plant upgrades in 2021 compared to purchases of property, plant, and equipment of $31.0 million in 2020.

Cash flows provided by financing activities for the six months ended June 30, 2021 was $804.4 million compared to cash used in financing activities of $154.0 million for the six months ended June 30, 2020. The $958.4 million increase was primarily due to the net proceeds of $536.1 million from the Green Bonds issuance in May 2021 and of $365.3 million from the equity offering in March 2021. There were no net borrowings on the revolving line of credit in the first six months of 2021 compared to a net repayments of $77.0 million in the same period in 2020.

Capital expenditures. During the six months ended June 30, 2021, our capital expenditures were $32.5 million involving various plant optimization projects. During 2020, our total capital expenditures were $63.6 million involving various projects, the majority of which were at the Emden (Germany), Seneca, and Geismar facilities. In line with our allocation framework, our capital expenditure budget for 2021 included roughly $20.0 million for safety, reliability and asset integrity, roughly $30.0 million for high return/rapid payback projects, and $30.0 million for engineering for the Geismar expansion and other future growth projects, but did not include large capital projects such as Geismar construction. In addition to our 2021 capital expenditure budget, we expect to spend an additional approximately $100.0 million in capital related to the Geismar improvement project by the end of 2021. This includes financial outlays for spend on long lead time items for the project.

In October 2020, we announced that we plan to expand the effective capacity of our Geismar, Louisiana biorefinery. The Geismar project brings together the planned expansion with an improvement project for the existing site. This joint project is expected to take total site production capacity from 90 million to 340 million gallons, enhance existing operations and improve operational reliability and logistics. The combined project is expected to be mechanically complete in 2023 with full operations in early 2024. The capital cost for the entire Geismar construction project, inclusive of the expansion as well as operational and logistics enhancements to the current plant, is estimated to be $950 million. We have received all required permits to proceed with construction and recently obtained funding to begin the project with a combination of cash on hand, marketable securities, borrowings under our credit facilities, and proceeds from our public offering of common stock that closed in March 2021 and our Green Bonds that closed in May 2021, as discussed below, or from other sources. In addition, we have agreed upon a long-term marine terminal lease for terminal and logistics services. There can be no guarantee that we will be able to increase the capacity of our biorefinery at Geismar, Louisiana on time, at our estimated budget, or at all. The expansion is subject to a number of conditions and risks.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Recent Accounting Pronouncements

For a discussion of new accounting pronouncements affecting the Company, refer to “Note 2 – Summary of Significant Accounting Policies” to our Condensed Consolidated Financial Statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The primary objectives of our investment activity are to preserve principal, provide liquidity and maximize income without significantly increasing risk. Some of the securities we invest in are subject to market risk. This means that a change in prevailing interest rates may cause the principal amount of the investment to fluctuate. To minimize this risk, we maintain a portfolio of cash equivalents in short-term investments in money market funds.

Commodity Price Risk

Over the period from January 2019 through June 30, 2021, average diesel prices based on Platts reported pricing for Group 3 (Midwest) have ranged from a high of approximately $2.24 per gallon reported in March 2021 to a low of approximately $0.62 per gallon in April 2020, with prices averaging $1.63 per gallon during this period. Over the period January 2019 to June 30, 2021, soybean oil prices (based on daily closing nearby futures prices on the Chicago Board of Trade for crude soybean oil) have ranged from a high of $0.72 per pound, or $5.41 per gallon of biodiesel, in June 2021, to a low of $0.25 per pound, or $1.87 per gallon, in April 2020, assuming 7.5 pounds of soybean oil yields one gallon of biodiesel with closing sales prices averaging $0.35 per pound, or $2.65 per gallon. Over the period from January 2019 through June 30, 2021, animal fat prices (based on prices from The Jacobsen Missouri River, for choice white grease) have ranged from a high of $0.57 per pound in June 2021 to a low of $0.18 per pound in July 2020, with sales prices averaging $0.28 per pound during this period. Over the period from January 2019 through June 30, 2021, RIN prices (based on prices from OPIS) have ranged from a high of $2.05 in June 2021 to a low of $0.32 in May 2019, with sales prices averaging $0.73 during this period.

Adverse fluctuations in feedstock prices as compared to bio-based diesel prices result in lower profit margins and, therefore, represent unfavorable market conditions. The availability and price of feedstocks are subject to wide fluctuations due to unpredictable factors such as weather conditions during the growing season, rendering volumes, carry-over from the previous crop year and current crop year yield, governmental policies with respect to agriculture and supply and demand.

We have prepared a sensitivity analysis to estimate our exposure to market risk with respect to our sales contracts, low carbon feedstock requirements, soybean oil requirements and the related exchange-traded contracts for the first six months of 2021. Market risk is estimated as the potential loss in fair value, resulting from a hypothetical 10% adverse change in the fair value of our low carbon feedstock and soybean oil requirements and bio-based diesel sales. The results of this analysis, which may differ from actual results, are as follows:

	First six months of 2021 Volume (in millions)	Units	Hypothetical Adverse Change in Price	Impact on Gross Profit (in millions)	Percentage Change in Gross Profit
Total Bio-based Diesel	297.3	gallons	10 %	$ (122.2)	61.9 %
Total Low Carbon Feedstocks	1,410.0	pounds	10 %	$ (62.0)	31.4 %
Total Canola Oil	262.0	pounds	10 %	$ (14.4)	7.3 %
Total Soy Oil	175.8	pounds	10 %	$ (9.3)	4.7 %

We attempt to protect operating margins by entering into risk management contracts that reduce the risk of price volatility related to anticipated purchases of feedstocks, such as inedible animal fat and distillers corn oil and energy prices. We create offsetting positions by using a combination of forward physical purchases and sales contracts on feedstock and bio-based diesel, including risk management futures contracts, swaps and options primarily on NYMEX NY Harbor ULSD, CBOT Soybean Oil, and NYMEX Natural Gas; however, the extent to which we engage in risk management activities varies substantially from time to time, and from feedstock to feedstock, depending on market conditions and other factors. A 10% adverse change in the prices of NYMEX NY Harbor ULSD would have had a positive effect on the fair value of these instruments of $18.4 million at June 30, 2021. A 10% adverse change in the price of CBOT Soybean Oil would have had a negative effect on the fair value of these instruments of $20.1 million at June 30, 2021. A 10% adverse change in the price of NYMEX Natural Gas would have had an immaterial impact on our gross margin at June 30, 2021.

Interest Rate Risk

We have minimal exposure to interest rate risk and as such any material changes in interest rates would not have a material effect on our financial position.

Foreign Currency Risk

We have minimal exposure to foreign currency risk and as such the cost of hedging this risk is viewed to be in excess of the benefit of further reductions in our exposure to foreign currency exchange rate fluctuations.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to ensure that information required to be disclosed in the Company’s reports we file or submit under the Securities Exchange Act of 1934 (the "Exchange Act") is recorded, processed, summarized and reported within the time periods specified in the Securities Exchange Commission’s rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Our management, under the supervision of and with the participation of the CEO and CFO, performed an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15-d-15(e) under the Exchange Act as of the end of the period covered by this report, June 30, 2021. In connection with our evaluation of disclosure controls and procedures, we have concluded that our disclosure controls and procedures were effective as of June 30, 2021.

Management’s Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). Management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that our internal control over financial reporting was effective as of June 30, 2021. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Remediation Efforts to Address Material Weakness in Internal Control over Financial Reporting

As previously disclosed in Item 9A of our Form 10-K for the year ended December 31, 2020, management concluded that there was a material weakness in internal control over financial reporting related to effective preventive and review controls over the purchase and use of the petroleum diesel gallons when blending with biodiesel. This resulted in an overstatement of bio-based diesel government incentive revenue and an understatement of interest expense for the quarters ended September 30, 2020, June 30, 2020, and March 31, 2020 as well as the years ended December 31, 2019 and 2018 and a corresponding understatement of accounts payable and accrued expenses and other liabilities as of September 30, 2020, June 30, 2020, and March 31, 2020, and December 31, 2019 and 2018. Additionally, this material weakness could result in a misstatement of the aforementioned account balances or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

Since identifying the material weakness and during the six months ended June 30, 2021, management took the following steps to address the underlying causes of the material weakness and remediate the material weakness:

- For the Seneca facility:
  - Limiting the loading to modes where the existing system is known to be functional, until the system is redesigned to work in all operating modes; and
  - Implemented a control system calculation and readout tool that enables the loading operator to validate that the proper number of petroleum diesel gallons were added to each load;
- Then, to further reinforce our system-wide controls:
  - Performing weekly procedures at each biodiesel facility to validate that the amount of petroleum diesel used matches the amount of petroleum diesel required to be blended;
  - Performing monthly physical inventory procedures to ensure petroleum inventory levels reflected in the accounting system are within expected tolerances; and
  - Performing monthly reconciliations of petroleum inventory usage prior to filing for BTC to re-confirm that the required volume of petroleum diesel has been blended.

Management has been testing the Company’s enhanced controls to determine whether they operate effectively over time. From this testing, management believes that the enhanced controls are operating effectively and the deficiencies that contributed to the material weakness have been remediated. Management will continue its evaluation of these controls through the end of the fiscal year, at which time our internal controls will be evaluated by Deloitte & Touche LLP in connection with its audit of the Company’s internal control over financial reporting.

Changes in Internal Control over Financial Reporting

There have been no changes during our quarter ended June 30, 2021 in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On March 2, 2021, a putative class action lawsuit was filed against the Company and certain of its current and former executive officers in the United Stated District Court for the Southern District of New York. On March 12, 2021, a putative class action lawsuit against the same defendants was filed in the United States District Court for the Central District of California. On June 24, 2021, the two cases were consolidated in the Southern District of New York under the caption In re Renewable Energy Group Securities Litigation, No. 21-cv-1832, and a consolidated amended complaint was filed on July 9, 2021.

The complaint purports to be brought on behalf of shareholders who purchased the Company’s common stock between March 8, 2018 and February 25, 2021, the date on which the Company announced its restatement related to BTC. Plaintiffs allege that defendants made false and misleading statements about the Company’s business, financial results and prospects in violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. The complaint seeks unspecified damages, attorneys’ fees, and other costs. The Company denies any and all allegations of wrongdoing and intends to vigorously defend against the litigation.

On July 27, 2021, a stockholder derivative complaint was filed in the United States District Court for the District of Delaware based on allegations substantially similar to those in the class action, and purporting to assert claims on the Company's behalf against current and former officers and directors for alleged violation of Sections 14(a) and 20(a) of the Exchange Act, breach of fiduciary duties, unjust enrichment, and waste of corporate assets.

In addition, the Securities and Exchange Commission ("SEC") has requested information about the restatement, and the Company is cooperating with the SEC.

Given the relatively early stages of these matters, the Company is unable to estimate the reasonably possible loss or range of loss, if any, that may result.

ITEM 1A. Risk Factors

Our business, financial condition, results of operations and liquidity are subject to various risks and uncertainties, including those described below. As a result, the trading price of our common stock could decline.

Summary of Risk Factors

Our business is subject to numerous risks and uncertainties that could affect our ability to successfully implement our business strategy and affect our financial results. You should carefully consider all of the information in this report and in particular, the following principal risks and all of the other specific factors described in Part II, Item 1A. of this report, "Risk Factors," before deciding whether to invest in our company.

- The Renewable Fuel Standard Program, a federal law requiring the consumption of qualifying biofuels, could be repealed, curtailed or otherwise changed, which would have a material adverse effect on our revenues, operating margins and financial condition.
- Loss of or reductions in federal and state government tax incentives for biomass-based diesel production or consumption may have a material adverse effect on our revenues and operating margins.
- We derive a significant portion of our revenues from sales of our renewable fuel in the State of California primarily as a result of California's Low Carbon Fuel Standard, or LCFS; adverse changes in this law or reductions in the value of LCFS credits would harm our revenues and profits.
- We derive a significant portion of our revenues from sales of our renewable fuel in Canada and Europe; adverse changes in the programs requiring the use of renewable and lower carbon fuels or reductions in the value of credits would harm our revenues and profits.
- The COVID-19 pandemic may adversely impact our business.
- We derive a substantial portion of our profitability from the production of renewable diesel at our plant in Geismar, Louisiana and any interruption in our operations would have a material adverse effect on operations and financial conditions.
- Our planned capacity expansion at our Geismar, Louisiana facility will require significant capital expenditures and there is no guarantee that the project will be completed on time or on budget, which could have a negative effect on revenues and operations.
- Increased industry-wide production of biodiesel due to potential utilization of existing excess production capacity, announced renewable diesel plant expansions and potential co-processing of renewable diesel by petroleum refiners, could reduce prices for our fuel and increase costs of feedstocks, which would seriously harm our revenues and operations.
- Our gross margins are dependent on the spread between biomass-based diesel prices and feedstock costs, each of which are volatile and can cause our results of operations to fluctuate substantially.
- Our debt agreements impose significant operating and financial restrictions on our subsidiaries, which may prevent us from capitalizing on business opportunities.
- Risk management transactions could significantly increase our operating costs and may not be effective.
- One customer accounted for a meaningful percentage of revenues and a loss of this customer could have an adverse impact on our total revenues.
- Our facilities and our customers' facilities are subject to risks associated with fire, explosions, leaks, and natural disasters, which may disrupt our business and increase costs and liabilities.
- In addition to biodiesel and renewable diesel, we store and transport petroleum-based motor fuels. The dangers inherent in the storage and transportation of fuels could cause disruptions in our operations and could expose us to potentially significant losses, costs or liabilities.
- Our insurance may not protect us against our business and operating risks.
- We operate in a highly competitive industry and expect that competition in our industry will increase.
- We are dependent upon one supplier to provide hydrogen necessary to execute our renewable diesel production process and the loss of this supplier could disrupt our production process.
- Technological advances and changes in production methods in the biomass-based diesel industry could render our plants obsolete and adversely affect our ability to compete.
- Our intellectual property is integral to our business. If we are unable to protect our intellectual property, or others assert that our operations violate their intellectual property, our business could be adversely affected.

- Increases in transportation costs or disruptions in transportation services could have a material adverse effect on our business.
- We are dependent upon our key management personnel and other personnel, and the loss of these personnel could adversely affect our business and results of operations.
- We may encounter difficulties in integrating the businesses we acquire, including our international businesses where we have limited operating history.
- We incur significant expenses to maintain and upgrade our operating equipment and plants, and any interruption in the operating of our facilities may harm our operating performance.
- Growth in the use, sale and distribution of biodiesel is dependent on the expansion of related infrastructure which may not occur on a timely basis, if at all, and our operations could be adversely affected by infrastructure limitations or disruptions.
- Our business is subject to seasonal changes based on regulatory factors and weather conditions and this seasonality could cause our revenues and operating results to fluctuate.
- Failure to comply with governmental regulations, including EPA requirements relating to RFS2 or new laws designed to deal with climate change, could result in the imposition of higher costs, penalties, fines, or restrictions on our operations and remedial liabilities.
- Renewable diesel fuel is superior to biodiesel in certain respects and if renewable diesel production capacity increases to a sufficient extent, it could largely supplant biodiesel; we may not be successful in expanding our renewable diesel production capacity.
- Nitrogen oxide emissions from biodiesel may harm its appeal as a renewable fuel and increase costs.
- Our existing and future indebtedness, which subjects us to potential defaults, could adversely affect our cash flows, ability to raise additional capital to fund our operations and repay our debt, and limit our ability to react to changes in the economy or the bio-based diesel industry.
- We may still incur significant additional indebtedness that could increase the risks associated with our indebtedness.
- Certain provisions in the Indenture could delay or prevent an otherwise beneficial takeover or takeover attempt of us.
- If we are unable to comply with the restrictions and covenants in our debt agreements, there could be a default under the terms of such agreements, which could result in an acceleration of repayment.
- We are a holding company and there are limitations on our ability to receive dividends and distributions from our subsidiaries.
- The market price for our common stock may be volatile.
- We have never paid dividends on our capital stock and we do not anticipate paying dividends in the foreseeable future.
- We may issue additional common stock as consideration for future investments or acquisitions.
- If we fail to maintain effective internal control over our financial reporting and financial forecasting, we may not be able to report our financial results accurately, provide accurate financial guidance or prevent fraud, and if we fail to maintain effective internal governance and conduct policies, such as our Code of Business Conduct and Ethics, Code of Ethics for Senior Financial Officers and Trading by Insiders Policy, or if our employees fail to adhere to such policies, we may be unable to maintain a proper control environment. If any of these failures occur, our business could be harmed, our stockholders could lose confidence in our financial reporting and financial guidance or our business integrity and we could suffer negative media attention, which could negatively impact the value of our stock.
- Delaware law and our certificate of incorporation and bylaws contain anti-takeover provisions that could delay or discourage takeover attempts that stockholders may consider favorable.

RISKS RELATED TO RENEWABLE FUEL AND LOW CARBON FUEL INCENTIVES

The Renewable Fuel Standard Program, a federal law requiring the consumption of qualifying biofuels, could be repealed, curtailed or otherwise changed, which would have a material adverse effect on our revenues, operating margins and financial condition.

We and other participants in the bio-based diesel industry rely on governmental programs requiring or incentivizing the consumption of biofuels. Bio-based diesel has historically been more expensive to produce than petroleum-based diesel fuel and these governmental programs support a market for bio-based diesel that might not otherwise exist.

One of the most important of these programs is the RFS2, a federal law that requires that transportation fuels in the United States contain a minimum amount of renewable fuel. This program is administered by the U.S. Environmental Protection Agency ("EPA"). The EPA's authority includes setting annual minimum aggregate levels of consumption in four renewable fuel categories, including the two primary categories in which our fuel competes bio-based diesel and advanced biofuel. The parties obligated to comply with this RVO, are petroleum refiners and petroleum fuel importers.

The petroleum industry is strongly opposed to the RFS2 and can be expected to continue to press for changes both in the RFS2 itself and in the way that it is administered by the EPA. One key point of contention is the rate of growth in the annual RVO. The RVO for bio-based diesel was set at steadily rising levels beginning at 1.00 billion gallons in 2012 and increasing to 2.00 billion gallons in 2017. However, growth in the RVO for bio-based diesel was constrained from 2017 through 2019, as the bio-based diesel RVO increased by only 100,000 gallons from 2.00 billion to 2.10 billion gallons while the advanced biofuel

RVO increased from 4.28 billion gallons to 4.92 billion gallons. For 2020 and 2021, the EPA set the bio-based diesel RVO at 2.43 billion gallons. The 2020 advanced biofuel RVO has been set at 5.04 billion gallons which represents zero growth in the advanced biofuels category after taking into account the increase in the cellulosic volumes. We believe that growth in the annual RVOs strongly influences our ability to grow our business and supports the price of our fuel through the RINs. The EPA's future decisions regarding the RVO will significantly influence our revenues and profit margins.

The RFS2 also grants to the EPA authority to waive a qualifying refiner's obligation to comply with RFS2, through a small refinery exemption ("SRE"), based on a determination that the program is causing severe economic harm to that refinery. SREs can significantly harm demand for bio-based diesel and the value of RINs. In December 2019, the EPA issued a ruling on the reallocation of the required volumes under RFS2 in an attempt to offset the effect of the SREs. The ruling detailed the intent to redistribute the exempt volumes granted through the SRE to non-exempt obligated parties. This redistribution will be calculated on a three-year rolling average, based on the U.S. Department of Energy ("DoE") recommended relief. The EPA has consistently granted more relief through small refinery waivers than recommended by the DoE.

The table below summarizes the small refinery waiver petitions requested, granted, denied or pending and the impacted volumes as of July 15, 2021, according to the EPA's website:

	2020	2019	2018	2017	2016	2015
Petitions received	18	32	44	37	29	28
Petitions granted	—	—	31	35	19	7
Petitions denied or withdrawn	—	1	10	1	8	19
Petitions pending	18	31	3	1	2	2
Estimated volume of fuel exempted (million gallons)	—	—	14,420	17,050	7,840	3,070
Estimated Advanced Biofuel RVO Exempted (million RINs)	—	—	342	404	157	49
Estimated Advanced Biofuel RVO Exempted (% of Advanced biofuels RVOs)	— %	— %	7.9 %	9.5 %	4.4 %	1.7 %

Subsequent to the EPA's December 2019 ruling, in January 2020, the 10th Circuit Court of Appeals issued a ruling invalidating the process the EPA had been using to grant SREs. This ruling was overturned in June 2021 by the U.S. Supreme Court. This ruling invalidated the requirement to have a continuous trend of applications for SREs. The EPA could change their procedures to permit more SREs and that has the potential to cause further harm to RIN values.

Several Governors have petitioned the EPA to use its general waiver authority to reduce the 2020 RVO in response to COVID-19 economic disruptions. Should the EPA use its general wavier authority to reduce RVO requirements, we expect that this would harm demand for and the value of bio-based diesel and RINs, which would harm our revenues and earnings.

As of the date of this report, the EPA has not issued the 2021 RVO. This was to be issued in 2020 and it is uncertain when the EPA will issue the RVO and at what level the 2021 RVO will be.

The U.S. Congress could repeal, curtail or otherwise change the RFS2 program in a manner adverse to us. Similarly, the EPA could curtail or otherwise change its administration of the RFS2 program in a manner adverse to us, including by not increasing or even decreasing the RVO, by waiving compliance with the RVO or otherwise. In addition, while Congress specified RFS2 volume requirements through 2022 (subject to adjustment in the rulemaking process), beginning in 2023 required volumes of renewable fuel will be largely at the discretion of the EPA (in coordination with the Secretary of Energy and Secretary of Agriculture). We cannot predict what changes, if any, will be instituted or the impact of any changes on our business, although adverse changes could seriously harm our revenues, earnings and financial condition.

Loss of or reductions in federal and state government tax incentives for bio-based diesel production or consumption may have a material adverse effect on our revenues and operating margins.

Federal and state tax incentives have assisted the bio-based diesel industry by making the price of bio-based diesel more cost competitive with the price of petroleum-based diesel fuel to the end user.

Federal Tax Incentives

The most significant tax incentive program has been the federal biodiesel mixture excise tax credit, referred to as the Biodiesel Tax Credit ("BTC"). Under the BTC, the first person to blend pure bio-based diesel with petroleum-based diesel fuel receives a $1.00-per-gallon refundable tax credit.

The BTC was established on January 1, 2005 and has lapsed and been reinstated retroactively and prospectively several times. Most recently in December 2019, the BTC was retroactively reinstated for 2018 and 2019 and is in effect from January

2020 through December 2022. Unlike the RFS2 program, the BTC has a direct effect on federal government spending and changes in federal budget policy could result in its elimination or in changes to its terms that are less beneficial to us. We cannot predict what action, if any, Congress may take with respect to the BTC after 2022. There is no assurance that the BTC will be reinstated, that it will be reinstated on the same terms or, if reinstated, that its application will be retroactive, prospective or both. Any adverse changes in the BTC can be expected to harm our results of operations and financial condition.

State Tax Incentives

Several states have enacted tax incentives for the use of biodiesel. For example, Illinois has a generally applicable 6.25% sales tax, but offers an exemption from this tax for a blend of fuel that consists of greater than 10% biodiesel that is set to expire at the end of 2022. In Iowa, for 2018 through 2025, retailers earn $0.035 per gallon for 5%-10% biodiesel blends and $0.055 per gallon for 11% and above blends. Iowa also has a bio-based diesel production incentive that provides $0.02 per gallon of production capped at the first 25 million gallons per production plant. The biodiesel and renewable diesel ("RD") portion of fuel blends are exempt from Texas state excise tax, which results in a $0.20 per gallon incentive. Minnesota law requires a 5% biodiesel blend except during the summer months when a 20% biodiesel blend is required. State budget or other considerations could cause the modification or elimination of tax incentive programs. The curtailment or elimination of such incentives could materially and adversely affect our revenues and profitability.

We derive a significant portion of our revenues from sales of our renewable fuel in the State of California primarily as a result of California's LCFS; adverse changes in this law or reductions in the value of LCFS credits would harm our revenues and profits.

We estimate that our revenues from the sale of renewable fuel in California and from sales of credits received under LCFS were approximately $218.9 million in the first six months of 2021. The LCFS is designed to reduce greenhouse gas ("GHG") emissions associated with transportation fuels used in California by ensuring that the total amount of fuel consumed meets declining targets for such emissions. The regulation quantifies lifecycle GHG emissions by assigning a "carbon intensity" ("CI") score to each transportation fuel based on that fuel's lifecycle assessment. Each petroleum fuel provider, generally the fuel's producer or importer is required to ensure that the overall CI score for its fuel pool meets the annual carbon intensity target for a given year. This obligation is tracked through credits and deficits and credits can be traded. We receive LCFS credits when we sell qualified fuels in California. As a result of the trading price of LCFS credits, California has become a desirable market in which to sell our bio-based diesel and an increasing percentage of our revenue and profit is related to sales to California and LCFS credit values. In the first six months of 2021, LCFS credit prices ranged from a high of $201 per credit in January to a low of $172 per credit in April. If the value of LCFS credits were to materially decrease as a result of over-supply or a lack of demand, our revenues and profits would be seriously harmed. Furthermore, if we experienced reduced demand for our fuels or LCFS credits in California, either as a result of oversupply, competitive pressure, lack of market liquidity, or regulatory change, our revenues and profits would be seriously harmed. In addition, if the fuel we produced is deemed not to qualify for LCFS credits, or if the LCFS or the manner in which it is administered or applied were otherwise changed in a manner adverse to us, our revenues and profits would be seriously harmed.

We derive a significant portion of our revenues from sales of our renewable fuel in Canada and Europe; adverse changes in the programs requiring the use of renewable and lower carbon fuels or reductions in the value of credits would harm our revenues and profits.

We estimate that our revenues from the sale of renewable fuels in Canada and Europe were approximately $239.3 million in the first six months of 2021. Canadian provinces and certain European countries have policies designed to increase the renewable content in transportation fuels and/or reduce GHG emissions associated with such fuels. As a result of these policies, these markets have become increasingly important markets into which we sell our bio-based diesel and an increasing percentage of our revenue and profit is related to sales into these markets. If the value of bio-based diesel in these markets were to materially decrease, as a result of reduced demand or increased supply by competitors, or for other reasons including the impact of the COVID-19 pandemic, if the fuel we produce is deemed not to qualify for compliance in those markets or those policies are otherwise changed in a manner adverse to us, our revenues and profits could be seriously harmed.

RISKS RELATED TO OUR BUSINESS OPERATIONS AND THE MARKETS IN WHICH WE OPERATE

The COVID-19 pandemic may adversely impact our business.

The COVID-19 pandemic has negatively impacted the global economy. While we did not incur significant, unmanageable operational or financial disruptions during the year ended December 31, 2020 or the first six months of 2021 from the COVID-19 pandemic and its variants and measures to address the pandemic, the extent to which the COVID-19 pandemic may adversely impact our business depends on future developments, which are highly unpredictable.

The extent of the impact of the COVID-19 pandemic and its variants on our business, including our planned capacity expansion at our Geismar, Louisiana facility, is highly uncertain, as information is evolving with respect to the duration and severity of the pandemic. We cannot reasonably estimate the duration and severity of the COVID-19 pandemic, or its impact, which may be significantly harmful to our operations and profitability.

We derive a substantial portion of our profitability from the production of RD at our plant in Geismar, Louisiana and any interruption in our operations would have a material adverse effect on operations and financial conditions.

RD carries a premium price compared to biodiesel as a result of a variety of factors including its ability to be blended with petroleum diesel, better cold weather performance, and generation of more RINs on a per gallon basis. We estimate that our RD production in Geismar, Louisiana generated a significant portion of our net income from continuing operations and our non-GAAP adjusted earnings before interest, taxes, depreciation and amortization, ("EBITDA") for the first six months of 2021 and 2020. We experienced two fires at this facility in 2015 that each resulted in the plant being shut down for a lengthy period. If production at this facility were interrupted again due to any reason, it would have a disproportionately significant and material adverse impact on our operations and financial conditions.

Our planned capacity expansion at our Geismar, Louisiana facility will require significant capital expenditures and there is no guarantee that the project will be completed on time or on budget, which could have a negative effect on revenues and operations.

In October 2020, we announced a plan to expand the effective capacity of our Geismar, Louisiana biorefinery. The Geismar project brings together the planned expansion with an improvement project for the existing site. This joint project is expected to take total site production capacity from 90 million to 340 million gallons, enhance existing operations and improve operational reliability and logistics. The combined project is expected to be mechanically complete in 2023 with full operations in early 2024. The capital cost for the entire Geismar construction project, inclusive of the expansion as well as operational and logistics enhancements to the current plant, is estimated to be $950 million. We have received all required permits to proceed with construction and recently obtained funding to begin the project with a combination of cash on hand, marketable securities, borrowings under our credit facilities, and proceeds from our public offering of common stock that closed in March 2021 and our Green Bonds that closed in May 2021, as discussed below, or from other sources. In addition, we have agreed upon a long-term marine terminal lease for terminal and logistics services. There is no guarantee that the project will be completed timely or within budget. If there are cost overruns or construction delays, or if we are not able to obtain the governmental permits and third party easements required or necessary to initiate or complete the project, there could be a negative effect on our revenues and operations.

Increased industry-wide production of biodiesel due to potential utilization of existing excess production capacity, announced plant expansions of RD and potential co-processing of RD by petroleum refiners, could reduce prices for our fuel and increase costs of feedstocks, which would seriously harm our revenues and operations.

If additional volumes of advanced biofuel RIN production comes online and the EPA does not increase the RVO in accordance with the increased production, the volume of advanced biofuel RINs generated could exceed the volume required under the RFS2. In the event this occurs, bio-based diesel and advanced biofuel RIN prices would be expected to decrease, potentially significantly, harming demand for our products and our profitability.

Several leading bio-based diesel companies have announced their intention to expand production of RD for the U.S. market. World Energy has announced that it will expand capacity at its Los Angeles area biorefinery from 45 mmgy to over 300 mmgy. Diamond Green Diesel, the largest U.S. producer of RD, is expanding its 275 mmgy capacity by 400 mmgy as well as constructing an additional 470 mmgy biorefinery in Texas. Neste, the largest global producer of RD, is expanding its Singapore facility which exports a significant portion of its production to the U.S. West Coast. Traditional petroleum refiners are also entering the RD market with CVR, Holly Frontier, Marathon Petroleum and Philips 66 converting of existing refineries to RD production facilities.

Further, due to economic incentives available, several petroleum refiners have started or may soon start to produce co-processed RD, or CPRD. CPRD uses the same feedstocks to produce bio-based diesel and it generates an advanced biofuel RIN. CPRD may be more cost-effective to produce than bio-based diesel, particularly biodiesel.

If production of competitive advanced biofuels increases significantly as a result of utilization of existing excess production capacity or new capacity as described above, competition for feedstocks would increase significantly, harming margins. Furthermore, if supply of advanced biofuels exceeds demand, prices for RD and for RINs and other credits may decrease significantly, harming profitability and potentially forcing us to idle or shut down facilities.

Our gross margins are dependent on the spread between bio-based diesel prices and feedstock costs, each of which are volatile and can cause our results of operations to fluctuate substantially.

Bio-based diesel has traditionally been marketed primarily as an additive or alternative to petroleum-based diesel fuel, and, as a result, bio-based diesel prices have been heavily influenced by the price of petroleum-based diesel fuel, adjusted for government incentives supporting renewable fuels, more so than bio-based diesel production costs. The absence of a close correlation between production costs and bio-based diesel prices means that we may be unable to pass increased production costs on to our customers in the form of higher prices. If there is a decrease in the spread between bio-based diesel prices and feedstock costs, whether as a result of an increase in feedstock prices or as a result of a reduction in bio-based diesel and credit prices, gross margins, cash flow and operations would be adversely affected.

Energy prices, particularly the market price for crude oil, are volatile. The NYMEX ULSD prices increased throughout the first six months of 2021 as a result of slow economic recover from the pandemic and continued increases in commodity prices, ranging from a high of $2.16 per gallon to a low of $1.46 per gallon.

In addition, an element of the price of bio-based diesel that we produce is the value of the associated credits, including RINs. RIN prices in the bio-based diesel category, as reported by the OPIS, have been sharply trending higher in the first six months of 2021, ranging from $0.94 to $2.05 per RIN, while in 2020, RIN prices were highly volatile ranging from $0.37 to $1.03 per RIN. For the past several years there has been significant volatility in RIN prices. Reductions in RIN values, such as those experienced in prior years, may have a material adverse effect on our revenues and profits as they directly reduce the value that we are able to capture for our bio-based diesel.

A decrease in the availability or an increase in the price of feedstocks may have a material adverse effect on our financial condition and operating results. The price and availability of feedstocks and other raw materials may be influenced by general economic, market, environmental, and regulatory factors. During periods when the BTC has lapsed, bio-based diesel producers may elect to continue purchasing feedstock and producing bio-based diesel at negative margins under the assumption the BTC will be retroactively reinstated, and consequently, the price of feedstocks may not decrease to a level proportionate to current operating margins. Increasing production of bio-based diesel puts pressure on feedstock supply and availability to the bio-based diesel industry. The bio-based diesel industry may have difficulty in procuring feedstocks at economical prices if competition for bio-based diesel feedstocks increases due to newly added capacity.

Historically, the spread between bio-based diesel prices and feedstock costs has varied significantly. Although actual yields vary depending on the feedstock quality, the average monthly spread between the price per gallon of B100 as reported by OPIS, and the price per gallon for the amount of choice white grease necessary to produce one gallon of B100 was $0.97 in 2019, $1.12 in 2020 and $1.35 in the first six months of 2021, assuming eight pounds of choice white grease yields one gallon of bio-based diesel. The average monthly spread for the amount of crude soybean oil required to produce one gallon of B100, based on the nearby futures contract as reported on the Chicago Board of Trade, was $0.59 in 2019, $0.70 in 2020 and $0.77 in the first six months of 2021, assuming 7.5 pounds of soybean oil yields one gallon of bio-based diesel. For 2019, 2020 and the first quarter of 2021, approximately 71%, 65% and 76%, respectively, of our annual total feedstock usage was distillers corn oil, used cooking oil or inedible animal fat, and approximately 29%, 35% and 24%, respectively, was virgin vegetable oils. When the spread between bio-based diesel prices and feedstock prices narrows, our profitability will be harmed.

Risk management transactions could significantly increase our operating costs and may not be effective.

In an attempt to partially offset the effects of volatile feedstock costs and bio-based diesel fuel prices, we enter into contracts that establish market positions in feedstocks, such as distillers corn oil, used cooking oil, inedible animal fats and soybean oil, along with related commodities, such as heating oil and ULSD. The financial impact of such market positions depends on commodity prices at the time that we are required to perform our obligations under these contracts as well as the cumulative sum of the obligations we assume under these contracts.

Risk management activities can themselves result in losses when a position is purchased in a declining market or a position is sold in a rising market. Risk management arrangements expose us to the risk of financial loss where the counterparty defaults on its contract or, in the case of exchange-traded or over-the-counter futures or options contracts, where there is a change in the expected differential between the underlying price in the contract and the actual prices paid or received by us. Changes in the value of these futures instruments are recognized in current income and may result in margin calls. We had risk management losses of $13.0 million and $11.2 million from our derivative financial instrument trading activity for the three and six months ended June 30, 2021, respectively, compared to a risk management loss of $4.8 million and a gain of $48.8 million for the three and six months ended June 30, 2020, respectively. At June 30, 2021, the net notional volumes of NY Harbor ULSD, CBOT Soybean Oil and NYMEX Natural Gas covered under our open risk management contracts were approximately 86 million gallons, 317 million pounds and 2 million million British thermal units, respectively. A 10% positive change in the prices of NYMEX NY Harbor ULSD would have a negative effect of $18.4 million on the fair value of these instruments at June 30, 2021. A 10% positive change in the price of CBOT Soybean Oil would have had a positive effect of $20.1 million on the fair value of these instruments at June 30, 2021. If these adverse changes in derivative instrument fair value were to occur in larger magnitude or simultaneously, a significant amount of liquidity would be needed to fund margin calls. In addition, we may also vary the amount of risk management strategies we undertake, or we may choose not to engage in risk management transactions at all. Our results of operation may be negatively impacted if we are not able to manage our risk management strategy effectively.

One customer accounted for a meaningful percentage of revenues and a loss of this customer could have an adverse impact on our total revenues.

One customer, Pilot Travel Centers LLC ("Pilot"), the largest operator of travel centers in North America, accounted for 15%, 19% and 17% of our total biodiesel gallons sold in each of the first six months of 2021, and the full year periods for 2020 and 2019, respectively. In the event we lose Pilot as a customer or Pilot significantly reduces the volume of bio-based diesel purchased from us, it could be difficult to replace the lost revenues, and our profitability and cash flow could be materially harmed. We do not have a long-term contract with Pilot that ensures a continuing level of business from Pilot.

Our facilities and our customers' facilities are subject to risks associated with fire, explosions, leaks, and natural disasters, including climate change, which may disrupt our business and increase costs and liabilities.

Because bio-based diesel and some of its inputs and outputs are combustible and/or flammable, a leak, fire or explosion may occur at a plant or customer’s facility which could result in damage to the plant and nearby properties, injury or death to employees and others, and interruption of operations. For example, we experienced fires at our Geismar facility in April 2015 and again in September 2015 and there was a fire at our Madison facility in June 2017. As a result of these fires, people were injured, and the affected facilities were shut down for lengthy periods while repairs and upgrades were completed.

The operations at our facilities are also subject to the risk of natural disasters. Our Houston and Geismar facilities, due to their Gulf Coast locations, are vulnerable to hurricanes and flooding, which may cause plant damage, injury or death to employees and others and interruption of operations. For example, in August 2016 we experienced reduced operating days at our Geismar facility as a result of local area flooding and reduced operating days at our Houston facility as a result of Hurricane Harvey in August 2017. A majority of our facilities are located in the Midwest and are subject to tornado activity. In addition, California has become one of our largest markets, serviced by our Geismar and Midwest facilities. An earthquake or other natural disaster could disrupt our ability to transport, store and deliver products to California. Changing weather patterns and climatic conditions, such as global warming, have added to the unpredictability and frequency of natural disasters and have created additional uncertainty. The Company's operations could be exposed to a number of physical risks from climate change, such as changes in rainfall rates, rising sea levels, reduced water availability, higher temperatures, fire and other extreme weather events. We are not able to accurately predict the materiality of any potential losses or costs associated with the physical effects of climate change.

If we experience a fire or other serious incident at our facilities or if any of our facilities is affected by a natural disaster, we may incur significant additional costs, including, loss of profits due to unplanned temporary or permanent shutdowns of our facilities, loss of the ability to transport products or increased costs to do so, cleanup costs, liability for damages or injuries, legal and reconstruction expenses. The incurrence of significant additional costs would harm our results of operations and financial condition.

In addition to biodiesel and RD, we store and transport petroleum-based fuels. The dangers inherent in the storage and transportation of fuels could cause disruptions in our operations and could expose us to potentially significant losses, costs or liabilities.

We store fuel in above ground storage tanks and transport fuel in our own trucks as well as with third-party truck and rail carriers. Our operations are subject to significant hazards and risks inherent in transporting and storing fuel. These hazards and risks include, but are not limited to, accidents, fires, explosions, spills, discharges, and other releases, any of which could result in distribution difficulties and disruptions, environmental pollution, governmentally-imposed fines or clean-up obligations, personal injury or wrongful death claims, and other damage to property. Any such event not covered by our insurance could have a material adverse effect on our business, financial condition and results of operations.

Our insurance may not protect us against our business and operating risks.

We maintain insurance for some, but not all, of the potential risks and liabilities associated with our business. For some risks, we may not obtain insurance if we believe the cost of available insurance is excessive relative to the risks presented. As a result of market conditions, premiums and deductibles for certain insurance policies can increase substantially and, in some instances, certain insurance policies may become unavailable or available only for reduced amounts of coverage. As a result, we may not be able to renew our existing insurance policies or procure other desirable insurance on commercially reasonable terms, if at all. Although we intend to maintain insurance at levels that we believe are appropriate for our business and consistent with industry practice, we will not be fully insured against all risks. In addition, pollution, environmental risks and the risk of natural disasters generally are not fully insurable. Losses and liabilities from uninsured and underinsured events and delay in the payment of insurance proceeds could have a material adverse effect on our financial condition and results of operations.

We operate in a highly competitive industry and expect that competition in our industry will increase.

The bio-based diesel industry has historically been primarily comprised of smaller entities that engage exclusively in biodiesel production, large integrated agribusiness companies that produce biodiesel along with their soybean crush businesses. More recently, integrated petroleum companies are entering the industry producing renewable diesel. We face competition for capital, labor, feedstocks and other resources from these companies. In the United States, we compete with soybean processors, including Archer-Daniels-Midland Company, Cargill, and Louis Dreyfus Commodities. In Europe, we compete directly with Greenergy, KFS, Mercuria, Neste and Sunoil. Our indirect competitors in the European market are British Petroleum, Cargill, Shell and Vitol.

In addition, petroleum refiners across the globe are increasingly entering into the bio-based diesel or advanced biofuels business, and many petroleum refiners are converting their existing plants to produce biofuels. Such petroleum refiners include Neste Corporation with renewable diesel production in both Asia and Europe, and Valero Energy Corporation through its Diamond Green Diesel joint venture in the United States. In addition, petroleum refiners such as British Petroleum, Eni SPA, Holly Frontier, Philips 66, Marathon Petroleum, Repsol, Saras SRS, Shell, Sinclair, and Total SE, have announced that they have begun or have plans to begin producing renewable diesel at a new facility or at a current refinery and/or co-processing bio-based diesel or advanced biofuels at certain of their refineries. All of these existing competitors and potential competitors may have greater financial resources than we do and may be able to produce bio-based diesel at a lower cost or be more resilient due to their integrated operations, greater refining capacity and greater financial resources.

According to EIA's Short Term Energy Outlook projections, production of bio-based diesel and advanced biofuels is expected to increase by 19% in 2021 as compared to 2020. The increased production of bio-based diesel or advanced biofuels may increase the demand and prices for feedstocks and other inputs which may materially adversely affect our profitability and results of operations.

Petroleum companies and diesel retailers form the primary distribution networks for marketing bio-based diesel through blended petroleum-based diesel. If these companies increase their direct or indirect bio-based diesel production, including in the form of co-processing, there will be less need to purchase bio-based diesel and credits from independent bio-based diesel producers like us. Such a shift in the market would materially harm our operations, cash flows and profitability.

We are dependent upon one supplier to provide hydrogen necessary to execute our RD production process and the loss of this supplier could disrupt our production process.

Our Geismar facility relies on one supplier to provide hydrogen necessary to execute the production process. Any disruptions to the hydrogen supply during production from this supplier will result in the shutdown of our Geismar plant operations.

Technological advances and changes in production methods in the bio-based diesel industry could render our plants obsolete and adversely affect our ability to compete.

Advances in the process of converting oils and fats into biodiesel and RD, including CPRD, could allow our competitors to produce bio-based diesel faster and more efficiently and at a substantially lower cost. In addition, we currently produce bio-based diesel to conform to or exceed standards established by the American Society for Testing and Materials ("ASTM"), whose standards for bio-based diesel and bio-based diesel blends may be modified in response to new technologies from the industries involved with diesel fuel.

New standards or production technologies may require us to make additional capital investments in, or modify, plant operations to meet these standards. If we are unable to adapt or incorporate technological advances into our operations, our production facilities could become less competitive or obsolete. Further, it may be necessary for us to make significant expenditures to acquire any new technology, acquire licenses or other rights to technology and retrofit our plants in order to remain competitive. There is no assurance that we will be able to obtain such technologies, licenses or rights on favorable terms. If we are unable to obtain, implement or finance new technologies, our production facilities could be less efficient, and our ability to produce bio-based diesel on a competitive level may be harmed, negatively impacting our revenues and profitability.

Our intellectual property is integral to our business. If we are unable to protect our intellectual property, or others assert that our operations violate their intellectual property, our business could be adversely affected.

We rely on a combination of intellectual property rights, including patents, copyrights, trademarks and trade secrets in the United States and in select foreign countries to protect our intellectual property. Effective patent, copyright, trademark and trade secret protection may be unavailable, limited or not obtained in some countries.

We rely in part on trade secret protection to protect our knowhow, confidential and proprietary information and processes. However, trade secrets are difficult to protect. We have taken measures to protect our trade secrets and proprietary information, but these measures may not be effective. For example, we require new employees and consultants to execute confidentiality agreements upon the commencement of their employment or consulting arrangement with us. These agreements generally require that all confidential information developed by the individual or made known to the individual by us during the course of the individual's relationship with us be kept confidential and not disclosed to third parties. These agreements also generally provide that knowhow and inventions conceived by the individual in the course of rendering services to us are our exclusive property. Nevertheless, these agreements may be breached, expire, or may not be enforceable, and our proprietary information may be disclosed. Despite the existence of these agreements, third parties may independently develop equivalent proprietary information and techniques.

It may be difficult to protect and enforce our intellectual property and litigation initiated to enforce and determine the scope of our proprietary rights can be costly and time-consuming. Adverse judicial decision(s) in any legal action could limit our ability to assert our intellectual property rights, limit our ability to develop new products, limit the value of our technology or otherwise negatively impact our business, financial condition and results of operations.

A competitor could seek to enforce intellectual property claims against us. Defending intellectual property claims asserted against us, regardless of merit, could be time-consuming, expensive to litigate or settle, divert management resources and attention and force us to acquire intellectual property rights and licenses, which may involve substantial royalty payments. Further, a third party claim, if successful, could secure a judgment that requires us to pay substantial damages limits our operations.

Increases in transportation costs or disruptions in transportation services could have a material adverse effect on our business.

Our business depends on transportation services. The costs of these transportation services are affected by the volatility in fuel prices or other factors. Prices per Platts Group 3 (Midwest) decreased steadily in the first two months of 2020 and then plummeted to its low point in late April of $0.62 and prices slowly increased through mid-November and then increased more rapidly ending the year at $1.46. In the first six months of 2021, the price of diesel continued to climb from $1.46 at the start of the year to $2.12 at June 30, 2021.

Our transportation costs are also affected by U.S. oil production in the Bakkens, which has had a significant impact on tank car availability and prices. If oil production from this area increases, the demand for rail cars will rise and will significantly increase rail car prices. We have not been able in the past, and may not be able in the future, to pass along part or all of any of these price increases to customers.

If we continue to be unable to increase our prices as a result of increased fuel costs charged to us by transportation providers, our gross margins may be materially adversely affected. If any transportation providers fail to deliver raw materials to us in a timely manner, we may be unable to manufacture products on a timely basis. Shipments of products and raw materials may be delayed and any such delay or failure could harm our reputation, negatively affect our customer relationships and have a material adverse effect on our business, financial condition and results of operations.

We are dependent upon our key management personnel and other personnel, and the loss of these personnel could adversely affect our business and results of operations.

Our success depends on the abilities, expertise, judgment, discretion, integrity and good faith of our management and employees. We are highly dependent upon key members of our relatively small management team and employee base that possess unique technical skills for the operation of our facilities and the execution of our business plan. The inability to retain our management team and employee base or attract suitably qualified replacements and additional staff could adversely affect our business. The loss of employees could delay or prevent the achievement of our business objectives and have a material adverse effect upon our results of operations and financial position.

We may encounter difficulties in integrating the businesses we acquire, including our international businesses where we have limited operating history.

We may face significant challenges in integrating entities and businesses that we acquire, and we may not realize the benefits anticipated from such acquisitions. Our integration of acquired businesses involves a number of risks, including:

- difficulty in integrating the operations and retaining of personnel of the acquired company;
- difficulty in effectively integrating the acquired technologies, products or services with our current technologies, products or services;
- demands on management related to the increase in our size after an acquisition and integration of the acquired business and personnel;
- failure to achieve expected synergies and costs savings;
- difficulties in the assimilation of different cultures and practices, as well as in the assimilation of broad and geographically dispersed personnel and operations;
- difficulties in the integration of departments, systems, including accounting systems, technologies, books and records and procedures, as well as in maintaining uniform standards and controls, including internal control over financial reporting, and related procedures and policies;
- the incurrence of acquisition-related costs or amortization costs for acquired intangible assets that could impact our operating results;
- the need to fund significant working capital requirements of any acquired production facilities;
- potential failure of the due diligence processes to identify significant problems, liabilities or other shortcomings or challenges of an acquired company or technology, including but not limited to, issues with the acquired company's intellectual property, product quality, environmental liabilities, data back-up and security, revenue recognition or other accounting practices, employee, customer or partner issues or legal and financial contingencies;
- exposure to litigation or other claims in connection with, or inheritance of claims or litigation risk as a result of, an acquisition, including but not limited to, claims from terminated employees, customers, former stockholders or other third parties;
- the incurrence of significant exit charges if products or services acquired in business combinations are unsuccessful;
- challenges caused by distance, language, cultural differences, political economic and social instability;
- difficulties in protecting and enforcing our intellectual property rights;
- the inability to extend proprietary rights in our technology into new jurisdictions;
- currency exchange rate fluctuations and foreign tax consequences;
- general economic and political conditions in foreign jurisdictions;
- foreign exchange controls or U.S. tax laws in respect of repatriating income earned outside the United States;
- compliance with the U.S.'s Foreign Corrupt Practices Act and other similar anti-bribery and anti-corruption regulations, and
- higher costs associated with doing business internationally, such as those associated with complying with export, import regulations and trade and tariff restrictions.

Our failure to successfully manage and integrate our acquisitions could have an adverse effect on our operating results, ability to recognize international revenue, and our overall financial condition.

We incur significant expenses to maintain and upgrade our operating equipment and plants, and any interruption in the operation of our facilities may harm our operating performance.

The machines and equipment that we use to produce our products are complex, have many parts and some operate on a continuous basis. We must perform routine maintenance on our equipment and will have to periodically replace a variety of parts and components. In addition, our facilities require periodic shutdowns to perform major maintenance and upgrades. These scheduled shutdowns of facilities result in decreased sales and increased costs in the periods in which a shutdown occurs and could result in unexpected operational issues as a result of changes to equipment, operational and mechanical processes made during the shutdown.

Growth in the use, sale and distribution of biodiesel is dependent on the expansion of related infrastructure which may not occur on a timely basis, if at all, and our operations could be adversely affected by infrastructure limitations or disruptions.

While RD has a similar chemical composition as petroleum diesel and can utilize the same distribution infrastructure, biodiesel has a different chemical composition and may require separate or additional infrastructure. Growth in the biodiesel market depends on continued development and expansion of infrastructure for the distribution of biodiesel, which may or may not occur and which is outside of our control. Also, we compete with other biofuel companies for access to some of the key infrastructure components, and the increased production of biodiesel will increase the demand and competition for necessary infrastructure. Any delay or failure in expanding distribution infrastructure could hurt the demand for or prices of biodiesel, impede delivery of our biodiesel, and impose additional costs, each of which would have a material adverse effect on our results of operations and financial condition.

Our business is subject to seasonal changes based on regulatory factors and weather conditions and this seasonality could cause our revenues and operating results to fluctuate.

Our operating results are influenced by seasonal fluctuations in the price of and demand for bio-based diesel. Seasonal fluctuations may be based on both the weather and the status of both the BTC and RVO.

Demand for our bio-based diesel may be higher in the quarters leading up to the expiration of the BTC as customers seek to purchase bio-based diesel when they can benefit from the agreed upon value sharing of the BTC with producers. This higher demand prompted by an expiring BTC has often resulted in reduced demand for biodiesel in the following quarter. In addition, RIN prices may also be subject to seasonal fluctuations. The RIN is dated for the calendar year in which it is generated. Since 20% of an obligated party's annual RVO can be satisfied by prior year RINs, most RINs must come from biofuel produced or imported during the RVO year. As a result, RIN prices can be expected to increase as the calendar year progresses if the RIN market is undersupplied compared to that year's RVO and decrease if it is oversupplied.

Weather also impacts our business because biodiesel typically has a higher cloud point than petroleum-based or renewable diesel. The cloud point is the temperature below which a fuel exhibits a noticeable cloudiness and eventually gels, leading to fuel handling and performance problems for customers and suppliers. Reduced demand in the winter for our higher cloud point biodiesel may result in excess supply of such higher cloud point biodiesel and lower prices for such higher cloud point biodiesel. Most of our production facilities are located in colder Midwestern states and our costs of shipping biodiesel to warmer climates generally increase in cold weather months.

The tendency of biodiesel to gel in colder weather may also result in long-term storage problems. In cold climates, fuel may need to be stored in a heated building or heated storage tanks, which results in higher storage costs. Higher cloud point biodiesel may have other performance problems, including the possibility of particulate formation above the cloud point which may result in increased expenses as we try to remedy these performance problems, including the costs of extra cold weather treatment additives. Remedying these performance problems may result in decreased yields, lower process throughput or both, as well as substantial capital costs. Any reduction in the demand for our biodiesel product, or the production capacity of our facilities will reduce our revenues and have an adverse effect on our cash flows and results of operations.

Failure to comply with governmental and state regulations, including the RFS2, BTC, LCFS and other programs or new laws designed to deal with climate change, could result in the imposition of higher costs, penalties, fines, or restrictions on our operations and remedial liabilities.

The bio-based diesel industry is subject to extensive federal, state and local laws and regulations, and we could be held strictly liable for the removal or remediation of previously released materials or property contamination regardless of whether we were responsible for the release or contamination, and regardless of whether current or prior operations were conducted consistent with the accepted standards of practice. Many of our assets and plants were acquired from third parties and we may incur costs to remediate property contamination caused by previous owners. In addition, we are subject to similar laws and regulations in Europe and Canada for the renewable fuels we sell there. Compliance with these laws, regulations and obligations could require substantial capital expenditures.

Changes in environmental laws and regulations occur frequently, and changes resulting in more stringent or costly waste handling, storage, transport, disposal or cleanup requirements could require us to make significant expenditures to attain and maintain compliance. In January 2021, the Biden Administration issued an executive order directing all federal agencies to review and take action to address any federal regulations, orders, guidance documents, policies and any similar agency actions promulgated during the prior administration that may be inconsistent with the current administration's policies. As a result, it is unclear the degree to which certain recent regulatory developments may be modified or rescinded.

Climate change continues to attract considerable attention globally. Numerous proposals have been made and could continue to be made at the international, national, regional, state and local levels of government to monitor and limit existing emissions of GHGs as well as to restrict or eliminate future emissions. In January 2021, the Biden Administration issued another executive order focused on addressing climate change. Among other things, the 2021 climate change executive order directed the federal government to identify "fossil fuel subsidies" to take steps to ensure that, to the extent consistent with applicable law, federal funding is not directly subsidizing fossil fuels. As a result, our operations are subject to a series of regulatory, litigation and financial risks associated with the production and transportation of biofuel products and emission of GHGs. The potential effects of GHG emission limits on our business are subject to significant uncertainties based on, among other things, the timing of the implementation of any new requirements, the required levels of emission reductions, and the nature of any market-based or tax-based mechanisms adopted to facilitate reductions. Compliance with changes in laws and regulations relating to climate change could increase our costs of operating and could require us to make significant financial expenditures that cannot be predicted with certainty at this time. We are subject to various laws and regulations including RFS2, BTC, LCFS, and other jurisdictions. These regulations are highly complex and continuously evolving, requiring us to periodically update our systems to maintain compliance, which could require significant expenditures. In 2014, the EPA issued a final rule to establish a quality assurance program and the EPA also implemented regulations related to the generation and sale of bio-based diesel RINs. Any violation of these regulations by us, could result in significant fines and harm our customers’ confidence in the RINs we issue, either of which could have a material adverse effect on our business.

RD fuel is superior to biodiesel in certain respects and if RD production capacity increases to a sufficient extent, it could largely supplant biodiesel; we may not be successful in expanding our RD production capacity.

RD is not as widely available as biodiesel, but it has certain characteristics that favorably distinguish it from biodiesel and as a result renewable diesel carries a price premium compared to biodiesel. For example, RD has similar chemical properties to petroleum-based diesel, which permits 100% RD (unlike 100% biodiesel) to flow through the same fuel storage and distribution network as petroleum diesel. RD can be used in its pure form in modern engines rather than as a blend with petroleum diesel and has similar cold weather performance as petroleum diesel. RD and CPRD may receive 1.6 or 1.7 RINs per gallon, whereas biodiesel receives 1.5 RINs per gallon. As the value of RINs increases, this RIN advantage makes RD more valuable. If RD proves to be preferred over biodiesel by market participants, revenues from our biodiesel plants and our results of operations would be adversely impacted.

Nitrogen oxide emissions from biodiesel may harm its appeal as a renewable fuel and increase costs.

In some instances, biodiesel may increase emissions of nitrogen oxide as compared to petroleum-based diesel fuel, which could harm air quality. Nitrogen oxide is a contributor to ozone and smog. While newer diesel engines are believed to eliminate any such increase, emissions from older vehicles may decrease the appeal of biodiesel to environmental groups and agencies who have been historic supporters of the biodiesel industry, potentially harming our ability to market biodiesel.

In addition, several states may act to regulate potential nitrogen oxide emissions from biodiesel. California adopted regulations that limit the volume of biodiesel that can be used or requires an additive to reduce potential emissions. In states where such an additive is required to sell biodiesel, an additive may not be available or if available, the additional cost of the additive may make biodiesel less profitable or make biodiesel less cost competitive against petroleum-based diesel or RD, which in each case would negatively impact our ability to sell biodiesel in such states and therefore have an adverse effect on our revenues and profitability.

Effective August 1, 2021, under California's Alternative Diesel Fuel regulation, existing additives used to mitigate biodiesel NOX emissions above B5 will no longer be available. This change may negatively impact demand for biodiesel in California and reduce our revenue and profit.

In addition, there may also be other requirements of fleet and retail fueling station owners to reduce nitrogen oxide emissions. The requirements relate to the type of vehicle and age of the vehicle. These requirements could result in additional costs for the operators and therefore may make the use of biodiesel less attractive, which could negatively impact our ability to sell biodiesel in such states and therefore have an adverse effect on our revenues and profitability.

RISKS RELATED TO OUR INDEBTEDNESS

Our existing and future indebtedness, which subjects us to potential defaults, could adversely affect our cash flows, ability to raise additional capital to fund our operations and repay our debt, and limit our ability to react to changes in the economy or the bio-based diesel industry.

At June 30, 2021 our total term debt before debt issuance costs was $550.0 million. This includes $550.0 million aggregate carrying value on our $550.0 million face amount, 5.875% senior secured Green Bonds due June 2028, which we refer to as the “Green Bonds”. At June 30, 2021, we had $149.7 million of unused revolving commitments under our lines of credit, subject to borrowing base limitations.

Our indebtedness could:

◦ make it difficult for us to satisfy our obligations under the Green Bonds, the M&L and Services Revolver and any other future indebtedness and contractual and commercial commitments;
◦ require us to dedicate a substantial portion of our cash flow from operations to payments of principal, interest on, and other fees related to such indebtedness, thereby reducing the availability of our cash flow to fund working capital and capital expenditures, and for other general corporate purposes;
◦ limit our ability to borrow, or increase our cost of borrowing, additional funds;
◦ prevent us from raising the funds necessary to repurchase notes tendered to us if there is a change of control, which would constitute a default under each of the agreement governing the M&L and Services Revolver and the Indenture, dated as of May 20, 2021, pursuant to which the Green Bonds were issued (the “Indenture”) and;
◦ increase our vulnerability to general adverse economic and bio-based diesel industry conditions, including interest rate fluctuations, because a portion of our revolving credit facilities are and will continue to be at variable interest rates, and
◦ limit our flexibility in planning for, or reacting to, changes in our business and the bio-based diesel industry, which may place us at a competitive disadvantage compared to our competitors that have less debt.

Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness depends on our future financial performance, which is subject to several factors including economic, financial, competitive and other factors beyond our control. Our business may not generate cash flow from operations in the future sufficient to satisfy our obligations under our indebtedness or any future indebtedness we may incur as well as our ability to make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as reducing or delaying investments or capital expenditures, selling assets, refinancing or obtaining additional capital on terms that may be onerous or highly dilutive. Our ability to refinance our existing or future indebtedness will depend on the conditions in the capital markets and our financial condition prior to maturity of the indebtedness.

Our debt agreements impose significant operating and financial restrictions on our subsidiaries, which may prevent us from capitalizing on business opportunities.

The agreement governing our M&L and Services Revolver and the Indenture impose significant operating and financial restrictions on certain of our subsidiaries. These restrictions limit certain of our subsidiaries’ ability, among other things, to:

- incur additional indebtedness or issue certain disqualified stock and preferred stock;
- place restrictions on the ability of certain of our subsidiaries to pay dividends or make other payments to us;
- grant certain additional liens on our assets or permit them to exist;
- enter into agreements limiting subsidiary distributions;
- redeem or repurchase equity securities;
- make certain investments, including acquisitions of substantially all or a portion of another entity’s business assets;
- engage in transactions with affiliates;
- sell certain assets or merge with or into other companies;

- guarantee indebtedness; and
- create liens.

Subject to the terms of the intercreditor agreement entered into in connection with the issuance of the Green Bonds, when (and for as long as) the availability under the M&L and Services Revolver is less than a specified amount for a certain period of time, funds deposited into certain deposit accounts used for collections will be transferred on a daily basis into a blocked account with the administrative agent and applied to prepay loans under the M&L and Services Revolver.

As a result of these covenants and restrictions, we may be limited in how we conduct our business and we may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities. The terms of any future indebtedness we may incur could include more restrictive covenants, including on us and/or our subsidiaries that are not obligors under the M&L and Services Revolver. There is no assurance that we will be able to maintain compliance with these covenants in the future and, if we fail to do so, that we will be able to obtain waivers from the lenders and/or amend the covenants.

There are limitations on our ability to utilize the full amount of revolving commitments under the M&L and Services Revolver. Currently, the maximum aggregate principal amount that we may borrow under the M&L and Services Revolver is $150.0 million. In addition, the commitments of the lenders under the M&L and Services Revolver further limited by a specified borrowing base consisting of a percentage of eligible accounts receivable and inventory, less customary reserves. In addition, under the M&L and Services Revolver, a monthly fixed charge coverage ratio would be triggered if excess availability under the M&L and Services Revolver is less than 10% of the then current revolving loan commitments which equates to $15 million. At June 30, 2021, the M&L and Services Revolver had approximately $134.7 million of unused revolving commitments, after effect of borrowing base limitations. However, it is possible that excess availability under the M&L and Services Revolver could fall below the applicable threshold in a future period. If the covenant trigger were to occur, our subsidiaries who are the borrowers under the M&L and Services Revolver would be required to satisfy and maintain on the last day of each month a fixed charge coverage ratio of at least 1.0 to 1.0 for the preceding twelve month period.

As of June 30, 2021, the fixed charge coverage ratio for the M&L and Services Revolver was approximately 0.665, which was less than the minimum amount required for compliance with this ratio. However, as noted above, we are not required to comply with the minimum fixed charge covenant of 1.0 unless availability under the M&L and Services Revolver drops below the agreed threshold. Our ability to meet the required fixed charge coverage ratio can be affected by events beyond our control, and we cannot assure you that we will meet this ratio. A breach of any of these covenants would result in a default under the M&L and Services Revolver.

We may still incur significant additional indebtedness that could increase the risks associated with our indebtedness.

We and our subsidiaries may incur substantial additional indebtedness, including additional secured indebtedness, in the future. At June 30, 2021, we had $149.7 million of unused revolving commitments under the M&L and Services Revolver, subject to borrowing base limitations. We currently expect to fund the estimated $950 million of capital expenditures in connection with the expansion of our Geismar, Louisiana facility with a combination of cash on hand, marketable securities, borrowings under our credit facilities, offerings of equity and debt (including the equity offering completed in March 2021 and the offering of the Green Bonds) or from other sources. If we are unable to complete the expansion within the estimated budget, we will require additional funds to do so. If new debt or other liabilities are added to our current debt levels, the related risks that we and our subsidiaries now face could intensify. Additionally, debt financing arrangements may also be rated by credit rating agencies. Any potential future negative change in our credit ratings may make it more expensive for us to raise long term permanent financing or additional capital on terms that are acceptable to us, if at all; negatively impact the price of our common stock; increase our overall cost of capital; and have other negative implications on our business, many of which are beyond our control.

Certain provisions in the Indenture could delay or prevent an otherwise beneficial takeover or takeover attempt of us.

Certain provisions in the Indenture and the Green Bonds could make it more difficult or more expensive for a third party to acquire us. If a takeover triggers a “Change of Control” as defined under the Indenture, each holder of the Green Bonds will have the right to require us to repurchase their Green Bonds in cash, at a price equal to 101.0% of the aggregate principal amount to be repurchased, plus accrued and unpaid interest, if any, thereon to, but not including the date or repurchase, which could increase the cost of acquiring us or otherwise discourage a third party from acquiring us or removing incumbent management. If we are unable to comply with the restrictions and covenants in our debt agreements, there could be a default under the terms of such agreements, which could result in an acceleration of repayment.

If we are unable to comply with the restrictions and covenants in our debt agreements, there could be a default under the terms of these agreements. Our ability to comply with these restrictions and covenants, including meeting financial ratios and tests under the M&L and Services Revolver, may be affected by events beyond our control. As a result,

we cannot assure that we will be able to comply with these restrictions and covenants or meet such financial ratios and tests. Specifically, a change of control under M&L and Services Revolver could result in an event of default.

In the event of a default under these agreements, lenders could terminate their commitments to lend or accelerate the loans and declare all amounts borrowed due and payable. Borrowings under other debt instruments that contain cross-acceleration or cross-default provisions may also be accelerated and become due and payable. If any of these events occur, our assets might not be sufficient to repay in full all of our outstanding indebtedness and we may be unable to find alternative financing. Even if we could obtain alternative financing, it might not be on terms that are favorable or acceptable to us. Additionally, we may not be able to amend our debt agreements or obtain needed waivers on satisfactory terms.

RISKS RELATED TO OUR COMMON STOCK

The market price for our common stock may be volatile.

The market price for our common stock is likely to be highly volatile and subject to wide fluctuations in response to factors including the following:

- actual or anticipated fluctuations in our financial condition and operating results;
- changes in the performance or market valuations of other companies engaged in our industry;
- issuance of new or updated research reports by securities or industry analysts;
- changes in financial estimates by us or of securities or industry analysts;
- investors’ general perception of us and the industry in which we operate;
- investors' reactions to our press releases, other public announcements and filings with the SEC;
- changes in the political climate in the industry in which we operate, existing laws, regulations and policies applicable to our business and products, including RFS2, and the continuation or adoption or failure to continue or adopt renewable energy requirements and incentives, including the BTC;
- other regulatory developments in our industry affecting us, our customers or our competitors;
- announcements of technological innovations by us or our competitors;
- announcement or expectation of additional financing efforts, including sales or expected sales of additional common stock;
- additions or departures of key management or other personnel;
- litigation involving us or our industry, or both, or investigations by regulators into our operations or those of our competitors;
- inadequate trading volume;
- general market conditions in our industry;
- the effects of the COVID-19 pandemic and measures to address the pandemic;
- whether our shares are included in stock market indexes such as the S&P SmallCap 600 index; and
- general economic and market conditions, including continued dislocations and downward pressure in the capital markets.

In addition, stock markets experience significant price and volume fluctuations from time to time that are not related to the operating performance of particular companies. These market fluctuations may have material adverse effect on the market price of our common stock. In the past, following periods of volatility in the market price of a particular company's securities, securities class action litigation has often been instituted against these companies. For example, we are currently subject to putative class action lawsuits in federal court alleging federal securities law violations in connection with our February 2021 restatement of our financial statements. These current lawsuits, and any securities litigation that may be instituted against us in the future, could result in substantial costs, regardless of the outcome of the litigation, and divert resources and our management's attention to our business. In addition, the occurrence of any of the factors listed above, among others, may cause our stock price to decline significantly, and there can be no assurance that our stock price would recover. As such, you may not be able to sell your shares at or above the price you paid, and you may lose some or all of your investment.

We have never paid dividends on our capital stock and we do not anticipate paying dividends in the foreseeable future.

We have never paid dividends on any of our capital stock and currently intend to retain any future earnings to fund the development and growth of our business. Any determination to pay dividends in the future will be at the discretion of our board of directors and will depend on our financial condition, operating results, capital requirements, general business conditions and other factors that our board of directors may deem relevant. As a result, stockholders must look solely to appreciation of our common stock to realize a gain on their investment. This appreciation may not occur. Investors seeking cash dividends should not invest in our common stock. Furthermore, we may in the future become subject to contractual restrictions on, or prohibitions against, the payment of dividends.

We may issue additional common stock as consideration for future investments or acquisitions.

We have issued in the past, and may issue in the future, our securities in connection with investments and acquisitions. Our stockholders could suffer significant dilution, from our issuances of equity or convertible debt securities. Any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our common stock. The amount of our common stock or securities convertible into or exchangeable for our common stock issued in connection with an investment or acquisition could constitute a material portion of our then outstanding common stock.

If we fail to maintain effective internal control over our financial reporting and financial forecasting, we may not be able to report our financial results accurately, provide accurate financial guidance or prevent fraud, and if we fail to maintain effective internal governance and conduct policies, such as our Code of Business Conduct and Ethics, Code of Ethics for Senior Financial Officers and Trading by Insiders Policy, or if our employees fail to adhere to such policies, we may be unable to maintain a proper control environment. If any of these failures occur, our business could be harmed, our stockholders could lose confidence in our financial reporting and financial guidance or our business integrity and we could suffer negative media attention, which could negatively impact the value of our stock.

Effective internal controls over our financial reporting and adherence to our internal governance and conduct policies are necessary for us to provide reliable financial reports and to prevent fraud. The process of maintaining our internal controls may be expensive and time consuming and may require significant attention from management. The failure to do so may harm our business or our reputation and could negatively impact the value of our stock. Even if our management concludes that, as of the end of a fiscal quarter or fiscal year, our internal control over financial reporting provided reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, because of its inherent limitations, internal control over financial reporting may not prevent or detect fraud or misstatements.

In addition, failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our results of operations or cause us to fail to meet our reporting obligations. If we or our independent registered public accounting firm discover a material weakness in our internal control over financial reporting, the disclosure of that weakness could harm the value of our stock and our business.

As a result of the matters discussed in the explanatory note to the Form 10-K/A filed by us on February 25, 2021, we concluded that our previously issued audited consolidated financial statements for fiscal years ended December 31, 2019 and 2018, each of our unaudited condensed consolidated financial statements for the quarterly and year-to-date periods during such years, and related disclosures, as well as our unaudited condensed consolidated financial statements and related disclosures for the quarterly periods ended March 31, June 30 and September 30, 2020, should be restated. Two class action lawsuits were filed against us and certain of our current and former executive officers following the restatements. As a result of these restatements and the errors that resulted in these restatements, we are subject to additional risks and uncertainties, including potential additional litigation and loss of investor confidence.

On July 27, 2021, a stockholder derivative complaint was filed in the United States District Court for the District of Delaware based on allegations substantially similar to those in the class action, and purporting to assert claims on the Company's behalf against current and former officers and directors for alleged violation of Sections 14(a) and 20(a) of the Exchange Act, breach of fiduciary duties, unjust enrichment, and waste of corporate assets.

In connection with this restatement of our historical consolidated financial statements, we identified a material weakness in our internal control over financial reporting, and management concluded that our internal control over financial reporting and disclosure controls and procedures were not effective as of December 31, 2020. For further discussion of the material weakness, please see Part I, Item 4 of this report, “Controls and Procedures.”

We have undertaken remediation efforts designed to address the material weakness. If we are unsuccessful in remediating our existing or any future material weaknesses or other deficiencies in our internal control over financial reporting or disclosure controls and procedures, investors may lose confidence in our financial reporting and the accuracy and timing of our financial reporting and disclosures and our business, reputation, results of operations, liquidity, financial condition, ability to access the capital markets, perceptions of our creditworthiness, and ability to complete acquisitions could be adversely affected. In addition, we may be unable to maintain or regain compliance with applicable securities laws, stock market listing requirements, and the covenants under our debt instruments regarding the timely filing of periodic reports; we may be subject to penalties; we may suffer defaults or accelerations under our debt instruments to the extent we are unable to obtain waivers from the required creditors or counterparties or are unable to cure any breaches; and our stock price may decline.

Further, effective financial forecasting is necessary for us to provide reliable financial guidance. The process of providing accurate financial guidance may be expensive and time consuming, may require significant attention from management, and is inherently uncertain. Nevertheless, the failure to do so accurately may harm our business or our reputation and could negatively impact the value of our stock. For example, in the second quarter of 2020, we identified errors in our financial guidance model that led to our June 23, 2020 announcement of a revised outlook for the second quarter of 2020, which announcement was followed by a drop in the price of our stock.

It is also necessary for our employees, and in particular our senior officers, to adhere to all of our internal governance and conduct policies, including our Code of Business Conduct and Ethics, Code of Ethics for Senior Financial Officers and Trading by Insiders Policy. Failure to adhere to our policies could result in negative media attention or otherwise harm our reputation and cause stockholders to lose confidence in our business integrity or management. For example, in connection with an internal investigation into the series of events that led to our June 23, 2020 announcement of a revised outlook for the second quarter of 2020, we uncovered certain violations of our policies by senior officers, which resulted in disciplinary actions and remediations for the officers involved. The investigation also prompted a review of all of our internal policies and codes of ethics, which is resulting in a number of revisions intended to further strengthen them and their associated assurance processes. Any failure to maintain these policies or failure by our employees, and in particular our senior officers, to adhere to these policies could still result in harm to our reputation and could negatively impact the value of our stock.

Delaware law and our certificate of incorporation and bylaws contain anti-takeover provisions that could delay or discourage takeover attempts that stockholders may consider favorable.

Provisions in our certificate of incorporation and bylaws may have the effect of delaying or preventing a change of control or changes in our management. These provisions include the following:

- the right of the board of directors to elect a director to fill a vacancy created by the expansion of the board of directors;
- the requirement for advance notice for nominations for election to the board of directors or for proposing matters that can be acted upon at a stockholders' meeting;
- the ability of the board of directors to alter our bylaws without obtaining stockholder approval;
- the ability of the board of directors to issue, without stockholder approval, up to 10,000,000 shares of preferred stock with rights set by the board of directors, which rights could be senior to those of common stock;
- a classified board;
- the required approval of holders of at least two-thirds of the shares entitled to vote at an election of directors to adopt, amend or repeal our bylaws or amend or repeal the provisions of our amended and restated certificate of incorporation regarding the classified board, the election and removal of directors and the ability of stockholders to take action by written consent; and
- the elimination of the right of stockholders to call a special meeting of stockholders and to take action by written consent.

In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law ("DGCL"). These provisions may prohibit or restrict large stockholders, in particular those owning 15% or more of our outstanding voting stock, from merging or combining with us. These provisions in our certificate of incorporation and bylaws and under Delaware law could discourage potential takeover attempts and could reduce the price that investors might be willing to pay for shares of our common stock in the future and result in our market price being lower than it would without these provisions.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Sales of Unregistered Securities

None.

Issuer Purchases of Equity Securities

The Company has established several security repurchase programs. See the details of the repurchase programs in "Note 2 - Summary of Significant Accounting Policies."

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

The following disclosure would have otherwise been filed on Form 8-K under the heading “Item 1.01 Entry into a Material Definitive Agreement”:

On August 3, 2021, REG Geismar LLC (“REG Geismar”), a Delaware limited liability company and an indirect subsidiary of the Company, entered into an Agreement of General Conditions (the “Geismar Storage Agreement”) with IMTT-Geismar (“IMTT”), a Delaware general partnership. Pursuant to the Geismar Storage Agreement, IMTT will provide certain bulk liquid storage, handling, dock usage and other transshipment services to REG Geismar at IMTT’s bulk liquid storage facility (the “IMTT Facility”) in Geismar, Louisiana (“Geismar”) for certain of REG Geismar’s feedstock and finished products. IMTT has also agreed to permit, construct and own new bulk liquid storage tanks and associated infrastructure (such as common piping, dedicated piping, pumps, process equipment and instrumentation) to provide such services, including two rundown pipelines from the IMTT Facility to a pipeline connection point designated by REG Geismar to enable connectivity to REG Geismar’s biodiesel refinery located in Geismar. The Geismar Storage Agreement has a fifteen-year term, which will commence when certain necessary infrastructure and lines at the IMTT Facility are completed and ready to be placed into service by IMTT, and which is currently estimated to commence twenty-four months from the date of the agreement’s execution, but no sooner than August 1, 2023. The Geismar Storage Agreement shall automatically renew for subsequent renewal terms of ten years unless prior written notice is provided by one party to the other not less than three years prior to the end of the then-current term.

We currently estimate an annual cost of approximately $22 million under the Geismar Storage Agreement, which does not include additional charges, including but not limited to charges related to cleaning, maintenance, repair and other services provided by IMTT. The Company provided an unconditional and irrevocable guaranty of REG Geismar’s performance and payment under the Geismar Storage Agreement.

We expect to classify the Geismar Storage Agreement as a finance lease obligation in our financial statements. The foregoing description is not complete and is qualified in its entirety by reference to the Geismar Storage Agreement, a copy of which will be filed with the Securities and Exchange Commission on the Company's next Quarterly Report on Form 10-Q.

The following disclosure would have otherwise been filed on Form 8-K under the heading "Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant":

The description set forth under Item 1.01 is incorporated by reference herein in its entirety.

ITEM 6. EXHIBITS

(A) Exhibits:

Exhibit No.	Description
4.1	Indenture, dated as of May 20,2021, by and among the Company, the Guarantors (as defined therein) and UMB Bank, N.A., as Trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on May 21, 2021).
4.2	Form of 5.875% Senior Notes due 2028 (incorporated by reference to Exhibit A to the Indenture filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on May 21, 2021).
10.1	Consent and Amendment No. 16 to Credit Agreement, dated May 20, 2021, by and between REG Services Group, LLC, REG Marketing & Logistics, LLC, the lenders party thereto, and Wells Fargo Capital Finance, LLC.
10.2	Offer Letter by and between the Company and Richard Craig Bealmear, effective April 19, 2021.
10.3	Separation Agreement by and between the Company and Brad Albin, effective May 31, 2021.
10.4	Good Leaver Program, effective April 26, 2021.
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a).
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a).
32.1	Certification of the Chief Executive Officer pursuant to 18 USC Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
32.2	Certification of the Chief Financial Officer pursuant to 18 USC Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release No. 34-47986, the certifications furnished in Exhibit 32.1 and Exhibit 32.2 hereto are deemed to accompany this Form 10-Q and will not be deemed “filed” for purposes of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

RENEWABLE ENERGY GROUP, INC.

Dated: August 5, 2021	By:	/s/ Cynthia J. Warner **Cynthia J. Warner** **President and Chief Executive Officer (Principal Executive Officer)**
Dated: August 5, 2021	By:	/s/ R. Craig Bealmear **R. Craig Bealmear** **Chief Financial Officer (Principal Financial Officer)**
Dated: August 5, 2021	By:	/s/ Todd M. Samuels **Todd M. Samuels** **Chief Accounting Officer & Controller (Principal Accounting Officer)**

CONSENT AND AMENDMENT NO. 16 TO CREDIT AGREEMENT

THIS CONSENT AND AMENDMENT NO. 16 TO CREDIT AGREEMENT (this "Amendment") is entered into as of May 20, 2021, by and among the Lenders identified on the signature pages hereof (such Lenders, together with their respective successors and permitted assigns, are referred to hereinafter each individually as a "Lender" and collectively as the "Lenders"), **WELLS FARGO CAPITAL FINANCE, LLC**, a Delaware limited liability company, as administrative agent for the Lenders (in such capacity, "Agent"), **REG SERVICES GROUP, LLC**, an Iowa limited liability company ("REG Services"), and **REG MARKETING & LOGISTICS GROUP, LLC**, an Iowa limited liability company ("REG Marketing"; together REG Services and REG Marketing are each referred to herein as a "Borrower", and jointly and severally as the "Borrowers").

WHEREAS, Borrowers, Agent, and Lenders are parties to that certain Credit Agreement dated as of December 23, 2011, as amended by that certain Amendment No. 1 to Credit Agreement dated as of January 31, 2012, that certain Amendment No. 2 to Credit Agreement dated as of February 29, 2012, that certain Waiver and Amendment No. 3 to Credit Agreement dated as of May 1, 2012, that certain Amendment No. 4 to Credit Agreement dated as of January 9, 2013, that certain Amendment No. 5 to Credit Agreement dated as of August 9, 2013, that certain Amendment No. 6 to Credit Agreement dated as of December 23, 2013, that certain Amendment No. 7 to Credit Agreement dated as of May 19, 2014, that certain Amendment No. 8 to Credit Agreement and Waiver dated as of February 20, 2015, that certain Amendment No. 9 to Credit Agreement dated as of July 16, 2015, that certain Amendment No. 10 to Credit Agreement dated as of December 8, 2015, that certain Joinder and Amendment No. 11 to Credit Agreement dated as of September 30, 2016, that certain Amendment No. 12 to Credit Agreement dated as of December 22, 2017, that certain Amendment No. 13 to Credit Agreement dated as of July 9, 2019, that certain Amendment No. 14 to Credit Agreement dated as of November 4, 2019, and that certain Amendment No. 15 to Credit Agreement dated as of March 3, 2020 (as further amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"); and

WHEREAS, Borrowers have notified Agent and Lenders that Loan Parties and certain of their Subsidiaries desire to (a) incur Indebtedness in respect to secured notes (the “Bond Notes”) maturing June 1, 2028 (the "Notes Indebtedness") pursuant to the terms of that certain Indenture dated as of the date hereof among Renewable Energy Group, Inc., the guarantors party thereto, and UMB Bank, National Association, as collateral trustee for the secured notes (the "Notes Indenture Agreement") and (b) and grant liens on their assets to secure the Notes Indebtedness (the "Notes Liens"); and

WHEREAS, Borrowers have requested that Agent and Lenders (a) consent to the incurrence of the Notes Indebtedness and the grant of the Notes Liens and (b) agree to amend the Credit Agreement in certain respects, and Agent and the Lenders are willing to do so, subject to the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the premises and mutual agreements herein contained, the parties hereto agree as follows:

1. Defined Terms. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to such terms in the Credit Agreement.

2. Consent. Subject to the satisfaction of the conditions set forth in Section 6 below, and in reliance upon the representations and warranties of Borrowers set forth in Section 7 below, Agent and Lenders hereby consent to (a) the incurrence of the Notes Indebtedness pursuant to the terms of the Notes Indenture Agreement, and (b) the granting of the Notes Liens pursuant to the Security Documents (as defined in the Notes Indenture Agreement) subject to the terms of that certain Intercreditor Agreement dated as of the date hereof, between Agent, as initial ABL collateral agent, and UMB Bank, National Association, as initial collateral trustee for the Bond Notes.

3. Amendments to Credit Agreement: Subject to the satisfaction of the conditions set forth in Section 6 below, and in reliance upon the representations and warranties of Borrowers set forth in Section 7 below, the Credit Agreement is hereby amended as follows:

(a) Section 2.1(c) of the Credit Agreement is hereby amended and restated in its entirety as follows:

(c) Anything to the contrary in this Section 2.1 notwithstanding, Agent shall have the right (but not the obligation) to establish, increase, reduce, eliminate, or otherwise adjust reserves from time to time against the Borrowing Base or the Maximum Revolver Amount in such amounts, and with respect to such matters, as Agent in its Permitted Discretion shall deem necessary or appropriate, including (i) reserves in an amount equal to the Bank Product Reserve Amount, and (ii) reserves with respect to (A) sums that any Loan Party is required to pay under this Agreement or any other Loan Document (such as taxes, assessments, insurance premiums, or, in the case of leased assets, rents or other amounts payable under such leases) and has failed to pay when due, and (B) amounts owing by any Secured Loan Party to any Person to the extent secured by a Lien on, or trust over, any of the Collateral (other than a Permitted Lien which is a permitted purchase money Lien or the interest of a lessor under a Capital Lease or a Lien subject to the Intercreditor Agreement), which Lien or trust, in the Permitted Discretion of Agent likely would have a priority superior to Agent's Liens (such as Liens or trusts in favor of landlords, processors, warehousemen, carriers, custom brokers, freight forwarders, mechanics, materialmen, laborers, or suppliers, or Liens or trusts for ad valorem, excise, sales, or other taxes where given priority under applicable law) in and to such item of the Collateral. Without limiting the foregoing, Agent may establish a reserve for any leased location at which Collateral is included in the Borrowing Base and for which Agent has not received a Collateral Access Agreement. Any reserve established by Agent shall have a reasonable relationship to the event, condition, other circumstance, or fact that is the basis for such reserve and shall not be duplicative of any other reserve established and currently maintained.

(b) The lead in until clause (A) in Section 2.4(b)(ii) of the Credit Agreement is hereby amended and restated as follows:

(ii) At any time that an Application Event has occurred and is continuing, subject to the terms of the Intercreditor Agreement, and except as otherwise provided herein with respect to Defaulting Lenders, all payments remitted to Agent and all proceeds of Collateral received by Agent shall be applied as follows:

(c) Section 2.4(e)(ii) of the Credit Agreement is hereby amended and restated in its entirety as follows:

(ii) **Dispositions.** During the period in which an Activation Instruction (as defined in the Security Agreement) has been issued and not rescinded, within 1 Business Day of the date of receipt by any Loan Party (other than Parent) of the Net Cash Proceeds of any voluntary or involuntary sale or disposition by any Loan Party of Collateral (including casualty losses or condemnations but excluding sales or dispositions which qualify as Permitted Dispositions under clauses (a), (b), (c), (d), (e), (i), (j), (k), (l), (m) or (n) of the definition of Permitted Dispositions and sales or dispositions of Notes Priority Collateral), such Borrower shall prepay the outstanding principal amount of the Obligations in accordance with Section 2.4(f)(ii) in an amount equal to 100% of such Net Cash Proceeds (including condemnation awards and payments in lieu thereof) received by such Person in connection with such sales or dispositions. Nothing contained in this Section 2.4(e)(ii) shall permit any Secured Loan Party to sell or otherwise dispose of any assets other than in accordance with Section 6.4.

(d) Section 2.4(e)(iii) of the Credit Agreement is hereby amended and restated in its entirety as follows:

(iii) **Extraordinary Receipts**. During the period in which an Activation Instruction (as defined in the Security Agreement) has been issued and not rescinded, within 1 Business Day of the date of receipt by any Designated Loan Party of any Extraordinary Receipts (other than Extraordinary Receipts constituting Notes Priority Collateral), Borrowers shall prepay the outstanding principal amount of the Obligations in accordance with Section 2.4(f)(ii) in an amount equal to 100% of such Extraordinary Receipts, net of any reasonable expenses incurred in collecting such Extraordinary Receipts.

(e) Section 2.12(b) of the Credit Agreement is hereby amended and restated in its entirety as follows:

(b) Effect of Benchmark Transition Event.

(i) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, Agent and Administrative Borrower may amend this Agreement to replace the LMIR Rate with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5th) Business Day after Agent has posted such proposed amendment to all Lenders and Administrative Borrower so long as Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Required Lenders. Any such amendment with respect to an Early Opt-in Election will become effective on the date that Lenders comprising the Required Lenders have delivered to Agent written notice that such Required Lenders accept such amendment. No replacement of the LMIR Rate with a Benchmark Replacement pursuant to this Section 2.12(b) will occur prior to the applicable Benchmark Transition Start Date.

(ii) Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement, Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(iii) Notices; Standards for Decisions and Determinations. Agent will promptly notify Administrative Borrower and the Lenders of (A) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date and Benchmark Transition Start Date, (B) the implementation of any Benchmark Replacement, (C) the effectiveness of any Benchmark Replacement Conforming Changes, and (D) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by Agent pursuant to this Section 2.12(b)(iii) including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 2.12(b)(iii).

(iv) Benchmark Unavailability Period. Upon Administrative Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, Administrative Borrower may revoke any request for a Borrowing that bears interest at a rate determined by reference to the LMIR Rate, conversion to or continuation of LMIR Rate Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, Administrative Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to a Borrowing that bears interest at a rate determined by reference to the Base Rate plus the LMIR Rate Margin minus 1.00% per annum. During any Benchmark Unavailability Period, the component of Base Rate based upon the LIBOR Rate will not be used in any determination of the Base Rate.

(f) Section 4.4(b) of the Credit Agreement is hereby amended and restated in its entirety as follows:

(b) Agent's Liens are validly created, perfected (other than (i) in respect of motor vehicles that are subject to a certificate of title and as to which Agent has not caused its Lien to be noted on the applicable certificate of title, and (ii) any Deposit Accounts and Securities Accounts not subject to a Control Agreement as permitted by Section 6.11, and subject only to the filing of financing statements, in each case, in the appropriate filing offices), and first priority Liens, subject only to Permitted Liens which are either permitted purchase money Liens, the interests of lessors under Capital Leases, or Liens in the Notes Priority Collateral securing the Notes Indebtedness.

(g) Section 4.17 of the Credit Agreement is hereby amended and restated in its entirety as follows:

Set forth on Schedule 4.17 to the Disclosure Letter ((a) which Schedule 4.17 shall be deemed to include thereon the Notes Indenture Agreement and (b) as such Schedule may be updated from time to time in accordance herewith) is a reasonably detailed description of the Material Contracts of each Designated Loan Party as of the most recent date on which Borrowers provided their Compliance Certificate pursuant to Section 5.1; provided, however, that Borrowers may amend Schedule 4.17 to the Disclosure Letter to add additional Material Contracts so long as such amendment occurs by written notice to Agent on the date that Borrowers provide their Compliance Certificate. Except for matters which, either individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Change, each Material Contract (other than those that have expired at the end of their normal terms) (i) is in full force and effect and is binding upon and enforceable against the applicable Designated Loan Party and, to Borrowers' knowledge, after due inquiry, each other Person that is a party thereto in accordance with its terms, (ii) has not been otherwise amended or modified (other than amendments or modifications permitted by Section 6.7(b)), and (iii) is not in default due to the action or inaction of the applicable Loan Party.

(h) Section 6.7(a)(i) of the Credit Agreement is hereby amended and restated in its entirety as follows:

(i) optionally prepay, redeem, defease, purchase, or otherwise acquire any Indebtedness of any Designated Loan Party, other than (A) the Obligations in accordance with this Agreement, (B) Permitted Intercompany Advances, (C) Indebtedness under Capital Leases, (D) Purchase Money Indebtedness, and (E) optional prepayments, redemptions, defeasances, purchases, and other acquisitions of Notes Indebtedness to the extent Borrowers would be permitted to make Permitted Discretionary Distributions in compliance with Section 6.9 at such time and in such amounts in lieu of such prepayments, redemptions, defeasances, purchases, and other acquisitions (for avoidance of doubt, without limiting the right of Borrowers to make Permitted Discretionary Distributions in compliance with Section 6.9 in lieu of any optional prepayment, redemption, defeasance, purchase or other acquisition), or

(i) Section 6.7(b)(i) of the Credit Agreement is hereby amended and restated in its entirety as follows:

(ii) any agreement, instrument, document, indenture, or other writing evidencing or concerning Permitted Indebtedness of any Secured Loan Party other than (A) the Obligations in accordance with this Agreement, (B) Permitted Intercompany Advances, (C) the Notes Indebtedness in accordance with the Intercreditor Agreement so long as such amendment, modification or change does not (1) increase the any interest rate by more than 2.00 percentage points per annum (excluding increases resulting from the accrual of interest at the default rate) or add any new recurring fees, (2) change to earlier dates any dates upon which payments of principal or interest are due thereon, (3) change the redemption, mandatory prepayment, or defeasance provisions thereof in a manner adverse to the Secured Loan Parties, (4) change any covenants, defaults, or events of default under any Notes Document (including the addition of covenants, defaults, or events of default not contained in the Notes Documents as in effect on the date hereof) to restrict any Secured Loan Party from making payments of the Obligations that would otherwise be permitted under the Notes Documents as in effect on the date hereof, (5) change any financial covenant in a manner adverse to Secured Loan Parties thereunder, (6) change any default or event of default thereunder in a manner adverse to Secured Loan Parties thereunder, (6) add any restrictions on the refinance of the Obligations, (7) reduce the amount of the Obligations permitted under the Indenture, or (8) increase the non-monetary obligations of Secured Loan Parties thereunder or confer any additional rights on the Noteholder Collateral Agent or other holders of the Notes Indebtedness that would be materially adverse to the Lenders (it being understood that Liens covering additional collateral in favor of the Noteholder Collateral Agent which are permitted by clause (u) of the definition of Permitted Liens and the Intercreditor Agreement shall not violate this clause (8)), and (D) Indebtedness permitted under clauses (c), (f), (h) and (i) of the definition of Permitted Indebtedness

(j) Section 6.7(b)(ii) of the Credit Agreement is hereby amended and restated in its entirety as follows:

(ii) any Material Contract (other than the Note Indenture Agreement which is addressed in clause (i) above) of any Designated Loan Party except to the extent that such amendment, modification, or change could not, individually or in the aggregate, reasonably be expected to be materially adverse to the interests of the Lenders, or

(k) Section 8.10 of the Credit Agreement is hereby amended and restated in its entirety as follows:

8.10. If the Security Agreement, the Plant Loan Party Security Agreement or any other Loan Document that purports to create a Lien, shall, for any reason, fail or cease to create a valid and perfected and, except to the extent of Permitted Liens which are non-consensual (including as a result of any operation of law), permitted purchase money Liens, the interests of lessors under Capital Leases or Liens in the Notes Priority Collateral securing the Notes Indebtedness, first priority Lien on the Collateral covered thereby, except (a) as a result of a disposition of the applicable Collateral in a transaction permitted under this Agreement, (b) with respect to Collateral the aggregate value of which, for all such Collateral, does not exceed at any time $2,500,000, or (c) as the result of an action or failure to act on the part of Agent;

(l) Section 9.1(c) of the Credit Agreement is hereby amended and restated in its entirety as follows:

(c) subject to the Intercreditor Agreement, exercise all other rights and remedies available to Agent or the Lenders under the Loan Documents or applicable law.

(m) Section 14.1(a)(vi) of the Credit Agreement is hereby amended and restated in its entirety as follows:

(vi) other than as permitted by Section 15.11 or required under the Intercreditor Agreement, release Agent's Liens in and to all or substantially all of the Collateral.

(n) Section 14.1(a)(viii) of the Credit Agreement is hereby amended and restated in its entirety as follows:

(viii) contractually subordinate any of Agent's Liens except pursuant to or as required under the Intercreditor Agreement,

(o) The first sentence in Section 15.11(a) of the Credit Agreement is hereby amended and restated as follows:

(a) The Lenders hereby irrevocably authorize (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to authorize) Agent to release any Lien on any Collateral (i) upon the termination of the Commitments and payment and satisfaction in full by Borrowers of all of the Obligations, (ii) constituting property being sold or disposed of if a release is required or desirable in connection therewith and if Borrowers certify to Agent that the sale or disposition is permitted under Section 6.4 (and Agent may rely conclusively on any such certificate, without further inquiry), (iii) constituting property in which no Loan Party and no Subsidiary of Loan Parties owned any interest at the time Agent's Lien was granted nor at any time thereafter, (iv) constituting property leased to any Loan Party or its Subsidiaries under a lease that has expired or is terminated in a transaction permitted under this Agreement or (v) in accordance with the Intercreditor Agreement.

(p) Section 17 of the Credit Agreement is hereby amended by adding the following new Sections 17.16 and 17.17 at the end thereof:

17.16 Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Hedge Agreements or any other agreement or instrument that is a QFC (such support, "QFC Credit Support" and each such QFC a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States). In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC

Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

17.17 Intercreditor Agreement. The Loan Parties, the Agent and the Lenders acknowledge that the exercise of certain of the Agent's and Lenders' rights and remedies hereunder may be subject to, and restricted by, the provisions of the Intercreditor Agreement. In the event of any conflict between the terms of this Agreement and the Intercreditor Agreement, the terms of the Intercreditor Agreement shall govern and control.

(q) The defined term "Change of Control" set forth in Schedule 1.1 of the Credit Agreement is hereby amended and restated in its entirety as follows:

"Change of Control" means (a) any "person" or "group" (within the meaning of Sections 13(d) and 14(d) of the Exchange Act), after the Closing Date, becomes the beneficial owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of 45%, or more, of the Stock of Parent having the right to vote for the election of members of the Board of Directors, (b) a majority of the members of the Board of Directors do not constitute Continuing Directors, or (c) Parent fails to own, directly or indirectly, 100% of the Stock of Borrowers, or (d) the occurrence of any "Change of Control" as defined in Notes Indenture Agreement.

(r) The defined term "Loan Documents" set forth in Schedule 1.1 of the Credit Agreement is hereby amended and restated in its entirety as follows:

"Loan Documents" means the Agreement, the Intercreditor Agreement, any Borrowing Base Certificate, the Control Agreements, the Disclosure Letter, the Fee Letter, the Guaranty, the Intercompany Subordination Agreement, the Letters of Credit, the Plant Loan Party Security Agreement, the Security Agreement, the Stock Pledge Agreement, any note or notes executed by any Borrower in connection with the Agreement and payable to any member of the Lender Group, any letter of credit application or letter of credit agreement entered into by any Borrower in connection with the Agreement, and any other instrument or agreement entered into, now or in the future, by any Loan Party and any member of the Lender Group in connection with the Agreement.

(s) The defined term "Permitted Indebtedness" set forth in Schedule 1.1 of the Credit Agreement is hereby amended by (i) deleting the word "and" at the end of clause (o) thereof, (ii) replacing "." with ", and" at the end of clause (p) thereof and (iii) adding the following new clause (q) at the end thereof:

(q) the Notes Indebtedness and, to the extent permitted under the Intercreditor Agreement, any Refinancing Indebtedness of such Indebtedness.

(t) The defined term "Permitted Investments" set forth in Schedule 1.1 of the Credit Agreement is hereby amended by (i) deleting the word "and" at the end of clause (o) thereof, (ii) re-lettering clause (p) thereof as clause (q) and (iii) adding the following new clause (p) immediately after clause (o) thereof:

(p) Investments in Parent deemed to be made as a result of any prepayment, redemption, defeasance, purchase or other acquisition of Notes Indebtedness made by a Loan Party solely to the extent such prepayment, redemption, defeasance, purchase or other acquisition is permitted pursuant to Section 6.7(a)(i)(E); and

(u) The defined term "Permitted Liens" set forth in Schedule 1.1 of the Credit Agreement is hereby amended by (i) deleting the word "and" at the end of clause (t) thereof, (ii) re-lettering clause (u) thereof as clause (v) and (iii) adding the following new clause (u) immediately after clause (t) thereof:

(u) Liens in favor of the Noteholder Collateral Agent on assets of the Loan Parties securing the Notes Indebtedness and subject to the Intercreditor Agreement and any Refinancing Indebtedness thereof permitted by the Intercreditor Agreement, and

(v) Schedule 1.1 to the Credit Agreement is hereby amended by adding the following defined terms in their appropriate alphabetical order:

"Benchmark Replacement" means the sum of: (a) the alternate benchmark rate (which may include Term SOFR) that has been selected by Agent and Administrative Borrower giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to the LMIR Rate for United States dollar-denominated syndicated credit facilities and (b) the Benchmark Replacement Adjustment; provided that, if the Benchmark Replacement as so determined would be less than zero, the Benchmark Replacement shall be deemed to be zero for the purposes of this Agreement.

"Benchmark Replacement Adjustment" means, with respect to any replacement of the LMIR Rate with an Unadjusted Benchmark Replacement for each applicable Interest Period, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by Agent and Administrative Borrower giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the LMIR Rate with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the LMIR Rate with the applicable Unadjusted Benchmark Replacement for United States dollar-denominated syndicated credit facilities at such time.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Base Rate", the definition of "Interest Period", timing and frequency of determining rates and making payments of interest and other administrative matters) that Agent (in consultation with the Borrowers) decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by Agent in a manner substantially consistent with market practice (or, if Agent decides that adoption of any portion of such market practice is not administratively feasible or if Agent determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as Agent (in consultation with the Borrowers) decides is reasonably necessary in connection with the administration of this Agreement).

"Benchmark Replacement Date" means the earlier to occur of the following events with respect to the LMIR Rate:

(a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event," the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of the LMIR Rate permanently or indefinitely ceases to provide the LMIR Rate; or

(b) in the case of clause (c) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the LMIR Rate:

(a) a public statement or publication of information by or on behalf of the administrator of the LMIR Rate announcing that such administrator has ceased or will cease to provide the LMIR Rate, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the LMIR Rate;

(b) a public statement or publication of information by the regulatory supervisor for the administrator of the LMIR Rate, the Federal Reserve System of the United States (or any successor), an insolvency official with jurisdiction over the administrator for the LMIR Rate, a resolution authority with jurisdiction over the administrator for the LMIR Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the LMIR Rate, which states that the administrator of the LMIR Rate has ceased or will cease to provide the LMIR Rate permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the LMIR Rate; or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of the LMIR Rate announcing that the LMIR Rate is no longer representative.

"Benchmark Transition Start Date" means (a) in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication) and (b) in the case of an Early Opt-in Election, the date specified by Agent or the Required Lenders, as applicable, by notice to Administrative Borrower, Agent (in the case of such notice by the Required Lenders) and the Lenders.

"Benchmark Unavailability Period" means, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the LMIR Rate and solely to the extent that the LMIR Rate has not been replaced with a Benchmark Replacement, the period (x) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the LMIR Rate for all purposes hereunder in accordance with Section 2.12(b)(iii) and (y) ending at the time that a Benchmark Replacement has replaced the LMIR Rate for all purposes hereunder pursuant to Section 2.12(b)(iii).

"BHC Act Affiliate" of a Person means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such Person.

"Bond Notes" means the 5.875% senior secured green notes due 2028 of Renewable Energy Group, Inc. in an aggregate principal amount not exceeding $550.0 million.

"Covered Entity" means any of the following:

(i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Covered Party" has the meaning specified therefor in Section 17.16 of this Agreement.

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"Early Opt-in Election" means the occurrence of:

(a) (i) a determination by Agent or (ii) a notification by the Required Lenders to Agent (with a copy to Administrative Borrower) that the Required Lenders have determined that United States dollar-denominated syndicated credit facilities being executed at such time, or that include language similar to that contained in Section 2.12(b)(iii) are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace the LMIR Rate, and

(b) (i) the election by Agent or (ii) the election by the Required Lenders to declare that an Early Opt-in Election has occurred and the provision, as applicable, by Agent of written notice of such election to Administrative Borrower and the Lenders or by the Required Lenders of written notice of such election to Agent.

"Federal Reserve Bank of New York's Website " means the website of the Federal Reserve Bank of New York at http://www.newyorkfed.org, or any successor source.

"Intercreditor Agreement" means that certain Intercreditor Agreement, dated as May 20, 2021 among Agent, Noteholder Collateral Agent and the Loan Parties, as amended from time to time in accordance with the terms thereof.

"Noteholder Collateral Agent" means the “Fixed Asset Collateral Agent” as defined in the Intercreditor Agreement.

"Notes Indebtedness" means the Indebtedness under the Notes Indenture Agreement, the Bond Notes, and guarantees in respect thereof.

"Notes Documents" means the “Fixed Asset Loan Documents” as defined in the Intercreditor Agreement.

"Notes Indenture Agreement" means the Indenture dated as of May 20, 2021 among Renewable Energy Group, Inc., certain Subsidiaries from time to time party thereto as guarantors, and UMB Bank, National Association, as collateral trustee for the secured notes, pursuant to which the Bond Notes were issued, as amended, restated, amended and restated, supplemented or otherwise modified from time to time to the extent permitted under the Intercreditor Agreement.

"Notes Priority Collateral" means the “Fixed Asset Priority Collateral” as defined in the Intercreditor Agreement.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. § 5390(c)(8)(D).

"QFC Credit Support" has the meaning specified therefor in Section 17.16 of this Agreement.

"Relevant Governmental Body" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

"SOFR" with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website.

"Supported QFC" has the meaning specified therefor in Section 17.16 of this Agreement.

"Term SOFR" means the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"Unadjusted Benchmark Replacement" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

"U.S. Special Resolution Regimes" has the meaning specified therefor in Section 17.16 of this Agreement.

4. Continuing Effect. Except as expressly set forth in Section 2 and Section 3 of this Amendment, nothing in this Amendment shall constitute a modification or alteration of the terms, conditions or covenants of the Credit Agreement or any other Loan Document, or a waiver of any other terms or provisions thereof, and the Credit Agreement and the other Loan Documents shall remain unchanged and shall continue in full force and effect, in each case as amended hereby.

5. Reaffirmation and Confirmation. Each Borrower hereby ratifies, affirms, acknowledges and agrees that the Credit Agreement and the other Loan Documents represent the valid, enforceable and collectible obligations of Borrowers, and further acknowledges that there are no existing claims, defenses, personal or otherwise, or rights of setoff whatsoever with respect to the Credit Agreement or any other Loan Document. Each Borrower hereby agrees that this Amendment in no way acts as a release or relinquishment of the Liens and rights securing payments of the Obligations. The Liens and rights securing payment of the Obligations are hereby ratified and confirmed by each Borrower in all respects.

6. Conditions to Effectiveness.

(a) This Amendment shall become effective upon the satisfaction of each of the following conditions precedent, each in form and substance acceptable to Agent:

(i) Agent shall have received a fully executed copy of this Amendment in form and substance acceptable to Agent;

(ii) Agent shall have received executed copies of the Notes Indenture Agreement, the Bond Notes and all Security Documents (as defined in the Notes Indenture Agreement) entered into as of the date hereof;

(iii) Borrowers shall have paid all fees to Agent and the Lenders required under the Loan Documents; and

(iv) No Default or Event of Default shall have occurred and be continuing on the date hereof or as of the date of the effectiveness of this Amendment.

7. Representations and Warranties. In order to induce Agent and Lenders to enter into this Amendment, Borrowers hereby jointly and severally represent and warrant to Agent and Lenders that, after giving effect to this Amendment:

(a) All representations and warranties contained in the Credit Agreement and the other Loan Documents are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the date of this Amendment, in each case as if then made, other than representations and warranties that expressly relate solely to an earlier date;

(b) No Default or Event of Default has occurred and is continuing; and

(c) This Amendment and the Credit Agreement, as modified hereby, constitute legal, valid and binding obligations of each Borrower and are enforceable against each Borrower in accordance with their respective terms.

8. Miscellaneous.

(a) Expenses. Borrowers jointly and severally agree to pay on demand all Lender Group Expenses of Agent (including, without limitation, the fees and expenses of outside counsel for Agent) in connection with the preparation, negotiation, execution, delivery and administration of this Amendment and all other instruments or documents provided for herein or delivered or to be delivered hereunder or in connection herewith. All obligations provided herein shall survive any termination of this Amendment and the Credit Agreement as modified hereby.

(b) Governing Law. This Amendment shall be a contract made under and governed by the internal laws of the State of California. The choice of law and venue, jury trial waiver and California judicial reference provisions set forth in Section 12 of the Credit Agreement are incorporated herein by reference and shall apply in all respects to this Amendment.

(c) Counterparts. This Amendment may be executed in any number of counterparts, and by the parties hereto on the same or separate counterparts, and each such counterpart, when executed and delivered, shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Amendment. Delivery of an executed counterpart of this Amendment by facsimile or other electronic delivery shall be equally effective as delivery of an original executed counterpart of this Amendment.

9. Release.

(a) In consideration of the agreements of Agent and Lenders contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each Borrower and each other Loan Party (by its execution and delivery of the attached Consent and

Reaffirmation), on behalf of itself and its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably releases, remises and forever discharges Agent and Lenders, and their successors and assigns, and their present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, attorneys, employees, agents and other representatives (Agent, each Lender and all such other Persons being hereinafter referred to collectively as the "Releasees" and individually as a "Releasee"), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defenses, rights of setoff, demands and liabilities whatsoever (individually, a "Claim" and collectively, "Claims") of every name and nature, known or unknown, suspected or unsuspected, both at law and in equity, which any such Loan Party or any of their respective successors, assigns, or other legal representatives may now or hereafter own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any circumstance, action, cause or thing whatsoever in relation to, or in any way in connection with any of the Credit Agreement, or any of the other Loan Documents or transactions thereunder or related thereto which arises at any time on or prior to the day and date of this Amendment.

(b) Each Borrower and each other Loan Party (by its execution and delivery of the attached Consent and Reaffirmation) warrants, represents and agrees that it is fully aware of California Civil Code Section 1542, which provides as follows:

> **SEC. 1542. GENERAL RELEASE**. A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Each Borrower and each other Loan Party (by its execution and delivery of the attached Consent and Reaffirmation) hereby expressly waives the provisions of California Civil Code Section 1542, and any rights they may have to invoke the provisions of that statute now or in the future with respect to the Claims being released pursuant to this Section 9. In connection with the foregoing waiver and relinquishment, each Borrower and each other Loan Party (by its execution and delivery of the attached Consent and Reaffirmation) acknowledges that they are aware that they or their attorneys or others may hereafter discover claims or facts in addition to or different from those which the parties now know or believe to exist with respect to the subject matter of the Claims being released hereunder, but that it is nevertheless the intention of each Borrower and each other Loan Party (by its execution and delivery of the attached Consent and Reaffirmation) to fully, finally and forever settle, release, waive and discharge all of the Claims which are being released pursuant to this Section 9. The release given herein shall remain in effect as a full and complete general release, notwithstanding the discovery or existence of any such additional or different claims or facts.

(c) Each Borrower and each other Loan Party (by its execution and delivery of the attached Consent and Reaffirmation) understands, acknowledges and agrees that the release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release.

(d) Each Borrower and each other Loan Party (by its execution and delivery of the attached Consent and Reaffirmation) agrees that no fact, event, circumstance, evidence or transaction which could now be asserted or which may hereafter be discovered shall affect in any manner the final, absolute and unconditional nature of the release set forth above.

[*Remainder of page intentionally left blank; signature pages follow*.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized and delivered as of the date first above written.

REG SERVICES GROUP, LLC,
an Iowa limited liability company

By: /s/ Todd Robinson
Name: Todd Robinson
Title: Treasurer and Deputy CFO

REG MARKETING & LOGISTICS GROUP, LLC, an
Iowa limited liability company

By: /s/ Todd Robinson
Name: Todd Robinson
Title: Treasurer and Deputy CFO

WELLS FARGO CAPITAL FINANCE, LLC,
a Delaware limited liability company, as Agent and as a Lender

By: /s/ Barry Felker
Name: Barry Felker
Title: Authorized Signatory

FIFTH THIRD BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ Patrick Lingrosso
Name: Patrick Lingrosso
Title: Vice President

CONSENT AND REAFFIRMATION

Renewable Energy Group, Inc., a Delaware corporation ("Parent"), as a Guarantor, REG Houston, LLC, a Texas limited Liability company, as a Plant Loan Party, REG Geismar, LLC, a Delaware limited liability company, as a Plant Loan Party, REG Albert Lea, LLC, an Iowa limited liability company, as a Plant Loan Party, REG New Boston, LLC, an Iowa limited liability company, as a Plant Loan Party, and REG Seneca, LLC, an Iowa limited liability company, as a Plant Loan Party (each of the foregoing, a "Loan Party") hereby (i) acknowledges receipt of a copy of the foregoing Consent and Amendment No. 16 to Credit Agreement (terms defined therein and used, but not otherwise defined, herein shall have the meanings assigned to them therein); (ii) consents to each Borrower's execution and delivery thereof; (iii) agrees to be bound thereby, including Section 8 of the foregoing Consent and Amendment No. 16 to Credit Agreement; and (iv) affirms that nothing contained therein shall modify in any respect whatsoever any Loan Documents to which the undersigned is a party and reaffirms that each such Loan Document is and shall continue to remain in full force and effect (except as set forth in the foregoing Consent and Amendment No. 16 to Credit Agreement). Although each Loan Party has been informed of the matters set forth herein and has acknowledged and agreed to same, each Loan Party understands that Agent and Lenders have no obligation to inform such Loan Party of such matters in the future or to seek such Loan Party's acknowledgment or agreement to future consents, amendments or waivers, and nothing herein shall create such a duty.

[*Remainder of page intentionally left blank; signature pages follow.*]

RENEWABLE ENERGY GROUP, INC.,
a Delaware corporation, as a Guarantor

By: /s/ Eric M. Bowen
Name: Eric M. Bowen
Title: General Counsel

REG HOUSTON, LLC, a Texas limited liability company,
as a Plant Loan Party

By: /s/ Todd Robinson
Name: Todd Robinson
Title: Treasurer

REG GEISMAR, LLC, a Delaware limited liability
company, as a Plant Loan Party

By: /s/ Todd Robinson
Name: Todd Robinson
Title: Treasurer

REG ALBERT LEA, LLC, an Iowa limited liability
company, as a Plant Loan Party

By: /s/ Todd Robinson
Name: Todd Robinson
Title: Treasurer

REG NEW BOSTON, LLC, an Iowa limited liability
company, as a Plant Loan Party

By: /s/ Todd Robinson
Name: Todd Robinson
Title: Treasurer

REG SENECA, LLC, an Iowa limited liability company,
as a Plant Loan Party

By: /s/ Todd Robinson
Name: Todd Robinson
Title: Treasurer and Deputy CFO

Amended offer

March 9, 2021

R. Craig Bealmear

Dear Craig,

It is my pleasure to offer you the position of Chief Financial Officer with Renewable Energy Group. I am very excited at the prospect of bringing you on board as a senior leader of this growing company, and I know the contributions you will make here will be valuable.

The key points of your employment offer are as follows:

- **Estimated Start Date**: TBD

- **Full-Time Salary**: $ 425,000 (Annualized)

- **Reporting Relationship:** In your role as Chief Financial Officer, you will report to the Chief Executive Officer

- **Benefits**: You will be entitled to full company benefits effective the first of the month following full-time employment.

- **401(k):** you will be eligible to participate in REG's restated/Thrift/Profit Sharing Plan for Cooperatives on the same terms as are applicable to similarly situated employees. REG matches 50% of your total 401(k) contribution up to 6%.

- **Company Bonus:** You will be eligible to participate in the company variable bonus program(s) as they are implemented by the Board of Directors on an annual basis starting in 2021. (Bonus for payout in 2022 will be pro-rated based upon 2021 eligible earnings.) The current target at your level is 60%.

- **Equity Award:** You will be eligible to participate in the annual Long Term Incentive Plan (LTIP) at your level of 75% of your base salary upon approval from the Board of Directors for Renewable Energy Group starting in 2022. Subject to approval of the Compensation Committee, 65% of your annual LTIP award will consist of performance restricted stock awards, and 35% of your annual LTIP award will consist of time-vested restricted stock awards. Your LTIP Awards will be subject to the standard vesting schedule that generally applies to REG's other named executive officers.

Sign-On Bonus: You will be provided with a $75,000 cash award that will be paid within thirty days of your start date. In addition, upon approval of the Board of Directors, you will be granted $300,000 in REG RSU's, of which, ½ will vest at one year of service and ½ will vest at two years of continuous employment in good standing.

- **PTO Accrual:** You will accrue Paid Time Off per pay period which accrues vacation at a rate of 200 hours per year plus 40 hours accrual per year of personal/sick leave. Vacation and personal/sick hours are accrued on a bi-weekly basis.

- **Relocation:** REG will provide relocation benefits through our relocation vendor, SIRVA. The company will cover reasonable costs related to packing and moving household goods and personal effects from current residence to residence in the area of Ames or metropolitan Des Moines. Additionally, REG will provide a Miscellaneous Allowance of $5,000.

- **Change of Control/ Termination by CEO for Good Reason or by the Company Without Cause**: a severance plan is under development with terms subject to board approval and will be extended to all SLT members in 2021.

- **Voluntary Termination of Employment or Discharged for- Cause**: If you voluntarily terminate your employment or are discharged for cause within two years of your hire date, you will repay REG all or part of the sign-on bonuses and relocation expenses. The portion of the award you will repay will be determined by the length of your employment with REG following the date of the payment of your awards as follows:

Length of employment following Payment of Sign-on Bonus/Relocation	**Percent of awards to be Repaid**
Less than 1year	100%
1-2 years	50%

- **Phone:** REG will provide a company cell phone for your use while employed.

Should you accept this offer of employment, you will be required to:

- Sign an Employment Agreement with confidentiality and intellectual property provisions
- Pass the pre-employment drug testing, reference checks, and MVR screen
- Pass an employment background check

REG would like you to join our team and request your response to this amended offer no later than **March 17, 2021.**

Renewable Energy Group is an at will employer. This letter is not intended to create a contract as the employment arrangement will continue to be at will.

We look forward to your many contributions and are convinced that the relationship between you and REG will be mutually beneficial.

Sincerely,

_____________________________ _____________________________

Cynthia J. Warner R. Craig Bealmear Date
President & Chief Executive Officer

SEPARATION AGREEMENT AND RELEASE

This AGREEMENT is made and entered into by and between Renewable Energy Group, Inc., (herein “REG” or “Employer”) and Brad Albin (herein “Employee”) effective as of June 1, 2021 (“Effective Date”).

WHEREAS, REG and Employee entered into an Employment Agreement dated September 29, 2017 and all amendments thereto (collectively the “Employment Agreement”); and

WHEREAS, REG desires to terminate Employee’s employment on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, REG and Employee have reached the following agreement:

1. **Termination by the Company**. Pursuant to Section 7.3 of the Employment Agreement, REG hereby gives notice that Employee’s employment with REG will be terminated without cause effective June 1, 2021 (“Termination Date”) and his first day off of the payroll will be June 2, 2021. Employee hereby waives the 30 days’ prior written notice requirement under Section 7.3(a) of the Employment Agreement in order to terminate his Employment Agreement on the Effective Date. Further, this Agreement hall constitute the general release under Section 7.3(a)(i) of the Employment Agreement. REG will pay Employee pursuant to Section 4 of the Employment Agreement through his Termination Date, whereupon Section 7.3 of the Employment Agreement shall apply. The schedule of payments to be made pursuant to Section 7.3 is attached. All other terms of the Employment Agreement intended to survive the termination of the Employment Agreement shall remain in force and effect.

2. **Stock Incentives**. In exchange for the release of claims and other agreements as set out herein and in exchange for, and contingent upon, Employee signing this Agreement, REG

agrees to allow early vesting of the Restricted Stock Units ("RSUs") granted to Employee on December 14, 2018 (the "2018 Grant"). Namely, the 14,907 RSUs granted by the 2018 Grant shall fully vest upon Employee's Termination Date, with standard administrative delays to complete the conversion of the RSUs to stock, the issuance of the shares, and the implementation of tax decisions. Employee acknowledges that all other stock incentives, including without limitation, RSUs, Performance-based RSUs, and Stock Appreciation Rights ("SARs"), shall be exercisable, vest, or be forfeited without modification according to the original terms under the Amended and Restated 2009 Stock Incentive Plan. For clarity, any and all SARs held by Employee shall only be exercisable for the period and under the terms and conditions set forth in the Amended and Restated 2009 Stock Incentive Plan.

3. **No Admission of Liability**. This Agreement is not and shall not in any way be construed as an admission of any wrongful acts by either party against each other or any of REG's officers, directors, employees, agents, affiliates, or representatives.

4. **Release of Liability**. Based on the consideration set forth in this Agreement, Employee, on his own behalf and on behalf of anyone else who may make a claim for him, hereby irrevocably and unconditionally voluntarily promises, releases, and forever discharges REG, its officers, directors, employees, agents, representatives, insurers and affiliates and their officers, directors, employees, agents, representatives and insurers (herein the "Persons Released") from any causes of action, complaints, claims, obligations, damages, and expenses of any nature whatsoever, in law or in equity, which he ever had, now has, or hereinafter may have up to and including the Effective Date of this Agreement. This release includes all claims that Employee may have now under any federal, state, or local law, regulation or ordinance, whether now known or unknown or whichever existed or now exist, including, without limitation, all liabilities, rights or claims arising from or in connection with Employee's employment with REG and its affiliates and his separation from REG. This Release includes, but is not limited to, a

release of any rights or claims that Employee may have, under the Employee Retirement Income Security Act of 1974, as amended; Age Discrimination and Employment Act; the Older Workers Benefit Protection Act; the Americans with Disabilities Act; the Rehabilitation Act of 1973; Title VII of the Federal Civil Rights Act, the Iowa Civil Rights Act; the Family and Medical Leave Act; any applicable wage payment law; any express or implied contract right; any other regulation or executive order prohibiting employment discrimination; and any other common law or statutory claim not identified above. Employee acknowledges that the decision to terminate the Employment Agreement and his employment relationship with REG has already been made by REG and is part of this release. Employee agrees that this instrument shall be a complete defense to any action or proceedings that may be brought, instituted, or taken against those released with regard to any matter herein released and shall forever be a complete bar to the commencement or prosecution of any action or proceeding whatsoever against those released, to the fullest extent of the law.

5. **Legal Action**. Employee further agrees, promises and covenants to the extent allowed by law, that neither he, nor any person, organization or any other entity acting on his behalf will file, charge, claim, sue or cause or permit to be filed, charged or claimed, any action for damages or other relief (including injunctive, declaratory, monetary relief or other) against the other in any court or administrative agency involving his employment at REG, or any matter which occurred in the past up to the Effective Date of this Agreement, or otherwise involving any claims, demands, causes of action, obligations, damages or liabilities which are the subject of this Agreement.

6. **Reliance**. Employee represents and certifies that he has carefully read and fully understands all of the provisions and effects of this Agreement and that he has voluntarily entered into this Agreement in reliance upon his own knowledge, belief, and judgment and that neither REG nor its agents, representatives, or attorney have made any representations

concerning the terms or effects of this Agreement other than contained herein. Employee has had the opportunity to consult with his attorney before signing this Agreement.

7. **Separate Prior Non-Competition and Confidentiality Agreement**. Employee acknowledges he is bound by the agreement he signed as an employee of REG titled "Employee Non-Competition and Confidentiality Agreement," dated September 29, 2017, which was Exhibit A to his Employment Agreement, which includes promises relating to confidentiality, non-solicitation of customers, and non-competition with REG, and agrees that this promise is a material term of this Agreement. Employee recognizes and reaffirms that all of the provisions of the Employee Non-Competition and Confidentiality Agreement continue to apply regardless of Employee's termination from REG. A copy of the Non-Competition and Confidentiality Agreement is provided to Employee with this Agreement.

8. **Non-disparagement**. Employee agrees to refrain from making, directly or indirectly, now or at any time in the future, whether in writing, orally or electronically, any comment that Employee knows or reasonably should know is critical in any material respect of REG or any of its directors or officers or is otherwise detrimental in any material respect to the business or financial prospects or reputation of REG. Nothing in the foregoing shall preclude Employee from providing truthful disclosures required by applicable law or legal process.

9. **Terms Confidential.** Employee agrees not to disclose the terms of this Agreement to any person or entity for any reason at any time without the prior written consent of REG, except for disclosures to his immediate family, his attorneys, for tax purposes to his accountant or tax consultant, his financial planner(s), and state and federal authorities, or as required by law. All such persons to whom Employee discloses such information shall be informed of the confidential nature of the information and shall agree to keep such information confidential. REG may disclose this Agreement and Release or its terms as required by any law, rule, or regulation.

10. **Cooperation**. Employee shall make himself reasonably available, taking into account his other business and persona commitments, to cooperate with REG, its subsidiaries and affiliates and any of their respective officers, directors, shareholders, employees or agents in connection with any investigation, inquiry, administrative proceeding or litigation relating to any matter in which Employee becomes involved or of which Employee has knowledge as a result of Employee's service with REG or any of its subsidiaries or affiliates.

11. **Heirs and Successors Bound by Agreement**. This Agreement shall be binding upon Employee and upon Employee's spouse, heirs, representatives, successors, and assigns, and shall be binding on and inure to the benefit of REG and the other Persons Released.

12. **Iowa Law Governs**. This Agreement is made and entered into in the state of Iowa, and shall in all respects be interpreted, enforced and governed under the laws of the state of Iowa.

13. **Severability**. Should any provision of this Agreement be declared or be determined by any Court to be to be illegal or invalid, the validity of the remaining parts, terms, or provisions shall not be affected thereby.

14. **Entire Agreement**. This Agreement sets forth the entire agreement between the parties hereto, and fully supersedes any and all prior agreements or understandings between the parties hereto pertaining to the subject matter hereof. The terms of the Employment Agreement and Non-Competition and Confidentiality Agreement remain in effect to the extent they do not conflict with this Agreement and Release. To the extent there is a conflict between this Agreement and the Employment Agreement or Non-Competition and Confidentiality Agreement, the terms of this Agreement will control.

15. **Time Periods**. Employee has twenty-one (21) days from the date of receiving this document to consider whether or not to execute this Agreement. In the event of such execution, Employee has a further period of seven (7) days from the date of execution in which

to revoke such execution, in which case this Agreement shall become null and void and neither party shall have any obligation under this Agreement. This Agreement shall not become effective or enforceable prior to the expiration of such seven (7) day period.

16. **Arbitration**. All disputes between the parties or any claims concerning the performance, breach, construction or interpretation of this Agreement and Release, or in any manner arising out of this Agreement and Release, shall be submitted to binding arbitration in accordance with the Commercial Arbitration Rules, as amended from time to time, of the American Arbitration Association (the "AAA"), which arbitration shall be carried out in the manner set forth below:

(a) Within fifteen days after written notice by one party to the other party of its demand for arbitration, which demand shall set forth the name and address of its designated arbitrator, the other party shall appoint its designated arbitrator and so notify the demanding party. Within fifteen days thereafter, the two arbitrators so appointed shall appoint the third arbitrator. If the two appointed arbitrators cannot agree on the third arbitrator, then the AAA shall appoint an independent arbitrator as the third arbitrator. The dispute shall be heard by the arbitrators within 90 days after appointment of the third arbitrator. The decision of any two or all three of the arbitrators shall be binding upon the parties without any right of appeal. The decision of the arbitrators shall be final and binding upon the Company, its successors and assigns, and upon Employee, his heirs, personal representatives, and legal representatives.

(b) The arbitration proceedings shall take place in Des Moines, Iowa, and the judgment and determination of such proceedings shall be binding on all parties. Judgment upon any award rendered by the arbitrators may be entered into any court having competent jurisdiction without any right of appeal.

(c) Each party shall pay its or his own expenses of arbitration, and the expenses of the arbitrators and the arbitration proceeding shall be shared equally. However, if in the opinion of a majority of the arbitrators, any claim or defense was unreasonable, the arbitrators may assess, as part of their award, all or any part of the arbitration expenses of the other party (including reasonable attorneys' fees) and of the arbitrators and the arbitration proceeding.

17. **Miscellaneous**. Employee has read this Agreement and understands its terms and effects. Employee is signing this Agreement knowingly and voluntarily and with the intention of releasing all causes of action, liabilities, rights and claims described above and acknowledges he has been advised in writing to consult, and has had the time and opportunity to consult with competent legal counsel of his selection.

Intending to be bound according to its terms, Employee and REG have signed this Agreement and Release as of the dates stated below.

Renewable Energy Group, Inc. **Employee**

By: /s/ Cynthia J. Warner By: /s/ Brad Albin
Name: Cynthia J. Warner Name: Brad Albin
Title: President and Chief Executive Officer

Date /date/ Date /date/

Attachments: Employment Agreement; Termination Payments Schedule; Employee Non-Competition and Confidentiality Agreement

Termination Payments Schedule

Payment Type	Amount of Payment	Timing of Payment
Accrued but unpaid Annual Salary and PTO (7.3(a)(i)(A))	Salary: PTO: [$109,789.96]	On next customary payroll date following Effective Date
Reimbursement for expenses incurred but unpaid prior to Effective Date (7.3(a)(i)(B))	[Employee to provide documentation]	On next customary payroll date following Effective Date
Cash payment equal to 100% of Annual Salary (7.3(a)(i)(C))	$420,000.00	Equal installments over 12 month period according to REG's customary payroll practices beginning August 1, 2021
Cash payment equal to prorated Annual Bonus based on actual performance for 2021 (7.3(a)(i)(D))	[$105,000] with adjustments to be made in 2022 based on actual performance as calculated for 2021	Equal installments over 12 month period according to REG's customary payroll practices beginning August 1, 2021
Health benefits (7.3(a)(i)(E))	Same costs to Employee as would have applied in the absence of termination	Coverage for 12 months beginning June 2, 2021; except after Employee becomes eligible for benefits of same type by another employer

EXHIBIT 10.4

Renewable Energy Group, Inc.

Good Leaver Program

Making the decision to retire is often a challenging process for some individuals who are ready to move on to the next chapter of their lives but do not want to give up some of the financial benefits that come with staying with the company.

To support qualified individuals in being able to access a portion of granted but unvested stock, REG is proud to offer the “Good Leaver” Program.

Under this program, retirement will be defined as:

- Being at least 55 years of age and having at least ten years of service with REG or being at least 60 years of age and having at least five years of service with REG on the last date of employment;
- Providing a six month notice of intent to retire in advance of the last date of employment; and
- Committing that the employee will not take a position at any level with a direct competitor as defined by REG’s CEO

This program will cover all US based employees who have outstanding equity grants under the REG stock incentive plan.

Employees who retire under the Good Leaver Program will be eligible to retain a pro-rated portion of any unvested equity awards (awarded via annual LTIP process or awarded as ad hoc RSUs) based on termination date. Conditions on the pro-ration include:

- The pro-rata portion of time based awards will vest and be distributed on the scheduled vesting date;
- Performance based awards will vest once the performance measurement has been completed and certified by the Compensation Committee;
- Accounts will be updated upon retirement to reflect the pro-ration of the equity grant. All other unvested shares will be forfeited upon retirement; and
- If any of the prior required qualifications are not maintained after retirement, all unvested stock will be forfeited (i.e. former employee violates the non-solicit/non-compete policy, confidential information is used, etc.).

Exhibit 31.1

I, Cynthia J. Warner, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Renewable Energy Group, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Dated: August 5, 2021

/s/ Cynthia J. Warner
Cynthia J. Warner
President and Chief Executive Officer

Exhibit 31.2

I, R. Craig Bealmear, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Renewable Energy Group, Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 5, 2021

/s/ R. Craig Bealmear

R. Craig Bealmear
Chief Financial Officer

Exhibit 32.1

SECTION 1350 CERTIFICATIONS

I, Cynthia J. Warner, President and Chief Executive Officer of Renewable Energy Group, Inc. (the “Company”), certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge the Quarterly Report on Form 10-Q of the Company (the “Report”), which accompanies this Certificate, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 5, 2021

/s/ Cynthia J. Warner
Cynthia J. Warner
President and Chief Executive Officer

Exhibit 32.2

SECTION 1350 CERTIFICATIONS

I, R. Craig Bealmear, Chief Financial Officer of Renewable Energy Group, Inc. (the “Company”), certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge the Quarterly Report on Form 10-Q of the Company (the “Report”), which accompanies this Certificate, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 5, 2021

/s/ R. Craig Bealmear
R. Craig Bealmear
Chief Financial Officer