# 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 September 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 October 31, 2021, the registrant had 50,270,502 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;
- 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;
- 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 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)**

| | September 30, 2021 | December 31, 2020 |
|---|---|---|
| **ASSETS** | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | $ 585,575 | $ 84,441 |
| Marketable securities | 307,894 | 149,521 |
| Accounts receivable (net of allowance for doubtful accounts of $ 1,768 and $ 1,631, respectively) | 196,903 | 143,475 |
| Inventories | 374,106 | 209,361 |
| Prepaid expenses and other assets | 89,051 | 67,657 |
| Restricted cash | 4,556 | 3,777 |
| Total current assets | 1,558,085 | 658,232 |
| Long-term marketable securities | 151,015 | 120,022 |
| Property, plant and equipment, net | 630,915 | 594,796 |
| Right of use assets | 35,379 | 28,840 |
| Goodwill | 16,080 | 16,080 |
| Intangible assets, net | 8,731 | 10,708 |
| Other assets | 44,012 | 32,720 |
| TOTAL ASSETS | $ 2,444,217 | $ 1,461,398 |
| **LIABILITIES AND EQUITY** | | |
| CURRENT LIABILITIES: | | |
| Current maturities of long-term debt | $ 3 | $ 50,088 |
| Current maturities of operating lease obligations | 12,328 | 14,581 |
| Accounts payable | 128,865 | 132,938 |
| Accrued expenses and other liabilities | 48,206 | 34,875 |
| Deferred revenue | 11,370 | 13,488 |
| Total current liabilities | 200,772 | 245,970 |
| Deferred income taxes | 6,965 | 6,607 |
| Long-term debt (net of debt issuance costs of $ 13,759 and $ 1,731, respectively) | 536,241 | 15,158 |
| Long-term operating lease obligations | 22,920 | 15,223 |
| Other liabilities | 2,045 | 4,485 |
| Total liabilities | 768,943 | 287,443 |
| COMMITMENTS AND CONTINGENCIES | | |
| EQUITY: | | |
| Common stock ($0.0001 par value; 300,000,000 shares authorized; 50,267,874 and 39,334,839 shares outstanding, respectively) | 6 | 5 |
| Common stock—additional paid-in-capital | 707,069 | 392,247 |
| Retained earnings | 1,052,416 | 891,211 |
| Accumulated other comprehensive income (loss) | (924) | 1,160 |
| Treasury stock (6,220,038 and 10,591,074 shares outstanding, respectively) | (83,293) | (110,668) |
| Total equity | 1,675,274 | 1,173,955 |
| TOTAL LIABILITIES AND EQUITY | $ 2,444,217 | $ 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 | | Nine months ended | |
|---|---|---|---|---|
| | September 30, 2021 | September 30, 2020 | September 30, 2021 | September 30, 2020 |
| REVENUES: | | | | |
| Bio-based diesel sales | $ 919,051 | $ 492,769 | $ 2,139,938 | $ 1,350,496 |
| Bio-based diesel government incentives | 87,287 | 79,484 | 222,309 | 238,006 |
| | 1,006,338 | 572,253 | 2,362,247 | 1,588,502 |
| Other revenue | 4 | 105 | 58 | 718 |
| | 1,006,342 | 572,358 | 2,362,305 | 1,589,220 |
| | | | | |
| COSTS OF GOODS SOLD | 917,434 | 498,402 | 2,076,083 | 1,387,147 |
| GROSS PROFIT | 88,908 | 73,956 | 286,222 | 202,073 |
| SELLING, GENERAL AND ADMINISTRATIVE EXPENSES | 34,354 | 31,059 | 100,546 | 86,971 |
| GAIN ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT | — | — | (39) | (187) |
| IMPAIRMENT OF ASSETS | 3,498 | 19,256 | 5,236 | 19,256 |
| INCOME FROM OPERATIONS | 51,056 | 23,641 | 180,479 | 96,033 |
| OTHER INCOME (EXPENSE), NET: | | | | |
| Gain (loss) on debt extinguishment | — | 18 | (4,449) | 1,809 |
| Gain on lease termination | — | — | — | 4,459 |
| Interest income | 1,420 | 777 | 3,916 | 1,327 |
| Other income (expense) | (738) | 818 | (199) | 2,178 |
| Interest expense | (8,619) | (1,545) | (14,007) | (6,154) |
| | (7,937) | 68 | (14,739) | 3,619 |
| INCOME BEFORE INCOME TAXES | 43,119 | 23,709 | 165,740 | 99,652 |
| INCOME TAX EXPENSE | (652) | (1,046) | (4,535) | (4,007) |
| NET INCOME | $ 42,467 | $ 22,663 | $ 161,205 | $ 95,645 |
| | | | | |
| LESS—EFFECT OF PARTICIPATING SHARE-BASED AWARDS | 334 | 440 | 1,735 | 1,895 |
| NET INCOME AVAILABLE TO COMMON STOCKHOLDERS | $ 42,133 | $ 22,223 | $ 159,470 | $ 93,750 |
| Basic net income per share available to common stockholders: | | | | |
| Net income per share | $ 0.84 | $ 0.57 | $ 3.44 | $ 2.39 |
| Diluted net income per share available to common stockholders: | | | | |
| Net income per share | $ 0.83 | $ 0.51 | $ 3.41 | $ 2.17 |
| Weighted-average shares used to compute basic net income per share available to common stockholders: | | | | |
| Basic | 50,249,162 | 39,306,263 | 46,301,147 | 39,154,788 |
| Weighted-average shares used to compute diluted net income per share available to common stockholders: | | | | |
| Diluted | 50,563,451 | 43,624,340 | 46,739,811 | 43,107,989 |

See notes to condensed consolidated financial statements.

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

| | Three months ended | | Nine months ended | |
|---|---|---|---|---|
| | September 30, 2021 | September 30, 2020 | September 30, 2021 | September 30, 2020 |
| Net income | $ 42,467 | $ 22,663 | $ 161,205 | $ 95,645 |
| Unrealized gains (losses) on marketable securities, net of taxes of $—, $(99), $(11) and $9, respectively | 112 | (176) | (130) | 131 |
| Foreign currency translation adjustments | (956) | 982 | (1,954) | 966 |
| Other comprehensive income (loss) | (844) | 806 | (2,084) | 1,097 |
| Comprehensive income | $ 41,623 | $ 23,469 | $ 159,121 | $ 96,742 |

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 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 |
| Conversion of restricted stock units to common stock (net of 2,138 shares of treasury stock purchased) | 5,039 | — | — | — | — | (107) | (107) |
| Settlement of stock appreciation rights in common stock (net of 26,268 shares of treasury stock purchased) | 27,767 | — | (14) | — | — | (1,387) | (1,401) |
| Stock compensation expense | — | — | 1,964 | — | — | — | 1,964 |
| Other comprehensive loss | — | — | — | — | (844) | — | (844) |
| Net income | — | — | — | 42,467 | — | — | 42,467 |
| BALANCE, September 30, 2021 | 50,267,874 | $ 6 | $ 707,069 | $ 1,052,416 | $ (924) | $ (83,293) | $ 1,675,274 |

| | 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, 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 |
| Conversion of restricted stock units to common stock (net of 30,624 shares of treasury stock purchased) | 23,800 | — | — | — | — | (1,185) | (1,185) |
| Settlement of stock appreciation rights in common stock (net of 7,095 shares of treasury stock purchased) | 16,360 | — | (279) | — | — | (247) | (526) |
| Convertible debt extinguishment impact (net of tax impact of $ 318) | — | — | (13,992) | — | — | — | (13,992) |
| Stock compensation expense | — | — | 1,811 | — | — | — | 1,811 |
| Other comprehensive income | — | — | — | — | 806 | — | 806 |
| Net income | — | — | — | 22,663 | — | — | 22,663 |
| BALANCE, September 30, 2020 | 39,332,314 | $ 5 | $ 390,383 | $ 864,043 | $ (897) | $ (110,577) | $ 1,142,957 |

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

| | Nine months ended | |
|---|---|---|
| | September 30, 2021 | September 30, 2020 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income | $ 161,205 | $ 95,645 |
| Adjustments to reconcile net income to net cash flows from operating activities: | | |
| Depreciation expense | 33,100 | 27,425 |
| Amortization expense of assets and liabilities, net | 15,014 | 12,026 |
| Accretion of convertible note discount | 247 | 652 |
| Amortization of marketable securities | 2,436 | 366 |
| Gain on sale of property, plant and equipment | (39) | (187) |
| (Gain) loss on debt extinguishment | 4,449 | (1,809) |
| Provision for doubtful accounts | 615 | 716 |
| Impairment of assets | 5,236 | 19,256 |
| Stock compensation expense | 5,770 | 5,033 |
| Deferred tax expense | 2,831 | 2,092 |
| Gain on lease termination | — | (4,459) |
| Other operating activities | 122 | 3 |
| Changes in assets and liabilities: | | |
| Accounts receivable, net | (54,274) | 670,395 |
| Inventories | (164,762) | 15,445 |
| Prepaid expenses and other assets | (34,543) | (36,827) |
| Accounts payable | (17,757) | (228,748) |
| Accrued expenses and other liabilities | 11,035 | (12,185) |
| Operating lease obligations | (11,973) | (11,489) |
| Deferred revenue | (2,117) | 1,034 |
| Cash (used in) provided by operating activities | (43,405) | 554,384 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Cash paid for marketable securities | (419,417) | (305,726) |
| Cash received from maturities of marketable securities | 227,486 | 19,000 |
| Cash paid for purchase of property, plant and equipment | (63,117) | (46,945) |
| Other investing activities | (1,501) | 187 |
| Cash used in investing activities | (256,549) | (333,484) |
| 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 | (78,058) | (91,590) |
| Cash paid for debt issuance costs | (13,010) | — |
| 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 | (21,943) | (5,649) |
| Cash provided from (used in) financing activities | 802,269 | (174,229) |
| NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH | 502,315 | 46,671 |
| CASH, CASH EQUIVALENTS AND RESTRICTED CASH, Beginning of period | 88,218 | 53,436 |
| Effect of exchange rate changes on cash | (402) | 80 |
| CASH, CASH EQUIVALENTS AND RESTRICTED CASH, End of period | $ 590,131 | $ 100,187 |

(continued)

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

| | Nine months ended | |
|---|---|---|
| | **September 30, 2021** | **September 30, 2020** |
| SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION: | | |
| Cash paid for income taxes | $ 4,685 | $ 15 |
| Cash paid for interest | $ 4,254 | $ 4,651 |
| Capitalized interest | $ 289 | $ — |
| Leased assets obtained in exchange for new operating lease liabilities | $ 19,038 | $ 3,807 |
| | | |
| SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES: | | |
| Amounts included in period-end accounts payable for: | | |
| Purchases of property, plant and equipment | $ 15,140 | $ 5,497 |
| Debt issuance cost | $ 1,892 | $ — |

(concluded)

See notes to condensed consolidated financial statements.

**RENEWABLE ENERGY GROUP, INC.**
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**
**For The Nine Months Ended September 30, 2021 and 2020**
**(unaudited)**
**(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 currently 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. In September 2021, the Company announced the closure of the Houston, Texas biorefinery, expected to be completed in January 2022. The Houston plant's nameplate capacity is 35 mmgy, which will reduce the Company's overall nameplate capacity to 470 mmgy.

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 September 30, 2021 and 2020, current restricted cash was $4,556 and $3,000 for each period, 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:

| | September 30, 2021 | September 30, 2020 |
|---|---|---|
| Cash and cash equivalents | $ 585,575 | $ 97,187 |
| Restricted cash | 4,556 | 3,000 |
| Total cash, cash equivalents and restricted cash in the Condensed Statements of Cash Flows | $ 590,131 | $ 100,187 |

**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 September 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 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.

**Goodwill**

Goodwill is tested for impairment annually as of July 31 or when impairment indicators exist. Goodwill is allocated and tested for impairment by reporting segments. At September 30, 2021 and December 31, 2020, the Company had approximately $16,080 of goodwill in the Services segment. As a result of the annual impairment test performed as of July 31, 2021, the Company determined that there were no indications of impairment related to the Services segment's goodwill. No impairment of goodwill was recorded during the three or nine months ended September 30, 2021 and for the year ended December 31, 2020.

**Impairment of Long-lived Assets**

The Company tests its long-lived assets for recoverability when events or circumstances indicate that its carrying amount may not be recoverable. Significant assumptions used in the undiscounted cash flow analysis, when it is required, include the projected demand for biomass-based diesel based on annual renewable fuel volume obligations under the Renewable Fuel Standards ("RFS2"), the Company's capacity to meet that demand, the market price of biomass-based diesel and the cost of feedstock used in the manufacturing process.

During the three and nine months ended September 30, 2021, the Company recorded impairment charges of $3,498 and $5,236, respectively, related to certain biodiesel property, plant and equipment as the carrying amounts of these assets were deemed not recoverable given the assets' deteriorating physical conditions identified during the periods noted above.

During the third quarter of 2020, the Company recorded impairment charges of $18,984 related to certain equipment where it was no longer probable that the assets will be utilized in future renewable diesel production expansions. In addition, the Company recorded impairment charges of $272 against certain biodiesel property, plant and equipment as the carrying amounts of these assets were deemed not recoverable given the assets' deteriorating physical conditions identified during the quarter.

**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 first half of 2021, the Company received notices of conversions related to the 2036 Convertible Senior Notes in total principal amount of $59,619. The Company elected to settle the principal balance in cash and the conversion premium by issuing 4,684,263 of common shares from treasury stock, resulting in a loss on debt extinguishment $1,449. The 2036 Convertible Senior Notes were fully converted as of June 2021 and all obligations thereto have been satisfied and discharged.

During the three and nine months ended September 30, 2020, the Company used $18,086 to repurchase $5,000 principal amount and $75,890 to repurchase $30,008 principal amount of the 2036 Convertible Senior Notes, respectively, reflecting conversion premium, after tax impact, of $13,992 and $52,681, respectively, as a reduction of Additional Paid-in Capital and gains on debt extinguishment of $18 and $1,809, 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 5.875% senior secured notes due in 2028 (the "Green Bonds"). The Company recorded $14,619 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 improvement and 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 nine months ended September 30, 2020:

| | Three months ended September 30, 2020 | | | Nine months ended September 30, 2020 | | |
|---|---|---|---|---|---|---|
| | Principal amount in 000's | January 2019 Program | February 2020 Program | Principal amount in 000's | January 2019 Program | February 2020 Program |
| 2036 Convertible Senior Notes Repurchases | $ 5,000 | $ 10,000 | $ 8,086 | $ 30,008 | $ 67,804 | $ 8,086 |

The 2019 Program was fully utilized as of September 30, 2020. There were no repurchases under the 2020 Program in the three or nine months ended September 30, 2021, and the remaining amount of the 2020 Program was $91,914 as of September 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:

| Three months ended September 30, 2021 | Bio-based Diesel | Services | Corporate and other | Intersegment Revenues | Consolidated Total |
|---|---|---|---|---|---|
| | Reportable Segments | | | | |
| Bio-based diesel sales | $ 677,506 | $ — | $ — | $ (1,278) | $ 676,228 |
| Petroleum diesel sales | — | — | 33,582 | — | 33,582 |
| LCFS credit sales | 27,921 | — | — | — | 27,921 |
| Separated RIN sales | 142,402 | — | — | — | 142,402 |
| Co-product sales | 25,519 | — | — | — | 25,519 |
| Raw material sales | 3,496 | — | — | — | 3,496 |
| Other bio-based diesel revenue | 9,903 | — | — | — | 9,903 |
| Other revenues | — | 99,442 | — | (99,438) | 4 |
| **Total revenues from contracts with customers** | $ 886,747 | $ 99,442 | $ 33,582 | $ (100,716) | $ 919,055 |
| Bio-based diesel government incentives | 87,287 | — | — | — | 87,287 |
| **Total revenues** | $ 974,034 | $ 99,442 | $ 33,582 | $ (100,716) | $ 1,006,342 |

| Three months ended September 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 $(19) | $ 387,239 | $ — | $ — | $ (3,490) | $ 383,749 |
| Petroleum diesel sales | — | — | 19,801 | — | 19,801 |
| LCFS credit sales | 32,636 | — | — | — | 32,636 |
| Separated RIN sales | 27,492 | — | — | — | 27,492 |
| Co-product sales | 11,732 | — | — | — | 11,732 |
| Raw material sales | 6,476 | — | — | — | 6,476 |
| Other bio-based diesel revenue | 10,883 | — | — | — | 10,883 |
| Other revenues | — | 21,483 | — | (21,378) | 105 |
| **Total revenues from contracts with customers** | $ 476,458 | $ 21,483 | $ 19,801 | $ (24,868) | $ 492,874 |
| Bio-based diesel government incentives | 79,484 | — | — | — | 79,484 |
| **Total revenues** | $ 555,942 | $ 21,483 | $ 19,801 | $ (24,868) | $ 572,358 |

| Nine months ended September 30, 2021 | Reportable Segments Bio-based Diesel | Services | Corporate and other | Intersegment Revenues | Consolidated Total |
|---|---|---|---|---|---|
| Bio-based diesel sales | $ 1,600,395 | $ — | $ — | $ (3,695) | $ 1,596,700 |
| Petroleum diesel sales | — | — | 107,769 | — | 107,769 |
| Separated RIN sales | 239,391 | — | — | — | 239,391 |
| LCFS credit sales | 105,382 | — | — | — | 105,382 |
| Co-product sales | 54,735 | — | — | — | 54,735 |
| Raw material sales | 8,581 | — | — | — | 8,581 |
| Other bio-based diesel revenue | 27,380 | — | — | — | 27,380 |
| Other revenues | — | 136,202 | — | (136,144) | 58 |
| **Total revenues from contracts with customers** | $ 2,035,864 | $ 136,202 | $ 107,769 | $ (139,839) | $ 2,139,996 |
| Bio-based diesel government incentives | 222,309 | — | — | — | 222,309 |
| **Total revenues** | $ 2,258,173 | $ 136,202 | $ 107,769 | $ (139,839) | $ 2,362,305 |

| Nine months ended September 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 $1,085 | $ 1,009,723 | $ — | $ — | $ (6,593) | $ 1,003,130 |
| Petroleum diesel sales | — | — | 86,633 | — | 86,633 |
| Separated RIN sales | 70,004 | — | — | — | 70,004 |
| LCFS credit sales | 97,379 | — | — | — | 97,379 |
| Co-product sales | 36,684 | — | — | — | 36,684 |
| Raw material sales | 25,122 | — | — | — | 25,122 |
| Other bio-based diesel revenue | 31,544 | — | — | — | 31,544 |
| Other revenues | — | 67,502 | — | (66,784) | 718 |
| **Total revenues from contracts with customers** | $ 1,270,456 | $ 67,502 | $ 86,633 | $ (73,377) | $ 1,351,214 |
| Bio-based diesel government incentives | 238,006 | — | — | — | 238,006 |
| **Total revenues** | $ 1,508,462 | $ 67,502 | $ 86,633 | $ (73,377) | $ 1,589,220 |

Contract balances:

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

| | September 30, 2021 | December 31, 2020 |
|---|---|---|
| Trade accounts receivable from customers | $ 147,944 | $ 74,774 |
| Short-term contract liabilities (deferred revenue) | $ (250) | $ (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 nine months ended September 30, 2021 and 2020 are as follows:

| | July 1, 2021 | Cash receipts (Payments) | Less: Impact on Revenue | Other | September 30, 2021 |
|---|---|---|---|---|---|
| Deferred revenue | $ 1,117 | $ 2,706 | $ 3,573 | $ — | $ 250 |
| Payables to customers related to BTC | 699 | — | — | — | 699 |
| | $ 1,816 | $ 2,706 | $ 3,573 | $ — | $ 949 |

| | July 1, 2020 | Cash receipts (Payments) | Less: Impact on Revenue | Other | September 30, 2020 |
|---|---|---|---|---|---|
| Deferred revenue | $ 2 | $ 4,371 | $ 4,366 | $ — | $ 7 |
| Payables to customers related to BTC | 75,330 | (31,818) | — | — | 43,512 |
| | $ 75,332 | $ (27,447) | $ 4,366 | $ — | $ 43,519 |

| | January 1, 2021 | Cash receipts (Payments) | Less: Impact on Revenue | Other | September 30, 2021 |
|---|---|---|---|---|---|
| Deferred revenue | $ 946 | $ 20,633 | $ 21,329 | $ — | $ 250 |
| Payables to customers related to BTC | 914 | (215) | — | — | 699 |
| | $ 1,860 | $ 20,418 | $ 21,329 | $ — | $ 949 |

| | January 1, 2020 | Cash receipts (Payments) | Less: Impact on Revenue | Other | September 30, 2020 |
|---|---|---|---|---|---|
| Deferred revenue | $ 631 | $ 18,107 | $ 18,731 | $ — | $ 7 |
| Payables to customers related to BTC | 255,193 | (214,637) | — | 2,956 | 43,512 |
| | $ 255,824 | $ (196,530) | $ 18,731 | $ 2,956 | $ 43,519 |

**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:

| | September 30, 2021 | | | | |
|---|---|---|---|---|---|
| | Maturity | Gross Amortized Cost | Total Unrealized Gains | Total Unrealized Losses | Fair Value |
| | | Short-term marketable securities | | | |
| Commercial paper | Within one year | $ 141,157 | $ 13 | $ (13) | $ 141,157 |
| Corporate bonds | Within one year | 160,942 | 39 | (49) | 160,932 |
| Municipal bonds | Within one year | 5,800 | 5 | — | 5,805 |
| Total | | $ 307,899 | $ 57 | $ (62) | $ 307,894 |
| | | Long-term marketable securities | | | |
| Corporate bonds | Within one - five years | $ 142,395 | $ 17 | $ (82) | $ 142,330 |
| Municipal bonds | Within one - five years | 8,692 | — | (7) | 8,685 |
| Total | | $ 151,087 | $ 17 | $ (89) | $ 151,015 |

| | 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:

| | September 30, 2021 | December 31, 2020 |
|---|---|---|
| Raw materials | $ 183,556 | $ 65,969 |
| Work in process | 7,063 | 5,515 |
| Finished goods | 183,487 | 137,877 |
| Total | $ 374,106 | $ 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 September 30, 2021 and December 31, 2020.

**NOTE 5 — OTHER ASSETS**

Prepaid expense and other assets consist of the following:

| | September 30, 2021 | December 31, 2020 |
|---|---|---|
| Commodity derivatives and related collateral, net | $ 5,033 | $ 5,433 |
| Prepaid expenses | 25,072 | 23,295 |
| Deposits | 1,915 | 2,047 |
| RIN inventory | 8,341 | 869 |
| Taxes receivable | 37,529 | 29,621 |
| Other | 11,161 | 6,392 |
| Total | $ 89,051 | $ 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 September 30, 2021 and December 31, 2020.

Other noncurrent assets consist of the following:

| | September 30, 2021 | December 31, 2020 |
|---|---|---|
| Investments | $ 14,520 | $ 13,005 |
| Spare parts inventory | 2,567 | 2,610 |
| Catalysts | 14,985 | 7,408 |
| Deposits | 357 | 451 |
| Other | 11,583 | 9,246 |
| Total | $ 44,012 | $ 32,720 |

## NOTE 6 — INTANGIBLE ASSETS

Intangible assets consist of the following:

| | September 30, 2021 | | |
|---|---|---|---|
| | Cost | Accumulated Amortization | Net |
| Raw material supply agreement | $ 6,230 | $ (4,096) | $ 2,134 |
| Renewable diesel technology | 8,300 | (4,058) | 4,242 |
| Acquired customer relationships | 4,747 | (2,395) | 2,352 |
| Other intangibles | 200 | (197) | 3 |
| Total intangible assets | $ 19,477 | $ (10,746) | $ 8,731 |

| | 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 $449 and $1,273 for the three and nine months ended September 30, 2021, and $328 and $999 for the three and nine months ended September 30, 2020, respectively.

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

| | |
|---|---|
| October 1, 2021 through December 31, 2021 | $ 452 |
| 2022 | 1,619 |
| 2023 | 1,629 |
| 2024 | 1,640 |
| 2025 | 1,443 |
| 2026 | 611 |
| 2027 and thereafter | 1,337 |
| Total | $ 8,731 |

## NOTE 7 — DEBT

The following table shows the Company’s term debt:

| | September 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 | 3 | 14 |
| Total term debt before debt issuance costs | 550,003 | 66,977 |
| Less: Current portion of long-term debt | 3 | 50,088 |
| Less: Debt issuance costs (net of accumulated amortization of $860 and $990, respectively) | 13,759 | 1,731 |
| Total long-term debt | $ 536,241 | $ 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 improvement and expansion of its Geismar, Louisiana renewable diesel biorefinery. The Company recorded $14,619 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.

**Line of Credit**

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

| | September 30, 2021 | December 31, 2020 |
|---|---|---|
| Amount outstanding under line of credit | $ — | $ — |
| Maximum available to be borrowed under line of credit | $ 249,666 | $ 149,666 |

On September 30, 2021, REG Services Group, LLC and REG Marketing & Logistics, LLC, wholly-owned subsidiaries of the Company (which subsidiaries are referred to as the "subsidiary borrowers" under the following credit agreement), entered into Amendment No. 17 to Credit Agreement, which amends that certain Credit Agreement, dated as of December 23, 2011, by and among the subsidiary borrowers, the lenders party thereto (the “Lenders”), and Wells Fargo Capital Finance, LLC, as the agent (as amended, the “M&L and Services Revolver”). Effective from September 30, 2021, the maximum commitment of the Lenders under the M&L and Services Revolver to make revolving loans increased to $250,000, 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 $100,000, 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, 2026. 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 average daily amount the subsidiary borrower are entitled to borrower under the M&L and Services Revolver in each calendar quarter, which may range from 1.50% per annum to 2.00% per annum.

The M&L and Services Revolver contains various loan covenants that restrict each subsidiary borrower’s ability (and subject to certain exceptions, each Plant Loan Party's (as defined below) 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 availability under the M&L and Services Revolver is less than 10% of the $250,000 maximum commitment, or $25,000. 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 an overall dollar limitation with respect to each Plant Loan Party, 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 Mercantile Exchange ("CME") 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 September 30, 2021, the net notional volumes of NY Harbor ULSD, CME Soybean Oil and NYMEX Natural Gas covered under the open commodity derivative contracts were approximately 62 million gallons, 96 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. At September 30, 2021 and December 31, 2020, the net position included within prepaid and other assets was $5,033 and $5,433, respectively, and in accounts payable $441 and $0, respectively. 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:

| | September 30, 2021 | | December 31, 2020 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| Gross amounts of derivatives recognized at fair value | $ 6,251 | $ 10,227 | $ 3,458 | $ 12,164 |
| Cash collateral paid (received) | 8,568 | — | 14,139 | — |
| Total gross amount recognized | 14,819 | 10,227 | 17,597 | 12,164 |
| Gross amounts offset | (10,227) | (10,227) | (12,164) | (12,164) |
| Net amount reported in the condensed consolidated balance sheets | $ 4,592 | $ — | $ 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 September 30, 2021 | Three months ended September 30, 2020 | Nine months ended September 30, 2021 | Nine months ended September 30, 2020 |
|---|---|---|---|---|---|
| Commodity derivatives | Cost of goods sold – Bio-based diesel | $ (11,640) | $ 7,486 | $ (394) | $ 56,253 |

**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 September 30, 2021 | | | |
|---|---|---|---|---|
| | Total | Level 1 | Level 2 | Level 3 |
| Commercial paper | $ 141,157 | $ — | $ 141,157 | $ — |
| Corporate bonds | $ 303,262 | — | 303,262 | — |
| Municipal bonds | $ 14,490 | — | 14,490 | — |
| Commodity contract derivatives | $ (3,976) | (258) | (3,718) | — |
| | $ 454,933 | $ (258) | $ 455,191 | $ — |

| | 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 September 30, 2021 | | As of December 31, 2020 | |
|---|---|---|---|---|
| | Asset (Liability) Carrying Amount | Fair Value | Asset (Liability) Carrying Amount | Fair Value |
| Financial liabilities: | | | | |
| Debt and line of credit | $ (550,003) | $ (562,962) | $ (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 line of credit:* The fair value of long-term debt and line of credit was established using discounted cash flow calculations and current market rates reflecting Level 2 inputs.

**NOTE 10 — NET INCOME PER SHARE**

Basic net income 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 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. There were no anti-dilutive shares within the periods presented.

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

| | Three months ended September 30, 2021 | Three months ended September 30, 2020 | Nine months ended September 30, 2021 | Nine months ended September 30, 2020 |
|---|---|---|---|---|
| Net income available to the Company's common stockholders - Basic | $ 42,133 | $ 22,223 | $ 159,470 | $ 93,750 |
| Plus (less): effect of participating securities | 334 | 440 | 1,735 | 1,895 |
| Net income available to common stockholders | 42,467 | 22,663 | 161,205 | 95,645 |
| Less: effect of participating securities | (334) | (440) | (1,735) | (1,895) |
| Net income available to the Company's common stockholders - Diluted | $ 42,133 | $ 22,223 | $ 159,470 | $ 93,750 |
| Shares: | | | | |
| Weighted-average shares used to compute basic net income per share | 50,249,162 | 39,306,263 | 46,301,147 | 39,154,788 |
| Adjustment to reflect conversion of convertible notes | — | 3,835,950 | — | 3,451,385 |
| Adjustment to reflect stock appreciation right conversions | 314,289 | 482,127 | 438,664 | 501,816 |
| Weighted-average shares used to compute diluted net income per share | 50,563,451 | 43,624,340 | 46,739,811 | 43,107,989 |
| Net income per share available to common stockholders - Diluted | | | | |
| Diluted net income | $ 0.83 | $ 0.51 | $ 3.41 | $ 2.17 |

**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 September 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 September 30, 2021 | Three months ended September 30, 2020 | Nine months ended September 30, 2021 | Nine months ended September 30, 2020 |
|---|---|---|---|---|
| Net sales from continuing operations: | | | | |
| Bio-based Diesel | $ 974,034 | $ 555,942 | $ 2,258,173 | $ 1,508,462 |
| Services | 99,442 | 21,483 | 136,202 | 67,502 |
| Corporate and Other | 33,582 | 19,801 | 107,769 | 86,633 |
| Intersegment revenues | (100,716) | (24,868) | (139,839) | (73,377) |
| | $ 1,006,342 | $ 572,358 | $ 2,362,305 | $ 1,589,220 |
| Income (loss) from continuing operations before income taxes: | | | | |
| Bio-based Diesel | $ 59,426 | $ 27,167 | $ 203,751 | $ 104,577 |
| Services | (6,759) | (1,537) | (15,696) | (2,545) |
| Corporate and Other | (9,548) | (1,921) | (22,315) | (2,380) |
| | $ 43,119 | $ 23,709 | $ 165,740 | $ 99,652 |
| Depreciation and amortization expense, net: | | | | |
| Bio-based Diesel | $ 13,719 | $ 10,572 | $ 42,309 | $ 34,002 |
| Services | 931 | 847 | 2,780 | 2,430 |
| Corporate and Other | 992 | 1,027 | 3,025 | 3,019 |
| | $ 15,642 | $ 12,446 | $ 48,114 | $ 39,451 |
| Cash paid for purchases of property, plant and equipment: | | | | |
| Bio-based Diesel | $ 29,729 | $ 14,139 | $ 60,114 | $ 37,072 |
| Services | 842 | 1,714 | 2,504 | 3,880 |
| Corporate and Other | 68 | 45 | 499 | 5,993 |
| | $ 30,639 | $ 15,898 | $ 63,117 | $ 46,945 |

| | September 30, 2021 | December 31, 2020 |
|---|---|---|
| Goodwill: | | |
| Services | $ 16,080 | $ 16,080 |
| | | |
| Assets: | | |
| Bio-based Diesel | $ 1,444,323 | $ 1,101,179 |
| Services | 116,300 | 69,152 |
| Corporate and Other | 1,550,401 | 784,829 |
| Intersegment eliminations | (666,807) | (493,762) |
| | $ 2,444,217 | $ 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 September 30, 2021 | Three months ended September 30, 2020 | Nine months ended September 30, 2021 | Nine months ended September 30, 2020 |
|---|---|---|---|---|
| Net revenues: | | | | |
| United States | $ 909,061 | $ 475,521 | $ 2,102,082 | $ 1,324,562 |
| International | 97,281 | 96,837 | 260,223 | 264,658 |
| | $ 1,006,342 | $ 572,358 | $ 2,362,305 | $ 1,589,220 |

| | September 30, 2021 | December 31, 2020 |
|---|---|---|
| Long-lived assets: | | |
| United States | $ 601,032 | $ 565,657 |
| International | 29,883 | 29,139 |
| | $ 630,915 | $ 594,796 |

## NOTE 12 — COMMITMENTS AND CONTINGENCIES

### Commitments

In October 2020, the Company announced that it planned to expand the effective capacity of its Geismar, Louisiana biorefinery. The Geismar project brings together the planned improvement and expansion project for the existing site. The Geismar project is expected to take total site production capacity from 90 mmgy to 340 mmgy, enhance existing operations and improve operational reliability and logistics. The expansion is expected to be mechanically complete in 2023 with full operations in early 2024. The capital cost for the Geismar project is estimated to be $950,000. In connection with its announced improvement and expansion of our Geismar, Louisiana biorefinery facility, the Company has entered into construction, marine terminal lease, which is expected to commence in August 2023, and other long-lead time contracts for the project. Currently the estimated total future commitments under these contracts amount to approximately $429,982.

The following table outlines the minimum contract commitments related to the executed contracts noted above.

| | Construction Commitments | Minimum Lease Commitments | Total Commitments |
|---|---|---|---|
| October 1 - December 31, 2021 | $ 21,378 | $ — | $ 21,378 |
| 2022 | 64,398 | — | 64,398 |
| 2023 | 17,179 | 9,083 | 26,262 |
| 2024 | 31 | 21,800 | 21,831 |
| 2025 | — | 21,800 | 21,800 |
| 2026 | — | 21,800 | 21,800 |
| 2027 and thereafter | — | 252,513 | 252,513 |
| Total | $ 102,986 | $ 326,996 | $ 429,982 |

### 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. On August 2, 2021, a second stockholder derivative complaint purportedly arising out of the same events and purporting to assert similar claims, was filed in the Supreme Court for the State of New York. Both of these derivative actions have been stayed.

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.

In addition, the Securities and Exchange Commission ("SEC") requested information about the restatement, and the Company cooperated with the SEC. On October 1, 2021, the SEC Staff notified the Company that the Staff terminated its investigation with no enforcement action recommended against the Company, in accordance with SEC guidelines.

## 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. In October 2021, we entered into a long-term agreement with GoodFuels, a leading supplier of sustainable marine biofuels and global producer and supplier of renewable fuels, for the supply and development of sustainable marine biofuel solutions for the global shipping industry. In November 2021, we entered into a partnership with Canadian Northern Railway to test bio and renewable diesel blends for their locomotive fleet. 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 improvement project for the existing site as well as the planned expansion. The Geismar 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 expansion is expected to be mechanically complete in 2023 with full operations in early 2024. The capital cost for the Geismar project 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. We have also agreed to construction contracts for large parts of the work associated with the improvements and expansion. 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 improvements and 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 improvements and 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 $14.6 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 improvements and 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 currently 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"). In September 2021, the Company announced the closure of the Houston, Texas biorefinery, expected to be completed in January 2022. The Houston plant's nameplate capacity is 35 mmgy which will reduce the Company's overall nameplate capacity to 470 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 nine months ended September 30, 2021 and 2020 (totals may not foot due to rounding):

| | | Gallons sold (millions) | | | |
|---|---|---|---|---|---|
| | | Three months ended September 30, 2021 | Three months ended September 30, 2020 | Nine months ended September 30, 2021 | Nine months ended September 30, 2020 |
| **REG-produced Bio-based Diesel:** | | | | | |
| | Biodiesel - U.S. | 105.2 | 108.6 | 274.9 | 293.4 |
| | Biodiesel - International | 10.4 | 13.6 | 31.4 | 37.6 |
| | Renewable diesel | 25.1 | 18.3 | 53.2 | 56.0 |
| | | 140.7 | 140.6 | 359.5 | 387.0 |
| **Third party Bio-based Diesel:** | | | | | |
| | Biodiesel | 6.1 | 7.2 | 17.5 | 15.4 |
| | Renewable diesel | 14.3 | 12.3 | 40.3 | 30.2 |
| | | 20.3 | 19.5 | 57.8 | 45.6 |
| | | | | | |
| **Petroleum-based diesel** | | 15.4 | 16.2 | 56.4 | 66.5 |
| **Total** | | 176.3 | 176.2 | 473.7 | 499.1 |

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 (this facility is expected to be closed January 2022);
  - 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 nine months ended September 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 nine months ended September 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 3% and 5% for the respective periods for 2021 and 3% and 5% 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 September 30, 2021 and December 31, 2020 according to OPIS:

| | Quantity | | OPIS Median Closing Price per RIN | |
|---|---|---|---|---|
| | September 30, 2021 | December 31, 2020 | September 30, 2021 | December 31, 2020 |
| Bio-based diesel RINs | 26,848,183 | 3,962,710 | $ 1.42 | $ 1.02 |
| Advanced biofuels RINs | 3,105,625 | 817,464 | $ 1.42 | $ 1.02 |

We generate Low Carbon Fuel Standard, or LCFS, credits for our low carbon fuels 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 nine months of 2021, the value of LCFS credits decreased from $199 per credit on January 4, 2021 to $159 per credit on September 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 September 30, 2021 and December 31, 2020 according to OPIS:

| | Quantity | | OPIS Median Closing Price per LCFS Credit | |
|---|---|---|---|---|
| | September 30, 2021 | December 31, 2020 | September 30, 2021 | December 31, 2020 |
| California LCFS | 37,259 | 2,618 | $ 158.75 | $ 199.00 |
| Oregon LCFS | 2,026 | 8,967 | $ 125.50 | $ 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 nine months 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 line 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.

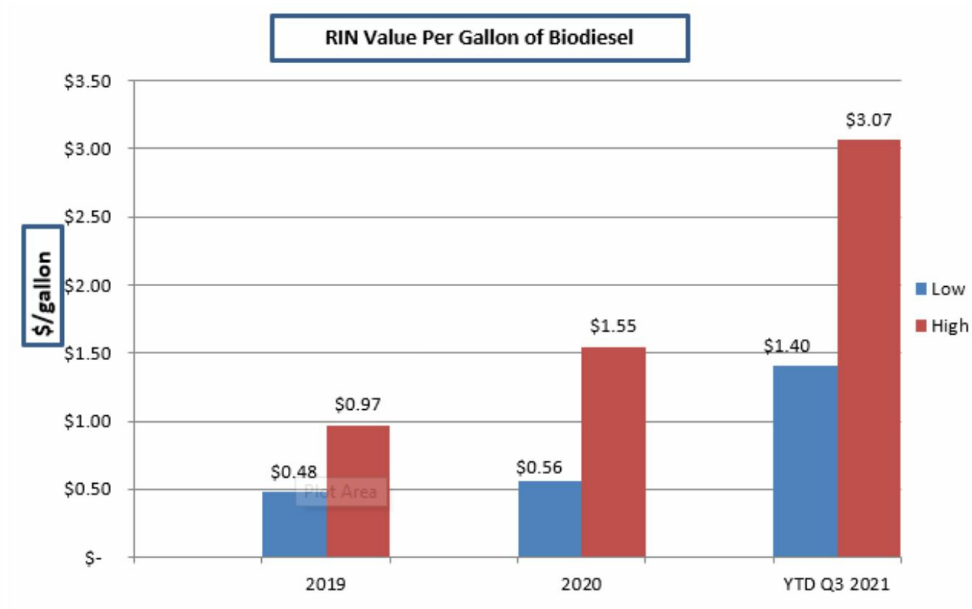
As a result of this history of retroactive reinstatement of the BTC, we and many other bio-based diesel industry producers have adopted contractual arrangements with customers and vendors specifying the allocation and sharing of any retroactively reinstated incentive. The BTC net benefit was allocated 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 nine 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 $2.12 per gallon at the end of September 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 nine months 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 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 nine 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 nine months of 2021 of our costs of goods sold.

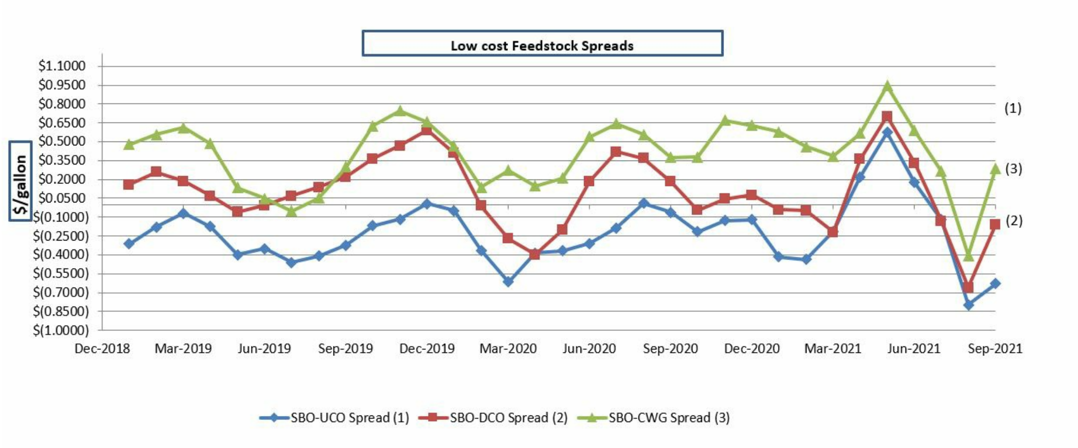
Feedstocks for bio-based diesel production, such as distillers corn oil, used cooking oil, animal fat, canola oil and soybean oil, are commodities and market prices for them will be affected by a wide range of factors unrelated to the price of bio-based diesel and petroleum-based diesel. There are a 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 nine months of 2021, 65% and 77%, 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

September 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.



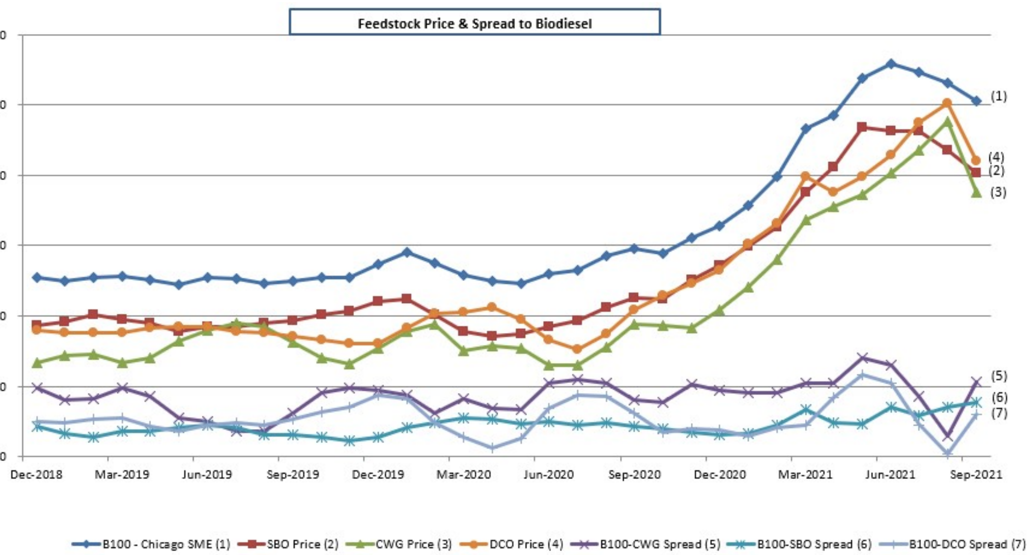

(1) Used cooking oil ("UCO") prices are based on the monthly average of the daily low sales price of C.I. adjusted Gulf of Mexico yellow grease as reported by The Jacobson for the period of January 1, 2019 through June 30, 2019. The prices from July 1, 2019 through September 30, 2021 are based on the 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 CME (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 September 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 CME (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 nine months of 2021, the average NY Harbor ULSD price was $1.96 per gallon, up $0.71 from the fourth quarter of 2020 average of $1.25 per gallon. NY Harbor ULSD prices increased during the first nine months of 2021, from a high of $2.34 per gallon in September 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. In late August, the impact of Hurricane Ida caused energy market prices to increase due to depressed supply as significant crude oil production and refinery capacity were taken offline for an extended period of time. Energy stocks have continued to draw down over the first nine months of 2021 to the lower end of the 5-year range with OPEC and other crude oil producers remaining cautious to ramp up crude oil production. Commodity prices have broadly rallied through the first nine months 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 nine months of 2021. The average U.S. biodiesel price, as indicated by the Chicago SME B100 price reported by OPIS, was $5.15 per gallon for the first nine months of 2021. During the first nine months 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 increase in RIN, energy and agricultural commodity prices.

The average soybean oil price for the first nine months of 2021 was $0.58 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. The soybean complex moved lower in the third quarter after peaking in June on improving crop yields and projected carryout levels for the upcoming crop year.

*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 CME 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 nine 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 CME 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 CME 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 losses of $11.6 million and $0.4 million from our derivative financial instrument activity for the three and nine months ended September 30, 2021, respectively, compared to a gain of $7.5 million and $56.3 million for the three and nine months ended September 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 nine months ended September 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* | ** |
| Q3 2021 | 3.92 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 nine months of 2021, according to EMTS data, 2.16 billion gallons of bio-based diesel were produced and/or imported into the U.S., compared to the equivalent 2.13 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 nine months ended September 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 September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| **Gallons sold** | 176.3 | 176.2 | 473.7 | 499.1 |
| **Average bio-based diesel price per gallon** | $ 4.74 | $ 2.89 | $ 4.35 | $ 2.87 |
| **Revenues from continuing operations** | $ 1,006,342 | $ 572,358 | $ 2,362,305 | $ 1,589,220 |
| **Cost of goods sold from continuing operations** | 917,434 | 498,402 | 2,076,083 | 1,387,147 |
| **Gross profit** | 88,908 | 73,956 | 286,222 | 202,073 |
| Selling, general and administrative expenses | 34,354 | 31,059 | 100,546 | 86,971 |
| Gain on disposal of property, plant and equipment | — | — | (39) | (187) |
| Impairment of assets | 3,498 | 19,256 | 5,236 | 19,256 |
| **Income from operations** | 51,056 | 23,641 | 180,479 | 96,033 |
| Other income (expense), net | (7,937) | 68 | (14,739) | 3,619 |
| Income tax expense | (652) | (1,046) | (4,535) | (4,007) |
| **Net income** | $ 42,467 | $ 22,663 | $ 161,205 | $ 95,645 |
| Effect of participating share-based awards | 334 | 440 | 1,735 | 1,895 |
| **Net income available to the Company's common stockholders** | $ 42,133 | $ 22,223 | $ 159,470 | $ 93,750 |

**Results of Operations:**

*Revenues*. Even though our gallons sold was flat to slightly down in the three and nine months ended September 30, 2021, our revenues for these periods increased significantly by $434.0 million and $773.1 million, or 76% and 49%, compared to the respective periods in 2020. The significant increase in revenue was primarily attributable to a substantial increase in the average bio-based diesel price per gallon. In the first nine months of 2021, ULSD prices averaged $1.96 per gallon compared to $1.24 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 third quarter of 2020 where prices were slowly starting to rebound from historical lows due to the onset of the COVID-19 pandemic and strict lockdowns. RIN values trended higher throughout the first nine months 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 significantly increased by $1.85 and $1.48, or 64% and 52%, respectively, in the three and nine months ended September 30, 2021, compared to the same periods in 2020. The increase in our revenues for the nine months ended September 30, 2021 was partially offset by a decrease of 25.4 million, or 5%, in total gallons sold for the same period as a result of our focus on product mix and optimization of gallons sold.

The increase in the average sales price contributed to a $326.0 million and $738.7 million increase in revenues for the three and nine months ended September 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 revenue increases of $114.9 million and $169.4 million, or an increase of 418% and 242%, respectively, for the three and nine months ended September 30, 2021 compared to the same periods in 2020. The decrease in gallons sold for the three and nine months ended September 30, 2021 accounted for a revenue decrease of $0.5 million and $110.5 million, using the average selling price for bio-based diesel for the applicable periods. Also negatively affecting revenues was the $15.7 million decrease in government incentives revenue in the nine months ended September 30, 2021, caused by lower BTC revenues due to lower gallons sold.

*Costs of goods sold.* Our costs of goods sold increased $419.0 million and $688.9 million, or 84% and 50%, respectively, for the three and nine months ended September 30, 2021, compared to the same periods in 2020. Costs of goods sold as a percentage of revenues were 91% and 87%, respectively, for the three and nine months ended September 30, 2021, and 87% for each of the three and nine months ended September 30, 2020. The increase in costs of goods sold was primarily driven by significantly higher feedstock costs in the quarter and the first nine months ended September 30, 2021 compared to same periods in 2020, as described below. The increase was driven up by risk management losses of $11.6 million and $0.4 million, respectively, in the three and nine months ended September 30, 2021 compared to gains of $7.5 million and $56.3 million in the same periods in 2020. For the three months ended September 30, 2021, risk management losses resulted primarily from significant increases in ULSD prices. For the nine months ended September 30, 2021, risk management losses stemming from significant ULSD price increases were largely offset by risk management gains related to significant soybean oil price increases. In 2020, the historically low level of energy prices due to the COVID-19 pandemic resulted in risk management gains.

We experienced significantly higher costs across all of our feedstocks in the three and nine months ended September 30, 2021. Average prices for low carbon feedstocks used in our production were $0.58 and $0.49, respectively, per pound for the three and nine months ended September 30, 2021, as compared to $0.29 per pound for both the three and nine months ended September 30, 2020. Average soybean oil costs were $0.71 and $0.58, respectively, per pound for the three and nine months ended September 30, 2021, as compared to $0.30 per pound for both the three and nine months ended September 30, 2020. Average canola oil costs were $0.72 and $0.61, respectively, per pound for the three and nine months ended September 30, 2021, as compared to $0.31 per pound for both the three and nine months ended September 30, 2020. Average distillers corn oil costs were $0.59 and $0.50, respectively, per pound for the three and nine months ended September 30, 2021, as compared to $0.26 per pound for both the three and nine months ended September 30, 2020.

*Selling, general and administrative expenses.* Our selling, general and administrative expenses were $34.4 million and $100.5 million, respectively, for the three and nine months ended September 30, 2021, or 3% and 4%, respectively, of total revenue for the periods, and $31.1 million and $87.0 million, respectively, or 5% for both periods, of total revenue, compared to the same periods in 2020. The increases of $3.3 million and $13.6 million, or 11% and 16%, respectively, resulted primarily from higher employee related compensation and benefits and legal and professional expenses.

*Impairment of assets.* During the three and nine months ended September 30, 2021, we recorded impairment charges of $3.5 million and $5.2 million related to certain equipment and intangible assets deemed not recoverable given the assets' economic obsolescence. During the same periods of 2020, we recorded impairment charges of $19.3 million related to certain equipment resulting from the probability that the assets will no longer be utilized in future renewable diesel production expansions or are deemed not recoverable given the assets' deteriorating physical conditions.

*Other income (expense), net.* Other expense was $7.9 million and $14.7 million, respectively for the three and nine months ended September 30, 2021, compared to other income of $0.1 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 for the three and nine months ended September 30, 2021 was mainly due to interest expense of $8.6 million and $14.0 million, respectively, primarily due to the issuance of our Green Bonds, compared to interest expense of $1.5 million and $6.2 million for the same respective periods in 2020. There was also no gain on lease termination for the three and nine months of 2021 compared to the gain of $4.5 million on lease termination in the first nine months in 2020. The increase in expense was also due to the loss on debt extinguishment in the nine months ended September 30, 2021 of $4.4 million, compared to gains on debt extinguishment of $1.8 million, for the same period in 2020.

*Income tax expense.* We recognized an income tax expense of $0.7 million and $4.5 million, respectively, for the three and nine months ended September 30, 2021, as compared to an income tax expense of $1.0 million and $4.0 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 $0.3 million and $1.7 million, respectively, for the three and nine months ended September 30, 2021 compared to $0.4 million and $1.9 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 September 30, 2021 | Three months ended September 30, 2020 | Nine months ended September 30, 2021 | Nine months ended September 30, 2020 |
|---|---|---|---|---|
| **Net income** | **$ 42,467** | **$ 22,663** | **$ 161,205** | **$ 95,645** |
| Adjustments: | | | | |
| Income tax expense | 652 | 1,046 | 4,535 | 4,007 |
| Interest expense | 8,619 | 1,545 | 14,007 | 6,154 |
| Depreciation | 11,098 | 9,388 | 33,100 | 27,425 |
| Amortization of intangible and other assets | 876 | 591 | 2,467 | 1,262 |
| EBITDA | $ 63,712 | $ 35,233 | $ 215,314 | $ 134,493 |
| Gain on sale of assets | — | — | (39) | (187) |
| (Gain) loss on debt extinguishment | — | (18) | 4,449 | (1,809) |
| Gain on lease termination | — | — | — | (4,459) |
| Interest income | (1,420) | (777) | (3,916) | (1,327) |
| Other (income) expense, net | 738 | (818) | 199 | (2,178) |
| Impairment of assets | 3,498 | 19,256 | 5,236 | 19,256 |
| Executive severance | — | — | 663 | — |
| Stock compensation | 1,964 | 1,811 | 5,770 | 5,789 |
| **Adjusted EBITDA** | **$ 68,492** | **$ 54,687** | **$ 227,676** | **$ 149,578** |

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 improvements and 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 $550.0 million aggregate principal amount of our Green Bonds due 2028. The Company recorded $14.6 million 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 improvements and expansion of its Geismar, Louisiana biorefinery.

*Sources of liquidity.* At September 30, 2021, the total of our cash and cash equivalents and marketable securities was $1,044.5 million, compared to $354.0 million at December 31, 2020. At September 30, 2021, we had total assets of $2,444.2 million, compared to $1,461.4 million at December 31, 2020. At September 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 September 30, 2021.

Our term debt (in thousands) is as follows:

| | September 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 | 3 | 14 |
| Total term debt before debt issuance costs | $ 550,003 | $ 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 the first half of 2021, the Company received notices of conversions related to the 2036 Convertible Senior Note in total principal amounts of $59.6 million. We elected to settle the respective principal balance of $59.6 million in cash and settle the conversion premium by issuing 4,684,263 shares of common stock from treasury stock. The 2036 Convertible Senior Notes were fully converted as of June 2021 and all obligations thereto have been satisfied and discharged.

During the three and nine months ended September 30, 2020, we used $18.1 million and $75.9 million to repurchase $5.0 million and $30.0 million principal amount of the 2036 Convertible Senior Notes, respectively.

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

| | September 30, 2021 | December 31, 2020 |
|---|---|---|
| Amount outstanding under line of credit | $ — | $ — |
| Maximum available to be borrowed under line of credit | $ 249,666 | $ 149,666 |

On September 30, 2021, the Company amended its Credit Agreement with Wells Fargo Capital Finance, LLC, as agent, in order to increase the maximum commitment under the M&L and Services Revolver from $150.0 million to $250.0 million. Availability under this is subject to a borrowing base and if availability is less than 10% of the maximum commitment, ($15.0 million prior to giving effect to the amendment and $25.0 million after giving effect to the amendment), then the subsidiary borrowers are required to maintain a fixed charge coverage ratio of at least 1.0 to 1.0. Prior to giving effect to this amendment, as of December 31, 2020, 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.

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

| | Nine Months September 30, | |
|---|---|---|
| | **2021** | **2020** |
| Cash provided by (used in) operating activities | $ (43,405) | $ 554,384 |
| Cash used in investing activities | (256,549) | (333,484) |
| Cash provided by financing activities | 802,269 | (174,229) |
| Net change in cash, cash equivalents and restricted cash | 502,315 | 46,671 |
| | | |
| Cash, cash equivalents and restricted cash end of period | $ 590,131 | $ 100,187 |

In the first nine months of 2021, we used $43.4 million of cash in operations, compared to cash generated from operations of $554.4 million in the first nine months of 2020. The increase in cash used was largely driven by a decrease in collection of receivables of $724.7 million due to the partial collection of the 2019 and 2018 BTC in 2020, combined with an increase in inventory build in the first nine months of 2021 of $164.8 million compared to inventory draw in the first nine months of 2020 of $15.4 million, mainly due to the increase of feedstock costs. These increases in cash used in operations were partially offset by a smaller decrease in outstanding accounts payable for the first nine months of 2021 of $17.8 million compared to a decrease in accounts payable in the same period of 2020 of $228.7 million, largely due to the payment of amounts due to customers for BTC sharing, and an increase in net income ($161.2 million for the nine months ended September 30, 2021 as compared to a net income of $95.6 million for the nine months ended September 30, 2020). The increase in the net income for the nine months ended September 30, 2021 was primarily due to better margins.

We used $256.5 million of cash in investing activity in the first nine months of 2021, compared to $333.5 million of cash used in investing activities in the first nine months of 2020. The decrease in cash used by investing activities was primarily due to net investments of $191.9 million in high quality marketable securities, compared to net investments of $286.7 million in marketable securities in 2020, partially offset by our use of $63.1 million of cash for property, plant and equipment purchases and plant upgrades in 2021 compared to purchases of property, plant, and equipment of $46.9 million in 2020.

Cash flows provided by financing activities for the nine months ended September 30, 2021 was $802.3 million compared to cash used in financing activities of $174.2 million for the nine months ended September 30, 2020. The $976.5 million increase was primarily due to the net proceeds of $535.1 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 nine months of 2021 compared to a net repayments of $77.0 million in the same period in 2020.

*Capital expenditures.* During the nine months ended September 30, 2021, our capital expenditures were $63.1 million involving various plant optimization projects and the Geismar expansion. 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 October 2020, we announced that we plan to expand the effective capacity of our Geismar, Louisiana biorefinery. The Geismar project brings together the improvement project for the existing site and planned expansion . The Geismar 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 improvement and expansion project is expected to be mechanically complete in 2023 with full operations in early 2024. The capital cost for the Geismar project is estimated to be $950 million. We have recently broke ground to proceed with construction, which is funded through a combination of cash on hand and marketable securities resulting from our offerings of common stock that closed in March 2021 and our Green Bonds that closed in May 2021 or from borrowings under our credit facilities and other sources. In connection with the planned improvements and expansion, we have entered into construction and marine terminal lease agreements with total commitments as of September 30, 2021 of $430 million. 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 improvements and expansion are subject to a number of conditions and risks.

We estimate that the capital spending for the project will be approximately 15% in 2021, 45% in 2022, with the remainder of spend slated for 2023. At the end of October 2021, we had ordered over 80% of long lead equipment for the project. For capital spend beyond Geismar, we remain on track with our board-approved plan which included approximately $20 million for safety, reliability and asset integrity and approximately $30 million for high return/rapid payback projects.

**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 September 30, 2021, average diesel prices based on Platts reported pricing for Group 3 (Midwest) have ranged from a high of approximately $2.36 per gallon reported in September 2021 to a low of approximately $0.62 per gallon in April 2020, with prices averaging $1.68 per gallon during this period. Over the period January 2019 to September 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 $0.38 per pound, or $2.83 per gallon. Over the period from January 2019 through September 30, 2021, animal fat prices (based on prices from The Jacobsen Missouri River, for choice white grease) have ranged from a high of $0.64 per pound in August 2021 to a low of $0.18 per pound in July 2020, with sales prices averaging $0.30 per pound during this period. Over the period from January 2019 through September 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 $0.81 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 nine 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 nine 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 | 473.7 | gallons | 10 % | $ (206.1) | 72.0 % |
| Total Low Carbon Feedstocks | 2,224.9 | pounds | 10 % | $ (109.4) | 38.2 % |
| Total Canola Oil | 397.9 | pounds | 10 % | $ (24.2) | 8.4 % |
| Total Soy Oil | 255.5 | pounds | 10 % | $ (14.9) | 5.2 % |

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, CME 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 $14.4 million at September 30, 2021. A 10% adverse change in the price of CME Soybean Oil would have had a negative effect on the fair value of these instruments of $5.7 million at September 30, 2021. A 10% adverse change in the price of NYMEX Natural Gas would have had an immaterial impact on our gross margin at September 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, September 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 September 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 September 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 nine months ended September 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 September 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. On August 2, 2021, a second stockholder derivative complaint purportedly arising out of the same events and purporting to assert similar claims, was filed in the Supreme Court for the State of New York. Both of these derivative actions have been stayed.

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.

In addition, the Securities and Exchange Commission ("SEC") requested information about the restatement, and the Company cooperated with the SEC. On October 1, 2021, the SEC Staff notified the Company that the Staff terminated its investigation with no enforcement action recommended against the Company, in accordance with SEC guidelines.

## 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, substantive changes in, 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, cancellation, suspension, 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, or the cancellation, or suspension of such 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 site improvements and 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, there may be cost overruns and construction delays, the project may suffer from the inability to obtain governmental permits and third party easements required or necessary to initiate or complete the improvement and expansion project 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, our suppliers, vendors 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. Our plants use feedstocks, chemicals, consumables, catalysts and other components to operate successfully and these may be subject to embargoes, natural disasters, government restrictions, explosions or destructions of supplier or vendor facilities and infrastructure which may limit the supply of such components which could have a negative effect on revenues and operations.
- Cyberattacks targeting our process control networks or other digital infrastructure could have a material adverse impact on our business and results of operations.
- 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 competition in our industry is increasing.
- Where we are dependent upon one supplier to provide hydrogen or other consumables necessary to execute our renewable diesel production process and the loss of this supplier could disrupt our production processes.
- 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 or otherwise misappropriate 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 or availability of equipment needed for an upgrade 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 October 10, 2021, according to the EPA's website:

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|
| Petitions received | 27 | 32 | 44 | 37 | 29 | 28 |
| Petitions granted | — | — | 31 | 35 | 19 | 7 |
| Petitions denied or withdrawn | — | 2 | 10 | 1 | 9 | 21 |
| Petitions pending | 27 | 30 | 3 | 1 | 1 | — |
| Estimated volume of fuel exempted (million gallons) | — | — | 13,420 | 17,050 | 7,840 | 3,070 |
| Estimated Advanced Biofuel RVO Exempted (million RINs) | — | — | 1,430 | 1,820 | 790 | 290 |
| 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, substantive changes in 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, cancellation, suspension 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 $395.0 million in the first nine 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 nine months of 2021, LCFS credit prices ranged from a high of $201 per credit in January to a low of $156 per credit in September. 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, or the cancellation, or suspension of such 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 $394.5 million in the first nine 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 nine 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 site improvement and 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 nine 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, such as due to natural disasters, it would have a disproportionately significant and material adverse impact on our operations and financial conditions.

**Our planned site improvements and 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, there may be cost overruns and construction delays, the project may suffer from the inability to obtain governmental permits and third party easements required or necessary to initiate or complete the improvement and expansion project 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 an improvement project for the existing site with the planned expansion. The Geismar 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 improvement and expansion is expected to be mechanically complete in 2023 with full operations in early 2024. The capital cost for the Geismar project 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 nine months of 2021 as a result of slow economic recover from the pandemic and continued increases in commodity prices, ranging from a high of $2.34 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 nine 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 $1.23 in the first nine 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 $0.82 in the first nine months of 2021, assuming 7.5 pounds of soybean oil yields one gallon of bio-based diesel. For 2019, 2020 and the first nine months of 2021, approximately 71%, 65% and 77%, respectively, of our annual total feedstock usage was distillers corn oil, used cooking oil or inedible animal fat, and approximately 29%, 35% and 23%, 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 $11.6 million and $0.4 million from our derivative financial instrument trading activity for the three and nine months ended September 30, 2021, respectively, compared to a risk management gains of $7.5 million and $56.3 million for the three and nine months ended September 30, 2020, respectively. At September 30, 2021, the net notional volumes of NY Harbor ULSD, CME Soybean Oil and NYMEX Natural Gas covered under our open risk management contracts were approximately 62 million gallons, 96 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 $14.4 million on the fair value of these instruments at September 30, 2021. A 10% positive change in the price of CME Soybean Oil would have had a positive effect of $5.7 million on the fair value of these instruments at September 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 16%, 19% and 17% of our total biodiesel gallons sold in each of the first nine 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, suppliers and vendors 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. Our plants use feedstocks, chemicals, consumables, catalysts and other components to operate successfully and these may be subject to embargoes, natural disasters, government restrictions, explosions or destructions of supplier or vendor facilities and infrastructure, which may limit the supply of such components which could have a negative effect on revenues and operations.**

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, supplier's or vendor'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 Geismar facility, due to its Gulf Coast location, is vulnerable to hurricanes and flooding, which may cause plant damage, injury or death to employees and others and interruption of operations. For example, in late August 2021, Hurricane Ida hit Louisiana causing reduced operating days at our Geismar facility as a result of the damaging winds and flooding that created necessary safety checks for our employees and the facility before it was deemed safe to restart operations at the facility. As another 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 former 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.

Our operations are reliant on a number of consumables and other components as well as services that are provided by third party suppliers that are critical to our manufacturing processes and overall supply chain. The loss of one of these suppliers may have a significant impact on our business and result in production delays while we seek alternative sources for supply. For example, our European operations rely on the availability of a particular catalyst. In 2021, the supplier of the catalyst experienced a large explosion at its facility resulting in the interruption of supply of the catalyst. The resulting disruption resulted in the suspension of operations at our facilities in Germany for a period of time while replacement solutions and other suppliers were located.

**Cyberattacks targeting our process control networks or other digital infrastructure could have a material adverse impact on our business and results of operations.**

There are numerous and evolving risks to our cybersecurity and privacy from cyber threat actors, including criminal hackers, state-sponsored intrusions, industrial espionage and employee malfeasance. These cyber threat actors, whether internal or external to us, are becoming more sophisticated and coordinated in their attempts to access our information technology (IT) systems and data, including the IT systems of cloud providers and other third parties with whom we conduct business. Although we devote resources to prevent unwanted intrusions and to protect our systems and data, whether such data is housed internally or by external third parties, it is possible we may experience cyber incidents of varying degrees in the conduct of our business. Cyber threat actors could compromise our process control networks or other critical systems and infrastructure, resulting in disruptions to our business operations, injury to people, harm to the environment or our assets, disruptions in access to our financial reporting systems, or loss, misuse or corruption of our critical data and proprietary information, including our intellectual property and business information and that of our employees, customers, partners and other third parties. Any of the foregoing can be exacerbated by a delay or failure to detect a cyber incident or the full extent of such incident. Further, we have exposure to cyber incidents and the negative impacts of such incidents related to our critical data and proprietary information housed on third-party IT systems, including the cloud. Additionally, authorized third-party IT systems or software can be compromised and used to gain access or introduce malware to our IT systems that can materially impact our business. Regardless of the precise method or form, cyber events could result in significant financial losses, legal or regulatory violations, reputational harm, and legal liability and could ultimately have a material adverse effect on our business and results of operations.

**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 competition in our industry is increasing.**

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 have announced construction of renewable diesel facilities. 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. For example, we recently announced the shut down of our Houston, Texas biodiesel facility. The combination of increasing margin pressure, driven by higher feedstock costs, and a high fixed cost lease structure made the facility economically unattractive.

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.

**Where we are dependent upon one supplier to provide hydrogen or other consumables necessary to execute our renewable diesel production processes and the loss of this supplier could disrupt our production processes.**

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 or otherwise misappropriate 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 or settlement fees. Further, a third party claim, if successful, could secure a judgment that requires us to pay substantial damages, limit our operations or obtain injunctive relief requiring a design around or other solutions and options to be developed.

**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 nine months of 2021, the price of diesel continued to climb from $1.46 at the start of the year to $2.36 at September 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, or transportation services are unable to provide trucks due to labor shortages, 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 or availability of equipment needed for an upgrade 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. Other equipment may have a long lead time requirement if equipment is damaged and needs to be replaced or may otherwise be unavailable to continue operations. 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 September 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 September 30, 2021, we had $249.7 million of unused revolving commitments under our line 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 evidencing the Green Bonds tendered to us if there is a change of control; a change of control which would also constitute a default under 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 $250.0 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 availability under the M&L and Services Revolver is less than 10% of the then current revolving loan commitments which equates to $25 million. At September 30, 2021, the M&L and Services Revolver had approximately $249.7 million of unused revolving commitments, after effect of borrowing base limitations. However, it is possible that 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 September 30, 2021, the fixed charge coverage ratio for the M&L and Services Revolver was above 1.0, which is the minimum amount required for compliance with this ratio. 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 September 30, 2021, we had $249.7 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 improvement and 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 improvement and 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

On November 2, 2021, the Compensation Committee of the Board of Directors of Renewable Energy Group, Inc. (the “Company”) adopted the Renewable Energy Group Executive Severance Plan (the “Executive Severance Plan”) effective the same date. Eligible participants will generally include full-time employees of the Company with titles at or above vice president who are selected to participate by the Company’s Chief Executive Officer. Cynthia J. Warner, the Company’s President and Chief Executive Officer, will not participate in the Executive Severance Plan.

Under the Executive Severance Plan, upon a termination following a change in control (as defined in the Executive Severance plan), eligible participants are entitled to receive (i) a cash severance payment equal to two times the participant's annual base salary; (ii) a prorated bonus under the Company’s Annual Incentive Plan; (iii) full accelerated vesting of each unvested and outstanding equity award subject to time-based vesting and each unvested and outstanding performance-based equity award based on the achievement of the performance goals at the greater of target or actual performance; and (iv) continued medical or dental coverage at applicable active employee rates for up to 12 months.

Under the Executive Severance Plan, upon termination not following a change in control, eligible participants are entitled to receive (i) a cash severance payment equal to one times the participant’s annual base salary; (ii) a prorated bonus under the Company’s Annual Incentive Plan; (iii) accelerated vesting of each unvested and outstanding equity award subject to time-based vesting in an amount equal to the number of additional shares that would have vested assuming such award vested in equal monthly installments over the award’s original vesting term; (iv) accelerated vesting of each unvested and outstanding equity award subject to performance-based vesting in an amount equal to the number of additional shares that would have vested assuming such award vested in equal monthly installments over the award’s original vesting term, if applicable, and based on actual satisfaction of the performance goals; and (v) continued medical or dental coverage at applicable active employee rates for up to 12 months.

Receipt of the benefits under the Executive Severance Plan will be subject to the recipient’s agreement to a non-compete covenant, a non-solicit covenant, a non-disparagement covenant, a covenant regarding the treatment of confidential information, and a general release of claims.

The foregoing description of the Executive Severance Plan does not purport to be complete and is qualified in its entirety by reference to the full text of the Executive Severance Plan, a copy of which is filed as Exhibit 10.2 to this Quarterly Report on Form 10-Q and is incorporated by reference herein.

## ITEM 6. EXHIBITS

(A) Exhibits:

| Exhibit No. | Description |
|---|---|
| 10.1 | Agreement of General Conditions, dated as of August 3, 2021, by and between IMTT-Geismar and REG Geismar, LLC* |
| 10.2 | Severance Plan** |
| 10.3 | Amendment No. 17 to Credit Agreement, dated as of September 30, 2021, by and among the lenders identified on the signature pages thereto, Wells Fargo Capital Finance, LLC, as agent REG Services Group, LLC and REG Marketing and Logistics Group, LLC (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on October 4, 2021 and incorporated herein by reference) |
| 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 |

*Portions of this exhibit have been redacted pursuant to SEC rules regarding confidential treatment.

** Management contract or compensatory plan, contract or arrangement.

*** 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: November 4, 2021 | By: | /s/ Cynthia J. Warner |
| | | **Cynthia J. Warner** |
| | | **President and Chief Executive Officer (Principal Executive Officer)** |
| Dated: November 4, 2021 | By: | /s/ R. Craig Bealmear |
| | | **R. Craig Bealmear** |
| | | **Chief Financial Officer (Principal Financial Officer)** |
| Dated: November 4, 2021 | By: | /s/ Todd M. Samuels |
| | | **Todd M. Samuels** |
| | | **Chief Accounting Officer & Controller (Principal Accounting Officer)** |

**In accordance with Securities and Exchange Commission rules, certain information has been excluded from this exhibit because it is not material and would likely cause competitive harm to the Company if publicly disclosed. Brackets with asterisks denote omissions (i.e., [***]).**

**IMTT-GEISMAR**
*(a Delaware general partnership)*

**and**
**REG Geismar, LLC**
*(a Delaware limited liability company)*
**CUSTOMER**

**AGREEMENT OF GENERAL CONDITIONS**

This Agreement of General Conditions is made by and between IMTT-Geismar, a Delaware general partnership (herein "IMTT") and REG Geismar, LLC, a Delaware limited liability company (herein "Customer"). IMTT and Customer may be referred to herein as a "Party" or collectively "Parties". This Agreement shall become effective upon the 3rd day, of August, 2021 (the "Effective Date").

For and in consideration of the mutual covenants and agreements undertaken herein, IMTT and Customer agree as follows:

1. Services: For and in consideration of the payments to be made, IMTT will provide certain bulk liquid storage, handling, dock usage and other transshipment services to Customer for certain of Customer's Feedstock Products and Finished Products (as defined in the Schedule attached hereto) (together, "Products") at IMTT's bulk liquid storage facility in
   Geismar, Louisiana (the "Facility"), all as more fully set forth herein and in the schedule (the "Schedule"), exhibits and attachments attached hereto and made a part hereon (collectively with this Agreement of General Conditions the "Agreement"). At all times relevant to this Agreement, Customer will retain ownership of Products and IMTT will own and maintain custody and control of all Facility infrastructure. Custody and control of Products is further addressed in the Schedule.

2. Facilities:

2.1 In order to perform the services described above, in addition to its existing infrastructure, IMTT will permit, construct and own new bulk liquid storage tanks and associated infrastructure including common piping, dedicated piping, pumps, process equipment, and instrumentation for the storage, handling and movement of Products at the Facility (the "New Infrastructure"). For certain receipts and deliveries of Products, IMTT will permit, construct and own two (2) rundown pipelines from the Facility to a pipeline connection point to enable connectivity to Customers production plant located in Geismar, Louisiana (the "Rundown Lines"). Permitting and construction of the New Infrastructure and Rundown Lines are more fully addressed in the Schedule and Exhibit "C". (The existing Facility infrastructure and the New Infrastructure may collectively be referred to in this Agreement as the "Facility Infrastructure").

2.2 IMTT may substitute tanks and other Facility Infrastructure provided such substitution is at IMTT's cost and such substituted Facility Infrastructure is capable of servicing Products by substantially similar means. At all times relevant to this Agreement, Customer will retain ownership of Products and shall instruct IMTT in the movement of Products at the Facility.

3. Inspection of Facility; Product Compatibility: It shall be Customer's sole responsibility to inspect all Facility Infrastructure and the Rundown Lines used to store, move and transship Products to determine compatibility and suitability with Products prior to storage and movement. Unless otherwise set forth in the Schedule, Facility piping used in the movement of Products will be common piping used in the movement of other similar products at the Facility. Tanks described in the Schedule are dedicated for Customer's Products. Customer shall use the tanks for the sole purpose of storage of Products as specified in the Schedule. Customer shall not store in the tanks any Products, corrosive or otherwise, which would in any way damage the tanks or other related Facility Infrastructure beyond normal wear and tear; nor shall Customer store any Products therein which would render the tanks unfit for the proper storage of products similar to Customer's Products.

4. Product Information and Specifications; Customer Product Representation and Warranties:

Unless otherwise provided in Product specifications attached in Sub-Schedules 3.1 and 3.2, Customer must deliver to IMTT, or IMTT must otherwise have on file, a Safety Data Sheet ("SDS") and a Certificate of Analysis ("COA") accurately describing each Product delivered to IMTT forty-eight (48) hours before estimated time of arrival. Customer warrants to IMTT that all SDS(s), COA(s) submitted to IMTT are accurate and correct as to each parcel or shipment of Product received by IMTT and that all Products comply with applicable Laws (as defined in Section 15). All Products must conform to the specifications for the type of Product identified in the Schedule. IMTT reserves the right to independently confirm compliance by Customer with Product specifications or Laws in the discretion of IMTT, and IMTT may refuse to receive or store or continue to store any Product which does not conform to its specifications or Laws, or, in IMTT's opinion emits an unusual odor that is inconsistent with the Product, is corrosive or gives reasonable ground or apprehension of loss or damage to other products or to property or to any person or persons whatsoever ("Non-Conforming Product"). In such event, IMTT shall be entitled to reject any inbound receipt, shipment, or nomination of such Non-Conforming Product. In the event such Non-Conforming Product is stored within the Facility, IMTT may give notice to Customer to remove such Non-Conforming Product within a reasonable time under the circumstances. If Customer should fail to remove such Non-Conforming Product, IMTT shall be entitled to dispose of said Non-Conforming Product at Customer's cost and IMTT shall not be responsible for any loss or damage including the value of the Non-Conforming Product, demurrage or other charges resulting from action taken as described above.

5. Movement of Product: All receiving, discharge or other movement of Products will be performed by IMTT on a "first-come first-served" basis among IMTT customers with the exception that ship movements shall have preference over barge movements at ship docks. IMTT shall have no responsibility for demurrage or other delay charges or damages unless the demurrage or delay was directly caused by the negligence of IMTT. Insufficient dock draft; dock, or truck rack congestion; insufficient or slow pumping

rates; and/or the breakdown of machinery and/or equipment at the Facility or Rundown Lines shall not be considered negligence on the part of IMTT for purposes of this Section 5. Ships, barges and other marine vessels loading or discharging for Customer's account ("Customer Vessels") will be subject to IMTT's Ship and Barge Marine Conditions as they may be in effect from time to time and Customer Vessels will proceed to and from IMTT's dock facilities with promptness and dispatch. Customer Vessels will load or unload, as the case may be, on a continuous basis. IMTT's current Ship and Barge Marine Conditions are attached to the Schedule as Exhibit "A".

6. Loading Facilities: IMTT does not warrant that Customer Vessels, tank trucks or railcars procured by Customer to deliver or receive Product are suitable for the loading or discharge of Products at the Facility. IMTT reserves the right, but has no obligation, to reject any Customer Vessel, tank truck, or railcar which IMTT reasonably determines to be unsuitable for handling Products or emits an unusual odor that is inconsistent with the Product, without liability to IMTT for any loss, damage, demurrage or expense sustained by Customer, Customer's shipper or Customer's customers.
7. Charges: IMTT will invoice Customer monthly, in advance, for the tank charges, and dock use charges as specified in the Schedule. Other charges specified in Schedule will be invoiced following the month in which such charges are incurred. Customer also agrees to pay IMTT any other charges or charges that IMTT, in its commercially reasonable discretion, deems necessary for the handling or preservation of Products during an emergency, including pandemic. All payments to IMTT hereunder shall be made to:

[***]

Accounts which are not paid in full within thirty (30) days will bear interest at 1% per month on the unpaid balance until paid in full.

Notwithstanding IMTT's rates and charges set forth in the Schedule, the cost of all in pumping of Products from ship or barge into the lines and tank(s) of IMTT shall be arranged by and at the cost of Customer.

8. Default:

8.1 Customer Default: In the event Customer fails to pay any monies due IMTT under this Agreement within the time set forth in Section 7 above, Customer shall be in default of this Agreement upon receipt of a notice of default from IMTT. In the event of a monetary default by Customer, Customer shall have fifteen (15) business days following receipt of notice of default from IMTT to cure such breach. In the event Customer is in breach of a non-monetary obligation in this Agreement, Customer shall have thirty (30) calendar days following receipt of a notice of default from IMTT to cure such breach. If Customer fails to cure a default within the time periods set forth above, IMTT shall have the right, at its option (a) to terminate and cancel this Agreement in which event there shall be due to IMTT, the amount of past due charges, interest and other damages sustained by IMTT as a result of Customer's breach or default (b) to keep this Agreement in force and effect and, in addition to unpaid charges and interest, accelerate all monthly rates and charges for the unexpired remaining term of the Agreement and the same shall be immediately due and payable subject to this Section 8.1; or (c) to keep this Agreement in force and effect and sue for the unpaid rates and charges and interest in intervals as they accrue. In the event IMTT elects option (b) above, Customer shall remain obligated for all other charges as they may become due. At termination of this Agreement, should Customer have failed to vacate all of its Products from the Facility and/or failed to comply with its tank cleaning obligations in Section 13, in addition to any other remedies available to IMTT, Customer shall continue to pay all monthly tank rental and minimum throughput charges until the provisions of Section 13 have been complied with. The foregoing provisions are without prejudice to any damages or remedy which might otherwise be available under the laws of Louisiana for non-payment of monies due, or to become due hereunder, or for breach of any of the obligations of this Agreement, or to establish or perfect any lien or privilege on Products, including a warehouse lien. If the Customer defaults in the performance of any of the terms, covenants, agreements conditions provided herein and IMTT engages an attorney for the enforcement of this Agreement, or any part hereof, including the collection of any monies due or to become due hereunder, Customer shall pay such reasonable attorney's fees and costs incurred by IMTT. In the event IMTT elects the acceleration remedy in accordance with (b) above, Customer may instead elect to make accelerated payments to IMTT on an annual basis in an amount equal to twelve (12) months of Rates and Charges set forth in Sections 6.1 and 6.2 of the Schedule within five (5) business days of receipt of a notice of acceleration from IMTT, recurring on an annual basis throughout the remainder of the Agreement (the "Annual Forbearance Payment"). The Annual Forbearance Payment shall suspend IMTT's acceleration remedy for a period of twelve (12) months (or such shorter period at Customer's election) from receipt by Customer of IMTT's acceleration notice, and such twelve-month suspension will renew upon IMTT's receipt of the next twelve months' Annual Forbearance Payment, continued on an annual basis thereafter. All other remedies available to IMTT under this Section 8.1 shall remain in full force and effect.

8.2 IMTT Default: IMTT will provide the services under this Agreement and otherwise meet its obligations hereunder using reasonable care in the safekeeping and handling of Customer's Products and in the performance of this Agreement (IMTT's "Standard of Care"). In the event IMTT is in breach of its Standard of Care or other obligations under this Agreement and such IMTT breach is the sole cause of a material adverse effect on Customer, IMTT shall have sixty (60) days following receipt of written notice of default from Customer within which to cure such breach. If the breach is incapable of being cured within sixty (60) days and IMTT is using commercially reasonable efforts to perform such cure, then IMTT shall have an additional ninety (90) days to cure. If IMTT fails to cure such breach within such time periods, IMTT shall be in default of this Agreement. In the event of an IMTT default, Customer may elect to terminate this Agreement in addition to any other remedies available under this Agreement and Louisiana law. For purposes of this Section 8.2, a material adverse effect shall mean a material adverse impact upon the business or operations of Customer which has a material negative effect on the financial condition of Customer. Customer shall set forth with specificity the nature of any material adverse effect in any notice of breach to IMTT. If IMTT defaults in the performance of any of the terms, covenants, agreements conditions provided herein and Customer engages an attorney for the enforcement of this Agreement, or any part hereof, IMTT shall pay such reasonable attorney's fees and costs incurred by Customer.

9. Force Majeure: Notwithstanding the provisions of Section 10 below, IMTT shall not be liable to Customer for loss or damage to Products nor shall IMTT be deemed to be in breach of this Agreement for failure or delay in performance or non-performance of this Agreement or for failure or delay in providing services at the Facility when any of the foregoing is caused in whole or in part by a force majeure event ("Force Majeure") which shall be defined as any event beyond the control of IMTT. For purposes of this Agreement, Force Majeure shall include, but is not limited to, labor dispute, strike, riot, vandalism, sabotage, terrorist act, war (whether declared or undeclared) inclement weather, storms, flood (whether natural occurring or manmade), pandemic, tidal surge or tsunami, landslide, earthquake, fire (whether natural occurring or manmade), explosion, power shortage or outage, fuel shortage, railroad embargo, congestion or service failure, government regulation or action, embargo, or railroad or marine expropriation or appropriation, and solely if caused by any of the forgoing events, failure or delay of manufacturers or persons from whom IMTT is obtaining machinery, equipment, materials or supplies to deliver the same, or breakdown of machinery or equipment.
10. Insurance; Risk of Loss: Customer will either self-insure or will obtain property insurance covering the full value of Products, at Customer's expense, while in the Facility or Rundown Lines, will secure a waiver or subrogation clause in said policy of insurance waiving claims by the insurer against IMTT for covered losses and will supply IMTT with written evidence of same. IMTT will be responsible to Customer for uninsured losses to its Products and/or other damages sustained by Customer only to the extent said loss was caused by IMTT's failure to use reasonable care in the safekeeping and handling of Customer's Products or in the performance of this Agreement. IMTT will either self-insure or obtain commercial general liability, auto liability, workers compensation insurance for its employees, and pollution liability, and will secure a waiver or subrogation clause in said policy of insurance waiving claims by the insurer against Customer for covered losses and will supply Customer with written evidence of same. Under no circumstances shall either Party be liable to the other for lost profits, indirect,

contingent, consequential, punitive or exemplary damages, including any damage suffered by the other Party's customers.

11. Third Party Access: Customer shall be entitled to retain the services of third-party inspectors to gauge, test, sample and witness the movement and storage of Products. IMTT will afford third party inspectors and other third-party contractors access to the Facility provided such third party inspectors or contractors execute and be bound by IMTT's Terminal Access Agreement (a form of which is attached to the Schedule as Exhibit "B") and otherwise comply with Laws and reasonable rules and regulations promulgated by IMTT. Customer shall retain only those third-party inspectors and third-party contractors who will be fully trained to perform their work and will provide their own equipment, including safety equipment.
12. Inspection of Facility: IMTT reserves the right to perform periodic inspections, modifications, and repairs to the Facility Infrastructure and Rundown Lines which may cause service interruptions. IMTT will provide prior written notice to Customer of the date of any scheduled service interruption as soon as IMTT is aware of it and IMTT will endeavor to provide at least ninety (90) days prior written notice to the interruption. Should a tank whose capacity is contracted to Customer need to be taken out of service, IMTT will attempt to substitute tank capacity with other tanks at the Facility, if available. Rates and other charges related to tank(s) taken out of service will be suspended from the date the tank(s) are rendered in a clean state to the standard set forth in Section 13 below, until the date the tank(s) are returned to service.
13. Removal of Product; Cleaning: Prior to termination of this Agreement for any reason or upon periodic inspection, modification or repair, Customer, at its cost, shall have removed all Product, residue and waste from the Rundown Lines and Facility Infrastructure, including tank(s), infrastructure, associated piping utilized by Customer under this Agreement. Contracted tank(s) under this Agreement shall be returned to IMTT clean, dry and in a "gas-free" state so as to enable IMTT to perform welding or other hot work within such tank(s). IMTT will arrange for the cleaning, transportation and disposal of residue and waste from the Facility including the contracted tank(s). If

available, IMTT shall arrange to have three (3) independent written quotes for the tank cleaning and waste removal, and if Customer has a preferred contractor, they shall be permitted to quote for the business. Customer shall approve one (1) commercially reasonable quote prior to commencement of the tank cleaning as guided by IMTT and will have the ability to settle all accounts directly with that tank cleaning entity. In the event that IMTT arranges for the tank cleaning, upon the approval of Customer, Customer shall reimburse IMTT for all such cleaning costs [***]. In the event Customer settles accounts directly with the tank cleaning entity, Customer shall reimburse IMTT for reasonable documented costs associated with the permitting and management of third-party contractors within the Facility. Should Customer fail or refuse to remove Product from the Rundown Lines or Facility Infrastructure, IMTT shall be entitled to remove said Products and clean the Rundown Lines and Facility Infrastructure at Customer's cost [***]. At termination of this Agreement, the Rundown Lines and Facility Infrastructure including contracted tank(s) shall be in the same structural condition as prior to Customer's use, ordinary wear and tear excepted.

14. Inurement, Assignment and Subleasing: This Agreement shall be binding upon, and inure to the benefit of any successor, transferee or assignee of either Party; provided however,
that Customer shall not sub-lease any of the tank capacity provided for in this Agreement except to affiliates, nor shall either Party assign this Agreement, in whole or in part, nor shall Customer appoint any agent or mandate to perform any obligation of Customer under this Agreement, without the prior written consent of the other Party, not to be unreasonably withheld, conditioned, or delayed. Notwithstanding the forgoing, either Party may assign this Agreement without the other Party's consent to a parent, subsidiary or affiliate, or to a purchaser of all or substantially all of such Party's assets, or to any successor by way of merger, consolidation or similar transaction.
15. Change in Laws: Customer acknowledges that the rates and charges and other fees specified in this Agreement are based, in part, upon IMTT's cost of operation, maintenance and modifications of the Facility Infrastructure and Rundown Lines necessary to comply with governmental laws, regulations, codes, rules, ordinances,

policies and other mandates presently in place or as presently enforced particularly with respect to tax, environmental, health and safety standards (herein "Laws"). In the event that a change in Laws (including a change in the enforcement of existing Laws) occurs during the existence of this Agreement that requires IMTT to alter or modify its existing Facility Infrastructure or Rundown Lines or change the method of operation or maintenance of the Facility Infrastructure or Rundown Lines, IMTT shall be entitled to increase rates and charges and other fees payable by Customer under this Agreement at pass-through cost to offset any increase in costs to IMTT to comply with new Laws or a change in enforcement of existing Laws. Any increase allocated to Customer will be on a basis that is proportionate to IMTT's other affected customers. Prior to implementing such increases, IMTT shall notify Customer of such increase and provide Customer with documentation supporting the required modifications, and Customer shall have thirty (30) days from the date of notice to elect whether to accept or decline such increase. In the event Customer declines to accept such increase or fails to timely notify IMTT of its decision whether to accept or decline such increase, IMTT, in its discretion, may elect to terminate the Agreement or bear the cost of such increase. Upon a termination by IMTT, Customer shall remain responsible for tank cleaning obligations in Section 13 above and any rates, charges and other costs or contractual obligations accruing prior to termination.

16. Bankruptcy: If voluntary bankruptcy proceedings are instituted by a Party or if a Party is adjudicated a bankrupt, or if a Party makes an assignment for the benefit of its creditors, or if execution is issued against such Party, or if the interest of a Party hereunder passes by operation of law to any person other than such Party then, in any of such events, the other Party may, at its option, declare this Agreement terminated by notice to the other Party in accordance with and at the address set forth below, provided that IMTT shall retain its lien and privilege against all Customer's Products for any monies or payments due or to become due IMTT.

17. Notices: All notices, requests and other communications given pursuant to this Agreement shall be in writing and sent by overnight courier or electronic mail in pdf format. Notice by overnight carrier shall be deemed to be received when such carrier's records show delivery. Notice given by electronic mail will be deemed received upon

receipt of a written reply by electronic mail to the sending Party from the receiving Party or other verifiable evidence that the electronic mail message was read by the intended recipient (excluding any automated response other than an automated response evidencing delivery to the recipient). A Party may change its address by giving written notice in accordance with this Section, which is effective upon receipt.

If to IMTT to:

IMTT-Geismar
[***]

If to Customer to:

REG Geismar, LLC
[***]

18. Entire Agreement: The terms of this Agreement constitute the entire agreement between the Parties with respect to the matters set forth in this Agreement, and no representations or warranties shall be implied, or provisions added in the absence of a written amendment or agreement to such effect between the Parties. Except as expressly provided for in this Agreement, this Agreement shall not be amended, modified, or changed except by written instrument executed by the Parties' duly authorized representatives.

19. Anti-Bribery, Anti-Corruption: Both Parties shall comply with all applicable anti-bribery and corruption and anti-money laundering laws and regulations in connection with this Agreement, and shall not, and shall make reasonable efforts to assure that their employees and agents do not, offer, give or agree to give any person whosoever (including, but not limited to, private individuals, commercial organizations and public officials ("Person")), or solicit, accept, or agree to accept from any Person, anything of value, either directly or indirectly, with the intent to illegally influence a Person in connection with this Agreement (the "Anti-Corruption Obligation"). Each Party shall use reasonable efforts: (1) to disclose in writing to the other Party details of any known breach of an Anti-Corruption Obligation; and (2) upon reasonable request, to cooperate with the other Party to ensure and monitor compliance with the Anti-Corruption Obligation at the expense of the requesting Party, subject to any applicable legal privileges or data privacy rights. Either Party may terminate this Agreement without

penalty if, after an appropriate investigation, it reasonably believes in good faith, and based on objective evidence disclosable to the allegedly breaching Party, that the Anti-Corruption Obligation has been breached by the other Party. If either Party, after an appropriate investigation, believes in good faith, and based on objective evidence disclosable to the allegedly breaching Party, that there has been a breach of the AntiCorruption Obligation by the other Party, upon reasonable request, it may inspect and audit the other Party's books, records, and files directly related to this Agreement, and the other Party shall answer any reasonable questions that the requesting Party has relating to such breach, subject to any applicable legal privileges or data privacy rights. IMTT and Customer represent and warrant to each other that, to the best of its knowledge, neither they nor their affiliates, subsidiaries, members, directors, officers or employees own or are controlled by a "Restricted Person", defined as (1) a person directly or indirectly owned or controlled by any person who is located, organized, or resident in a country or territory that is, or whose government currently is, the subject of an embargo imposed by the United States Government, (2) a person directly or indirectly owned or controlled by any person currently included on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Department of the Treasury's Office of Foreign Asset Control.

20. Counterparts: This Agreement may be executed by the parties in separate counterparts and initially delivered by facsimile transmission or otherwise, with original signature pages to follow and all such counterparts shall together constitute one and the same instrument.
21. Governing Law: This Agreement shall be governed in all respects by the laws of the State of Louisiana (without reference to any principles governing conflict of laws that would result in the application of the laws of any other jurisdiction). In all cases where IMTT, its employees, or agents (including without limitation, any direct, borrowed, special or statutory employees of IMTT or its subcontractors of any tier) (together, "Personnel") perform this Agreement in or offshore the State of Louisiana, or are otherwise covered by the Louisiana Workers' Compensation Act, La. R.S. 23:1021 et seq., the Parties agree that all work or services provided by such Personnel pursuant to

this Agreement are an integral part of and/or are essential to the ability of Customer generate its respective goods, products, and services for the purpose of La. R.S. 23:1061(a)(1). Furthermore, the Parties agree that Customer is the statutory employer of such Personnel for purposes of La. R.S. 23:1061(a) (3) as the same may be amended from time to time, and that Customer shall be entitled to the protections afforded a statutory employer under Louisiana law. Irrespective of Customer's status as the actual or alleged statutory or special employer (as defined in La. R.S. 23:1031(c)) of any such Personnel, IMTT shall remain primarily responsible for the payment of all workers' compensation and medical benefits to such Personnel and shall not be entitled to seek contribution for any such payments from Customer, and IMTT further agrees that it will defend, indemnify, and hold harmless Customer from and against any such For purposes of this Section 21, "Customer" shall be interpreted to include Customer and all of its affiliated companies, including without limitation, parent, subsidiary, and all entities under common control with Customer. The Parties irrevocably and unconditionally submit to the exclusive jurisdiction of the United States District Court for the Middle District of Louisiana, over any suit, action or proceeding arising out of or relating to this Agreement. The Parties irrevocably and unconditionally waive any objection to the laying of venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. THE PARTIES HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT THAT THEY MAY HAVE TO TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION, OR IN ANY LEGAL PROCEEDING, DIRECTLY OR INDIRECTLY BASED UPON OR ARISING OUT OF THIS AGREEMENT.

22. Compliance with Laws. Each Party shall comply in all material respects with applicable federal, state and local laws, ordinances, rules, permits and regulations in the performance of its obligations set forth in this Agreement. IMTT agrees to provide Customer with evidence of licenses, permits, registrations or other authorizations that allow tax-free transport and storage of Customer Product in the Facility before receipt of any Product under this Agreement, and without delay inform Customer of any changes thereto. Notwithstanding the foregoing, Customer acknowledges that the Facility is currently not

customs bonded and is not designated as a Foreign Trade Zone pursuant to the Foreign- Trade Zones Act or any successor or similar state or federal customs free program ("FTZ"). Nothing herein shall obligate IMTT to license, permit, register or participate in any FTZ program.

23. Indemnity Subject to Sections 9 and 10: Each Party (the "Indemnifying Party") agrees to defend, indemnify and hold the other Party, including its affiliates, and all of their respective officers, directors, agents and employees (each, a "Indemnitee"), harmless from and against any and all claims, demands, liabilities, losses, damages, actions, judgments, costs, expenses, fines and reasonable attorneys' fees (collectively, "Claims") asserted by a third party against any Indemnitee to the extent caused by: (A) any breach of this Agreement by the Indemnifying Party; (B) the Indemnifying Party's negligent acts, omissions and/or willful misconduct; or (C) any violation by the Indemnifying Party of any federal, state or local laws, regulations, ordinances or orders. Any Indemnitee seeking indemnification for a Claim made by a third party under this Section shall give prompt written notice to the Indemnifying Party of such Claim; provided, however, the failure by an Indemnitee to give such notice shall not relieve the Indemnifying Party of its obligations under this Section, except to the extent that the Indemnifying Party is materially prejudiced as a result of such failure. In addition, the Indemnitee shall allow the Indemnifying Party to direct the defense and settlement of any such Claim, with counsel of the Indemnifying Party's choosing, and shall provide the Indemnifying Party, at the Indemnifying Party's expense, with such information and assistance as is reasonably necessary for the defense and settlement of the Claim. The Customer Indemnitee shall have the right to employ separate counsel and to participate in (but not control) any such action. The Indemnifying Party shall not settle any such action that affects the Indemnitee's rights or interests without the written consent of the Indemnitee. The Indemnifying Party shall not consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to the Indemnitee a release from all liability with respect to the Claim.

24. Disaster Recovery Plan. At Customer's request, IMTT shall provide a copy of its disaster recovery plan to Customer and shall thereafter provide new copies of such plans upon each material revision or update thereto. IMTT, in its sole and commercially reasonable discretion, will implement its disaster recovery plan and shall carry out the terms of such plans upon any triggering event.

*(Signatures appear on following page)*

Dated and signed by IMTT-Geismar at New Orleans, Louisiana on this 3rd day of August, 2021.

**IMTT-GEISMAR**

**BY:** /s/ James E. Miles, III
**NAME:** James E. Miles, III
**TITLE:** Senior Vice President - Commercial

Dated and signed by REG Geismar, LLC at Ames, IA on this 2nd day of August, 2021.

**REG GEISMAR, LLC**

**BY:** /s/ Cynthia J. Warner
**NAME:** Cynthia J. Warner
**TITLE:** CEO, President

**SCHEDULE**

This schedule ("Schedule") is made part of the Agreement. Capitalized terms herein shall be as defined in the Agreement unless expressly stated otherwise. Except as otherwise specifically stated in this Schedule, in the event of any conflict between this Schedule and the Agreement, this Schedule will control.

1. TERMINAL LOCATION: IMTT-Geismar
   [***]

2. CUSTOMER: REG Geismar, LLC
   [***]

3. PRODUCTS: Customer Products serviced under this Agreement will consist of refined renewable diesel, bio-diesel (B99.9), and ULSD diesel ("Finished Products") and Fat-Oil Feedstock consisting of fatty acids, used cooking oil, distillers corn oil, animal fats, vegetable oils, algal oils, palm oil derivatives and biodiesel distillation bottoms, and blends ("Feedstock Products") meeting the specifications as follows:
   3.1. FINISHED PRODUCT SPECIFICATIONS: attached hereto as Sub-Schedule 3.1.
   3.2. FEEDSTOCK PRODUCT SPECIFICATIONS: attached hereto as Sub-Schedule 3.2.
   3.3. During the Term of this Agreement, the Parties may mutually agree to add Finished and/or Feedstock Products to the Agreement.
   3.4. IMTT reserves the right to reject or limit Products handled at the Facility which will cause IMTT to exceed emissions allowable under its air permit or otherwise violate IMTT environmental permits.

4. TERM; REPORTS:
   4.1. TERM COMMENCEMENT DATE; RENEWAL: The Term of this Agreement shall be Fifteen (15) years (the "Term"). All IMTT infrastructure and capabilities shall be fully operational on or before the Commencement Date. The Term shall commence when the IMTT Facility Infrastructure and the Rundown Lines are completed and ready to be placed into service by IMTT, estimated to be twenty-four (24) months from execution of this Agreement, but no sooner than August 1, 2023 (the "Commencement Date"). The foregoing twenty-four (24) month completion date is a non-binding estimate only and events beyond IMTT's reasonable control including force-majeure, permitting, third-party contractors and suppliers, Mississippi River conditions, poor weather and other factors may delay the Commencement Date. The inability of

Customer to receive or deliver Products on the Commencement Date will not suspend, delay, or excuse Customer's payment obligations under this Agreement. This Agreement shall automatically renew for subsequent renewal terms of ten (10) years unless prior written notice is provided by one Party to the other, not less than three (3) years prior to the end of the then current Term or renewal term.

4.2. PROGRESS REPORTS: Prior to the Commencement Date and at Customer's request, IMTT will provide Customer with progress monthly reports with respect to construction of the New Infrastructure and Rundown Lines. The Parties agree to meet monthly for a performance review with such meetings being held virtually or in person. Beginning on the Commencement Date, the Parties shall meet on a monthly basis for an operations performance review.

5. FACILITY INFRASTRUCTURE: Storage tanks described below, and associated Facility piping will be [***]. The Facility piping used to service Customer Feedstock Products is not dedicated and may be utilized by IMTT to service other of its customers for compatible products, so long as compatible product specifications are provided to Customer in writing, and Customer approves in writing, such Customer approval is limited to product specification and shall be not to be unreasonably withheld. The Facility piping used to service Customer Finished Products will be dedicated for the movement of Customer's Finished Products. Construction of the New Infrastructure and Rundown Lines is more fully addressed below.

5.1. TANKS:

[***]

5.2. OTHER FACILITY INFRASTRUCTURE:

[***]

5.3. IMTT RUNDOWN LINES:

[***]

5.4. INBOUND CAPABILITY – FEEDSTOCK PRODUCTS, FINISHED PRODUCTS:

Marine – via IMTT marine docks subject to IMTT Barge and Ship Marine Conditions as set forth in Exhibit "A".

[***]

5.5. OUTBOUND CAPABILITY – FEEDSTOCK PRODUCTS: IMTT Feedstock Rundown Line – Customer-dedicated pipeline for delivery of Feedstock Products to the Connection Point for transport to Customer's production plant in Geismar, LA.

[***]

5.6. INBOUND CAPABILITY – FINISHED PRODUCTS: IMTT Finished Product Rundown Line from the Connection Point to the Facility and via Marine per Section 5.4 above with a dedicated line.

5.7. OUTBOUND CAPABILITY – FINISHED PRODUCTS: Marine – via IMTT marine docks subject to IMTT Barge and Ship Marine Conditions as set forth in <u>Exhibit "A"</u>.

[***]

6. <u>RATES AND CHARGES:</u> Effective as of the Commencement Date, IMTT will begin invoicing Customer for the following Rates and Charges:

6.1. MONTHLY TANK SERVICE CHARGE: Customer shall pay to IMTT a charge for tank capacity usage at a monthly rate of [***] (the "<u>Monthly Tank Charge</u>"). In the event Customer exceeds [***], Customer will pay, in addition to the Monthly Tank Charge, an additional excess throughput charge of [***] (the "<u>Excess Monthly Tank Charge</u>").

6.2. DOCK USAGE CHARGES: Customer shall pay to IMTT a charge for use of IMTT's dock in connection with inbound and outbound marine transfers of Products at a monthly rate of [***] (the "<u>Monthly Dock Use Charge</u>"). In the event that Customer exceeds, on a per month basis, [***], Customer shall pay, in addition to the Monthly Dock Use Charge, an Excess Monthly Dock Use Charge of [***]. For purposes of this Section 6.2, dock hours shall be calculated from the time the Customer Vessel arrives at the dock until such time as the Customer Vessel sails from the dock. For the avoidance of doubt, Excess Monthly Dock Charges shall be in addition to any Customer Vessel demurrage charges.

6.3. OTHER CHARGES:

i. Tank to tank transfers at [***];
ii. Circulation at [***];
iii. Odor treatment at [***];
iv. iv. Chemical Injection system fee at [***], chemicals must be provided by Customer. If chemical is manually added, Customer will supply chemical and pay for service at Overtime rates in Section 6(e), below;
v. Storage Tank Heating Charges: Heat is available and will be applied in accordance with Customer's instructions at [***];
vi. Barge Heating Charges: Heat is available and will be applied in accordance with
vii. Customer's instructions. Heat will be provided at a rate of [***];

viii. All heating variable costs that are directly measured, [***], associated with the operations of the Feedstock Rundown Line and piping within the Facility will be reimbursed by Customer [***];

ix. Feedstock, filtration and strainer maintenance, repair, replacement and cleaning, transportation and disposal of filter/strainer waste will be reimbursed by Customer at cost (including IMTT labor costs) [***];

x. Squeegee Charges: Squeegee shore tanks [***] Squeegee time will count as Customer Dock Usage per Section 6.2 above.

xi. Any other services at cost [***]; and

xii. [***].

xiii. Security Surcharge: [***]. This proportional Security Surcharge is for IMTT's compliance with the Federal Government's new "33 CFR; Coast Guard, Department of Homeland Security; Subchapter H; Part 105 – Maritime Security: Facilities". This surcharge addresses increased security to maintain Maritime Security (MARSEC) Level I standards at all times. However, should the Coast Guard Captain of the Port raise the threat level to MARSEC Level's II or III, IMTT will track all elevated security requirements and the associated additional costs for back charge to its customer during such heightened alert status.

6.4. WAGE RATES:

Overtime rates are as follows:

[***]

Overtime rates are adjusted annually in accordance with Section 6.6 below.

6.5. HOURS OF OPERATION: [***].

6.6. ESCALATION: At the end of each Contract Year, all rates and charges in this Section 6 (including wage rates) shall be escalated by [***];

7. <u>OTHER CONDITIONS:</u>

7.1. Rundown Lines – Pipeline movements: IMTT and Customer will negotiate written operating, custody and maintenance procedures ("Pipeline O&M Agreement") for Pipeline movements from the Facility to the Connection Point including metering, leak detection, pigging flushing and cleaning.

7.2. Customer shall comply with any and all Laws in connection with any governmental incentives relating to the Products, including state and federal tax credit regulations. Customer shall indemnify, defend and hold harmless IMTT, its officers, directors, members, employees, affiliates and agents from and against any and all claims, losses, liabilities, damages, fines, penalties, tax assessments, suits, actions, judgments and IMTT incurred reasonable attorneys' fees and costs arising out of Customer's breach of this Section 7.2.

7.3. IMTT shall comply with any and all Laws relating to the maintenance, operation and permitting of the Facility.

7.4. As part of the consideration for IMTT entering this Agreement with Customer, Customer's obligations under this Agreement shall be subject to an unconditional guaranty by Customer's ultimate parent, Renewable Energy Group, Inc. and any successor or assign, in a form and substance as set forth in the attached Exhibit "D".

7.5. IMTT will not be responsible for losses occurring during loading, storage, discharge and Product handling/movement operations and which are less than [***] of the gross quantity throughput calculated over a rolling twelve (12) month basis for Finished Product and [***] for Feedstock Product.

7.6. Taxes: IMTT shall be responsible for the payment of taxes, including applicable ad valorem taxes, on its Facility and revenues. Customer shall be responsible for the payment of taxes on its Products, including while stored or being transshipped at the Facility, including its revenues from Products stored or being transshipped at the Facility.

*(Signatures appear on following page)*

Dated and signed by IMTT-Geismar at New Orleans, Louisiana on this 3rd day of August, 2021.

**IMTT-GEISMAR**
**BY:** /s/ James E. Miles, III
**NAME:** James E. Miles, III
**TITLE:** Senior Vice President - Commercial

Dated and signed by REG Geismar LLC at Ames, IA on this 2nd day of August, 2021.

**REG GEISMAR, LLC**
**BY:** /s/ Cynthia J. Warner
**NAME:** Cynthia J. Warner
**TITLE:** CEO, President



*[Signature page to Schedule]*

**SUB-SCHEDULE 3.1**

**[***]**

**SUB-SCHEDULE 3.2**

[***]

**EXHIBIT "A"**

**SHIP AND BARGE MARINE REQUIREMENTS**

[***]

**EXHIBIT “B”**

**TERMINAL ACCESS AGREEMENT**

[***]

## EXHIBIT “C”

**Rundown Lines Routing**

[***]

## EXHIBIT "D"

### PARENT GUARANTY

This Parent Guaranty (this "Guaranty"), dated as of August 3, 2021 (the "Effective Date"), is by Renewable Energy Group, Inc., a Delaware corporation, (the, "Guarantor"), in favor of IMTT-Geismar, a Delaware general partnership ("IMTT").

### BACKGROUND

A. IMTT and REG Geismar LLC, a Delaware limited liability company ("REG") have entered into that certain Agreement of General Conditions, Schedule, Exhibits and Attachments as of August 3, 2021 for the storage, handling and movement of certain of REG's Products (the "Storage Agreement").

B. REG is wholly owned by Guarantor.

C. As a condition to IMTT entering into the Storage Agreement with REG, Guarantor shall execute and deliver this Guaranty.

D. Guarantor will benefit directly or indirectly from IMTT's entering into the Storage Agreement, and Guarantor wishes to induce REG to enter into the Storage Agreement.

**NOW THEREFORE,** in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

**1. Guaranty.**

(a) On the terms and subject to the conditions contained herein, Guarantor hereby absolutely, unconditionally and irrevocably guaranties, to and for the benefit of IMTT, the full and punctual performance and payment, as and when each such payment or performance becomes due (whether at the stated due date, by acceleration or otherwise), by or on behalf of REG of any and all obligations or amounts owed by REG to IMTT in connection with and to the extent provided for in the Storage Agreement (the "Guaranteed Obligations"). The Guaranteed Obligations of Guarantor hereunder are direct and primary obligations. Guarantor may, however, raise all defenses to performance, waivers, offsets, and counterclaims against IMTT which REG would be entitled to raise under the Storage Agreement other than REG's bankruptcy, liquidation, receivership or other insolvency (collectively, the "Reserved Defenses").

(b) Subject to Guarantor's right to raise all Reserved Defenses, this Guaranty is an absolute, unconditional, present, and continuing guaranty of performance and payment, and not of collection, is in no way conditioned or contingent upon any attempt to collect from or enforce performance or payment by REG or upon any other event, contingency or circumstance whatsoever, and shall remain in full force and effect and be binding upon and against Guarantor and Guarantor's successors and assigns (and shall inure to the benefit of IMTT and its successors, transferees, and assigns). If, for any reason, REG shall fail or be unable duly, punctually, and fully to perform or pay, as and when such performance or payment is due, any of the Guaranteed Obligations, but subject to the Reserved Defenses, Guarantor shall promptly perform or pay, or cause to be performed or paid, such Guaranteed Obligations.

(c) Guarantor agrees that any judgment from any litigation (or any award resulting from any arbitration, if IMTT and REG should agree to arbitrate) between IMTT and REG under the Storage Agreement (whether in contested litigation or arbitration, by default or otherwise) shall be conclusive and binding on the parties for the purposes of determining Guarantor's obligations under this Guaranty.

(d) Guarantor further agrees to pay to IMTT any and all costs, expenses (including, without limitation, all reasonable fees and disbursements of counsel), and damages which may be paid or incurred by IMTT in successfully enforcing any rights with respect to this Guaranty, including, without limitation, collecting against Guarantor under this Guaranty.

**2.** **Obligations Absolute and Unconditional, Continuing; Etc.** Subject to Guarantor's rights to raise the Reserved Defenses, Guarantor agrees that the obligations of Guarantor set forth in this Guaranty shall be direct obligations of Guarantor, and such obligations shall be absolute, irrevocable and unconditional, and shall remain in full force and effect without regard to and shall not be released, discharged or in any way affected or impaired by, any circumstance or condition whatsoever (other than full and strict compliance by Guarantor with its obligations hereunder and the Reserved Defenses) (whether or not Guarantor shall have any knowledge or notice thereof), including, without limitation and except as may be raised through the Reserved Defenses: (i) any bankruptcy, insolvency, reorganization, arrangement, readjustment, liquidation, or similar proceeding with respect to IMTT, REG or any other Person or any of their respective properties, or any action taken by any trustee or receiver or by any court in any such proceeding; (ii) any merger or consolidation of Guarantor or REG or any sale, lease, or transfer of all or any of the assets of Guarantor or REG; (iii) any change in the ownership of Guarantor, REG, or any other entity or (iv) any winding up or dissolution of REG. Without limiting the generality of the foregoing, Guarantor agrees that repeated and successive demands may be made and recoveries may be had hereunder as and when, from time to time, REG shall fail to perform obligations or pay amounts owed by it under the Storage Agreement and that notwithstanding the recovery hereunder for or in respect of any given failure to so comply by REG under the Storage Agreement, this Guaranty shall remain in full force and effect and shall apply to each and every subsequent such failure.

**3.** **Reinstatement.** Guarantor agrees that this Guaranty shall be automatically reinstated with respect to any payment made by or on behalf of REG pursuant to the Storage Agreement if and to the extent that such payment is rescinded or must be otherwise restored, whether as a result of any proceedings in bankruptcy or reorganization or otherwise.

**4.** **Waiver of Demands, Notices; Etc.** Guarantor hereby unconditionally waives, to the extent permitted by applicable law but without waiving REG's rights to notice and opportunity to cure under the Storage Agreement: (i) notice of any of the matters referred to in Section 2 hereof and (ii) notice of acceptance of this Guaranty, demand, protest, presentment, notice of failure of performance or payment, and any requirement of diligence.

**5.** **Representations and Warranties.** Guarantor represents and warrants that:

(a) Guarantor, [REG] , is a _____________ duly organized and validly existing in the laws of __________ and has the limited liability company power and authority to execute, deliver and perform this Guaranty;

(b) the execution, delivery and performance of this Guaranty will not conflict with, violate or breach the terms of any agreement of Guarantor;

(c) no authorization, approval, consent or order of, or registration or filing with, any court or other governmental body having jurisdiction over Guarantor is required on the part of Guarantor for the execution and delivery of this Guaranty; and

(d) this Guaranty, when executed and delivered, will constitute a valid and legally binding agreement of Guarantor, except as the enforceability of this Guaranty may be limited by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity as they apply to the Guarantor.

**6. Miscellaneous.**

(a) This Guaranty shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

(b) This Guaranty shall be governed by, and construed in accordance with, the laws of Louisiana.

(c) No modification or amendment of this Guaranty shall be of any force or effect unless made in writing, signed by the parties hereto, and specifying with particularity the nature and extent of such modification or amendment. This Guaranty constitutes the entire and only understanding and agreement among the parties hereto with respect to the subject matter hereof and cancels and supersedes any prior negotiations, proposals, representations, understandings, commitments, communications, or agreements, whether oral or written, with respect to the subject matter hereof.

(d) All notices, requests and communications to a party hereunder shall be in writing and shall be sent:

If to IMTT:
[***]
with a copy to:
[***]
If to Guarantor:
[***]
with a copy to:

[***]

or to such other address and with such other copies, as such party may hereafter reasonably specify by notice to the other parties. Each such notice, request or communication shall be effective upon receipt, provided that if the day of receipt is not a business day then it shall be deemed to have been received on the next succeeding business day.

(e) The headings of the several provisions of this Guaranty are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Guaranty.

(f) Subject to the Guarantor rights to raise the Reserved Defenses, no forbearance or delay by IMTT in asserting rights against REG shall affect or impair in any way Guarantor’s obligations hereunder or the rights of IMTT hereunder.

(g) The term "Person" shall mean any individual, joint venture, corporation, partnership, association, joint stock company, limited liability company, trust, estate, unincorporated organization, governmental entity or other entity having legal capacity.

(h) This Guaranty may be executed in any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

**IN WITNESS WHEREOF,** the undersigned have duly executed this Guaranty as of the Effective Date.

**Renewable Energy Group, Inc., Guarantor**
**Date:** 8/2/2021
**BY:** /s/ Cynthia J. Warner
**NAME:** Cynthia J. Warner
**TITLE:** CEO & President

Acknowledged and Accepted:

**IMTT-Geismar**
**BY:** /s/ Carlin Conner
**NAME: Carlin Conner**
**TITLE: President & Chief Executive Officer**
**Date:** August 3, 2021

Renewable Energy Group Executive Severance Plan and Summary Plan Description

**Introduction**

This document constitutes both the Renewable Energy Group Executive Severance Plan and Summary Plan Description of the plan. The plan was approved by the Compensation Committee of the Board of Directors of Renewable Energy Group ("REG") on November 2, 2021 (the "Effective Date").

**Who is eligible**

In general, you are eligible to participate in the plan if you:

- Are classified as a full-time or part-time employee at the Vice President or above titles, excluding the CEO who has an employment agreement (and in select cases may include Executive Director employees in a "change in control" if the individual is deemed as critical to the change in control process);
- Have been selected for a severance program as approved by the CEO;
- Have not given notice of resignation or retirement (where an exit date has been set by you and/or established by REG after your notice);
- Have not otherwise been disqualified for participation (see "How you may be disqualified once you have been identified as eligible" below); and
- Agree to a covenant not to compete, a covenant not to solicit, a non-disparagement covenant, a covenant regarding the treatment of confidential information, and a general release, in each case reasonably acceptable to REG in connection with the receipt of benefits under this plan.

**How to participate**

Once you have been identified as an eligible employee under the plan, you will be provided a package of materials relating to the plan. One document you should receive is the Employee Termination Agreement (ETA). The ETA explains the right that you are required to give up and the representations you are required to make in order to receive benefits under the plan. If you are chosen to participate in the plan by REG and then sign and return the ETA to the satisfaction of REG, you will be a plan participant when your employment from REG is severed as long as you do not do anything that would disqualify you, or if REG revokes that designation prior to your termination date.

Each employee who is involuntarily severed has a notice period of at least 30 days before he or she is released and terminated. Your team leader will determine whether you need to work all or part of your notice period. While most severees are released/terminated at the end of their notice period, REG may extend your release date up to 24 months from the start of the notice period. Your team leader will notify you of your release date. NOTE: You must sign and return the ETA unchanged by the deadline noted in your severance notification letter if you wish to receive benefits under the severance plan. To remain eligible, you must not revoke the ETA. The deadline applies even if your released date extends beyond the end of the notice period and, if there is such an extension, you may be required to sign an additional ETA in these circumstances as well.

**How you may be disqualified once you have been identified as eligible**

Once you have been qualified as eligible under the plan, you will lose your eligibility and be disqualified for any benefits under the plan, even if these events take place after you execute your ETA, if you:

- In the sole opinion of your line manager, fail to maintain a level of performance acceptable to REG throughout your employment, up to and including your date of release, or engage in serious misconduct, such as a breach of REG's Code of Conduct or non-compliance with REG's policies, etc.
- Resign from REG earlier than your release date (for example, to take a job outside of REG). In these cases, your termination will be considered a voluntary resignation and you will be disqualified for plan benefits.
- Are offered a comparable job with REG or "Other Certain Entities" that does not require a relocation. NOTE: If you are offered a comparable job that does not require a relocation, you will be disqualified for the plan benefits even if you decide to decline the offer. For these purposes, a job will generally be considered "comparable" if the base pay or base hourly rate does not reflect a reduction of more than 20%.

- Accept a job within REG, whether or not a relocation is required. Note: If you accept a job, you are disqualified for plan benefits, even if you ultimately do not take the job.
- Fail to cooperate or satisfy any condition or contingency regarding any employment process that might lead to securing an alternate position.
- Fail to return all REG property in your possession or control by your termination date, including but not limited to intellectual property, tangible displays of property and repositories, whether electronic or otherwise, of proprietary or confidential information related to REG made, used or obtained by employees.
- Received or had access to significant confidential and sensitive REG information not made public by REG and failed to maintain such REG information confidential without first advising REG that you received a request to disclose the information and obtaining REG's written permission to disclose such information, unless such disclosure is protected by a valid court order or applicable law.
- Are on a personal, educational or extended elective/appointive office leave, or any other leave status that does not entitle you to reinstatement per REG's policies, whether or not the leave commences prior to or after you have received a severance package.

The item "Other Certain Entities" included, but is not limited to:

- Purchasers of any portion of the business of REG;
- Firms who provide services to REG (or to a joint venture or similar entity in which REG participates) that will require you to render services in support of REG within 180 days of your termination of employment that are substantially similar to those you performed prior to your termination, regardless of whether the offer of a position was made prior to or after your termination of employment with REG;
- A joint venture or similar entity participated in by REG;
- The new operator of an entity formerly operated in whole or in part by REG, or a contractor performing work for that operator where the work is related to that entity; or
- Distributors of REG products.

NOTE: If you are losing your REG job related to REG's outsourcing of your function, divestiture of your business or a similar context, you will not be eligible for severance under the plan if you are offered a comparable job that does not require relocation with the outsources, acquiring entity or non-REG business, and which begins within 180 days of your termination of employment with REG, regardless of whether the offer was made prior to or after your termination of employment. For these purposes, a job will be considered "comparable" if the base pay or base hourly rate does not reflect a reduction of more than 20%.

**How the REG severance plan works**

If you are an eligible employee, have satisfactorily executed and returned your ETA by the deadline provided to you, and a plan exclusion does not apply to you, the following benefits will be available under the plan. Note that these are the only benefits available under the plan.

**1. Severance allowance**

Each employee who is part of the plan will be entitled to one (1) time the employee's annual base salary. For a termination following a "change in control," each employee who is part of the plan will be entitled to two (2) times the employee's annual base salary. Annual base salary excludes overtime, bonuses, shift differentials, lump sum performance awards, recognition and reward, retention payments, any bonus or incentive payments, and all other types of premium or extra payments which are not part of the employee's regularly scheduled pay.

Participants will receive a receive equal installments over a 12-month period in accordance with REG's usual and customary payroll practices. For a termination following a "change in control," a lump sum payment will be made. The following items will be deducted from the payments:

- Applicable federal, state and local income tax withholding;
- Federal employment taxes;

- Any payments intended to compensate you for the loss of employment with REG makes you eligible for these benefits; and
- Any amounts you owe REG.

"Any amounts you owe REG" include amounts due to REG as a result of any outstanding travel and entertainment advances, educational assistance loans, relocation and moving payments, tax makeup benefits, or other outstanding obligations due to REG for any other reason, including, but not limited to, any payment due on account of any REG tax equalization policies.

Severance payments will be made in the same fashion as you have received your regular pay, but internal processing time could apply to delay your payment by up to three weeks. (If you are paid by direct deposit and you do not want your severance payment made to the same bank account you will need to change the way you receive pay at least two weeks before the severance payment is made.)

The severance allowance is neither:

- subject to deferral; nor
- considered to be eligible pay or benefits bearing compensation for purposes of any other REG benefit plan.

The severance allowance payment will be non-benefits bearing, meaning that the payment willnot be included in the definition of earnings in calculating any employee benefit under any benefit plan, policy, or payroll practice in which the employee participates or to which the employee is subject. Except as set forth in the next paragraph below, all payments made pursuant to the plan will be made no later than March 15 of the year following the date your employment ends or of the performance period. In addition, all benefits hereunder shall be provided in accordance with applicable law and regulation including, but not limited to, ERISA and Internal Revenue Code Section 409A, and in addition shall be considered unfunded for purposed of Internal Revenue Section Code 409A. All taxes, penalties, or interest imposed on any participant due to any failure to comply with internal Revenue Code Section 409A or other tax rule shall be the participant's sole responsibility, and REG shall not have any obligation to keep the participant whole.

If an employee who is part of the plan is a "specified employee" within the meaning of Internal Revenue Code Section 409A as of the date of the employee's separation from service, the provisions of this paragraph shall apply but only if, and to the extent, required to avoid the imputation of any tax, penalty, or interest pursuant to Internal Revenue Code Section 409A. No distribution shall be made to a "specified employee" under this plan before the date that is six months after the employee's separation from service or, if earlier, the date of the employee's death. Any amounts otherwise payable to the employee upon or in the six month period following the employee's separation from service that are not so paid by reason of this paragraph shall be paid (without interest) as soon as practicable (and in all events within 10 days) after the date that is six months after the employee's separation from service (or, if earlier, as soon as practicable, and in all events within 10 days, after the date of the employee's death).

**2. Cash bonus**

You will be entitled a prorated bonus under the Annual Incentive Plan, or any successor thereto, for the portion of the year worked, based upon the date of termination. The amount will be determined based upon the lessor of (i) actual performance through the end of the applicable performance period or (ii) target bonus opportunity, in both cases, calculated using the percentage opportunity associated with your matrix level.

**3. Equity awards**

Each employee who is part of the plan will be entitled to the accelerated vesting of each unvested and outstanding equity award subject to time-based vesting (the "Time-Based Awards") in an amount equal to the number of additional shares that would have vested assuming such Time-Based Award vested in equal monthly installments over the Time-Based Award's original vesting term. For a termination following a "change in control," each employee who is part of the plan will be entitled to full accelerated vesting of each unvested and outstanding Time-Based Award.

Each employee who is part of the plan will be also entitled to the accelerated vesting of each unvested and outstanding equity award subject to performance-based vesting (the "Performance-Based Awards") in an amount equal to the number of additional shares that would have vested assuming such Performance-Based Award vested in equal monthly installments over the Performance-Based Award's original vesting term, if applicable, and based on actual satisfaction of the performance goals. For a termination following a "change in control," each employee who is part of the plan will be entitled to full accelerated vesting of each unvested and outstanding Performance-Based Award based on the achievement of the performance goals at the greater of target or actual performance.

**4. Medical coverage contribution subsidy**

If you are covered under the REG medical program at termination and if you timely elect COBRA continuation coverage, if eligible, then your rates for continued medical coverage will be the most applicable active employee rates for the first 12 months of continuation. For the remainder of your continuation period, the normal COBRA rates will be charged to you. Eligibility for medical coverage and the terms of such coverage will be governed solely by the terms of the REG medical program. Medical coverage at the active employee rates will terminate prior to 12 months after termination if you become eligible to receive medical coverage from another employer or recipient of your services, regardless of whether such benefits are waived. Note that premium rates can vary over the 12-month period and, if they do, the variance shall also apply to your elected coverage.

5. **Dental coverage continuation subsidy**

If you are covered under the REG dental program at termination and if you timely elect COBRA continuation coverage, if eligible, then your rates for continued dental coverage will be the most applicable active employee rates for the first 12 months of continuation. For the remainder of your continuation period, the normal COBRA rates will be charged to you. Eligibility for dental coverage and the terms of such coverage will be governed solely by the terms of the REG dental program. Dental coverage at the active employee rates will terminate prior to 12 months after termination if you become eligible to receive medical coverage from another employer or recipient of your services, regardless of whether such benefits are waived. Note that premium rates can vary over the 12-month period and, if they do, the variance shall also apply to your elected coverage.

6. **Limitation on payments**

In the event that the benefits paid or provided to an employee under this plan (a) constitute "parachute payments" within the meaning of Internal Revenue Code Section 280G, and (b) but for this Section 6, would be subject to the excise tax imposed by Internal Revenue Code Section 4999, then the benefits shall be either (x) delivered in full, or (y) delivered as to such lesser extent which would result in no portion of the benefits being subject to excise tax under Internal Revenue Code Section 4999, whichever of the foregoing amounts, taking into account the applicable federal, state, and local income taxes and the excise tax imposed by Internal Revenue Code Section 4999, results in the receipt by an employee on an after-tax basis, of the greatest amount of the benefits, notwithstanding that all or some portion of the benefits may be taxable under Section 4999. The provisions of this Section 6 shall apply if, at the time of any change in ownership or control of REG (within the meaning of Internal Revenue Code Section 280G), REG is an entity whose stock is readily tradable on an established securities market (or otherwise), within the meaning of Internal Revenue Code Section 280G.

Unless REG and the employee otherwise agree in writing, any determination required under this Section 6 shall be made in writing by REG's independent public accountants immediately prior to the change in ownership or control (the "Accountants"), whose determination shall be conclusive and binding upon the employee and REG for all purposes. For purposes of making the calculations required by this Section 6, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Internal Revenue Code Sections 280G and 4999. REG and the employee shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this Section 6. REG shall bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this Section 6. If a reduction in the benefits constituting "parachute payments" as defined in Internal Revenue Code Section 280G is necessary so that benefits are delivered to a lesser extent, reduction shall occur in the following order: (a) reduction of the cash severance payments; (b) cancellation of accelerated vesting of equity awards that do not qualify for special valuation under Q&A 24(c) of the regulations under Internal Revenue Code Section 280G; (c) cancellation of other equity awards; and (d) reduction of continued employee benefits. In the event that the accelerated vesting of equity awards is to be cancelled, such vesting acceleration shall be cancelled in the reverse chronological order of the grant dates of the employee's equity awards.

7. **Claims**

***Initial review of claim:***

If you believe that you have been improperly excluded from participation in the plan or if you believe that you are entitled to benefits in an amount greater than those that you have received, in order to pursue any claim you must file a formal claim for benefits under the plan. Claims relating to eligibility must be filed within six months of your termination date. Claims for benefits must be filed within six months from the date that the benefit, if payable, would have been due under the plan.

A claim must be in writing and sent to the ERISA claims and appeals, REG, 416 Bell Avenue, Ames, IA 50010. The claim should:

- state the nature of the claim,
- the facts supporting the claim,
- the amount claimed, and
- your address.

The claim will be reviewed and, unless special circumstances require an extension of time, you will be notified in writing of the decision with respect to the claim within 90 days after receipt of the claim. If special circumstances require an extension of time, you will be advised in writing within the initial 90 day period and in no event will such an extension exceed 90 days. The notice of the decision with respect to the claim is required to be written in a manner calculated to be understood by you and, if the claim is wholly or partially denied, is to set forth the specific reasons for which the determination is based, a description of any additional material or information necessary for you to perfect the claim and an explanation of why such material or information is necessary, and an explanation of the formal claim appeal procedures and applicable time limits for making formal appeals of adverse benefit determinations under the plan, including a notice that you will have a right to bring a civil action under Section 502(a) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), following an adverse benefit determination on appeal.

***Appeal of claim:***

If you are not satisfied with the results of the claim and you wish to pursue it further, within 60 days after you have received notice of the adverse determination you or your authorized representative must request a review by the plan administrator by filing a written request for such review. A request must be made in writing and sent to the ERISA claims and appeals analyst at the above address. If a request is so filed, review of the determination will be made by the plan administrator or his or her delegate within 60 days after receipt of such request, unless special circumstances require an extension of time, and you will be given a written notice of the resulting final decision. If special circumstances require an extension of time, you will be advised in writing within the initial 60 day period and in no event will an extension exceed 60 days.

The plan administrator's final determination will include specific reasons for the determination and reference to specific plan provisions on which the decision is based, and will be written in a manner calculated to be understood by you. You are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to your claim. If, after exhaustion of the plan's appeal procedures, you still believe you have been improperly denied a plan benefit, you may file a civil action under Section 502(a) of ERISA.

No action at law or equity may be brought to recover benefits prior to the expiration of the plan's claims and appeal procedures. At such a point and not before, claimants will be considered to have exhausted all administrative remedies. In addition, no such legal action shall be valid if brought more than two years from the date proof of a claim in initially required by the plan.

**8. Miscellaneous**

All benefits provided under the plan are subject to repayment in whole or in part to REG should the plan administrator in its sole discretion determine that any of the plan's coverage exclusions apply. Any such repayment may be required if the plan administrator discovers circumstances applicable to repayment up to six years following receipt of plan benefits. Where repayment applies, the individual must transfer to the order of REG, for no consideration, all such amounts as REG may in its sole discretion determine.

Nothing in this plan shall be read as prohibiting an employee from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, Congress, and any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. The employee does not need prior authorization from anyone in REG to make such reports or disclosure and employee is not required to notify REG before such reports or disclosures are made. Any other provision of this plan that might be considered inconsistent with this paragraph shall not apply if employee makes any disclosures under this provision.

In accordance with the Defend Trade Secrets Act of 2016, the employee will not be held criminally or civilly liable under any federal or state law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of the law; or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If employee files a lawsuit for retaliation by employer for reporting a suspected violation of the law, employee may disclose employer's trade secrets to employee's attorney and use the trade secret information in a court proceeding if employee: () files any document containing the trade secret under deal; and (b) does not disclose the trade secret, except pursuant to court order.

The Compensation Committee of REG's Board of Directors may modify, amend, or terminate this plan at any time and for any reason, provided any such termination shall not affect any benefits accrued under the plan prior to the date of termination.

The invalidity or unenforceability of any provision or provisions of this plan shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.

This plan shall be governed by and construed in accordance with the laws of the State of Iowa, without regard to principles of conflict of laws.

**9. Definitions**

For purposes of this plan, a "change in control" shall be deemed to have occurred if, after the Effective Date, (i) the beneficial ownership (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") of securities representing more than 50% of the combined voting power of REG is acquired by any "person" as defined in sections 13(d) and 14(d) of the Exchange Act (other than REG, any subsidiary of REG, or any trustee or other fiduciary holding securities under an employee benefit plan of REG), (ii) the merger or consolidation of REG with or into another corporation where the stockholders of REG, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, shares representing in the aggregate 50% or more of the combined voting power of the securities of the corporation issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any) in substantially the same proportion as their ownership of REG immediately prior to such merger or consolidation, or (iii) the sale or other disposition of all or substantially all of REG's assets to an entity, other than a sale or disposition by REG of all or substantially all of REG's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned directly or indirectly by stockholders of REG, immediately prior to the sale or disposition, in substantially the same proportion as their ownership of REG immediately prior to such sale or disposition.

**Administrative Information**

| | |
|---|---|
| Type of Plan | Welfare benefit plan |
| Plan Year | January 1 – December 31 |
| Plan Sponsor | Renewable Energy Group<br>416 S. Bell Avenue<br>Ames, Iowa 50010 |
| Plan Administrator | Head of Total Rewards<br>Renewable Energy Group<br>416 S. Bell Avenue<br>Ames, Iowa 50010<br>1-800-734-8686 |
| Sources of contributions | The plan is funded by Renewable Energy Group |
| Agent for service of legal process | For disputes arising from the plan, legal process may be served on:<br>Corporate Secretary<br>Renewable Energy Group<br>416 S. Bell Avenue<br>Ames, IA 50010<br><br>Legal process may also be served upon the plan administrator |

**Plan Administrator**

The plan administrator has the authority to control and manage the operation and administration of the plan. In this capacity, the plan administrator (or his/her authorized delegates) generally has several rights, powers and duties, including:

- Determining in his/her discretion, whether an individual is eligible or entitled to benefits;
- Interpreting plan provisions; and
- Establishing rules and procedures for plan administration

No plan benefits will be paid unless the plan administrator, in his/her discretion, determines that a person is eligible for the same.

**Your ERISA rights**

As a participant in this plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants have the right to:

- Examine, without charge, at the plan administrator’s office, all documents governing the plan, including insurance contracts and a copy of the latest annual report (Form 5500 Series) filed by the plan with the US Department of Labor.
- Obtain, upon written request to the plan administrator at the address for the plan administrator listed above a copy of the plan document
- Receive a summary of the plan’s annual financial report at no charge. Each participant is automatically provided with a copy of this summary annual report.

In addition to creating rights for plan participants, ERISA imposes duties upon the people responsible for the operation of the plan. The people who operate your plans are called “fiduciaries” and have a duty to operate the plan prudently and in the interest of you and other plan participants and beneficiaries.

No one, including your employer or any other person, may fire you or discriminate against you in any way to prevent you from obtaining benefits under the plan or exercising your rights under ERISA.

If your claim for a benefit is denied or ignored, in whole or in part, you have the right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time limits.

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time limits.

Under ERISA, there are steps you can take to enforce these rights. For instance, if you request materials from the plan and do not receive them within 30 days, you may file a suit in federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless they were not sent because of reasons beyond the plan administrator's control.

If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. (You can file suit only after you have exhausted the plan's claims and appeals procedures.) If you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court.

The court will decide who should pay court costs and legal fees. If you're successful, the court may order the person you have sued to pay these costs and fees. If you lose – for example, if the court finds your claim is frivolous – the court may order you to pay these costs and fees.

If you have any questions about this statement or about your rights under ERISA, you should contact the nearest office of the Employee Benefits Security Administration, U.S Department of Labor, listed in your telephone directory, or contact:

Division of Technical Assistance and Inquiries
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue N.W.
Washington, D.C. 20210

No legal action shall be brought to recover from the plan prior to the exhaustion of the plan's claims and appeals procedures. At such a point and not before, participants will be considered to have exhausted all administrative remedies. No such legal action shall be valid if brought more than two years from the expiration of the time within which proof of loss is initially required by the plan, or such longer period only if specifically allowed by an applicable federal statute.

**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: November 4, 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: November 4, 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: November 4, 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: November 4, 2021

/s/ R. Craig Bealmear

R. Craig Bealmear
Chief Financial Officer