

Gevo, Inc.
Form 10-Q
August 10, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2016

or

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

Commission File Number 001-35073

GEVO, INC.

(Exact name of registrant as specified in its charter)

Delaware 87-0747704
(State or other jurisdiction of (I.R.S. Employer

incorporation or organization) Identification No.)

345 Inverness Drive South, Building C, Suite 310

Englewood, CO 80112

(303) 858-8358

(Address, including zip code, and telephone number, including

area code, of registrant's principal executive offices)

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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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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

As of July 29, 2016, 89,523,003 shares of the registrant's common stock were outstanding.

GEVO, INC.

FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2016

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

GEVO, INC.

Consolidated Balance Sheets

(in thousands, except share and per share amounts)

	(unaudited)	
	June 30, 2016	December 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 22,617	\$ 17,031
Accounts receivable	1,674	1,391
Inventories	2,885	3,487
Prepaid expenses and other current assets	884	731
Total current assets	28,060	22,640
Property, plant and equipment, net	77,773	76,777
Restricted deposits	2,611	2,611
Deposits and other assets	803	803
Total assets	\$ 109,247	\$ 102,831
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,703	\$ 7,476
Current portion of secured debt, net	324	330
Current portion 2017 Notes recorded at fair value	23,340	-
Derivative warrant liability	6,150	10,493
Total current liabilities	34,517	18,299
Long-term portion of secured debt, net	-	153
Long term portion 2017 Notes recorded at fair value	-	21,565
2022 Notes, net	16,545	14,341
Other long-term liabilities	-	147
Total liabilities	51,062	54,505
Commitments and Contingencies (see Note 11)		

Stockholders' Equity

Common stock, \$0.01 par value per share; 250,000,000 authorized; 89,234,771 and

21,607,048 shares issued and outstanding at June 30, 2016 and

December 31, 2015, respectively	892	216
Additional paid-in capital	421,876	387,602
Deficit accumulated	(364,583)	(339,492)
Total stockholders' equity	58,185	48,326
Total liabilities and stockholders' equity	\$ 109,247	\$ 102,831

See notes to unaudited consolidated financial statements.

GEVO, INC.

Consolidated Statements of Operations

(in thousands, except share and per share amounts)

(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenue and cost of goods sold				
Ethanol sales and related products, net	\$ 7,168	\$ 7,955	\$ 12,925	\$ 13,053
Hydrocarbon revenue	713	740	1,011	1,257
Grant and other revenue	232	229	497	513
Total revenues	8,113	8,924	14,433	14,823
Cost of goods sold	9,989	9,898	19,212	19,132
Gross loss	(1,876)	(974)	(4,779)	(4,309)
Operating expenses				
Research and development expense	1,469	1,765	2,513	3,487
Selling, general and administrative expense	2,147	3,792	4,066	8,271
Total operating expenses	3,616	5,557	6,579	11,758
Loss from operations	(5,492)	(6,531)	(11,358)	(16,067)
Other (expense) income				
Interest expense	(2,246)	(2,029)	(4,396)	(4,064)
(Loss)/Gain on conversion of debt	-	-	-	285
(Loss)/Gain on extinguishment of warrant liability	(923)	1,775	(923)	1,775
(Loss)/Gain from change in fair value of the 2017 Notes	(940)	(340)	(1,775)	3,425
(Loss)/Gain from change in fair value of derivative warrant liability	(10,573)	(7,247)	(5,325)	(7,080)
Loss on issuance of equity	(1,519)	-	(1,519)	-
Other income	206	2	206	13
Total other expense, net	(15,995)	(7,839)	(13,732)	(5,646)
Net loss	(21,487)	(14,370)	(25,090)	(21,713)
Net loss per share - basic and diluted	\$ (0.44)	\$ (1.10)	\$ (0.70)	\$ (2.03)
Weighted-average number of common shares				
outstanding - basic and diluted	49,085,638	13,009,434	36,050,983	10,673,891

See notes to unaudited consolidated financial statements.

GEVO, INC.

Consolidated Statements of Cash Flows

(in thousands)

(unaudited)

	Six Months Ended June 30,	
	2016	2015
Operating Activities		
Net loss	\$(25,090)	\$(21,713)
Adjustments to reconcile net loss to net cash used in operating activities:		
Loss/(Gain) from change in fair value of derivative warrant liability	5,325	7,080
Loss/(Gain) from change in fair value of the 2017 Notes	1,775	(3,425)
Loss/(Gain) on conversion of debt	-	(285)
Loss/(Gain) on extinguishment of warrant liability	923	(1,775)
Loss/(Gain) on issuance of equity	1,519	-
Stock-based compensation	542	698