

**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, 2024  
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: **000-12627**

**GLOBAL CLEAN ENERGY HOLDINGS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**6451 Rosedale Hwy, Bakersfield, California**

(Address of principal executive offices)

**87-0407858**

(I.R.S. Employer  
Identification Number)

**93308**

(Zip Code)

**(661) 742-4600**

(Registrant's telephone number, including area code)

Securities registered under Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
None	N/A	N/A

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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

The number of shares of the issuer's common stock, par value \$0.01 per share, outstanding as of August 19, 2024 was 50,182,233.

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**Part I. FINANCIAL INFORMATION**

**Item 1: Financial Statements**

**GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(Unaudited)**

<i>(in thousands, except share amounts)</i>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
<b>ASSETS</b>		
Current assets:		
Cash	\$ 1,899	\$ 1,927
Accounts receivable, net	1,962	1,841
Restricted cash	6,610	1,809
Inventories, net	18,855	4,554
Prepaid expenses and other current assets	1,726	1,728
<b>Total current assets</b>	<b>31,052</b>	<b>11,859</b>
Operating lease right-of-use-assets	2,254	3,158
Intangible assets, net	9,361	9,894
Goodwill	10,034	10,179
Other long-term assets	12,540	5,029
Property, plant and equipment, net	1,444,993	1,270,187
<b>Total assets</b>	<b>\$ 1,510,234</b>	<b>\$ 1,310,306</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Current liabilities:		
Accounts payable	\$ 25,838	\$ 12,236
Accrued liabilities	19,918	17,087
Current portion of operating lease obligations	1,549	1,806
Current portion of EPC deferred payment	138,313	—
Notes payable including current portion of long-term debt, net	496,783	198,232
<b>Total current liabilities</b>	<b>682,401</b>	<b>229,361</b>
Long-term liabilities:		
Operating lease obligations, net of current portion	598	1,154
Mandatorily redeemable equity instruments of subsidiary, at fair value (Class B Units)	5,240	3,590
EPC deferred payment, net of current portion	532,034	602,229
Long-term debt, net	1,573	1,550
Senior Credit Agreement, net	159,601	420,351
Asset retirement obligations, net of current portion	20,360	18,819
Environmental liabilities, net of current portion	18,321	16,079
Deferred tax liabilities	1,491	1,465
Other long-term liabilities	106	6,353
<b>Total liabilities</b>	<b>1,421,725</b>	<b>1,300,951</b>
Commitments and Contingencies (Note 12)		
Series C 15.00% preferred stock - 50,000,000 shares authorized; 0 and 145,000 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively	—	138,539
Stockholders' equity (deficit)		
Common stock, \$0.01 par value; 500,000,000 shares authorized; 50,182,233 shares issued and outstanding at June 30, 2024 and 50,179,494 shares issued and 49,999,345 shares outstanding, at December 31, 2023	500	500
Additional paid-in capital	102,880	111,982
Accumulated other comprehensive loss	(722)	(411)
Accumulated deficit	(19,618)	(261,691)
<b>Total stockholders' equity (deficit) attributable to Global Clean Energy Holdings, Inc.</b>	<b>83,040</b>	<b>(149,620)</b>
Non-controlling interests	5,469	20,436
<b>Total stockholders' equity (deficit)</b>	<b>88,509</b>	<b>(129,184)</b>
<b>Total liabilities and stockholders' equity (deficit)</b>	<b>\$ 1,510,234</b>	<b>\$ 1,310,306</b>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

(in thousands, except share amounts and per share amounts)

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Revenue	\$ 1,994	\$ 232	\$ 2,561	\$ 1,565
Cost of goods sold	2,566	104	4,344	1,567
<b>Gross profit (loss)</b>	<b>(572)</b>	<b>128</b>	<b>(1,783)</b>	<b>(2)</b>
Operating expenses:				
General and administrative expense	17,754	13,067	34,651	26,713
Facilities expense	8,034	7,750	15,838	15,401
Depreciation expense	416	293	800	563
Amortization expense	266	278	433	614
<b>Total operating expenses</b>	<b>26,470</b>	<b>21,388</b>	<b>51,722</b>	<b>43,291</b>
<b>Operating loss</b>	<b>(27,042)</b>	<b>(21,260)</b>	<b>(53,505)</b>	<b>(43,293)</b>
Other income (expense)				
Interest expense, net	(1,476)	(1,308)	(2,904)	(2,499)
Gain on extinguishment of debt	163,566	—	163,566	—
Other income (loss)	597	(116)	894	175
Change in fair value of Class B Units	(1,290)	2,217	(1,650)	407
<b>Income (loss) before income taxes</b>	<b>134,355</b>	<b>(20,467)</b>	<b>106,401</b>	<b>(45,210)</b>
Income tax benefit	—	21	—	121
<b>Net income (loss)</b>	<b>\$ 134,355</b>	<b>\$ (20,446)</b>	<b>\$ 106,401</b>	<b>\$ (45,089)</b>
Less: Accretion of dividends on preferred stock	(14,318)	(11,853)	(28,099)	(20,732)
Add: Series C preferred shares cancelled upon settlement	130,542	—	130,542	—
Add: Deemed contribution in connection with cancellation of preferred stock to Senior Lenders	5,130	—	5,130	—
<b>Net income (loss) available to common stockholders</b>	<b>\$ 255,709</b>	<b>\$ (32,299)</b>	<b>\$ 213,974</b>	<b>\$ (65,821)</b>
Basic net income (loss) per common share	\$ 5.10	\$ (0.76)	\$ 4.26	\$ (1.55)
Diluted net income (loss) per common share	\$ 2.87	\$ (0.76)	\$ 2.43	\$ (1.55)
Basic weighted-average shares outstanding	50,182,233	42,353,899	50,181,978	42,351,665
Diluted weighted-average shares outstanding	89,239,840	42,353,899	87,974,949	42,351,665

The accompanying notes are an integral part of these condensed consolidated financial statements.

**GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**(Unaudited)**

(in thousands)

	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Net income (loss)	\$ 134,355	\$ (20,446)	\$ 106,401	\$ (45,089)
Other comprehensive loss:				
Foreign currency translation adjustments	(108)	(25)	(311)	(14)
<b>Comprehensive income (loss)</b>	<u>\$ 134,247</u>	<u>\$ (20,471)</u>	<u>\$ 106,090</u>	<u>\$ (45,103)</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)**  
**(Unaudited)**

<i>(in thousands, except share amounts)</i>	Common stock		Additional paid-in capital	Accumulated other comprehensive income	Accumulated deficit	Treasury stock	Non - controlling interests	Total
	Shares	Amount						
<b>Beginning Balance at December 31, 2022</b>	42,344,827	\$ 423	\$ 122,633	\$ 73	\$ (171,757)	\$ (16)	\$ 20,436	\$ (28,208)
Share-based compensation from issuance of options and compensation-based warrants	-	-	613	-	-	-	-	613
Exercise of stock options	5,200	-	5	-	-	-	-	5
Accretion of 15.00% Series C preferred shares	-	-	(8,879)	-	-	-	-	(8,879)
Issuance of warrants	-	-	8,607	-	-	-	-	8,607
Foreign currency translation adjustment	-	-	-	11	-	-	-	11
Net loss	-	-	-	-	(24,643)	-	-	(24,643)
<b>Ending Balance at March 31, 2023</b>	<b>42,350,027</b>	<b>\$ 423</b>	<b>\$ 122,979</b>	<b>\$ 84</b>	<b>\$ (196,400)</b>	<b>\$ (16)</b>	<b>\$ 20,436</b>	<b>\$ (52,494)</b>
Share-based compensation from issuance of options and compensation-based warrants	-	-	736	-	-	-	-	736
Exercise of stock options	50,000	1	4	-	-	-	-	5
Accretion of 15.00% Series C preferred shares	-	-	(11,853)	-	-	-	-	(11,853)
Issuance of warrants	-	-	9,882	—	-	-	-	9,882
Foreign currency translation adjustment	-	-	-	(25)	-	-	-	(25)
Net loss	-	-	-	-	(20,446)	-	-	(20,446)
<b>Ending Balance at June 30, 2023</b>	<b>42,400,027</b>	<b>\$ 424</b>	<b>\$ 121,748</b>	<b>\$ 59</b>	<b>\$ (216,846)</b>	<b>\$ (16)</b>	<b>\$ 20,436</b>	<b>\$ (74,195)</b>

**GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)**  
**(Unaudited)**

<i>(in thousands, except share amounts)</i>	Common stock		Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Treasury stock	Non - controlling interests	Total
	Shares	Amount						
<b>Ending Balance at Dec. 31, 2023</b>	49,999,345	\$ 500	\$ 111,982	\$ (411)	\$ (261,691)	\$ -	\$ 20,436	\$ (129,184)
Share-based compensation from issuance of options and compensation-based warrants	-	-	536	-	-	-	-	536
Exercise of stock options	182,888	-	2	-	-	-	-	2
Accretion of 15.00% Series C preferred stock	-	-	(13,781)	-	-	-	-	(13,781)
Issuance of warrants	-	-	7,392	-	-	-	-	7,392
Foreign currency translation adjustment	-	-	-	(203)	-	-	-	(203)
Net loss	-	-	-	-	(27,954)	-	-	(27,954)
<b>Ending Balance at March 31, 2024</b>	50,182,233	\$ 500	\$ 106,131	\$ (614)	\$ (289,645)	\$ -	\$ 20,436	\$ (163,192)
Share-based compensation from issuance of options and compensation-based warrants	-	-	576	-	-	-	-	576
Settlement of warrants	-	-	(1,866)	-	-	-	-	(1,866)
Settlement of warrants in subsidiary	-	-	11,944	-	-	-	(14,967)	(3,023)
Series C preferred shares cancelled upon settlement	-	-	-	-	130,542	-	-	130,542
Deemed contribution in connection with cancellation of preferred stock to Senior Lenders	-	-	-	-	5,130	-	-	5,130
Accretion of 15.00% Series C preferred stock	-	-	(14,318)	-	-	-	-	(14,318)
Issuance of warrants	-	-	413	-	-	-	-	413
Foreign currency translation adjustment	-	-	-	(108)	-	-	-	(108)
Net income	-	-	-	-	134,355	-	-	134,355
<b>Ending Balance at June 30, 2024</b>	50,182,233	\$ 500	\$ 102,880	\$ (722)	\$ (19,618)	\$ -	\$ 5,469	\$ 88,509

The accompanying notes are an integral part of these condensed consolidated financial statements.

**GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Unaudited)**

(in thousands)

	For the six months ended June 30,	
	2024	2023
<b>Operating Activities</b>		
Net income (loss)	\$ 106,401	\$ (45,089)
<b>Adjustments to reconcile net income (loss) to net cash used in operating activities:</b>		
Share-based compensation	1,112	1,349
Depreciation and amortization	1,233	1,177
Accretion of asset retirement obligations	243	399
Change in fair value of Class B units	1,650	(407)
Gain on extinguishment of debt	(163,566)	—
Amortization of debt discount	2,655	2,290
Deferred income taxes	—	100
<b>Changes in operating assets and liabilities:</b>		
Accounts receivable	(122)	(4)
Inventories	(8,773)	2,004
Prepaid expenses and other current assets	—	(1,683)
Other long-term assets	(7,408)	(4)
Accounts payable	(5,830)	484
Accrued liabilities	4,998	1,636
Asset retirement obligations	—	(10)
Environmental liabilities	(332)	(298)
Operating lease obligations	90	(37)
<b>Net Cash Used in Operating Activities</b>	<b>(67,649)</b>	<b>(38,093)</b>
<b>Investing Activities:</b>		
Cash paid for intangible assets	(37)	(19)
Cash paid for property, plant, and equipment	(24,158)	(17,799)
Proceeds from government grant	136	—
<b>Net Cash Used in Investing Activities</b>	<b>(24,059)</b>	<b>(17,818)</b>
<b>Financing Activities:</b>		
Proceeds received from exercise of stock options	2	9
Payment on settlement and cancellation of warrants and Series C preferred shares	(18,000)	—
Payments on notes payable and long-term debt	(1,341)	(3,821)
Borrowings on other notes	1,668	5,184
Borrowings on Senior Credit Agreement	114,253	51,000
<b>Net Cash Provided by Financing Activities</b>	<b>96,582</b>	<b>52,372</b>
Effect of foreign currency exchange rate changes on cash	(101)	—
<b>Net Change in Cash and Restricted Cash</b>	<b>4,773</b>	<b>(3,539)</b>
<b>Cash and Restricted Cash at Beginning of Period</b>	<b>3,736</b>	<b>7,464</b>
<b>Cash and Restricted Cash at End of Period</b>	<b>\$ 8,509</b>	<b>\$ 3,925</b>
<b>Supplemental Disclosures of Cash Flow Information</b>		
Cash	\$ 1,899	\$ 2,213
Restricted cash	\$ 6,610	\$ 1,023
Restricted cash, net of current portion	\$ —	\$ 689
Cash and Restricted Cash	\$ 8,509	\$ 3,925
Cash Paid for Interest	\$ 50	\$ 86

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Supplemental Non-cash Investing and Financing Activities***(in thousands)*

	For the six months ended June 30,	
	2024	2023
<b>Supplemental Disclosures of Non-cash Investing and Financing Activities</b>		
Debt discount related to warrants issued to certain Senior Lenders	\$ 7,805	\$ 18,489
In-kind interest added to principal balance of Senior Credit Agreement	53,094	34,829
EPC deferred payment included in purchases of property, plant, and equipment	39,957	—
Amounts included in accounts payable, accrued liabilities and other long-term liabilities for purchases of property, plant, and equipment	14,702	4,523
Capitalized interest added in property, plant, and equipment	100,560	45,229
Settlement and Cancellation of warrants and Series C preferred shares	125,653	—
Exchange of Series C preferred shares and deemed contribution for issuance of Tranche B loans under Senior Credit Agreement	17,855	—

The accompanying notes are an integral part of these condensed consolidated financial statements.

**GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

**NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS**

Throughout this Quarterly Report, the terms “we,” “us,” “our,” “our company,” and “the Company” collectively refer to Global Clean Energy Holdings, Inc. and its wholly-owned subsidiaries. References to “GCEH” refer only to Global Clean Energy Holdings, Inc.

**Organization**

GCEH is a Delaware corporation. GCEH currently operates through various wholly-owned U.S. and foreign subsidiaries. The principal subsidiaries include: (i) Sustainable Oils, Inc., (“SusOils”), a Delaware corporation that conducts feedstock breeding, owns proprietary rights to various camelina varieties and operates our camelina business; (ii) GCE Holdings Acquisitions, LLC and its five Delaware limited liability company subsidiaries that were formed to finance and own, directly or indirectly, Bakersfield Renewable Fuels, LLC (“BKRF”), a Delaware limited liability company that owns our Bakersfield Renewable Fuels Facility (“Facility”); (iii) GCE Operating Company, LLC, a Delaware limited liability company that operates our Facility, and employs various personnel throughout the Company; (iv) Agribody Technologies, Inc., (“ATP”), a Delaware corporation that owns and oversees aspects of our plant science programs; (v) Camelina Company España, S.L.U., (“CCE”), a Spanish private limited company that develops proprietary camelina varieties and leads our business expansion opportunities in Europe and South America; (vi) Global Clean Renewable Argentina S.R.L., (“GCRA”), a limited liability company in Argentina that conducts operations in Argentina; and (vii) Global Clean Renewable Brazil LTDA, (“Brazil”), a limited liability company in Brazil that conducts operations in Brazil. We also own several foreign inactive subsidiaries.

**Description of Business**

GCEH is a vertically integrated renewable fuels innovator producing ultra-low carbon renewable fuels from patented nonfood camelina varieties. Our farm-to-fuel business model is designed to allow greater efficiencies throughout the value chain, lowering our finished fuels’ carbon intensity and streamlining our operations at every step. Our patented camelina varieties are purposefully bred to increase yield, quicken maturity, and increase tolerance to drought and pests. Today, GCEH owns the world’s largest portfolio of patented camelina genetics, and we contract directly with farmers around the globe to grow our proprietary camelina crop on fallow land. Once our Facility becomes commercially operational, we expect the majority of our revenues will be generated from the sale of renewable diesel along with the sale of co-products for renewable propane, naphtha and butane.

**NOTE 2 - LIQUIDITY**

The accompanying condensed consolidated financial statements have been prepared on the basis that the Company will continue as a going concern. As shown in the accompanying condensed consolidated financial statements, the Company has incurred an operating loss of \$53.5 million and net income of \$106.4 million during the six months ended June 30, 2024, and had an accumulated deficit of \$19.6 million at June 30, 2024. Net income included a non-cash gain on the extinguishment of debt of \$163.6 million during the six months ended June 30, 2024. At June 30, 2024, the Company had negative working capital of \$651.3 million and stockholders’ equity of \$88.5 million. The conversion project at our Facility is still ongoing, and we do not expect to generate any revenue from our Facility until the commencement of commercial operations.

Various scheduling issues experienced to date with CTCI Americas, Inc., a Texas corporation (“CTCI”), and other factors beyond our control have delayed the completion of the Facility. Given these delays, we have taken steps for CTCI to accelerate the completion of the project, including the hiring of a third-party project management services group, although further delays beyond estimated timelines, or unexpected construction costs including any unfavorable negotiation of change order claims, could increase the cost of completion of the Facility beyond our budgeted costs. While our Facility conversion project is still ongoing, progress has continued and as of August 21, 2024, the project has transitioned from construction to operations and the start-up phase of the conversion project has commenced. We do not expect to generate any revenue from our Facility until it commences commercial operations; however, given the current state of our conversion project, we expect initial commercial operations to commence during the fourth quarter of this year, although there can be no assurance that such operations will commence within this time period. In addition, CTCI continues to claim that it has incurred costs in excess of the guaranteed maximum price set forth in the Engineering, Procurement and

Construction Agreement with CTCI (the “CTCI EPC Agreement”), as amended, and is seeking at least \$760.0 million in total compensation through the end of the project. While the Company is evaluating CTCI’s claims, we dispute such claims, and the Company intends to vigorously defend its position, including by asserting all rights, defenses and counterclaims that the Company may have under the CTCI EPC Agreement and at law. As of June 30, 2024, the amount of the EPC deferred payment totaled \$670.3 million. The EPC deferred payment includes the contingent liability of \$427.3 million, which includes contingent accrued interest of \$27.3 million. An unfavorable outcome with CTCI on this dispute may materially impact our future liquidity. We will be required to begin making installment payments of our EPC deferred payment along with payment of a deferred amount that we may be required to make to our project management service provider (as further discussed in Note 12 - Commitments and Contingencies) once we achieve Substantial Completion, as defined by the CTCI EPC Agreement, as amended, which management estimates will not occur until the first quarter of 2025. The EPC deferred payment (excluding contingent amounts) and deferred payment to the project management service provider totaled \$237.7 million and \$14.0 million, respectively, as of June 30, 2024.

As of June 30, 2024, the Company’s primary sources of liquidity is cash on hand, available borrowings under its Senior Credit Agreement and Revolving Credit Facility (“RCF”). On June 25, 2024, the Company entered into Amendment No. 16 to the Senior Credit Agreement that increased the borrowing capacity up to \$691.8 million, by increasing the Tranche D loan facility up to \$272.2 million, which may be increased by an additional \$20.4 million if the Administrative Agent reasonably determines that such increase is required to reach Substantial Completion as defined in the Senior Credit Agreement with respect to the Facility (See Note 6 - Debt for further information). As of August 21, 2024, the Company is operating with \$29.4 million of committed borrowing capacity remaining under the Senior Credit Agreement. In addition, under the Senior Credit Agreement, the Company is required to raise \$10.0 million by August 31, 2024 and an additional \$170.0 million by August 31, 2024 to refinance a portion of the senior debt. As of June 30, 2024, approximately \$160.1 million will be required for cash interest payments starting in September 30, 2024 through August 21, 2025 related to the Senior Credit Agreement outstanding balance as of June 30, 2024. The Senior Credit Agreement also requires that we maintain a debt balance of not more than \$470.0 million on and after August 31, 2024, and \$370.0 million on and after June 30, 2025, and if proceeds from the required capital raises or cash from operations are insufficient to pay down the senior debt to achieve these debt balances and interest, we will be required to undertake additional financings to meet the target debt balance of \$470.0 million on and after August 31, 2024. As a result, as of June 30, 2024, \$466.1 million of the Senior Credit Agreement balance is included in the current portion of long-term debt. The current portion is comprised of (1) payment required based on the Tranche D waterfall structure to include principal, interest and premium of a 1.35x multiple on invested capital (“MOIC”) and (2) additional payment of approximately \$372.4 million required to achieve the targeted debt balance of not more than \$370.0 million, assuming we are successful in raising \$170.0 million of additional capital by August 31, 2024.

As of June 25, 2024, the Company entered into a RCF with Vitol Americas Corp. as the lender, administrative and collateral agent (“Vitol”), providing for a \$75.0 million working capital facility subject to borrowing base limitations with an advance rate of 90% against the RCF collateral primarily consisting of accounts receivable, feedstock and product inventory owned by the Facility and all Renewable Attributes financed under the RCF. The RCF matures 36 months from the Supply and Offtake Agreement (“SOA”) Start Date, which is defined as the Facility receiving feedstock and producing an average of at least 5,000 barrels per day of renewable diesel over a consecutive 5-day period (see Note 12 - Commitments and Contingencies - Supply and Offtake Agreement for further information).

On June 25, 2024, the Company entered into a Settlement and Mutual Release Agreement (“EM Settlement Agreement”) with ExxonMobil Renewables LLC (“ExxonMobil Renewables”) and ExxonMobil Oil Corporation (“EMOC”) whereby the Company and ExxonMobil Renewables agreed, among other things, to cancel all 125,000 shares of the Company’s Series C Preferred stock as of the Effective Date (see Note 9 - Series C Preferred Stock). All rights granted to ExxonMobil Renewables pursuant to the terms of the Series C Preferred stock were also terminated as of the Effective Date, and ExxonMobil Renewables waived any rights to the payment of any accrued or unpaid dividends in respect thereof, which totaled \$51.5 million as of the Effective Date. In addition, on June 25, 2024, all outstanding shares of Series C preferred stock held by the Senior Lenders were converted into approximately \$28.2 million in Tranche B loans that included accrued or unpaid dividends in respect thereof, which totaled \$8.2 million (see Note 9 - Series C Preferred Stock).

In addition, we have a fixed payment obligation of \$30.8 million, as subsequently amended in January 2024, that any unpaid remaining balance is due to be paid in full by December 2024 (see Note 6 - Debt).

The uncertainty of the timing of the completion and costs of the Facility, the lack of significant operating cash flows until the initial revenues from the Facility begin, no current committed equity or debt financing and the significant cash shortfall to meet the Company’s financial obligations, represent events and conditions that raise a substantial doubt about the

Company's ability to continue as a going concern for a period of at least one year from the time the financial statements are issued.

Management is currently pursuing and evaluating several plans to mitigate the conditions or events that raise a substantial doubt about the Company's ability to continue as a going concern, which include the following:

- Exercising the Company's rights under the CTCI Agreement to recover liquidated damages to which the Company may be entitled;
- Engaging with third parties, including our existing senior lender group and other stakeholders, to raise additional debt or equity capital, including developing deleveraging strategies;
- Evaluating the Company's existing arrangements and potential financing and transaction structures to minimize our current and future credit support obligations;
- Accelerating Camelina development and expanding the Company's Camelina business generally;
- Requesting waivers from our lenders to the Senior Credit Agreement to be in compliance; and
- Pursuing initiatives to reduce operating expenses.

There can be no assurance that sufficient liquidity can be obtained on terms acceptable to the Company, or at all. As a result, and given the high volatility in the capital markets, the Company has concluded that management's plans do not alleviate the substantial doubt about our ability to continue as a going concern beyond one year from the date the financial statements are issued. The accompanying condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of assets and their carrying amounts, or the amounts and classification of liabilities that might result from the outcome of this uncertainty.

### **NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

We describe our significant accounting policies in Note 3 of the notes to consolidated financial statements in our annual report on Form 10-K for the year ended December 31, 2023 ("Annual Report"). During the six months ended June 30, 2024, there were no changes to those accounting policies except as described below.

#### **Basis of Presentation and Principles of Consolidation**

The accompanying unaudited condensed consolidated financial statements as of June 30, 2024 have been prepared in accordance with U.S. GAAP for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles accepted in the United States of America ("U.S. GAAP") for complete financial statements, and should be read in conjunction with the audited consolidated financial statements and related notes to the financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 as filed with the U.S. Securities and Exchange Commission ("SEC"). The unaudited condensed consolidated financial statements include all material adjustments (consisting of all normal accruals) necessary to make the condensed consolidated financial statements not misleading as required by Regulation S-X Rule 8-03. Operating results for the six months ended June 30, 2024 are not necessarily indicative of the results that may be expected for the year ended December 31, 2024, or any future periods.

Certain reclassifications have been made to prior period information to conform to the current presentation. The reclassifications had no effect on our overall consolidated financial position, results of operations or cash flows.

The accompanying condensed consolidated financial statements include the accounts of GCEH and its wholly-owned subsidiaries. References to the "ASC" hereafter refer to the Accounting Standards Codification established by the Financial Accounting Standards Board ("FASB") as the source of authoritative U.S. GAAP. All intercompany accounts and transactions have been eliminated in consolidation.

#### **Correction of an Immaterial Error on Previously Issued Financial Statements**

During 2024, the Company identified an immaterial error in the earning per share computation in the Consolidated Statements of Operations. The error resulted from the exclusion of accretion of dividends in the amounts of \$11.9 million and \$20.7 million on Series C preferred stock for the three and six months ended June 30, 2023, respectively, from the numerator for computing loss per share available to common shareholders. This resulted in increasing the basic and diluted loss per share by \$0.28 and \$0.49 for the three and six months ended June 30, 2023, respectively. The Company has corrected the previously reported amounts in these financial statements. The error does not impact the condensed

consolidated balance sheets, the condensed consolidated statements of cash flows and net income (loss) for any of the prior periods. The Company will also correct previously reported financial information for this error in its future filings, as applicable.

### **Inventories**

Inventories at the Facility consist of biomass feedstocks and finished products of renewable diesel, propane, naphtha and butane, and are stated at the lower of cost or net realizable value using the weighted-average method. In determining the market value of our feedstocks and finished products at the Facility, we assume that feedstocks are converted into finished products, which requires us to make estimates regarding the products expected to be produced from those feedstocks and the conversion costs required to convert those feedstocks into products. We then apply an estimated selling price to our inventories, less estimated selling expenses. If the aggregate market value of our weighted average inventories is less than the related aggregate cost, we recognize a loss for the difference in our statements of operations. To the extent the aggregate market value of our weighted-average inventories subsequently increases, we recognize an increase to the value of our inventories (not to exceed cost) and a gain in our statements of operations. We also carry spare parts, materials, and supplies in inventory at our Facility using the average cost method. Estimating the net realizable value of our inventory requires management to make assumptions about the timing of sales and the expected proceeds that will be realized for these sales.

In addition, the Company carries inventories of camelina seeds, grain, meal, and oil in connection with our camelina business, and are valued at the lower of cost or net realizable value. Cost is determined based on standard cost that approximate actual costs. The Company recognized a loss of \$1.2 million and \$0.7 million as of June 30, 2024 and December 31, 2023, respectively, due to inventories being adjusted to the lower of cost or net realizable value.

### **Long-lived Assets**

In accordance with U.S. GAAP for the impairment or disposal of long-lived assets, the carrying values of intangible assets and other long-lived assets are reviewed on a regular basis for the existence of facts or circumstances that may suggest impairment. The Company recognizes impairment when the aggregate of the expected undiscounted future cash flows is less than the carrying amount of the asset. Impairment losses, if any, are measured as the excess of the carrying amount of the asset over its estimated fair value. The Company's estimate of cash flows may change because of the losses being incurred by the Facility, which may be negatively impacted by further delays in commencing operations. During the six months ended June 30, 2024 and 2023, there were no impairment losses recognized on long-lived assets.

### **Goodwill and Indefinite Lived Assets**

The Company's indefinite lived assets consist of goodwill and trade names. Goodwill represents the excess of the fair value of consideration over the fair value of identifiable net assets acquired. Goodwill is allocated at the date of acquisition and is not amortized, but tested annually for impairment. Note that goodwill is adjusted for the impact of foreign currency translation for instances when goodwill is recorded in foreign entities whose functional currency is also their local currency. Goodwill balances are translated into U.S. dollars using exchange rates in effect at period end. Adjustments related to foreign currency translation are included in other comprehensive loss. Other indefinite lived assets were separately identified intangible assets apart from goodwill and are subject to amortization. Amortization expense for intangible assets was approximately \$0.3 million and \$0.3 million for the three months ended June 30, 2024 and 2023, respectively. Amortization expense for intangible assets was approximately \$0.4 million and \$0.6 million for the six months ended June 30, 2024 and 2023, respectively.

### **Fair Value Measurements and Fair Value of Financial Instruments**

As of June 30, 2024 and December 31, 2023, the carrying amounts of the Company's financial instruments that are not reported at fair value in the accompanying condensed consolidated balance sheets, including cash and restricted cash, accounts receivable, and accounts payable and accrued liabilities, approximate their fair value due to their short-term nature. There were no changes since December 31, 2023 in the Company's valuation techniques used to measure fair value.

### **Class B Units**

The Company's Class B Units are recorded at their carrying values in the condensed consolidated balance sheets, which may differ from their respective fair values. The fair values of the Class B Units are derived from Level 3 inputs. The fair value amount of the Class B Units as of June 30, 2024 and December 31, 2023 is presented in the table below based on a

Monte Carlo Simulation and takes the average over 100,000 iterations. This simulation incorporates inputs such as projected cash flows, discount rate, expected volatility, and risk-free interest rate.

Key Valuation Inputs

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Discount Rate	25.00 %	25.00 %
Expected term (years)	9.0	8.5
Risk Free Rate	4.26 %	3.81 %
Volatility	65.00 %	60.00 %

The following is the recorded fair value of the Class B Units as of June 30, 2024 and December 31, 2023:

	<b>As of June 30, 2024</b>		<b>As of December 31, 2023</b>	
	Carrying Value	Total Fair Value	Carrying Value	Total Fair Value
<i>(in thousands)</i>				
<b>Liabilities</b>				
Class B Units	\$ 5,240	\$ 5,240	\$ 3,590	\$ 3,590

The following presents changes in the Class B Units for the three and six months ending June 30, 2024 and 2023:

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<i>(in thousands)</i>				
Beginning Balance	\$ 3,950	\$ 13,817	\$ 3,590	\$ 12,007
Change in fair value recognized in earnings	1,290	(2,217)	1,650	(407)
Ending Balance	\$ 5,240	\$ 11,600	\$ 5,240	\$ 11,600

Debt Instruments

In conjunction with extinguishment accounting performed as a result of the June 25, 2024, Amendment No. 16 of the Senior Credit Agreement, the Company recognized the Senior Credit Agreement at fair value. The fair value of the Senior Credit Agreement was determined using a discounted cash flow model utilizing Level 2 inputs. Inputs to the discounted cash flow model include contractual cash flows of the Senior Credit Agreement, risk-free interest rates, an implied probability of default, and recovery rates for each tranche of loans under the Senior Credit Agreement. As of June 30, 2024, the net carrying amount of the Senior Credit Agreement approximates the fair value due to the extinguishment accounting performed as of June 25, 2024.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include (a) valuation of common stock, warrants, and stock options, (b) estimated useful lives of equipment and intangible assets, (c) long-lived asset impairment, (d) the estimated costs to remediate or clean-up the Facility site, and the inflation rate, credit-adjusted risk-free rate and timing of payments to calculate the asset retirement obligations, (e) the estimated costs to remediate or clean-up identified environmental liabilities, (f) estimated contingent liabilities, (g) the estimated future cash flows, which are adjusted for current market conditions and various operational revisions, and the various metrics required to establish a reasonable estimate of the value of the Class B Units issued to certain of the Company's senior lenders under the Senior Credit Agreement and (h) the estimated future cash flows, which are adjusted for current market conditions and various operational revisions, and the various metrics required to establish a reasonable estimate of the fair value of the debt extinguishment related to the Senior Credit Agreement. It is reasonably possible that the significant estimates used will change within the next year.

**Income/Loss per Common Share**

Income/Loss per share amounts are computed by dividing income or loss applicable to the common stockholders of the Company by the weighted-average number of common shares outstanding during each period. Diluted income or loss per share amounts are computed assuming the issuance of common stock for potentially dilutive common stock equivalents. The number of dilutive warrants and options is computed using the treasury stock method, whereby the dilutive effect is reduced by the number of treasury shares the Company could purchase with the proceeds from exercises of warrants and options.

The following tables present instruments that were potentially dilutive for the three and six months ended June 30, 2024 and 2023 that were excluded from diluted earnings per share as they would have been anti-dilutive:

<i>(in thousands)</i>	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Convertible notes and accrued interest	—	7,582	—	7,582
Stock options and warrants	55,789	73,324	57,278	68,111

During the three and six months ended June 30, 2024 and 2023, a certain company held a purchase option to obtain a 33.33% ownership of GCE Holdings Acquisitions, LLC. This option was anti-dilutive for the three and six months ended June 30, 2024 and 2023, as such, it was excluded from the diluted earnings per share. During the three and six months ended June 30, 2023, a certain company held a purchase option to obtain a 33.33% ownership in SusOils. This option was anti-dilutive for the three and six months ended June 30, 2023, as such, it was excluded from the diluted earnings per share. The purchase option to obtain 33.33% ownership of SusOils was eliminated along with the EM Settlement Agreement.

**NOTE 4 - PREPAID EXPENSES AND OTHER CURRENT ASSETS**

The significant components of prepaid expenses and other current assets as of June 30, 2024 and December 31, 2023 are as follows:

<i>(in thousands)</i>	<b>As of June 30, 2024</b>	<b>As of December 31, 2023</b>
Prepaid insurance	\$ 1,180	\$ 1,367
Prepaid expenses and other current assets	546	361
	<u>\$ 1,726</u>	<u>\$ 1,728</u>

**NOTE 5 - PROPERTY, PLANT AND EQUIPMENT**

Property, plant, and equipment as of June 30, 2024 and December 31, 2023 are as follows:

<i>(in thousands)</i>	<b>Depreciable Life</b>	<b>As of June 30, 2024</b>	<b>As of December 31, 2023</b>
Office equipment	3 to 5 years	\$ 1,495	\$ 776
Buildings	5 to 30 years	2,943	2,857
Refinery and industrial equipment	5 to 30 years	146,292	90,314
Transportation equipment	3 to 5 years	692	469
		151,422	94,416
Less accumulated depreciation		(2,751)	(2,228)
		148,671	92,188
Land		7,856	7,856
Construction in process		980,952	952,991
Construction period interest		307,514	217,152
<b>Property, plant and equipment, net</b>		<b>\$ 1,444,993</b>	<b>\$ 1,270,187</b>

Depreciation is computed using the straight-line method over estimated useful lives. Depreciation expense for property and equipment was approximately \$0.4 million and \$0.3 million for the three months ended June 30, 2024 and 2023, respectively, and \$0.8 million and \$0.6 million for the six months ended June 30, 2024 and 2023, respectively. During the three months ended June 30, 2024 and 2023, \$54.2 million and \$23.6 million of interest was capitalized for the three months ending June 30, 2024 and 2023, respectively, and \$100.6 million and \$45.2 million of interest was capitalized for the six months ending June 30, 2024 and 2023, respectively. The Company has recognized a total of \$317.7 million of capitalized interest during the construction of the Facility.

**NOTE 6 - DEBT**

The table below summarizes our notes payable and long-term debt at June 30, 2024 and at December 31, 2023:

<i>(in thousands)</i>	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>Maturity Date</b>	<b>Contractual Interest Rate</b>
Senior Credit Agreement	\$ 836,082	\$ 640,492	December 2025	15.0%
Fixed payment obligation	30,750	26,400	December 2024	—%
Revolving credit facility	—	—	<sup>(2)</sup>	12.5%
Other notes <sup>(1)</sup>	4,180	3,816	December 2024 through June 2050	0.0% to 6.0%
<b>Subtotal</b>	<b>871,012</b>	<b>670,708</b>		
Less: current portion of long-term debt	(499,438)	(199,192)		
Less: unamortized debt discount and issuance costs	(210,399)	(49,615)		
<b>Total</b>	<b>\$ 161,175</b>	<b>\$ 421,901</b>		
Notes payable including current portion of long-term debt	499,438	199,192		
Less: current portion of unamortized debt issuance costs	(2,655)	(960)		
Notes payable including current portion of long-term debt, net	<b>\$ 496,783</b>	<b>\$ 198,232</b>		

(1) See Note 6 - Debt - Other notes payable.

(2) The revolving credit facility matures three years from the Supply and Offtake Agreement Start Date.

**Amendments to Senior Credit Agreement**

On May 4, 2020, BKRF OCB, LLC, a wholly-owned subsidiary of GCEH, entered into the Senior Credit Agreement with a group of lenders (the “Senior Lenders”) pursuant to which the Senior Lenders agreed to initially provide a \$300.0 million senior secured term loan facility to BKRF OCB to pay the costs of retooling the Facility. Through various amendments, the commitments under the Senior Credit Agreement have been increased to \$691.8 million as of June 30, 2024. As of June 30, 2024, we have borrowed \$637.7 million under the Senior Credit Agreement, and have borrowed an additional \$24.7 million through August 21, 2024. The Company deferred interest payments of \$53.1 million during the six months ending June 30, 2024 for a total deferred amount of \$170.1 million as of June 30, 2024.

On April 9, 2024, the Company entered into Amendment No. 14 to the Senior Credit Agreement that provided for, among other things, an increase to the Tranche D loan facility up to \$165.0 million, providing \$25.0 million of new funding.

On May 6, 2024, the Company entered into Amendment No. 15 to the Senior Credit Agreement that provided for, among other things, an increase to the Tranche D loan facility up to \$180.0 million, providing \$15.0 million of new funding.

On June 25, 2024, the Company entered into Amendment No. 16 to the Senior Credit Agreement that provided for, among other things, an upsize of the Tranche D facility to \$272.2 million of commitments by the Tranche D Senior Lenders, which may be increased by an additional \$20.4 million of Tranche D commitments by the Administrative Agent if determined such increase is required to reach Substantial Completion. In consideration for the upsizing of the Tranche D facility, Amendment No. 16 provided that an aggregate of \$132.4 million of Tranche B loans to be recharacterized as Tranche C+ loans, which provide for a minimum return of 1.35x. Following the execution of Amendment No. 16, for each \$1.00 of Tranche D commitments provided by Lenders (as defined in Amendment No. 16) affiliated with Orion Infrastructure Capital, \$1.40 of additional Tranche B Loans will be automatically recharacterized as Tranche C+ at the time such Tranche D commitments are provided (up to a maximum of \$35.0 million).

In addition, all outstanding shares of Series C Preferred Stock held by the Senior Lenders were converted into approximately \$28.2 million in Tranche B loans. The fair value of the Tranche B Loans issued in exchange for the Series C Preferred Stock held by the Senior Lenders was approximately \$17.9 million as of the Effective Date, as such, we recorded a debt discount of \$10.3 million.

The Company evaluated Amendment No. 16 in accordance with ASC 470-50, *Debt - Modifications and Extinguishments*, on a lender-by-lender basis and determined that the net present value of the cash flows associated with the Senior Credit Agreement after Amendment No. 16 exceeded 10% over the previous 12-month period immediately preceding Amendment No. 16. As a result, the Company accounted for this transaction as an extinguishment and derecognized the existing debt and recorded the new debt at fair value. Based on the difference between the reacquisition price and carrying amount of debt, the Company recognized a \$163.6 million gain on extinguishment of debt during the three and six months ended June 30, 2024, which in addition to debt issuance costs of \$48.9 million resulted in total debt discount of \$212.5 million.

As of August 21, 2024, we have borrowed a total of \$662.4 million under the Senior Credit Agreement. Consequently, the Company is operating with \$29.4 million of committed borrowing capacity under the Senior Credit Agreement. The availability period for which the Tranche D facility can be drawn may be extended from time to time by the Administrative Agent is currently extended until December 31, 2024. The Senior Credit Agreement is secured by all the assets of our Facility, including a pledge of the member’s interest.

As of June 30, 2024, the Company recognized the following debt discount related to warrants issued (See Note 10 - Stock Options and Warrants).

<i>(in thousands, except share amounts)</i>	<b>Warrants issued</b>	<b>Debt discount</b>
Tranche D	8,518,235 \$	7,805

As of December 31, 2023, the Company recognized the following debt discount related to warrants issued (See Note 10 - Stock Options and Warrants).

(in thousands, except share amounts)

	Warrants issued		Debt discount
Tranche C	8,250,000	\$	8,607
Tranche D	24,422,941	\$	23,958

### **Revolving Credit Facility**

On June 25, 2024, the Company entered into an RCF with Vitol, providing for a \$75.0 million working capital facility subject to borrowing base limitations with an advance rate of 90% against the RCF collateral primarily consisting of accounts receivable, feedstock and product inventory owned by the Facility and all Renewable Attributes financed under the RCF. The RCF matures 36 months from the Supply and Offtake Agreement (“SOA”) Start Date, which is defined as the Facility receiving feedstock and producing an average of at least 5,000 barrels per day of renewable diesel over a consecutive 5-day period (see Note 12 - Commitments and Contingencies - Supply and Offtake Agreement for further details of the SOA). The RCF provides for an unused commitment fee of 5.0%, and outstanding loans under the RCF will bear interest at 12.5% per annum.

The RCF contains customary representations and warranties for transactions of this type, in addition to certain financial and non-financial covenants. These covenants include restrictions with respect to: incurrence of indebtedness; grants of liens; engaging in certain mergers, consolidations, liquidations and dissolutions; engaging in certain sales of assets; making distributions and dividends; making certain acquisitions and investments; entering into transactions that would limit the ability to make payments on the RCF loans; amendments or terminations of certain material and Facility related contracts; entering into any guarantee of indebtedness; restrictions on use of proceeds; and entering into hedging arrangements (other than permitted arrangements consistent with the Senior Credit Agreement), among other restrictions.

The RCF provides for optional prepayments, as well as mandatory prepayments in the event (i) the outstanding loans exceed the permitted borrowing base, (ii) upon the incurrence of any indebtedness (other than permitted indebtedness), or (iii) upon the receipt of proceeds of any judgment, settlement or other action involving the Loan Parties.

The RCF includes customary events of default for: non-payment of amounts owed under the RCF; breaches of representations, warranties or covenants; certain insolvency proceedings, incurrence of any final judgments in excess of \$15.0 million (to the extent not covered by insurance) or a non-monetary judgment that would result in a material adverse effect; changes of control; breaches of material Facility related agreements; and failure of the start-up of the Facility by October 31, 2024 (subject to extensions for certain force majeure events). The RCF also provides for cross-defaults upon events of default under the Senior Credit Agreement and the SOA. Upon an event of default under the RCF, all commitments under the RCF would terminate, and the lenders may accelerate the payment of all outstanding principal and interest.

Loans under the RCF are secured by all of the assets of the Loan Parties pursuant to that certain pledge and security agreement, dated as of June 25, 2024, by and among the Loan Parties and Vitol, as collateral agent (the “Security Agreement”). In connection with the closing of the transactions contemplated by the RCF and the Security Agreement, the Loan Parties, Vitol, as RCF Collateral Agent, and the Collateral Agent under the Senior Credit Agreement entered into an intercreditor agreement, dated as of June 25, 2024 (the “Intercreditor Agreement”), which will govern the relative priorities (and certain other rights) of the senior lenders and the RCF secured parties pursuant to the respective security agreements that each entered into with the Loan Parties and their respective affiliates.

The Company had not drawn on the RCF as of June 30, 2024. As of August 21, 2024, the outstanding balance was \$8.2 million and we have \$66.8 million of borrowing capacity under the RCF, subject to the borrowing base limitations. The Company was in compliance with covenants as of June 30, 2024.

### **Fixed Payment Obligation**

The Company amended a derivative forward contract with the counterparty which terminated the derivative forward contract and replaced it with a fixed payment obligation. Effective January 22, 2024, we amended our fixed payment obligation to begin one month after the Facility commences its commercial operations and produces on-spec renewable diesel with the final payment due no later than December 31, 2024. In exchange, the total fixed payment obligation was increased to a total of \$30.8 million.

**Other Notes Payable**

Included in “Other notes” are loans and notes payable facilities for miscellaneous financings, such as working capital loans in our Spanish subsidiary CCE and financing of our insurance policies. At various times the Company enters into new insurance policies to replace certain policies that are expiring and to insure for additional identified risks. As of December 31, 2023, the Company had two insurance policies financed at a rate of 8.8% to 9.0%. The Company had two insurance policies financed at a rate of 0.0% to 8.0% at June 30, 2024. The Company expects that it will continue to finance certain policy premiums.

The following table summarizes the minimum required payments of notes payable including current portion of long-term debt, net and long-term debt as of June 30, 2024:

(in thousands)

Year	Required Minimum Payments
2024	\$ 499,418
2025	371,386
2026	30
2027	14
2028	10
Thereafter	154
<b>Total</b>	<b>\$ 871,012</b>

**Class B Units**

Pursuant to the Senior Credit Agreement, BKRF HCB, LLC, an indirect wholly-owned subsidiary of the Company, has issued 397.6 million Class B Units to certain Senior Lenders as of June 30, 2024. To the extent that there is distributable cash, the Company is obligated to make certain distribution payments to holders of Class B Units, that end on the later of five years after the Facility commences commercial operations or the date on which the Class B Units equal 2.0x MOIC, after which the units will no longer require further distributions and will be considered fully redeemed. The aggregate total payments (including distributions to the Class B Units, all interest and principal payments) to the certain Senior Lenders cannot exceed two times the amount of the borrowings under the Senior Credit Agreement Tranche A and Tranche B, or approximately \$792.0 million. The Tranche A and B loans under the Senior Credit Agreement, which represent \$265.4 million of the \$691.8 million outstanding principal and paid-in-kind interest balance as of June 30, 2024, do earn Class B Units, while the Tranche C and Tranche D loans do not receive Class B Units. The balance of the Class B Units was unchanged by the transfer of Tranche B loans to Tranche C+ under Amendment No. 16. The aggregate fair value of such units on the date of their issuances totaled approximately \$16.5 million which were recorded as debt discount. The aggregate fair value of the earned units as of June 30, 2024 and December 31, 2023 was approximately \$5.2 million and \$3.6 million, respectively. It is expected that the fair value will fluctuate depending on market inputs that impact the projected distributable cash.

**NOTE 7 - ACCRUED EXPENSES**

As of June 30, 2024 and December 31, 2023, accrued liabilities consists of:

<i>(in thousands)</i>	<b>As of June 30, 2024</b>	<b>As of December 31, 2023</b>
Accrued compensation and related liabilities	\$ 6,303	\$ 6,503
Accrued interest payable	2,328	2,209
Accrued construction costs	1,705	—
Current portion of asset retirement obligations	1,775	3,073
Current portion of environmental liabilities	1,164	3,738
Deferred revenue	—	1,250
Other accrued liabilities	6,643	314
	<u>\$ 19,918</u>	<u>\$ 17,087</u>

**NOTE 8 - OTHER LONG-TERM LIABILITIES**

As of June 30, 2024 and December 31, 2023, other long-term liabilities consists of:

<i>(in thousands)</i>	<b>As of June 30, 2024</b>	<b>As of December 31, 2023</b>
Project management service provider deferred payments <sup>(1)</sup>	\$ —	\$ 5,318
Other long-term liabilities	106	1,035
	<u>\$ 106</u>	<u>\$ 6,353</u>

(1) See Note 12 - Commitments and Contingencies - Professional Services Agreement.

**NOTE 9 - SERIES C PREFERRED STOCK****Series C Preferred Stock**

Per the EM Settlement Agreement entered into on June 25, 2024, all 125,000 shares of the Company's Series C Preferred stock beneficially and legally owned by ExxonMobil Renewables were automatically cancelled as of the Effective Date (see Note 12 - Commitments and Contingencies). Approximately \$13.1 million of the \$18.0 million settlement payment was allocated to the settlement of the Series C Preferred Stock in connection with the EM Settlement Agreement. The carrying amount of the Series C Preferred Stock held by ExxonMobil Renewables on the Effective Date was approximately \$143.7 million. The \$130.6 million difference between the carrying value of the Series C Preferred Stock held by ExxonMobil Renewables and the consideration transferred for the extinguishment of the Series C Preferred Stock held by ExxonMobil Renewables decreased the Company's accumulated deficit. All rights granted to ExxonMobil Renewables pursuant to the terms of the Series C Preferred stock were also terminated as of the Effective Date, and ExxonMobil Renewables waived any rights to the payment of any accrued or unpaid dividends in respect thereof.

In addition, all outstanding shares of Series C Preferred Stock held by the Senior Lenders were converted into approximately \$28.2 million in Tranche B loans and the shares cancelled. The fair value of the Tranche B Loans issued in exchange for the Series C Preferred Stock held by the Senior Lenders was approximately \$17.9 million as of the Effective Date. The carrying amount of the Series C Preferred Stock held by the Senior Lenders on the Effective Date was approximately \$23.0 million. The \$5.1 million difference between the carrying value of the Series C Preferred Stock held by the Senior Lenders and the fair value of the Tranche B Loans exchanged for the Senior Lenders' Series C Preferred Stock decreased the Company's accumulated deficit as a deemed contribution (see Note 6 - Debt).

Following the cancellation of the Series C Preferred Stock held by ExxonMobil Renewables pursuant to the EM Settlement Agreement and the exchange and cancellation of the Series C Preferred Stock held by the Senior Lenders for Tranche B Loans, no Series C Preferred Stock remained outstanding as of June 30, 2024.

**NOTE 10 - STOCK OPTIONS AND WARRANTS****Second Amended and Restated 2020 Equity Incentive Plan**

Pursuant to the Second Amended and Restated 2020 Equity Incentive Plan, the Company granted stock-based options to certain employees.

The Company recognized stock compensation expenses related to stock option awards of \$0.6 million and \$0.7 million for the three months ended June 30, 2024 and 2023, respectively, and \$1.1 million and \$1.3 million for the six months ended June 30, 2024 and 2023, respectively. The Company recognizes all stock-based compensation in general and administrative expenses in the accompanying condensed consolidated statements of operations. As of June 30, 2024, there was approximately \$2.1 million of unrecognized compensation cost related to service-based option awards that will be recognized over the remaining service period of approximately 1.8 years, and there was approximately \$0.1 million of unrecognized compensation cost related to market-based stock option awards that will be recognized over the remaining derived service period of 0.5 years.

**Stock Purchase Warrants and Call Option**

Total warrants issued as of June 30, 2024 related to Amendments No. 10 through 16 of the Senior Credit Agreement were 41,191,176. Each new warrant is issued commensurate with each cash draw from the Senior Credit Agreement. Therefore, the fair value of these warrants are determined on the date of the draw. As of June 30, 2024, if in-the-money warrants are exercised for cash, the Company will receive \$3.1 million. The following table is a summary of the ranges used in the inputs of the Black-Scholes option pricing model assumptions related to the warrants issued during the three and six months ended June 30, 2024:

Expected Term (in Years)	4.71 - 4.97
GCEH Warrant Volatility	120.0%
Risk Free Rate	3.8% - 4.3%
Dividend Yield	0 %

**EM Settlement Agreement**

In accordance with the EM Settlement Agreement entered on June 25, 2024, all warrants held by Exxon exercisable for common shares of the Company and its SusOils subsidiary were cancelled (see Note 12 - Commitments and Contingencies). The settlement of the warrants held by ExxonMobil Renewables exercisable for common shares of the Company resulted in a reduction to additional paid-in capital in an aggregate amount of approximately \$1.9 million.

The settlement of warrants in the Company's SusOils subsidiary (the "SusOils Warrants") resulted in a reduction to the non-controlling interest associated with SusOils of approximately \$15.0 million. The amount of the settlement payment allocated to the settlement of the SusOils Warrants was approximately \$3.0 million. The \$12.0 million difference between the carrying amount of the SusOils Warrants on June 25, 2024 and the amount of the settlement payment allocated to the settlement of the SusOils Warrants was recognized as an increase to additional paid in capital.

**NOTE 11 - INCOME TAXES**

The effective tax rate for the three months ended June 30, 2024 and 2023 was 0.0% and 0.1%, respectively. The effective tax rate for the six months ended June 30, 2024 and 2023 was 0.0% and 0.3%, respectively. The Company has recorded a 100% valuation allowance against the deferred tax assets as of June 30, 2024 and December 31, 2023. During the three and six months ended June 30, 2024 and 2023, the Company did not recognize any material interest or penalties related to uncertain tax positions.

The Company files tax returns in the U.S. federal jurisdiction, and in multiple state and foreign jurisdictions. The Company is no longer subject to U.S. federal income tax examinations for years before 2020 and is no longer subject to state, local and foreign income tax examinations by tax authorities for years before 2019. The Company is currently not under audit by any jurisdictions.

## **NOTE 12 - COMMITMENTS AND CONTINGENCIES**

### **USDA Grant**

In May 2023, the Company was awarded a five-year, \$30.0 million grant by U.S. Department of Agriculture (“USDA”) and the Natural Resources Conservation Service (“NRCS”) to build markets for climate-smart commodities and invest in America’s climate-smart producers. The objectives of the project are to support the production and marketing of climate-smart commodities by providing voluntary incentives to producers and landowners to implement climate-smart agricultural production practices, activities, and systems on working lands; measure/quantify, monitor and verify the carbon and greenhouse gas (“GHG”) benefits associated with those practices; and develop markets and promote the resulting climate-smart commodities (i.e. camelina and camelina seeds). The goal of the project is to improve agronomic practices and drive the adoption of carbon-smart practices that will ultimately lower GHG emissions and carbon intensity of camelina production as well as increase carbon sequestration in the soil with a benefit to the crops in rotation with camelina.

Total reimbursements from the USDA grant (including amounts due to be received) were \$1.2 million and \$3.8 million for the three and six months ended June 30, 2024, respectively, and are reported net of general and administrative expenses and facilities expenses, respectively in the Company’s condensed consolidated statements of operations. The Company had no reimbursements from the USDA grant (including amounts due to be received) for the three and six months ended June 30, 2023. The Company has \$0.6 million and \$0.2 million of receivables due from the USDA grant program, which is included in prepaid expenses and other current assets in the Company’s condensed consolidated balance sheet as of June 30, 2024 and December 31, 2023, respectively.

The Company has quarterly reporting requirements that include performance and progress reporting, in addition to being subject to an annual audit for costs reimbursed under the USDA grant. The Company is the primary contractor for the grant award and includes subcontractors and sub-awardees.

### **Supply and Offtake Agreement**

On June 25, 2024, BKRF and Vitol entered into the Supply and Offtake Agreement (“SOA”) pursuant to which, among other things, Vitol will serve as the exclusive supplier of renewable feedstocks to the Facility, and as the exclusive offtaker of all renewable diesel, naphtha, and certain associated renewable attributes, and other products (as agreed to by the parties) that are produced at the Facility. The SOA has an initial 36 month term, which is subject to 12 month extensions up to a maximum term of 60 months and can be terminated prior to the expiration of the term if the startup of the Facility has not been achieved by October 31, 2024 (subject to extensions for force majeure and other stated events). The SOA also includes certain customary events of default, termination rights, representations, warranties, indemnification obligations and limitations of liability of and with respect to the parties consistent with an agreement of this nature and of its direct ties to the RCF referred to above. The SOA provides for feedstock pricing at market (plus third-party costs) plus a per pound handling and administrative fee. Product offtake is also based upon pricing at market less a per gallon handling and administrative fee. During the term of the SOA, BKRF is responsible for applying for, obtaining and maintaining any and all registrations and other approvals or authorizations that are necessary for the generation of credits generated and traded under the Low Carbon Fuel Standard (“LCFS”) and is required, at its expense, to submit applications for the maintenance of certain registrations associated therewith, including such other approvals or authorizations that are necessary for the generation and the receipt of Renewable Identification Numbers (“RINs”) associated with renewable fuels produced at the Facility. BKRF will manage risks associated with price movements for each of its feedstock, renewable diesel and naphtha inventories, as well as LCFS and RINs, through value adjustments tied to forward contract market pricing, capturing gains or losses resulting from applicable forward contract pricing differentials. In addition, similar to the collateral package provided by BKRF to Vitol under the RCF, the SOA requires that BKRF post and maintain cash collateral as security to Vitol.

### **Termination of Feedstock Supply Agreement**

On March 25, 2024, the Company entered into a Termination Agreement with its previous feedstock supplier for the Facility. The Company’s consideration for termination was \$3.0 million and was included in cost of sales for the six months ended June 30, 2024. The initial payment of \$2.0 million was paid on April 10, 2024, with the remaining payments to be made quarterly through the second quarter of 2025.

### **License Agreement**

On July 13, 2023, the Company entered into a non-exclusive license agreement with a third party to deliver camelina seed over an 18-month period for the resale to authorized growers in exchange for an advance license fee of \$2.5 million, plus a fee per pound of seed delivered and royalties based on per pound of grain delivered by an authorized grower to the third party. Effective April 18, 2024, the contract has been terminated without any further obligation or liability to the Company.

### **Engineering, Procurement and Construction Contract**

On May 18, 2021, our BKRF subsidiary and CTCI entered into an Engineering, Procurement and Construction Agreement with CTCI (the “CTCI EPC Agreement”) pursuant to which the firm agreed to produce services for the engineering, procurement, construction, (“EPC”) start-up and testing of the Bakersfield Renewable Fuels Facility. On January 10, 2023, BKRF entered into Amendment No. 2 (the “Amendment”) to the CTCI EPC Agreement. Pursuant to the Amendment, BKRF and CTCI agreed to, among other things:

- (i) a guaranteed minimum price of \$275.0 million subject to upward adjustment pending final settlement of certain change orders pursuant to the procedures set forth in the Amendment (the “New GMP”), subsequently revised on December 18, 2023 to \$360.0 million as further discussed below;
- (ii) a change to the payment dates for costs and fees that are payable to CTCI under the CTCI EPC Agreement, which will now be payable after Substantial Completion of our Facility in 18 monthly installments, which was also revised with the interim settlement agreement reached on December 18, 2023 as further described below; and
- (iii) provide for liquidated damages commencing on a new Substantial Completion date of March 31, 2023, which may only be adjusted in accordance with the CTCI EPC Agreement. In connection with the Amendment, the Company agreed to provide a payment guarantee in favor of CTCI for amounts that may be owed by BKRF under the CTCI EPC Agreement, pursuant to an owner parent guarantee, dated as of January 10, 2023, by and between the Company and CTCI.
- (iv) The Company has entered into a guarantee agreement for the amounts owed under the CTCI EPC Agreement in the event of default by BKRF.

On April 13, 2023, CTCI served a demand for mediation and arbitration on the Company in connection with outstanding change order claims, and for other compensation it believes it is owed for work on the project. Pursuant to the demand, CTCI is seeking \$550.0 million in total compensation through the end of the project. While the Company is evaluating CTCI’s claims, it denies many of CTCI’s change order claims, and the Company intends to vigorously defend its position, including by asserting all rights, defenses and counterclaims that the Company may have under the CTCI EPC Agreement and at law. A mediation has not yet been scheduled and an arbitration panel has not yet been selected. Notwithstanding its demand for arbitration and mediation, CTCI has continued working on the project since the date of the demand and during the pendency of the proceedings.

On December 18, 2023, the Company entered into an interim settlement agreement (the “ISA”) with CTCI. The ISA provides that all payments to CTCI for in-scope work performed under the CTCI EPC Agreement will be payable after Substantial Completion of the Facility, in 30 monthly installments (provided that the parties may agree to extend such term for a period of up to 10 years). The Company has assessed the scope of work associated with achieving the milestone of Substantial Completion, as defined by the CTCI EPC Agreement, and believes that it will not be met until at least the first quarter of 2025, while the Company expects that the production of commercial volumes and revenue generation associated with the commencement of operations to occur during the fourth quarter of this year. The payment terms for out-of-scope work performed after October 30, 2023 will remain unchanged. Pursuant to the ISA, CTCI has agreed to use its reasonable best efforts to achieve Mechanical and Substantial Completion of the Facility by the earliest date practicable and provided BKRF with representations regarding completion of certain Facility milestones. In consideration for these agreements and undertakings, BKRF agreed to a guaranteed minimum price of \$360.0 million, plus accrued interest. As of both June 30, 2024 and December 31, 2023 the Company has paid \$150.9 million to CTCI. Deferred payments accrue interest equal to the prime rate as published in the Wall Street Journal, adjusted up or down monthly on the first day of each month thereafter should the Wall Street Journal prime rate fluctuate, plus 50 basis points (i.e., 0.5%). The interest rate will be recalculated on the first day of each month thereafter and was 9.0% as of June 30, 2024 and December 31, 2023.

As of August 21, 2024, CTCI continues to assert it has certain claims related to its costs and is seeking at least \$760.0 million in total compensation from the Company through the end of the project. While the Company is evaluating CTCI’s claims, we dispute such claims, and the Company intends to vigorously defend its position, including by asserting all rights, defenses and counterclaims that the Company may have under the CTCI EPC Agreement, as amended and at

law. We accrue for contingent obligations, if any, when it is probable that a liability is incurred and the amount or range of amounts is reasonably estimable. As new facts become known, the assumptions related to a contingency are reviewed and adjustments are made, as necessary. Any legal costs incurred related to contingencies are expensed as incurred.

The following table summarizes the accrued amounts related to the EPC deferred payments as of June 30, 2024 and December 31, 2023:

<i>(in thousands)</i>	<b>As of June 30, 2024</b>	<b>As of December 31, 2023</b>
Beginning balance	\$ 602,229	\$ 126,615
Addition	41,628	448,813
Interest	26,490	26,801
Ending balance	<u>\$ 670,347</u>	<u>\$ 602,229</u>

The Company has accrued \$427.3 million for CTCI’s claims in the consolidated balance sheet as of June 30, 2024, which includes contingent accrued interest of \$27.3 million. The Company has accrued \$372.6 million for CTCI’s claims in the consolidated balance sheet as of December 31, 2023, which includes contingent accrued interest of \$8.9 million. Included in the EPC deferred payments above, the Company has accrued an additional \$5.3 million that does not fall under the CTCI EPC Agreement, but payment is due at Substantial Completion as defined by the EPC contract.

The following table summarizes the minimum required payments of the EPC deferred payments as of June 30, 2024 assuming Substantial Completion as defined in the CTCI EPC Agreement is achieved in the first quarter of 2025 and excludes the contingent amounts accrued totaling \$427.3 million as there is no contractual obligation related to this amount:

	<b>EPC deferred payments</b>
2024	\$ -
2025	95,086
2026	95,086
2027	47,543
Total	<u>\$ 237,715</u>

**Professional Services Agreement**

On May 22, 2023, the Company entered into a Professional Services Agreement (“PSA”) with a service provider for project management and other project related services, including supporting the commissioning and start-up activities of our Facility on a time and materials basis, for the primary purpose of mitigating delays to its renewable diesel conversion project. The terms of the PSA provide for two-thirds of the total invoice to be paid in cash with the remaining one-third to be paid, at the service provider's option, 90 days after Facility achieves Substantial Completion, as defined by the CTCI EPC Agreement, or credited to the next tranche of debt to the Senior Credit Agreement, as applicable (the “Future Component”). As of June 30, 2024, the Company had accrued \$14.0 million in connection with the Future Component and is included in Accounts Payable as Substantial Completion is currently expected to occur the first quarter of 2025. As of December 31, 2023, the Company had accrued \$5.3 million in connection with the Future Component and is included Other Long-Term Liabilities as Substantial Completion is currently not expected to occur until the first quarter of 2025. The Company also had \$2.6 million and \$0.7 million of unpaid invoices in accounts payables due to this service provider as of June 30, 2024 and December 31, 2023, respectively.

**Grower Commitments**

The Company has arrangements with independent growers of our camelina crop, whereby the Company has agreed to pay a fee based on the amount of delivered camelina grain. As of June 30, 2024, the Company estimates that a total of \$8.4 million in future payments may be incurred once delivery of the grain is completed over the next six months. Actual amounts to be owed are subject to change based on the actual volumes of on-spec quantities delivered by the growers.

The Company has certain bonding requirements with states where it has grower agreements, which requires the Company to cash collateralize a portion of the total bonding requirement. The Company had \$6.0 million of cash held as collateral and is classified as other long-term assets as of June 30, 2024.

### **Legal**

On June 25, 2024, the Company entered into the EM Settlement Agreement, by and among the Company, BKRF, SusOils, ExxonMobil Renewables LLC (“ExxonMobil Renewables”) and ExxonMobil Oil Corporation (“EMOC”, and collectively with ExxonMobil Renewables, “Exxon”). Pursuant to the EM Settlement Agreement, the parties agreed, among other things, to resolve all disputes between them, including with regard to (i) that certain Product Offtake Agreement, dated April 19, 2019, by and between BKRF and EMOC (as amended, the “POA”), (ii) that certain Term Purchase Agreement, dated April 20, 2021, by and between BKRF and EMOC (the “TPA”), (iii) the Company’s Certificate of Designations of Series C Preferred Stock, (iv) ExxonMobil Renewables’ complaint against the Company in the Court of Chancery of the State of Delaware captioned ExxonMobil Renewables LLC v. Global Clean Energy Holdings, Inc., C.A. No. 2023-0260-PAF (the “Section 220 Action”), and (v) any other agreement and commercial arrangement entered into between the Parties prior to the effective date of the EM Settlement Agreement (the “Effective Date”) concerning the conversion by the Company of the Facility.

In addition, all 125,000 shares of the Company’s Series C Preferred stock beneficially and legally owned by ExxonMobil Renewables, and all warrants and other equity rights held by ExxonMobil Renewables, including warrants held by ExxonMobil Renewables on the Company’s common shares and warrants held by ExxonMobil Renewables for the SusOils Warrants, were automatically cancelled as of the Effective Date. All rights granted to ExxonMobil Renewables pursuant to the terms of the Series C Preferred stock were also terminated as of the Effective Date, and ExxonMobil Renewables waived any rights to the payment of any accrued or unpaid dividends in respect thereof.

In consideration for the agreements and covenants set forth in the EM Settlement Agreement, the Company agreed to make a one-time settlement cash payment of \$18.3 million (the “settlement payment”), which was paid as of June 30, 2024. Approximately \$0.3 million of the settlement payment was directly attributable to the settlement of amounts owned under the Master Secondment Agreement dated as of June 30, 2022, which was included in Accounts payable as of December 31, 2023. The remainder of the settlement payment (approximately \$18.0 million) was allocated on a relative fair value basis to the extinguishment of the Series C Preferred stock (See Note 9 - Series C Preferred Stock) and the warrants (See Note 10 - Stock Options and Warrants) held by ExxonMobil Renewables.

If this settlement payment or any other of the Company Parties’ obligations under the EM Settlement Agreement are avoided or rescinded for any reason (including, but not limited to, through the exercise of a trustee’s avoidance powers under the Bankruptcy Code), or if ExxonMobil is required to return, disgorge, or otherwise remit any of the settlement payment, in either case, by a court of law, then (i) the mutual releases will be void *ab initio* and (ii) ExxonMobil’s Series C Preferred stock, warrants, and other equity rights shall be reinstated in full force and effect as if the EM Settlement Agreement had never been entered into. ExxonMobil will also have rights to refile the Section 220 Action.

BKRF, formerly Alon Bakersfield Property, Inc., is one of the parties to an action pending in the United States Court of Appeals for the Ninth Circuit. In June 2019, the jury awarded the plaintiff’s approximately \$6.7 million against Alon Bakersfield Property, Inc. and Paramount Petroleum Corporation (a parent company of Alon Bakersfield Property, Inc. at the time of the award in 2019). Under the agreements pursuant to which we purchased BKRF, Alon Paramount agreed to assume and be liable for (and to indemnify, defend, and hold BKRF harmless from) this litigation. In addition, Paramount Petroleum Corporation has posted a bond to cover this judgment amount. All legal fees in this matter are being paid by Alon Paramount. As Paramount Petroleum Corporation and the Company are jointly and severally liable for the judgment, and Paramount Petroleum Corporation has agreed to absorb all of the liability and has posted a bond to cover the judgment amount, no loss has been accrued by the Company with respect to this matter.

In the ordinary course of business, the Company may face various claims brought by third parties, including former workers and employees, and the Company may, from time to time, make claims or take legal actions to assert the Company’s rights, including intellectual property rights, contractual disputes and other commercial disputes. Any of these claims could subject the Company to litigation. Management believes the outcomes of currently pending claims will not likely have a material effect on the Company’s consolidated financial position and results of operations.

**Retirement of Chief Executive Officer and Separation Agreement**

On February 23, 2024, Richard Palmer retired from his position as Chief Executive Officer of the Company. Mr. Palmer will continue to serve as a member of the Company's Board of Directors (the "Board"). Effective February 23, 2024, the Board appointed Noah Verleun to serve as the Company's interim Chief Executive Officer. In connection with Mr. Palmer's retirement, the Company and Mr. Palmer entered into a separation agreement and general release (the "Separation Agreement"). Pursuant to the terms of the Separation Agreement, the Company agreed to pay Mr. Palmer severance in the form of salary continuation, based on an annual salary of \$350,000, over the next 14 months, and Mr. Palmer is to receive accrued but unpaid salary and bonuses in the amount of \$1,049,430, which will be payable concurrently upon any payout under the Company's previously announced BKRF Short Term Incentive Program for the fiscal year ended December 31, 2023 (the "2023 Plan Payment Date"); provided that the Company may also elect, in its discretion, to pay such amount in equal installments over a period of up to 12 months following the 2023 Plan Payment Date (in which case such amount will accrue interest at the prime rate (as quoted by the Wall Street Journal) until paid in full). The Company also agreed to make a one-time cash payment to Mr. Palmer of \$750,000, which will be payable within 30 days after the date on which the Company has repaid all amounts under its existing Senior Credit Agreement in full, and all outstanding shares of the Company's Series C Preferred Stock have been redeemed in full. Finally, Mr. Palmer will be entitled to receive his 2022 Executive Bonus Award of \$175,000, and reimbursement for medical, dental and vision premiums (up to \$1,871 per month) until October 15, 2025.

**Intercompany Transactions**

On June 25, 2024, the intercompany note dated September 22, 2023 between the Company's subsidiaries SusOils and BKRF OCB was amended and restated to increase the principal amount to \$27.4 million. Additionally, the guaranty agreement between SusOils and the Senior Credit Agreement Administrative Agent was amended and restated to provide for, among other things, a full guaranty by SusOils of amounts owed under the Senior Credit Agreement.

## Item 2: Management’s Discussion and Analysis of Financial Condition and Results of Operations

*The following discussion should be read in conjunction with the Company’s condensed consolidated financial statements and the related notes and other financial information appearing elsewhere in this Form 10-Q and with the audited consolidated financial statements and the related notes included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (“Annual Report”). The statements in this discussion regarding industry outlook, our expectations regarding our future performance, liquidity and capital resources, and other non-historical statements are forward-looking statements. These forward-looking statements are subject to risks and uncertainties, including, but not limited to, the risks and uncertainties described in “Cautionary Statements Regarding Forward-Looking Information,” and the risk factors included in our Annual Report, and other reports and filings made with the U.S. Securities and Exchange Commission (“SEC”). Our actual results may differ materially from those contained in or implied by any forward-looking statements.*

### *Cautionary Statements Regarding Forward-looking Information*

*This report contains forward-looking statements. All statements, other than statements of historical fact are forward looking statements for purposes of this report, including statements about: the timing and cost to complete the conversion and commissioning of our Bakersfield oil Facility into a renewable fuels Facility and thereafter to operate that Facility for the production of renewable fuels; our plans for large scale cultivation of camelina as a nonfood-based feedstock and its use at our Bakersfield renewable fuels Facility; our plans to expand and execution of expanding Global Clean Energy Holdings’ camelina operations beyond North America; forecasts and projections of costs, revenues or other financial items; the availability, future price and volatility of feedstocks and other inputs; the plans and objectives of management for future operations; changes in governmental programs, policymaking and requirements or encouraged use of biofuels or renewable fuels; statements concerning proposed new products or services; the anticipated size of future camelina production; future conditions in the U.S. biofuels and renewable fuels market; our ability to comply with the terms of any offtake arrangements to which we may be party; our current and future indebtedness and our compliance, or failure to comply, with restrictive and financial covenants in our various debt agreements; our ability to raise additional capital to fund the completion and commissioning of our Bakersfield Renewable Fuels Facility and for working capital purposes; our ability to continue as a going concern; and any statements of assumptions underlying any of the foregoing. In some cases, forward-looking statements can be identified by the use of terminology such as “may,” “will,” “expects,” “plans,” “anticipates,” “intends,” “believes,” “estimates,” “potential,” or “continue,” or the negative thereof, or other comparable terminology. Although we believe that the expectations reflected in the forward-looking statements contained herein are reasonable, there can be no assurance that such expectations or any of the forward-looking statements will prove to be correct, and actual results could differ materially from those projected or assumed in the forward-looking statements, or may not occur at all. Future financial conditions and results of operations, as well as any forward-looking statements, are subject to known and unknown risks, uncertainties and other factors, most of which are difficult to predict and many of which are beyond our control, including the factors described under “Risk Factors”, and elsewhere in our Annual Report. All forward-looking statements included in this document are made as of the date hereof and are based on information available to us as of such date. We assume no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.*

### **Overview**

Throughout this Quarterly Report, the terms “we,” “us,” “our,” “our company,” and “the Company” collectively refer to Global Clean Energy Holdings, Inc. and its wholly-owned subsidiaries. References to “GCEH” refer only to Global Clean Energy Holdings, Inc.

GCEH is a Delaware corporation. GCEH currently operates through various wholly-owned U.S. and foreign subsidiaries. The principal subsidiaries include: (i) Sustainable Oils, Inc., (“SusOils”), a Delaware corporation that conducts feedstock breeding, owns proprietary rights to various camelina varieties and operates our camelina business; (ii) GCE Holdings Acquisitions, LLC and its five Delaware limited liability company subsidiaries that were formed to finance and own, directly or indirectly, Bakersfield Renewable Fuels, LLC (“BKRF”), a Delaware limited liability company that owns our Bakersfield Renewable Fuels Facility (“Facility”); (iii) GCE Operating Company, LLC, a Delaware limited liability company that operates our Facility, and employs various personnel throughout the Company; (iv) Agribody Technologies, Inc., (“ATI”), a Delaware corporation that owns and oversees aspects of our plant science programs; (v) Camelina Company España, S.L.U., (“CCE”), a Spanish private limited company that develops proprietary camelina varieties and leads our business expansion opportunities in Europe and South America; (vi) Global Clean Renewable Argentina S.R.L., (“GCRA”), a limited liability company in Argentina that conducts operations in Argentina; and (vii) Global Clean

Renewable Brazil LTDA, (“Brazil”), a limited liability company in Brazil that conducts operations in Brazil. We also own several foreign inactive subsidiaries.

GCEH is a vertically integrated renewable fuels innovator producing ultra-low carbon renewable fuels from patented nonfood camelina varieties. Our farm-to-fuel business model is designed to allow greater efficiencies throughout the value chain, lowering our finished fuels’ carbon intensity and streamlining our operations at every step. Our patented camelina varieties are purposefully bred to increase yield, quicken maturity, and increase tolerance to drought and pests. Today, GCEH owns the world’s largest portfolio of patented camelina genetics, and we contract directly with farmers around the globe to grow our proprietary camelina crop on fallow land. Once our Facility becomes commercially operational, we expect the majority of our revenues will be generated from the sale of renewable diesel along with the sale of co-products for renewable propane, naphtha and butane.

#### **Bakersfield Renewable Fuels Facility**

Since the purchase of the Facility in May 2020, we have been focused on retooling and converting the Facility into a state-of-the-art renewable fuels facility. At design capacity, the Facility is capable of producing approximately 210 million gallons per year of renewable diesel as well as other renewable co-products. Due to hydrogen constraints, we will need to make additional upgrades to the Facility in order to produce product at the maximum design capacity. We are reviewing our options to increase the hydrogen capacity on site. Additionally, it is anticipated that the Facility can be expanded to increase the nameplate volume, and we expect to size any hydrogen expansion capacity to a higher nameplate volume.

Our long-term goal is to utilize Camelina oil exclusively as the feedstock for the renewable diesel and other fuels produced at the Facility. Various issues experienced to date and other factors beyond our control have delayed the completion of the Facility. For example, the conversion of the Facility has been delayed due to supply chain issues, engineering, procurement and construction issues with our lead contractor CTCI Americas, Inc. (“CTCI”), including lack of timely scheduling, untimely change order estimations, delay in ordering certain materials and unanticipated turnover of personnel to fully handle the workstreams of the project. We have also experienced inefficiencies and delays from contracted engineering firms and supply chain issues related to the general lack of personnel and specialty firms to perform required material fabrication and the necessity of performing work that was not originally anticipated or budgeted. The project has experienced such delays despite steps taken by us to mitigate such delays. See “Liquidity and Capital Resources – Commercial Agreements” below for an additional discussion regarding the operation date of the Facility.

In order to finance the costs of the Facility acquisition and the development, construction, and operation of the Facility, BKRF OCB, LLC, an indirect, wholly-owned subsidiary of GCEH, is a party to a \$691.8 million secured term loan facility (the “Senior Credit Agreement”). We have also entered into a new revolving credit facility (“RCF”) with Vitol Americas Corp. as the lender, administrative and collateral agent (“Vitol”), providing for a \$75.0 million working capital facility. For more details, see “Liquidity and Capital Resources” below.

#### **Camelina Grain Production Operations**

A key element of our business plan is to control the development and production of the underlying base materials, or feedstock, required to produce renewable diesel. In order to leverage available cultivation assets, we contract with numerous farmers for the planting of our certified Camelina seed, which is planted to produce Camelina grain.

In North America, our principal focus has been on expanding production of Camelina grain in Montana, Kansas, Colorado, Washington, Oregon, North Dakota, Oklahoma, Nebraska and Idaho. For 2024 we have commercial contracts in North America for more than 40,000 acres of Camelina grain production. In Argentina, we have expanded camelina production with Louis Dreyfus Company and they are contracting with growers to plant at least 60,000 acres of our proprietary camelina varieties.

Our global headquarters for Camelina breeding is located in Great Falls, Montana and supports additional breeding and agronomy centers in Kansas, Spain, and Argentina. These additional locations have enabled us to expand testing to over 60 sites spread across multiple continents.

#### **Business and Industry Outlook**

Our transition to profitability is dependent upon, among other things, the future commercialization of the renewable fuel products that we intend to produce at the Facility. Until such time as the Facility is operational and is producing renewable fuel products, we will need to raise additional debt or equity financing to fund our operations. There can be no assurances,

however, that we will be able to obtain sufficient additional funds when needed, or that such funds, if available, will be obtained on terms satisfactory to the Company (see “Liquidity and Capital Resources” below).

We believe that renewable diesel has a large addressable market. Because renewable diesel is a 100% replacement for petroleum-based diesel, the total addressable market includes the collective consumption of biodiesel, renewable diesel, and petroleum-based diesel. In aggregate, the United States transportation sector consumed 48 billion gallons of these fuels in 2022, with almost 4 billion gallons consumed in California alone. Canada will also represent an important market as it implements its own LCFS program.

We also intend to further develop our Camelina business. For example, when Camelina grain is processed, it is separated into neat plant oil and biomass, the latter of which is a protein rich animal feed supplement similar to canola or soybean meal. An additional benefit of our animal feed is that it is non-GMO. The market for protein meal in the western United States is roughly 5 million tons per year (“MMTPY”), which is supplied primarily from Midwestern states that grow soybeans for protein and oil extraction. The livestock industry in California’s San Joaquin Valley, which has among the largest concentrations of cattle and dairy producers in the United States, imports virtually all its 3 MMTPY of protein meal from out of state, creating a substantial opportunity for our local meal production. Domestic use of protein meal is estimated to be 40 MMTPY.

### **Critical Accounting Policies and Related Estimates**

There have been no substantial changes to our critical accounting policies and related estimates from those previously disclosed in our 2023 Annual Report on Form 10-K, except as described below.

*Debt Extinguishment* - On June 25, 2024, the Company entered into Amendment No. 16 to the Senior Credit Agreement that provided for, among other things, an upsize of the Tranche D facility. In consideration for the upsizing of the Tranche D facility, Amendment No. 16 provided that an aggregate of \$132.4 million of Tranche B loans to be recharacterized as Tranche C+ loans, which provide for a minimum return of 1.35x. The Company evaluated Amendment No. 16 in accordance with ASC 470-50, “Debt - Modifications and Extinguishments,” on a lender-by-lender basis and determined that the net present value of the Senior Credit Agreement after Amendment No. 16 exceeded the net present value of the cash flows by more than 10% over the previous 12-month period immediately preceding Amendment No. 16. As a result, the Company accounted for this transaction as an extinguishment and derecognized the existing debt and recorded the new debt at fair value. Based on the difference between the reacquisition price and carrying amount of debt, the Company recognized a \$163.6 million gain on extinguishment of debt during the three and six months ended June 30, 2024, which included unamortized debt issuance costs of \$48.9 million related to the extinguished debt as part of the calculation.

In conjunction with extinguishment accounting performed as a result of the June 25, 2024, Amendment No. 16 of the Senior Credit Agreement, the Company recognized the Senior Credit Agreement at fair value. The fair value of the Senior Credit Agreement was determined using a discounted cash flow model utilizing Level 2 inputs. Inputs to the discounted cash flow model include contractual cash flows of the Senior Credit Agreement, risk-free interest rates, an implied probability of default, and recovery rates for each tranche of loans under the Senior Credit Agreement.

### **Results of Operations**

We incurred an operating loss of \$27.0 million and \$53.5 million for the three and six months ended June 30, 2024, respectively, compared to an operating loss of \$21.3 million and \$43.3 million in the three and six months ended June 30, 2023, respectively. We reported net income of \$134.4 million and \$106.4 million for the three and six months ended June 30, 2024, respectively, and a net loss of \$20.4 million and \$45.1 million for the three and six months ended June 30, 2023, respectively. Net income included a non-cash gain on the extinguishment of debt of \$163.6 million during the three and six months ended June 30, 2024. The following sets forth information related to the periods presented.

*Revenues.* Our Facility is still under construction, and we do not expect to generate any revenue from the Facility until it is fully operational. Accordingly, we had no renewable fuel product revenues in the three and six months ended June 30, 2024 or 2023. Our revenues and cash flows consist of the sale of our certified camelina seeds to farmers for the production of either camelina seed or camelina grain and the sale of inventory that did not meet certain specifications and sales generated revenues of \$2.0 million and \$2.6 million in the three and six months ended June 30, 2024, respectively, compared to \$0.2 million and \$1.6 million in the three and six and months ended June 30, 2023, respectively.

*General and Administrative Expenses and Facilities Expenses.* General and administrative expenses consist of expenses relating to our corporate overhead functions and operations. The majority of our general and administrative expenses are incurred in the operations and administrative support of the Facility. The Company has also increased activities in our

upstream business. During the three and six month periods ended June 30, 2024, our administrative expenses were \$17.8 million and \$34.7 million, respectively, as compared to \$13.1 million and \$26.7 million, for the three and six month period ended June 30, 2023, respectively. The \$4.7 million and \$7.9 million increase was mainly due to personnel related costs and professional fees. Facilities expenses primarily consist of maintenance costs at the Facility and expenses normally related to the operations of a Facility. During the three and six month periods ended June 30, 2024, our facilities expenses were \$8.0 million and \$15.8 million, increased by \$0.3 million and \$0.4 million as compared to the three and six month periods ended June 30, 2023 of \$7.8 million and \$15.4 million, and was due primarily to an increase in outside services offset by a decrease in utility costs.

*Other Income/Expense.* Other expense was \$0.6 million and \$0.9 million in the three and six months ended June 30, 2024, respectively, compared to other expense of \$0.1 million and other income of \$0.2 million in the three and six months ended June 30, 2023. For the three and six months ended June 30, 2024 the Company recognized a \$1.3 million loss and \$1.7 million loss, respectively, and for the three and six months ended June 30, 2023 the Company recognized a \$2.2 million and \$0.4 million gain, respectively, on the fair value remeasurement of outstanding Class B units of our subsidiary BKRF HCB, LLC. This value is driven primarily by market and contractual changes that impact the future cash projection eligible for distribution, including but not limited to a change in interest rate, additional borrowing, an acceleration of the maturity date and a delay in operations. The value of the Class B Units is expected to fluctuate based on various market conditions and Facility operational estimates and assumptions.

*Interest Income/Expense.* During the three and six months ended June 30, 2024, interest expense was \$1.5 million and \$2.9 million, respectively, compared to \$1.3 million and \$2.5 million, in the three and six months ended June 30, 2023. We believe our interest expense will increase significantly in the future once the construction of our Facility is completed. The construction period interest associated with the Senior Credit Agreement and CTCI EPC Agreement is capitalized as part of the cost of the Facility and therefore, does not impact our interest expense currently.

*Net losses.* We incurred an operating loss of \$27.0 million and \$53.5 million for the three and six months ended June 30, 2024, respectively, compared to an operating loss of \$21.3 million and \$43.3 million in the three and six months ended June 30, 2023, respectively. We incurred net income of \$134.4 million and \$106.4 million in the three and six months ended June 30, 2024, respectively, compared to a net loss of \$20.4 million and \$45.1 million during the three and six months ended June 30, 2023. Net income included a non-cash gain on the extinguishment of debt of \$163.6 million during the three and six months ended June 30, 2024. Our operating loss increased primarily as a result of the increase in activity related to our retooling of the Facility and increased activities in our upstream business. We expect to continue to incur losses until our Facility becomes fully operational.

#### **Liquidity and Capital Resources**

*General.* As of June 30, 2024 and December 31, 2023 we had approximately \$8.5 million and \$3.7 million of cash, respectively. Of these amounts, \$6.6 million and \$1.8 million as of June 30, 2024 and December 31, 2023, respectively, was restricted cash in each period that can only be spent on the Facility. As of June 30, 2024 and December 31, 2023 we had negative working capital of \$658.0 million and \$219.3 million, respectively, which excludes the current amount of restricted cash of \$6.6 million and \$1.8 million at June 30, 2024 and December 31, 2023, respectively. While our Facility conversion project is still ongoing, progress has continued and as of August 21, 2024, the project has transitioned from construction to operations and the start-up phase of the conversion project has commenced. We do not expect to generate any revenue from our Facility until it commences commercial operations; however, given the current state of our conversion project, we expect initial commercial operations to commence during the fourth quarter of this year, although there can be no assurance that such operations will commence within this time period. In addition, we may incur additional costs as a result of any further delays to the conversion project (See Note 12 - Commitments and Contingencies ). See “Commercial Agreements” below for an additional discussion regarding the operation date of the Facility and our Offtake Agreement.

*Sources of Liquidity.* Our primary sources of liquidity consist of \$1.9 million of unrestricted cash on hand, available borrowing under our Senior Credit Agreement and the RCF. As of August 21, 2024, we have borrowed a total of \$662.4 million under the Senior Credit Agreement, including \$242.8 million of Tranche D. Consequently, as of August 21, 2024, the Company is operating with \$29.4 million of committed borrowing capacity under the Senior Credit Agreement.

As of June 25, 2024, the Company entered into a RCF with Vitol providing for a \$75.0 million working capital facility subject to borrowing base limitations with an advance rate of 90% against the RCF collateral primarily consisting of accounts receivable, feedstock and product inventory owned by the Facility and all Renewable Attributes financed under

the RCF. The RCF matures 36 months from the Supply and Offtake Agreement (“SOA”) Start Date, which is defined as the Facility receiving feedstock and producing an average of at least 5,000 barrels per day of renewable diesel over a consecutive 5-day period. The outstanding balance under the RCF as of August 21, 2024 was \$8.2 million.

On June 25, 2024, the Company entered into a Settlement and Mutual Release Agreement (“EM Settlement Agreement”) with ExxonMobil Renewables LLC (“ExxonMobil Renewables”) and ExxonMobil Oil Corporation (“EMOC”) whereby the Company and ExxonMobil Renewables agreed, among other things, to cancel all 125,000 shares of the Company’s Series C Preferred stock as of the Effective Date (see Note 9 - Series C Preferred Stock). All rights granted to ExxonMobil Renewables pursuant to the terms of the Series C Preferred stock were also terminated as of the Effective Date, and ExxonMobil Renewables waived any rights to the payment of any accrued or unpaid dividends in respect thereof, which totaled \$51.5 million as of the Effective Date. In addition, on June 25, 2024, all outstanding shares of Series C preferred stock held by the Senior Lenders were converted into approximately \$28.2 million in Tranche B loans that included accrued or unpaid dividends in respect thereof, which totaled \$8.2 million (see Note 9 - Series C Preferred Stock).

We have incurred an operating loss of \$53.5 million, net income of \$106.4 million during the six months ended June 30, 2024, and had an accumulated deficit of \$19.6 million at June 30, 2024. Net income included a non-cash gain on the extinguishment of debt of \$163.6 million during the six months ended June 30, 2024.

We will also be required to begin making installment payments of our EPC deferred payment and a deferred payment to our project management service provider (see Note 12 - Commitments and Contingencies) once we achieve Substantial Completion, as defined by the CTCI EPC Agreement, as amended, which management believes will not occur until the first quarter of 2025. The EPC deferred payment (excluding contingent amounts) and deferred payment to the project management service provider totaled \$237.7 million and \$14.0 million, respectively, as of June 30, 2024. In addition, under the Senior Credit Agreement, the Company is required to raise \$10.0 million by August 31, 2024 and an additional \$170.0 million by August 31, 2024 to refinance a portion of the senior debt. As of June 30, 2024, \$170.1 million of interest related to the Senior Credit Agreement has been paid in kind and approximately \$160.1 million will be required for cash interest payments starting in September 30, 2024 through August 21, 2025 related to the Senior Credit Agreement outstanding balance as of June 30, 2024. The Senior Credit Agreement also requires that we maintain a debt balance of not more than \$470.0 million on and after August 31, 2024, and \$370.0 million on and after June 30, 2025, and if proceeds from the required capital raises or cash from operations are insufficient to pay down the senior debt to achieve these debt balances, we will be required to undertake additional financings to meet the target debt balance of \$470.0 million on and after August 31, 2024. As a result, as of June 30, 2024, \$466.1 million of the Senior Credit Agreement balance is included in the current portion of long-term debt (see Note 2 - Liquidity). In addition, we have a fixed payment obligation of \$30.8 million, as subsequently amended in January 2024, that is due to be paid in full by December 2024.

We do not have any other credit or equity facilities available with financial institutions, stockholders, or third party investors, and as a result will be required to obtain additional debt or equity financing on a best efforts basis. There is no assurance, however, that we can raise the capital necessary to fund our business plan. Failure to raise the required capital will have a material and adverse effect on our operations, and could cause us to curtail operations.

To the extent that we raise additional funds through the issuance of equity securities, our stockholders will experience dilution, and the terms of the newly issued securities could include certain rights that would adversely affect our stockholders’ rights. Furthermore, if these new securities are convertible or are accompanied by the issuance of warrants to purchase shares of our common stock, our current stockholders will experience substantial dilution.

Senior Credit Agreement. As of June 30, 2024, we have borrowed \$637.7 million under our Senior Credit Agreement. Proceeds from the Senior Credit Agreement have been and will continue to be used to fund the pre-operational expenses and the capital costs of the Facility.

As of August 21, 2024, we have borrowed a total of \$662.4 million under the Senior Credit Agreement, including \$242.8 million of Tranche D. Consequently, as of August 21, 2024, the Company is operating with \$29.4 million of committed borrowing capacity under the Senior Credit Agreement. The availability period for which the Tranche D facility can be drawn may be extended from time to time by the Administrative Agent is currently extended until December 31, 2024.

The Senior Credit Agreement contains certain customary events of default, including events relating to non-payment of required interest, principal or other amounts due on or with respect to the Senior Credit Agreement, failure to comply with covenants within specified time frames, certain bankruptcy events, breaches of specified representations and warranties, failure of security interests to be effective, and certain judgments. The Senior Credit Agreement also provides for events of

default upon the termination of certain agreements relating to the Facility, including the Offtake Agreement, subject to the conditions described in the Senior Credit Agreement.

Revolving Credit Facility. The Company had not drawn on the RCF as of June 30, 2024. As of August 21, 2024, the outstanding balance was \$8.2 million and we have \$66.8 million of borrowing capacity under the RCF, subject to the borrowing base limitations.

The RCF includes customary events of default for: non-payment of amounts owed under the RCF; breaches of representations, warranties or covenants; certain insolvency proceedings, incurrence of any final judgments in excess of \$15.0 million (to the extent not covered by insurance) or a non-monetary judgment that would result in a material adverse effect; changes of control; breaches of material Facility related agreements; and failure of the start-up of the Facility by October 31, 2024 (subject to extensions for certain force majeure events). The RCF also provides for cross-defaults upon events of default under the Senior Credit Agreement and the SOA. Upon an event of default under the RCF, all commitments under the RCF would terminate, and the lenders may accelerate the payment of all outstanding principal and interest.

Short Term Commitments. Our financial commitments during the next twelve months include a fixed payment obligation that arose from the settlement of a derivative contract that, through various amendments, the Company is obligated to make payments beginning one month after the Facility commences its commercial operations and produces on-spec renewable diesel with the final payment due no later than December 31, 2024. In exchange, the total fixed payment obligation was increased to a total of \$30.8 million.

The Company has arrangements with independent growers of our camelina crop, whereby the Company has agreed to pay a fee based on the amount of delivered camelina grain. As of June 30, 2024, the Company estimates that a total of \$8.4 million in future payments may be incurred once delivery of the grain is completed over the next six months. Actual amounts to be owed are subject to change based on the actual volumes of on-spec quantities delivered by the growers.

Long Term Commitments. On March 25, 2024, the Company entered into a “Termination Agreement” with its feedstock supplier for the Facility. The Company will pay the termination consideration of \$3.0 million. The initial payment of \$2.0 million was paid on April 10, 2024, with the remaining payments to be made quarterly thereafter through the second quarter of 2025.

Commercial Agreements. On June 25, 2024, BKRF and Vitol entered into the Supply and Offtake Agreement (“SOA”) pursuant to which, among other things, Vitol will serve as the exclusive supplier of renewable feedstocks to the Facility, and as the exclusive offtaker of all renewable diesel, naphtha, and certain associated renewable attributes, and other products (as agreed to by the parties) that are produced at the Facility. The SOA has an initial 36 month term, which is subject to 12 month extensions up to a maximum term of 60 months and can be terminated prior to the expiration of the term if the startup of the Facility has not been achieved by October 31, 2024 (subject to extensions for force majeure and other stated events). The SOA also includes certain customary events of default, termination rights, representations, warranties, indemnification obligations and limitations of liability of and with respect to the parties consistent with an agreement of this nature and of its direct ties to the RCF referred to above. The SOA provides for feedstock pricing at market (plus third-party costs) plus a per pound handling and administrative fee. Product offtake is also based upon pricing at market less a per gallon handling and administrative fee. During the term of the SOA, BKRF is responsible for applying for, obtaining and maintaining any and all registrations and other approvals or authorizations that are necessary for the generation of credits generated and traded under the Low Carbon Fuel Standard (“LCFS”) and is required, at its expense, to submit applications for the maintenance of certain registrations associated therewith, including such other approvals or authorizations that are necessary for the generation and the receipt of Renewable Identification Numbers (“RINs”) associated with renewable fuels produced at the Facility. BKRF will manage risks associated with price movements for each of its feedstock, renewable diesel and naphtha inventories, as well as LCFS and RINs, through value adjustments tied to forward contract market pricing, capturing gains or losses resulting from applicable forward contract pricing differentials. In addition, similar to the collateral package provided by BKRF to Vitol under the RCF, the SOA requires that BKRF post and maintain cash collateral as security to Vitol.

Inflation. During the fiscal year ended December 31, 2023 and continuing into the three and six months ended June 30, 2024, we have experienced increases in prices of products, services and the costs of inputs used in our operations (such as the cost of natural gas, utilities, transportation and labor) throughout our organization. These increases could have a material impact on our operations.

### **Item 3. Quantitative and Qualitative Disclosures about Market Risk**

As a “smaller reporting company” as defined by Item 10 of Regulation S-K promulgated by the SEC under the U.S. Securities Act of 1933, as amended, we are not required to provide the information required by this Item 3.

### **Item 4. Controls and Procedures**

#### Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934 (the “Exchange Act”), we have evaluated, under the supervision and with the participation of management, including our principal executive officer and principal financial officer, the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report. Our disclosure controls and procedures are designed to ensure that the information required to be disclosed by us in reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Based upon our evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were not effective as of June 30, 2024 due to the material weaknesses in our internal controls over financial reporting (“ICFR”) as described under Item 9A, Controls and Procedures, in our Annual Report. Management is monitoring the implementation of the remediation plan as described below and in the Annual Report.

#### *Management’s Plan for Remediation of Material Weaknesses*

The Company is in the process of taking, plans to take, or has completed the following actions, and continues to be engaged in, making necessary changes and improvements to its internal control system to address the material weaknesses in ICFR described above. These actions include:

- a) The Company has hired qualified accounting personnel and outside resources who are experienced in U.S. GAAP financial reporting and SOX controls.
- b) The Company is in process of implementing new controls and more robust financial reporting information technology capabilities, accounting and management controls over its accounting and financial reporting functions at all of its facilities.
- c) The Company has engaged independent consultants to assist the Company in improving its internal control over financial reporting. The Company plans to actively work through control reviews and implementation commensurate with the start-up of commercial operations at the Facility with plans to have key controls in place by the end of 2024.

#### *Changes in Internal Control Over Financial Reporting*

There were no changes in our internal controls over financial reporting during our most recently completed fiscal quarter 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**

The information required with respect to this item can be found under “Note 12 - Commitments and Contingencies - Legal” to our condensed consolidated financial statements included elsewhere in this Quarterly Report Form 10-Q and is incorporated by reference into this Item 1.

In the future, we may become party to legal matters and claims arising in the ordinary course of business, the resolution of which we do not anticipate would have a material adverse impact on our financial position, results of operations or cash flows.

### **Item 1A. Risk Factors**

#### **RISK FACTORS**

Investment in our stock involves a high degree of risk. The discussion of the risk factors associated with our business and operations is contained in Item 1A of our Annual Report filed with the SEC, except as described below.

#### ***Our arrangement with Vitol exposes us to Vitol-related risks that could have a material adverse effect on our operations and cash flow.***

We have a Supply and Offtake Agreement (the “SOA”) with Vitol Americas Corp. (“Vitol”), pursuant to which Vitol serves as the exclusive supplier of renewable feedstocks to the Facility, and as the exclusive offtaker of all renewable diesel, naphtha, and certain associated renewable attributes that are produced at the Facility. We also have a revolving credit agreement (the “RCF”), with Vitol as administrative agent, which provides for a working capital facility of \$75.0 million, subject to borrowing base limitations.

Our operations will rely heavily on Vitol’s performance under the SOA. Should Vitol fail to perform under the SOA for any reason, or if the SOA or RCF are terminated for any reason, we would need to seek alternative supply, offtake and financing arrangements. We may be unable to enter into a similar relationship with a third party on terms acceptable to us or at all, which may impair our ability to operate the Facility, which could have a material adverse effect on our operations and cash flows.

### **Item 2. Unregistered Sales of Equity Securities, Use of Proceeds and Issuer Purchases of Equity Securities**

None.

### **Item 3. Defaults upon Senior Securities**

None.

### **Item 4. Mine Safety Disclosures**

Not applicable.

### **Item 5. Other Information**

During the three and six months ended June 30, 2024, no director or executive officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

**Item 6. Exhibits**

The documents set forth below are filed herewith or incorporated herein by reference to the location indicated.

<b>Exhibit Number</b>	<b>Description</b>
3.1	<a href="#">Certificate of Incorporation (incorporated herein by reference to Appendix D to the Registrant's Definitive Proxy Statement on Schedule 14A filed with the Commission on June 2, 2010).</a>
3.2	<a href="#">Certificate of Amendment to its Certificate of Incorporation (incorporated by reference herein to Exhibit 3.2 to the Company's Form 10-K filed on April 13, 2021).</a>
3.3	<a href="#">Bylaws (incorporated herein by reference to Appendix E to the Registrant's Definitive Proxy Statement on Schedule 14A filed with the Commission on June 2, 2010).</a>
3.4	<a href="#">Certificate of Designation of Rights, Preferences and Privileges of Series C Preferred Stock of Global Clean Energy Holdings, Inc. (incorporated herein by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed on February 8, 2022).</a>
10.1	<a href="#">Amendment No. 14 to Credit Agreement, dated as of April 9, 2024, by and among BKRF OCB, LLC, BKRF OCP, LLC, Bakersfield Renewable Fuels, LLC, Orion Energy Partners TP Agent, LLC, in its capacity as the administrative agent, and the lenders referred to therein (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed on April 12, 2024).</a>
10.2	<a href="#">Amendment No. 15 to Credit Agreement, dated as of May 6, 2024, by and among BKRF OCB, LLC, BKRF OCP, LLC, Bakersfield Renewable Fuels, LLC, Orion Energy Partners TP Agent, LLC, in its capacity as the administrative agent, and the lenders referred to therein (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 10, 2024).</a>
10.3	<a href="#">Settlement Agreement, dated and effective as of June 25, 2024, by and among Global Clean Energy Holdings, Inc., Bakersfield Renewable Fuels, LLC, Sustainable Oils, Inc., ExxonMobil Renewables LLC and ExxonMobil Oil Corporation (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 26, 2024).</a>
10.4	<a href="#">Transaction Agreement, dated as of June 25, 2024, by and among Global Clean Energy Holdings, Inc., BKRF HCB, LLC, BKRF OCP, LLC, BKRF OCB, LLC, Bakersfield Renewable Fuels, LLC, Orion Energy Partners TP Agent, LLC, in its capacity as the administrative agent, and the lenders referred to therein (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on June 26, 2024).</a>
10.5	<a href="#">Amendment No. 16 to Credit Agreement, dated as of June 25, 2024, by and among BKRF OCB, LLC, BKRF OCP, LLC, Bakersfield Renewable Fuels, LLC, Orion Energy Partners TP Agent, LLC, in its capacity as the administrative agent, and the lenders referred to therein (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on June 26, 2024).</a>
10.6	<a href="#">Amended and Restated Secured Promissory Note, dated as of June 25, 2024, by and between Sustainable Oils, Inc. and BKRF OCB, LLC (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on June 26, 2024).</a>
10.7	<a href="#">Amended and Restated Guaranty Agreement, dated as of June 25, 2024, by and between Global Clean Energy Holdings, Inc. and Orion Energy Partners TP Agent, LLC, as collateral agent (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed on June 26, 2024).</a>
10.8	<a href="#">Credit Agreement, dated as of June 25, 2024, among Bakersfield Renewable Fuels, LLC, BKRF OCB, LLC, BKRF OCP, LLC, the lenders party thereto, and Vitol Americas Corp., as administrative agent and as collateral agent (incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K filed on June 26, 2024).</a>
10.9	<a href="#">Pledge and Security Agreement, dated as of June 25, 2024, between Bakersfield Renewable Fuels, LLC, BKRF OCB, LLC, BKRF OCP, LLC, and Vitol Americas Corp., as collateral agent (incorporated by reference to Exhibit 10.7 to the Company's Current Report on Form 8-K filed on June 26, 2024).</a>
10.10	<a href="#">Intercreditor Agreement, dated as of June 25, 2024, is made by and among Vitol Americas Corp., in its personal capacity and in its capacity as RCF Collateral Agent, Orion Energy Partners TP Agent, LLC, as Term Loan Collateral Agent, the term loan creditors party thereto, BKRF OCB, LLC, Bakersfield Renewable Fuels, LLC and BKRF OCP, LLC (incorporated by reference to Exhibit 10.8 to the Company's Current Report on Form 8-K filed on June 26, 2024).</a>

10.11	<a href="#">Supply and Offtake Agreement, dated as of June 25, 2024, by and between Bakersfield Renewable Fuels, LLC and Vitol Americas Corp. (incorporated by reference to Exhibit 10.9 to the Company's Current Report on Form 8-K filed on June 26, 2024).</a>
31.1	<a href="#">Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2	<a href="#">Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1	<a href="#">Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
32.2	<a href="#">Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Schema.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase.
101.DEF	XBRL Taxonomy Extension Definition Linkbase.
101.LAB	XBRL Taxonomy Extension Label Linkbase.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase.
104	Cover Page Interactive Data File (formatted as Inline XBRL and included in Exhibit 101)

**SIGNATURES**

In accordance with the requirements 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.

GLOBAL CLEAN ENERGY HOLDINGS, INC.

Date: August 21, 2024

By: /s/ Noah Verleun  
Noah Verleun  
President & Chief Executive Officer (int)  
(Principal Executive Officer)

Date: August 21, 2024

By: /s/ Wade Adkins  
Chief Financial Officer  
(Principal Financial Officer and Principal Accounting Officer)

**CERTIFICATIONS PURSUANT TO  
SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002**

I, Noah Verleun, certify that:

1. I have reviewed this report on Form 10-Q for the quarter ended June 30, 2024 of Global Clean Energy Holdings, 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. I am 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 for 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. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and to 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 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.

Date: August 21, 2024

/s/ Noah Verleun

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Noah Verleun  
President & Chief Executive Officer (int)

**CERTIFICATIONS PURSUANT TO  
SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002**

I, Wade Adkins, certify that:

1. I have reviewed this report on Form 10-Q for the quarter ended June 30, 2024 of Global Clean Energy Holdings, 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. I am 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 for 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. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and to 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 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.

Date: August 21, 2024

/s/Wade Adkins

Wade Adkins

Chief Financial Officer

CERTIFICATION PURSUANT TO  
18 U.S.C. § 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Global Clean Energy Holdings, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2024, as filed with the Securities and Exchange Commission (the "Report"), I, Noah Verleun, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 21, 2024

/s/ Noah Verleun

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Noah Verleun  
President & Chief Executive Officer (int)

CERTIFICATION PURSUANT TO  
18 U.S.C. § 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Global Clean Energy Holdings, Inc. (the “Company”) on Form 10-Q for the quarter ended June 30, 2024, as filed with the Securities and Exchange Commission (the “Report”), I, Wade Adkins, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 21, 2024

/s/ Wade Adkins

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Wade Adkins

Chief Financial Officer