



Green Plains Partners Reports Second Quarter 2021 Financial Results

August 2, 2021

Results for the Second Quarter of 2021

- Net income of \$10.3 million, or \$0.44 per common unit
- Adjusted EBITDA of \$12.7 million and distributable cash flow of \$11.2 million
- Quarterly cash distribution of \$0.12 per unit
- Distribution coverage ratio of 3.95x, LTM distribution coverage ratio of 4.01x

OMAHA, Neb., Aug. 02, 2021 (GLOBE NEWSWIRE) -- Green Plains Partners LP (NASDAQ:GPP) today announced financial and operating results for the second quarter of 2021. Net income attributable to the partnership was \$10.3 million, or \$0.44 per common unit, for the second quarter of 2021 compared with net income of \$10.2 million, or \$0.43 per common unit, for the same period in 2020.

The partnership also reported adjusted EBITDA of \$12.7 million and distributable cash flow of \$11.2 million for the second quarter of 2021, compared with adjusted EBITDA of \$13.2 million and distributable cash flow of \$11.3 million for the same period in 2020. Distribution coverage was 3.95x for the three months ended June 30, 2021 as compared to 3.99x for the same period a year ago.

"Executing on the recent financing of the partnership's credit facility enables value to be returned to our unitholders through higher distributions," said Todd Becker, president and chief executive officer. "During the second quarter, the partnership continued to achieve consistent financial results for its unitholders and combined with the new debt structure, puts the partnership in strong position to deliver consistent returns and increase distributions to unitholders moving forward."

Second Quarter Highlights and Recent Developments

- On July 22, 2021, the board of directors of the partnership's general partner declared a quarterly cash distribution of \$0.12 per unit, or approximately \$2.8 million, for the second quarter of 2021. The distribution is payable on Aug. 13, 2021, to unitholders of record at the close of business on Aug. 6, 2021.
- On July 20, 2021, the partnership closed on an amended five-year, \$60.0 million term loan facility and concurrently, the board of directors provided guidance on future distributions focused on maintaining a 1.1 times coverage ratio on normalized trailing 12-month distributable cash flows.

Results of Operations

Consolidated revenues decreased \$0.7 million for the three months ended June 30, 2021, compared with the same period for 2020. Railcar transportation services revenue decreased \$0.6 million primarily due to a reduction in average volumetric capacity, and storage and throughput services revenue decreased \$0.2 million due to a decrease in throughput volumes, both of which were a result of the sale of our parent's Hereford ethanol plant in the fourth quarter of 2020 and its Ord ethanol plant in the first quarter of 2021. These decreases were partially offset by an increase of \$0.1 million in terminal services revenue associated with minimum volume charges at our Birmingham terminal.

Operations and maintenance expenses decreased \$0.4 million for the three months ended June 30, 2021, compared with the same period for 2020, primarily due to a reduction in railcar lease expense as a result of our parent's sale of assets. General and administrative expenses increased \$0.2 million for the three months ended June 30, 2021, compared with the same period for 2020, primarily due to an increase in insurance expense.

During the second quarter of 2021, Green Plains Inc.'s average production utilization rate was approximately 79.9% of capacity. Ethanol throughput was 191.8 million gallons, which was below the contracted minimum volume commitment. As a result, the partnership charged Green Plains Trade \$1.4 million related to the minimum volume commitment deficiency for the quarter, resulting in a credit to be applied against potential excess volumes in future periods. The cumulative minimum volume deficiency credits available to Green Plains Trade as of June 30, 2021 totaled \$7.7 million. If these credits are unused by Green Plains Trade, \$2.4 million will expire on September 30, 2021, \$1.1 million will expire on December 31, 2021, \$2.8 million will expire on March 31, 2022 and \$1.4 million will expire on June 30, 2022. These credits have been recognized in revenue by the partnership, and as such, future volumes throughput by Green Plains Trade in excess of the quarterly minimum volume commitment, up to the amount of these credits, will not be recognized in revenue in future periods prior to expiration.

GREEN PLAINS PARTNERS LP SELECTED OPERATING DATA (unaudited, in million gallons)

	Three Months Ended			Six Months Ended		
	2021	2020	% Var.	2021	2020	% Var.
Product volumes						
Storage and throughput services	191.8	150.1	27.8 %	370.8	391.7	(5.3) %

Terminal services:

Affiliate	21.6	22.3	(3.1)	40.0	54.8	(27.0)
Non-affiliate	<u>27.1</u>	<u>24.1</u>	12.4	<u>51.5</u>	<u>50.6</u>	1.8
	48.7	46.4	5.0	91.5	105.4	(13.2)
Railcar capacity billed (daily average)	69.4	80.9	(14.2)	71.2	79.8	(10.8)

Liquidity and Capital Resources

Total liquidity as of June 30, 2021, was \$6.3 million, including \$1.3 million in cash and cash equivalents, and \$5.0 million available under the partnership's revolving credit facility. Total debt outstanding was \$52.0 million, net of debt issuance costs of \$1.1 million. The partnership's outstanding debt was refinanced on July 20, 2021, extending the maturity to July 2026.

Conference Call Information

On Aug 2, 2021, Green Plains Partners LP and Green Plains Inc. will host a joint conference call at 11 a.m. Eastern time (10 a.m. Central time) to discuss second quarter 2021 financial and operating results for each company. Domestic and international participants can access the conference call by dialing 877.711.2374 and 281.542.4862, respectively, and referencing conference ID 6498532. The company advises participants to call at least 10 minutes prior to the start time. Alternatively, the conference call, transcript and presentation will be accessible on Green Plains Partners' website at <http://ir.greenplainspartners.com>.

Non-GAAP Financial Measures

Adjusted EBITDA and distributable cash flow are supplemental financial measures used to assess the partnership's financial performance. Management believes adjusted EBITDA and distributable cash flow provide investors useful information in assessing the partnership's financial condition and results of operations. Adjusted EBITDA is defined as earnings before interest expense, income tax expense, depreciation and amortization, plus adjustments for transaction costs related to acquisitions or financing transactions, unit-based compensation expense, net gains or losses on asset sales and the partnership's proportional share of EBITDA adjustments of our equity method investee. Distributable cash flow is defined as adjusted EBITDA less interest paid or payable, income taxes paid or payable, maintenance capital expenditures and the partnership's proportionate share of distributable cash flow adjustments of our equity method investee. References to LTM refer to results from the immediately preceding twelve-month period. Adjusted EBITDA and distributable cash flow are not presented in accordance with U.S. Generally Accepted Accounting Principles (GAAP) and therefore should not be considered in isolation or as alternatives to net income or any other measure of financial performance presented in accordance with GAAP to analyze the partnership's results.

About Green Plains Partners LP

Green Plains Partners LP (NASDAQ:GPP) is a fee-based Delaware limited partnership formed by Green Plains Inc. to provide fuel storage and transportation services by owning, operating, developing and acquiring ethanol and fuel storage terminals, transportation assets and other related assets and businesses. For more information about Green Plains Partners, visit www.greenplainspartners.com.

About Green Plains Inc.

Green Plains Inc. (NASDAQ:GPRI) is a leading biorefining company focused on the development and utilization of fermentation, agricultural and biological technologies in the processing of annually renewable crops into sustainable value-added ingredients. This includes the production of cleaner low carbon biofuels, renewable feedstocks for advanced biofuels and high purity alcohols for use in cleaners and disinfectants. Green Plains is an innovative producer of ultra-high protein and novel ingredients for animal and aquaculture diets to help satisfy a growing global appetite for sustainable protein. The Company also owns a 48.9% limited partner interest and a 2.0% general partner interest in Green Plains Partners LP. For more information, visit www.gpreinc.com.

Forward-Looking Statements

This news release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements reflect management's current views, which are subject to risks and uncertainties including, but not limited to, anticipated financial and operating results, plans and objectives that are not historical in nature. These statements may be identified by words such as "believe," "expect," "may," "should," "will" and similar expressions. Factors that could cause actual results to differ materially from those expressed or implied are discussed in Green Plains Partners' reports filed with the Securities and Exchange Commission. Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this news release. Green Plains Partners assumes no obligation to update any such forward-looking statements, except as required by law.

Consolidated Financial Results

GREEN PLAINS PARTNERS LP
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	<u>June 30,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
	(unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,330	\$ 2,478
Accounts receivable, including from affiliates	10,844	14,744
Other current assets	1,100	772
Total current assets	<u>13,274</u>	<u>17,994</u>
Property and equipment, net	30,594	32,119
Operating lease right-of-use assets	43,711	40,604
Other assets	<u>14,936</u>	<u>14,603</u>

Total assets		\$	102,515	\$	105,320
LIABILITIES AND PARTNERS' DEFICIT					
Current liabilities					
Accounts payable, including to affiliates		\$	3,869	\$	4,399
Operating lease current liabilities			12,910		11,506
Current maturities of long-term debt			2,036		97,739
Other current liabilities			3,061		5,438
Total current liabilities			21,876		119,082
Long-term debt			49,999		-
Asset retirement obligations			2,936		2,865
Operating lease long-term liabilities			31,708		29,835
Total liabilities			106,519		151,782
Partners' deficit			(4,004)		(46,462)
Total liabilities and partners' deficit		\$	102,515	\$	105,320

GREEN PLAINS PARTNERS LP
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited, in thousands except per unit amounts)

	Three Months Ended			Six Months Ended		
	June 30,			June 30,		
	2021	2020	% Var.	2021	2020	% Var.
Revenues						
Affiliate	\$ 18,531	\$ 18,997	(2.5) %	\$ 37,840	\$ 37,980	(0.4) %
Non-affiliate	1,170	1,384	(15.5)	2,267	2,672	(15.2)
Total revenues	19,701	20,381	(3.3)	40,107	40,652	(1.3)
Operating expenses						
Operations and maintenance (excluding depreciation and amortization reflected below)	6,238	6,603	(5.5)	11,992	12,763	(6.0)
General and administrative	1,059	878	20.6	2,260	1,922	17.6
Depreciation and amortization	795	966	(17.7)	1,682	1,927	(12.7)
Total operating expenses	8,092	8,447	(4.2)	15,934	16,612	(4.1)
Operating income	11,609	11,934	(2.7)	24,173	24,040	0.6
Interest expense	(1,411)	(1,820)	(22.5)	(3,339)	(3,684)	(9.4)
Income before income taxes and income from equity method investee	10,198	10,114	0.8	20,834	20,356	2.3
Income tax expense	(68)	(105)	(35.2)	(152)	(136)	11.8
Income from equity method investee	168	175	(4.0)	343	333	3.0
Net income	\$ 10,298	\$ 10,184	1.1 %	\$ 21,025	\$ 20,553	2.3 %
Net income attributable to partners' ownership interests:						
General partner	\$ 206	\$ 204	1.0 %	\$ 421	\$ 411	2.4 %
Limited partners - common unitholders	10,092	9,980	1.1	20,604	20,142	2.3
Earnings per limited partner unit (basic and diluted):						
Common units	\$ 0.44	\$ 0.43	2.3 %	\$ 0.89	\$ 0.87	2.3 %
Weighted average limited partner units outstanding (basic and diluted):						
Common units	23,161	23,138		23,161	23,138	
Supplemental Revenues Data:						
Storage and throughput services	\$ 11,564	\$ 11,785	(1.9) %	\$ 23,825	\$ 23,570	1.1 %
Railcar transportation services	4,795	5,374	(10.8)	9,837	10,498	(6.3)

Terminal services	2,218	2,132	4.0	4,260	4,326	(1.5)
Trucking and other	1,124	1,090	3.1	2,185	2,258	(3.2)
Total revenues	\$ 19,701	\$ 20,381	(3.3) %	\$ 40,107	\$ 40,652	(1.3) %

GREEN PLAINS PARTNERS LP
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(unaudited, in thousands)

	Six Months Ended	
	June 30,	
	2021	2020
Cash flows from operating activities:		
Net income	\$ 21,025	\$ 20,553
Noncash operating adjustments:		
Depreciation and amortization	1,682	1,927
Distribution from equity method investee	-	1,000
Other	1,075	589
Net change in working capital	379	(1,825)
Net cash provided by operating activities	24,161	22,244
Cash flows from investing activities:		
Purchases of property and equipment	(291)	(54)
Disposition of assets	27,500	-
Net cash provided by (used in) investing activities	27,209	(54)
Cash flows from financing activities:		
Payments of distributions	(5,684)	(14,116)
Net payments on revolving credit facility	-	(2,100)
Net payments on long-term debt	(46,834)	-
Payments of loan fees	-	(3,198)
Net cash used in financing activities	(52,518)	(19,414)
Net change in cash and cash equivalents	(1,148)	2,776
Cash and cash equivalents, beginning of period	2,478	261
Cash and cash equivalents, end of period	\$ 1,330	\$ 3,037

GREEN PLAINS PARTNERS LP
RECONCILIATIONS TO NON-GAAP FINANCIAL MEASURES
(unaudited, in thousands except ratios)

	Three Months Ended		Six Months Ended		LTM Ended
	June 30,		June 30,		June 30,
	2021	2020	2021	2020	2021
Net income	\$ 10,298	\$ 10,184	\$ 21,025	\$ 20,553	\$ 41,619
Interest expense	1,411	1,820	3,339	3,684	8,168
Income tax expense	68	105	152	136	228
Depreciation and amortization	795	966	1,682	1,927	3,561
Transaction costs	-	-	5	-	30
Unit-based compensation expense	80	79	159	158	321
Proportional share of EBITDA adjustments of equity method investee ⁽¹⁾	50	44	94	94	181
Adjusted EBITDA	12,702	13,198	26,456	26,552	54,108
Interest paid or payable	(1,411)	(1,820)	(3,339)	(3,684)	(8,168)
Income taxes paid or payable	(68)	(30)	(152)	(61)	(228)
Maintenance capital expenditures	-	(32)	(2)	(54)	(129)
Distributable cash flow ⁽²⁾	\$ 11,223	\$ 11,316	\$ 22,963	\$ 22,753	\$ 45,583
Distributions declared ⁽³⁾	\$ 2,844	\$ 2,836	\$ 5,686	\$ 5,672	\$ 11,375
Coverage ratio	3.95x	3.99x	4.04x	4.01x	4.01x

- (1) Represents the partnership's proportional share of depreciation and amortization of its equity method investee.
- (2) Distributable cash flow does not include adjustments for the principal payments on the term loan of \$9.3 million, of which \$0.5 million relates to the Ord disposition, for the three months ended June 30, 2021, and \$46.8 million, of which \$27.5 million relates to the Ord disposition, for the six months ended June 30, 2021.
- (3) Represents distributions declared for the applicable period and paid in the subsequent quarter.

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Source: Green Plains Partners LP