2016 Annual Report

Green Plains

Green Plains

Green Plains Inc. (NASDAQ: GPRE) is North America's fourth largest producer of ethanol. Headquartered in Omaha, Nebraska, Green Plains has grown rapidly, primarily through acquisitions, and today has operating segments throughout the ethanol value chain.

Forward-Looking Statement

This Annual Report contains "forward-looking statements" within the meaning of the federal securities laws. See the discussion under "Cautionary Information Regarding Forward-Looking Statements" in our 2016 Form 10-K for matters to be considered in this regard.

To Our Shareholders

2016 marks our 8th consecutive year of profitability. It was also a year Green Plains made significant investments in our business. We invested over a half billion dollars, expanding our ethanol production capacity and adding a new adjacent business, Fleishmann's Vinegar Company.

The Fleischmann's acquisition is consistent with our strategy of moving into adjacent businesses that leverage our core capabilities between distribution, transportation, logistics, production and risk management. The primary raw material in vinegar production is food grade ethanol. This business will also broaden our reach into food ingredient markets, building our higher-margin production capabilities and adding value to our end products.

The value proposition we continue to pursue for our shareholders is the same – reduce volatility over the long-term to give you a stable and predictable earnings stream. We believe this investment is an important step towards that objective with a non-cyclical market that allows the company to maintain consistent margins in volatile commodity environments backed by a history of stability over the last 100 years.

2016 Financial Highlights

What began as our largest quarterly loss in history became our second best year of financial performance. We reported net income of $10.7 million for the year, or $0.28 per diluted share. This was up from 2015's net income of $7.1 million, or $0.18 per diluted share. The improvement can be attributed to a stronger energy climate in 2016 and Green Plains' record production of 1.1 billion gallons of ethanol, 21% more gallons than we produced in 2015. For 2016, we generated approximately $174.4 million of EBITDA, or earnings before interest, income taxes, depreciation and amortization.

We also achieved a number of other milestones in 2016. We were successful increasing our yield to 2.86 gallons of ethanol from each of the 401.1 million bushels of corn processed during the year. The higher yield means we lowered our corn usage by 1.5 million bushels compared with the 2.85 yield achieved in 2015.

We expanded our production capacity by nearly 260 million gallons per year in 2016. Most of this increase came by acquiring three ethanol plants – one in Madison, Illinois; Mount Vernon, Indiana and another in York, Nebraska. We also added production capacity at several of our existing plants. With these additions, our ethanol production capacity has reached nearly 1.5 billion gallons per year, processing over 14 million tons of corn annually. Furthermore, we have the capacity to produce 4.1 million tons of distillers grains and nearly 340 million pounds of corn oil, both of which are vital co-products that continue to have substantial demand in global animal feed and fuel markets.

Our liquidity remains strong with $356 million in cash on the balance sheet as of December 31, 2016, along with $121 million available on our revolvers. With capital invested in acquiring assets last year, one of our primary areas of focus will be to de-lever our balance sheet and strengthen our overall capital structure in 2017. We utilize a pro forma leverage ratio to manage our balance sheet. This is intended to reflect the full year impact of our acquisitions and performance of our platform through a full cycle, which was just over $0.20 EBITDA per gallon based on our actual experience over the last five years. Using this approach, our term-debt

2016 marks our 8th consecutive year of profitability.

leverage ratio is 2.9 times, which is a ratio we are comfortable with. A strong balance sheet and ample liquidity are key factors in our continued growth.

During 2016, we returned $18.4 million in dividends to our shareholders and repurchased $6.0 million of Green Plains shares.

Approaching Scale

For several years, we have talked about reaching scale in the ethanol industry. Two years ago, at the start of 2015, Green Plains had a little over one billion gallons of ethanol production. Earlier that year, we told investors we wanted to be a 2+ billion-gallon production company. Today, we are a 1.5-billion-gallon production company, approaching scale with our current platform. Having almost 10 percent of the ethanol industry's domestic production capability positions Green Plains as leaders in the ethanol industry and provides added benefits in all of the commodities that are a part of our supply chain.

Our growth to reaching scale is enhanced by our master limited partnership, Green Plains Partners LP. The partnership provides us with a lower cost of capital that enables us to be more competitive as an acquirer of ethanol production assets. In fact, the partnership provided approximately 38% of the funding for the three ethanol plants acquired in September 2016, giving us an advantage over other potential acquirers for these types of assets.

We are also focused on downstream distribution that supports our business. In June 2016, we formed a joint venture with Jefferson Gulf Coast Energy Partners, a subsidiary of Fortress Transportation and Infrastructure Investors LLC to construct and operate an intermodal export and import fuels terminal at Jefferson's existing Beaumont, Texas terminal. This project is on schedule to begin exporting ethanol in the third quarter of 2017. The terminal is also capable of managing multiple other products for import and export, including liquid hydrocarbons, vegetable oils and other non-liquid commodities. Once commercial development is complete, Green Plains will offer its interest in the joint venture to Green Plains Partners.

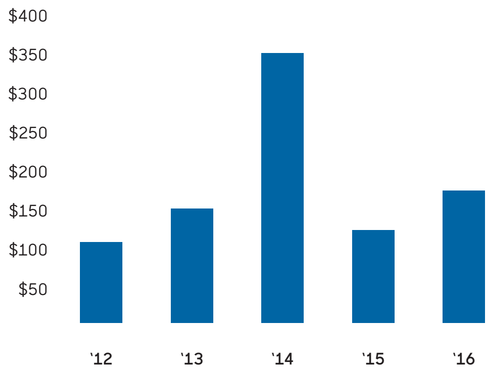
This terminal will be a key asset going forward. We are seeing greater demand growth for the products we produce around the world. Ethanol exports out of the U.S. increased 25% in 2016 over 2015. Last year, export sales accounted for 13% of our ethanol production, affirming our decision to launch the joint venture with Jefferson.

We continue to evaluate opportunities to grow our new food and ingredients business. We believe opportunities exist for ongoing consolidation in a relatively fragmented global vinegar market. Moreover, we believe this supports our expansion into developing markets off the Fleischmann's Vinegar platform, specifically in food, pharmaceuticals, food preservation and agriculture.

While we are still very much a growth company, we are mindful of the growth avenues we pursue. We have increased ethanol

Todd Becker
President and
Chief Executive Officer

EBITDA
in millions



production by 350% since the beginning of 2009 with our platform of 17 ethanol plants. We would still like to add production capacity; however, we also want to continue diversifying our revenue and income streams to provide more consistent and predictable earnings and cash flow. These opportunities could be realized in related commodity-processing products that utilize our experience and expertise in commodity and risk management.

We continually evaluate and reexamine all aspects of our business as operational excellence is still a key part of our core competencies. A good example of this is the development and implementation of our customer relationship management ("CRM") system. This program was brought about to bring us closer to farmers and interact directly with the primary source of corn in the U.S. At the end of 2016, we had 8,800 farmer customers in our database which is 38% more than we had at the start of 2016. As a result, we achieved just under 57% of our corn origination from farmers in 2016. Buying more corn directly from farmers allows us to reduce our input cost for ethanol production. Our goal is to achieve 65% origination from the farmer in 2017, increasing our savings further.

Steady Grows the Bottom Line

Since the beginning of 2009 to the end of 2016, we have generated $1.3 billion of EBITDA and produced over 6 billion gallons of ethanol with an average EBITDA margin of 21 cents per gallon. With a much bigger platform, we believe we are well-positioned for 2017 and beyond. We plan to intensify our efforts to deliver more consistent, predictable earnings and cash flow. This can be done adding adjacent businesses like Fleischmann's Vinegar, which can reduce earnings volatility and improve our public market valuation.

All of this growth would not have been accomplished without the support of our 1,294 employees. That is nearly 1,000 more employees than we had at the beginning of 2009. As we think about Green Plains today, we are not your average ethanol producer anymore, but a Fortune 1000 diversified commodity processor.

Our growth has led us to a new location in Omaha. We now call 1811 Aksarben Drive our new home and are excited to be in this new neighborhood with other vibrant and growing companies here in Omaha's Aksarben Village where we also will be hosting our upcoming annual meeting.

The management team at Green Plains appreciates your continued support and confidence, taking a longer term view in valuing our company. I would also like to thank our directors for their contributions in making Green Plains the company that it is today and what it will be tomorrow for the Agriculture and Energy industries.

Sincerely,

Todd Becker
President and Chief Executive Officer

Selected Financial Data

STATEMENT OF INCOME DATA (in thousands, except per share information)	Year Ended December 31, 2016	2015	2014	2013	2012
Revenues	$ 3,410,881	$ 2,965,589	$ 3,235,611	$ 3,041,011	$ 3,476,870
Costs and expenses	3,319,193	2,904,512	2,949,337	2,933,160	3,459,118
Gain on disposal of assets[(1)]	–	–	–	–	47,133
Operating income	91,688	61,077	286,274	107,851	64,885
Total other expense	53,337	39,612	35,844	35,570	39,729
Net income	30,491	15,228	159,504	43,391	11,763
Net income attributable to Green Plains	10,663	7,064	159,504	43,391	11,779
Earnings per share attributable to Green Plains:					
Basic	$ 0.28	$ 0.19	$ 4.37	$ 1.44	$ 0.39
Diluted	$ 0.28	$ 0.18	$ 3.96	$ 1.26	$ 0.39
OTHER DATA (NON-GAAP)					
EBITDA (unaudited and in thousands)	$ 174,428	$ 127,781	$ 352,477	$ 156,492	$ 115,505

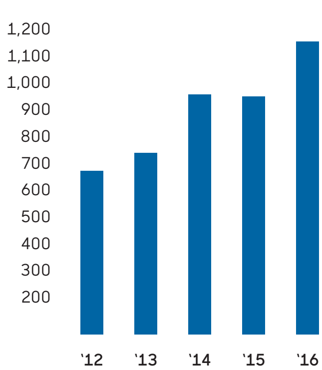
BALANCE SHEET DATA (in thousands)	December 31, 2016	2015	2014	2013	2012
Cash and cash equivalents	$ 304,211	$ 384,867	$ 425,510	$ 272,027	$ 254,289
Current assets	1,000,576	912,577	903,415	633,305	568,035
Total assets	2,506,492	1,917,920	1,821,062	1,532,045	1,349,734
Current liabilities	594,946	438,669	511,540	409,197	432,384
Long-term debt	782,610	432,139	399,440	480,746	362,549
Total liabilities	1,527,301	959,011	1,023,613	986,687	859,232
Stockholders' equity	979,191	958,909	797,449	545,358	490,502

(1) In December 2012, we sold 12 grain elevators located in northwestern Iowa and western Tennessee consisting of approximately 32.6 million bushels of grain storage capacity and all of our agronomy and retail petroleum operations.

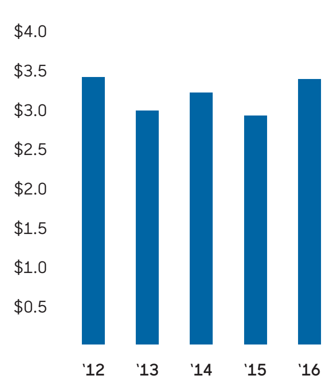
The following table reconciles net income to EBITDA for the periods indicated (in thousands):

	Year Ended December 31, 2016	2015	2014	2013	2012
Net income	$ 30,491	$ 15,228	$ 159,504	$ 43,391	$ 11,763
Interest expense	51,851	40,366	39,908	33,357	37,521
Income tax expense	7,860	6,237	90,926	28,890	13,393
Depreciation and amortization	84,226	65,950	62,139	50,854	52,828
EBITDA (unaudited)	$ 174,428	$ 127,781	$ 352,477	$ 156,492	$ 115,505

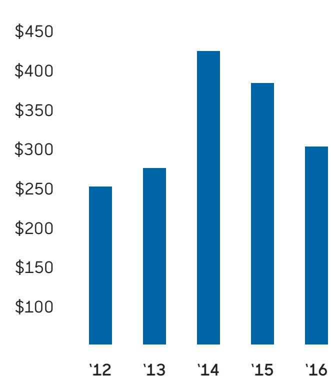
Ethanol Production
in millions of gallons



Revenues
in millions



Cash and Cash Equivalents
in millions



Corporate Information

BOARD OF DIRECTORS

WAYNE HOOVESTOL, Chairman
Owner/President
Hoovestol Inc./Lone Mountain Truck Leasing

JIM ANDERSON[1,2]
Managing Director and Operating Partner
Champ Private Equity

TODD BECKER
President and Chief Executive Officer
Green Plains Inc.

JAMES CROWLEY[1]
Chairman and Managing Partner
Old Strategic, LLC

GENE EDWARDS[1,2]
Retired Executive Vice President and
Chief Development Officer
Valero Corporation

GORDON GLADE[1,3]
President and Chief Executive Officer
AXIS Capital, Inc.

EJNAR KNUDSEN
Founder and Managing Partner
AGR Partners

THOMAS MANUEL[2,3]
Founder and Chief Executive Officer
Nu-Tek Salt, LLC

BRIAN PETERSON[1,3]
President and Chief Executive Officer
Whiskey Creek Entities

ALAIN TREUER[2,3]
Chairman and Chief Executive Officer
Tellac Reuert Partners SA

Member of: (1) Audit Committee, (2) Compensation Committee and/or (3) Nominating and Governance Committee

EXECUTIVE OFFICERS

TODD BECKER
President and Chief Executive Officer

JEFF BRIGGS
Chief Operating Officer

JERRY PETERS
Chief Financial Officer

PATRICH SIMPKINS
Chief Development Officer

STEVE BLEYL
Executive Vice President
Ethanol Marketing

WALTER CRONIN
Executive Vice President
Commercial Operations

MARK HUDAK
Executive Vice President
Human Resources

PAUL KOLOMAYA
Executive Vice President
Commodity Finance

MICHELLE MAPES
Executive Vice President
General Counsel and Corporate Secretary

MICHAEL METZLER
Executive Vice President
Gas and Power

TONY VOJSLAVEK
Executive Vice President
Risk Management

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STOCK EXCHANGE LISTING

The Nasdaq Global Market
Stock Ticker Symbol: GPRE

Green Plains