



NEWS RELEASE

Vertex Energy Announces Fourth Quarter and Full Year 2023 Financial Results

2/28/2024

HOUSTON--(BUSINESS WIRE)-- Vertex Energy, Inc. (NASDAQ: VTNR) ("Vertex" or the "Company"), a leading specialty refiner and marketer of high-quality refined products, today announced its financial results for the fourth quarter ended December 31, 2023.

The Company will host a conference call to discuss fourth quarter 2023 results today, at 8:30 A.M. Eastern Time. Details regarding the conference call are included at the end of this release.

FOURTH QUARTER 2023 HIGHLIGHTS

- Reported net loss attributable to the Company of (\$63.9) million, or (\$0.84) per fully-diluted share
- Reported Adjusted EBITDA of (\$35.1) million (see "Non-GAAP Financial Measures and Key Performance Indicators", below).
- Continued safe operation of the Company's Mobile, Alabama refinery (the "Mobile Refinery") with fourth quarter 2023 conventional throughput of 67,083 barrels per day (bpd), in line with prior guidance.
- Renewable diesel ("RD") throughput of 3,926 bpd, reflecting Phase One capacity utilization of 49.1%.
- Total cash and cash equivalents of \$80.6 million, including restricted cash of \$3.6 million and \$50 million in additional term loan proceeds received during the quarter ended December 31, 2023.

FULL-YEAR 2023 HIGHLIGHTS

- Reported net loss attributable to the Company of (\$71.5) million for the full year 2023, versus net loss attributable to the Company of (\$4.8) million in 2022.

- Reported Adjusted EBITDA of \$17.1 million for the full-year versus Adjusted EBITDA of \$161.0 million for the full year 2022 (see “Non-GAAP Financial Measures and Key Performance Indicators”, below).
- Conventional throughput volumes of 73,734 barrels per day (bpd) for 2023 (98.3% utilization).
- Completion of Phase I of Renewable Diesel conversion project with the launch of Renewables business and Marine Fuels and Logistics business in Mobile, Alabama.

Vertex reported fourth quarter 2023 net loss attributable to the Company of (\$63.9) million, or (\$0.84) per fully-diluted share, versus net income attributable to the Company of \$44.4 million, or \$0.07 per fully-diluted share for the fourth quarter of 2022. Adjusted EBITDA (see “Non-GAAP Financial Measures and Key Performance Indicators”, below) was (\$35.1) million for the fourth quarter 2023, compared to Adjusted EBITDA of \$75.2 million in the prior-year period.

For the full-year 2023, the Company reported a net loss attributable to the Company of (\$71.5) million versus (\$4.8) million for the full-year 2022, largely attributable to losses in the Renewables segment due to elevated costs for Refined, Bleached and Deodorized (“RBD”) soybean oil feedstock, and increased corporate segment expenses for overhead to support business expansion. The Company also reported Adjusted EBITDA of \$17.1 million, versus \$161.0 million for the full years 2023 and 2022, respectively. Full-year financial results for 2023 include several non-cash items such as inventory valuation adjustments of \$6 million, changes in the value of derivative liabilities which amounted to \$8 million and a one-time pre-tax gain on the sale of assets of \$70.9 million related to the sale of the Heartland facility.

Schedules reconciling the Company's generally accepted accounting principles in the United States (“GAAP”) and non-GAAP financial results, including Adjusted EBITDA and certain key performance indicators, are included later in this release (see also “Non-GAAP Financial Measures and Key Performance Indicators”, below).

MANAGEMENT COMMENTARY

Mr. Benjamin P. Cowart, Vertex's Chief Executive Officer, stated, “In 2023, we focused on establishing new lines of business, expanding our capabilities, and positioning ourselves for growth into new markets. We believe the launch of Vertex Renewables and optimization of feedstocks have positioned the Company for margin opportunities under the new credit regime post-2024. Additionally, the inauguration of our Marine Fuels and Logistics business alongside our Supply and Trading division has enabled us to leverage strategic integration opportunities, enhancing netbacks and capturing additional value for our finished products.” Mr. Cowart continued, “As we move into 2024, our priorities are to increase our cash position, reduce our operating costs, and improve margins.”

MOBILE REFINERY OPERATIONS

Conventional Fuels Refining

Total conventional throughput at the Mobile Refinery was 67,083 bpd in the fourth quarter of 2023. Total production of finished high-value, light products, such as gasoline, diesel, and jet fuel, represented approximately 66% of total production in the fourth quarter of 2023, vs. 64% in the third quarter of 2023, and in line with management's original expectations, reflecting a continued successful yield optimization initiative at the Mobile conventional refining facility.

The Mobile Refinery's conventional operations generated a gross profit of \$7.3 million and \$29.6 million of fuel gross margin (a Key performance indicator (KPI) discussed below) or \$4.79 per barrel during the fourth quarter of 2023, versus generating a gross profit of \$89.9 million, and fuel gross margin of \$147.0 million, or \$20.50 per barrel in the fourth quarter of 2022.

Total conventional throughput at the Mobile Refinery was 73,734 bpd for the full year 2023, reflecting capacity utilization of 98%. Total production of finished high-value, light products, such as gasoline, diesel, and jet fuel, represented approximately 63% of total production in 2023, vs. 70% in the nine-month operating period in 2022.

The Mobile Refinery's conventional operations generated a gross profit of \$165.5 million and \$318.6 million of fuel gross margin (a KPI discussed below) or \$11.84 per barrel during the full year 2023, versus generating a gross profit of \$140.9 million, and fuel gross margin of \$398.4 million, or \$19.93 per barrel in the nine-month operating period in 2022.

Renewable Diesel Facility

Total renewable throughput at the Mobile Renewable Diesel facility was 3,926 bpd in the fourth quarter of 2023. Total production of renewable diesel was 3,786 bpd reflecting a product yield of 96.4%.

The Mobile Renewable Diesel facility operations generated a gross loss of \$(17.6) million and \$4.4 million of fuel gross margin (a KPI discussed below) or \$12.11 per barrel during the fourth quarter of 2023.

Feedstock Supply Strategy Advanced. During the fourth quarter, Vertex continued to advance its alternative feedstock supply strategy. The Company had recently completed the required temporary filings for low carbon fuel standard ("LCFS") credits at the default carbon intensity ("CI") score. As previously communicated, the Company expected that the initial default level LCFS credits would be applied to all volumes of renewable diesel produced during the third and fourth quarter of 2023 and to contribute to financial results in the fourth quarter. As anticipated, during the fourth quarter of 2023, Vertex received an initial LCFS payment calculated using the temporary default CI score, resulting in a net payment of \$9.6 million.

During the fourth quarter, the Company successfully completed runs to support filing for proprietary carbon intensity scores of LCFS pathways for Tallow. In addition to the testing completed for Soy, distiller's corn oil ("DCO") and Canola completed during the third quarter of 2023, the Company has now successfully completed the filings for each of these four feedstocks allowing Vertex to receive the increased credit value available with their lower carbon intensity production as compared to the default temporary values for all future renewable diesel production values.

Fourth Quarter and Full Year 2023 Mobile Refinery Results Summary (\$/millions unless otherwise noted)

| | 1Q23 | 2Q23 | 3Q23 | 4Q23 | FY2023 |
|---|---------|-----------|---------|---------|---------|
| Conventional Fuels Refinery | | | | | |
| Total Throughput (bpd) | 71,328 | 76,330 | 80,171 | 67,083 | 73,734 |
| Total Throughput (MMbbl) | 6.42 | 6.95 | 7.38 | 6.17 | 26.91 |
| Conventional Facility Capacity Utilization ¹ | 95.1% | 101.8% | 106.9% | 89.4% | 98.3% |
| Direct Opex Per Barrel (\$/bbl) | \$3.84 | \$3.35 | \$2.40 | \$2.46 | \$3.00 |
| Fuel Gross Margin (\$/MM) | \$103.8 | \$55.7 | \$129.5 | \$29.6 | \$318.6 |
| Fuel Gross Margin Per Barrel (\$/bbl) | \$16.17 | \$8.03 | \$17.56 | \$4.79 | \$11.84 |
| Production Yield | | | | | |
| Gasoline (bpd) | 15,723 | 17,812 | 19,211 | 17,826 | 17,653 |
| % Production | 22.7% | 23.2% | 24.0% | 25.9% | 23.9% |
| ULSD (bpd) | 14,720 | 15,618 | 16,479 | 14,510 | 15,334 |
| % Production | 21.2% | 20.3% | 20.6% | 21.1% | 20.8% |
| Jet (bpd) | 12,789 | 13,570 | 15,823 | 12,937 | 13,786 |
| % Production | 18.4% | 17.7% | 19.8% | 18.8% | 18.7% |
| Total Finished Fuel Products | 43,232 | 47,000 | 51,513 | 45,273 | 46,773 |
| % Production | 62.3% | 61.2% | 64.4% | 65.9% | 63.4% |
| Other ² | 26,119 | 29,828 | 28,495 | 23,457 | 26,972 |
| % Production | 37.7% | 38.8% | 35.6% | 34.1% | 36.6% |
| Total Production (bpd) | 69,351 | 76,828 | 80,008 | 68,730 | 73,745 |
| Total Production (MMbbl) | 6.24 | 6.99 | 7.36 | 6.32 | 26.92 |
| Renewable Fuels Refinery | | | | | |
| Total Renewable Throughput (bpd) | - | 2,490 | 5,397 | 3,926 | 3,943 |
| Total Renewable Throughput (MMbbl) | - | 0.23 | 0.50 | 0.36 | 1.08 |
| Renewable Diesel Facility Capacity Utilization ³ | - | 31.1% | 67.5% | 49.1% | 49.3% |
| Direct Opex Per Barrel (\$/bbl) | - | \$31.23 | \$23.05 | \$27.32 | \$26.17 |
| Renewable Fuel Gross Margin | - | (\$3.1) | \$2.4 | \$4.4 | \$3.7 |
| Renewable Fuel Gross Margin Per Barrel (\$/bbl) | - | (\$13.66) | \$4.78 | \$12.11 | \$3.37 |
| Renewable Diesel Production (bpd) | - | 2,208 | 5,276 | 3,786 | 3,762 |
| Renewable Diesel Production (MMbbl) | - | 0.20 | 0.49 | 0.35 | 1.03 |
| Renewable Diesel Production Yield (%) | - | 88.7% | 97.8% | 96.4% | 95.4% |

1.) Assumes 75,000 barrels per day of conventional operational capacity

2.) Other includes naphtha, intermediates, and LPG

3.) Assumes 8,000 barrels per day of renewable fuels operational capacity

Balance Sheet and Liquidity Update

As of December 31, 2023, Vertex had total debt outstanding of \$286 million, including \$15.2 million in 6.25% Senior Convertible Notes, \$196.0 million outstanding on the Company's Term Loan, finance lease obligations of \$68.6

million, and \$6.2 million in other obligations. The Company had total cash and equivalents of \$80.6 million, including \$3.6 million of restricted cash on the balance sheet as of December 31, 2023, for a net debt position of \$205.5 million. The ratio of net debt to trailing twelve-month Adjusted EBITDA was 12.0 times as of December 31, 2023 (see also “Non-GAAP Financial Measures and Key Performance Indicators”, below).

As previously announced on January 2, 2024, the Company reached an agreement with its existing lending group to modify certain terms and conditions of the current term loan agreement. The amended term loan provided an incremental \$50.0 million in borrowings, the full amount of which was borrowed upon closing on December 29, 2023 and therefore reflected in Vertex’s year end cash position of \$80.6 million.

Vertex management continuously monitors current market conditions to assess expected cash generation and liquidity needs against its available cash position, using the forward crack spreads in the market.

As of the current year-end, the Company believes it has adequate financial flexibility to meet its needs based on the total liquidity position. Furthermore, the Company is currently going through a strategic evaluation process with BofA Securities, which started in October 2023, that may result in further enhancements to its current liquidity options.

Commodity Price Risk Management

During the fourth quarter, Vertex’s commodity price risk management team entered into hedge positions covering approximately 38% of planned diesel production and distillate production for the first quarter of 2024 as discussed below:

| Asset Type | Contract Details | Contract Period | Price (\$/bbl) | Mid-Point Prod'n (Bbl) | Hedged Volumes (bbl) | Approximate % Hedged ¹ |
|------------------|------------------|-----------------|----------------|------------------------|----------------------|-----------------------------------|
| Fixed Price Swap | ULSD/LLS Swap | January | \$25.55 | 762,600 | 100,000 | 13.1% |
| Fixed Price Swap | ULSD/LLS Swap | February | \$30.68 | 713,400 | 375,000 | 52.6% |
| Fixed Price Swap | ULSD/LLS Swap | March | \$28.95 | 762,600 | 375,000 | 49.2% |
| | | Total | \$28.39 | 2,238,600 | 850,000 | 38.0% |

1.) % hedged assumes mid-point of operating guidance of 61.5 Mbbld and mid-point of distillate production yield of 40%

Management Outlook

All guidance presented below is current as of the time of this release and is subject to change. All prior financial guidance should no longer be relied upon.

| Conventional Fuels | | 1Q 2024 | |
|---|--|---------|------|
| Operational: | | Low | High |
| Mobile Refinery Conventional Throughput Volume (Mbpd) | | 60.0 | 63.0 |
| Capacity Utilization | | 80% | 84% |
| Production Yield Profile: | | | |
| Percentage Finished Products ¹ | | 64% | 68% |
| Intermediate & Other Products ² | | 36% | 32% |

| Renewable Fuels | | 1Q 2024 | |
|--|--|---------|------|
| Operational: | | Low | High |
| Mobile Refinery Renewable Throughput Volume (Mbpd) | | 3.0 | 5.0 |
| Capacity Utilization | | 38% | 63% |
| Production Yield | | 96% | 98% |
| Yield Loss | | 4% | 2% |

| Consolidated | | 1Q 2024 | |
|--|--|---------|---------|
| Operational: | | Low | High |
| Mobile Refinery Total Throughput Volume (Mbpd) | | 63.0 | 68.0 |
| Capacity Utilization | | 76% | 82% |
| Financial Guidance: | | | |
| Direct Operating Expense (\$/bbl) | | \$4.59 | \$4.95 |
| Capital Expenditures (\$/MM) | | \$20.00 | \$25.00 |

1.) Finished products include gasoline, ULSD, and Jet A

2.) Intermediate & Other products include Vacuum Gas Oil (VGO), Liquefied Petroleum Gases (LPGs), and Vacuum Tower Bottoms (VTBs)

CONFERENCE CALL AND WEBCAST DETAILS

A conference call will be held today, February 28, 2024 at 8:30 A.M. Eastern Time to review the Company's financial results, discuss recent events and conduct a question-and-answer session. An audio webcast of the conference call and accompanying presentation materials will also be available in the "Events and Presentation" section of Vertex's website at www.vertexenergy.com. To listen to a live broadcast, visit the site at least 15 minutes prior to the scheduled start time in order to register, download, and install any necessary audio software.

To participate in the live teleconference:

Domestic: (888) 350-3870

International: (646) 960-0308

Conference ID: 8960754

To listen to a replay of the teleconference, which will be available through Thursday, March 14, 2024, either go to the "Events and Presentation" section of Vertex's website at www.vertexenergy.com, or call the number below:

Domestic Replay: (800) 770-2030

Access Code: 8960754

ABOUT VERTEX ENERGY

Vertex Energy is a leading energy transition company that specializes in producing both renewable and conventional fuels. The Company's innovative solutions are designed to enhance the performance of our customers and partners while also prioritizing sustainability, safety, and operational excellence. With a commitment to providing superior products and services, Vertex Energy is dedicated to shaping the future of the energy industry.

FORWARD-LOOKING STATEMENTS

Certain of the matters discussed in this communication which are not statements of historical fact constitute forward-looking statements within the meaning of the securities laws, including the Private Securities Litigation Reform Act of 1995, that involve a number of risks and uncertainties. Words such as "strategy," "expects," "continues," "plans," "anticipates," "believes," "would," "will," "estimates," "intends," "projects," "goals," "targets" and other words of similar meaning are intended to identify forward-looking statements but are not the exclusive means of identifying these statements. Any statements made in this news release other than those of historical fact, about an action, event or development, are forward-looking statements. The important factors that may cause actual results and outcomes to differ materially from those contained in such forward-looking statements include, without limitation, the Company's projected Outlook for the first quarter of 2024, as discussed above; statements concerning: the Company's engagement of BofA Securities, Inc., as previously disclosed; the review and evaluation of potential joint ventures, divestitures, acquisitions, mergers, business combinations, or other strategic transactions, the outcome of such review, and the impact on any such transactions, or the review thereof, and their impact on shareholder value; the process by which the Company engages in evaluation of strategic transactions; the Company's ability to identify potential partners; the outcome of potential future strategic transactions and the terms thereof; the future production of the Company's Mobile Refinery; anticipated and unforeseen events which could reduce future production at the refinery or delay future capital projects, and changes in commodity and credit values; throughput volumes, production rates, yields, operating expenses and capital expenditures at the Mobile Refinery; the timing of, and outcome of, the evaluation and associated carbon intensity scoring of the Company's feedstock blends by officials in the state of California; the ability of the Company to obtain low carbon fuel standard (LCFS) credits, and the amounts thereof; the need for additional capital in the future, including, but not limited to, in order to complete capital projects and satisfy liabilities, the Company's ability to raise such capital in the future, and the terms of such funding; the timing of capital projects at the Company's refinery located in Mobile, Alabama (the "Mobile Refinery") and the outcome of such projects; the future production of the Mobile Refinery, including but not limited to, renewable diesel production; estimated and actual production and costs associated with the renewable diesel capital project; estimated revenues, margins and expenses, over the course of the agreement with Idemitsu; anticipated and unforeseen events which could reduce future production at the

Mobile Refinery or delay planned and future capital projects; changes in commodity and credits values; certain early termination rights associated with third party agreements and conditions precedent to such agreements; certain mandatory redemption provisions of the outstanding senior convertible notes, the conversion rights associated therewith, and dilution caused by conversions and/or the exchanges of convertible notes; the Company's ability to comply with required covenants under outstanding senior notes and a term loan and to pay amounts due under such senior notes and term loan, including interest and other amounts due thereunder; the ability of the Company to retain and hire key personnel; the level of competition in the Company's industry and its ability to compete; the Company's ability to respond to changes in its industry; the loss of key personnel or failure to attract, integrate and retain additional personnel; the Company's ability to protect intellectual property and not infringe on others' intellectual property; the Company's ability to scale its business; the Company's ability to maintain supplier relationships and obtain adequate supplies of feedstocks; the Company's ability to obtain and retain customers; the Company's ability to produce products at competitive rates; the Company's ability to execute its business strategy in a very competitive environment; trends in, and the market for, the price of oil and gas and alternative energy sources; the impact of inflation on margins and costs; the volatile nature of the prices for oil and gas caused by supply and demand, including volatility caused by the ongoing Ukraine/Russia conflict and/or the Israel/Hamas conflict, changes in interest rates and inflation, and potential recessions; the Company's ability to maintain relationships with partners; the outcome of pending and potential future litigation, judgments and settlements; rules and regulations making the Company's operations more costly or restrictive; volatility in the market price of compliance credits (primarily Renewable Identification Numbers (RINs) needed to comply with the Renewable Fuel Standard ("RFS")) under renewable and low-carbon fuel programs and emission credits needed under other environmental emissions programs, the requirement for the Company to purchase RINs in the secondary market to the extent it does not generate sufficient RINs internally, liabilities associated therewith and the timing, funding and costs of such required purchases, if any; changes in environmental and other laws and regulations and risks associated with such laws and regulations; economic downturns both in the United States and globally, changes in inflation and interest rates, increased costs of borrowing associated therewith and potential declines in the availability of such funding; risk of increased regulation of the Company's operations and products; disruptions in the infrastructure that the Company and its partners rely on; interruptions at the Company's facilities; unexpected and expected changes in the Company's anticipated capital expenditures resulting from unforeseen and expected required maintenance, repairs, or upgrades; the Company's ability to acquire and construct new facilities; the Company's ability to effectively manage growth; decreases in global demand for, and the price of, oil, due to inflation, recessions or other reasons, including declines in economic activity or global conflicts; expected and unexpected downtime at the Company's facilities; the Company's level of indebtedness, which could affect its ability to fulfill its obligations, impede the implementation of its strategy, and expose the Company's interest rate risk; dependence on third party transportation services and pipelines; risks related to obtaining required crude oil supplies, and the costs of such supplies; counterparty credit and performance risk; unanticipated problems at, or downtime effecting, the Company's facilities and those operated by third parties;

risks relating to the Company's hedging activities or lack of hedging activities; and risks relating to planned and future divestitures, asset sales, joint ventures and acquisitions.

Other important factors that may cause actual results and outcomes to differ materially from those contained in the forward-looking statements included in this communication are described in the Company's publicly filed reports, including, but not limited to, the Company's Annual Report on Form 10-K for the year ended December 31, 2022, and the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023, and future Annual Reports on Form 10-K (including the Company's Annual Report on Form 10-K for the year ended December 31, 2023, when filed by the Company) and Quarterly Reports on Form 10-Q. These reports are available at www.sec.gov. The Company cautions that the foregoing list of important factors is not complete. All subsequent written and oral forward-looking statements attributable to the Company or any person acting on behalf of the Company are expressly qualified in their entirety by the cautionary statements referenced above. Other unknown or unpredictable factors also could have material adverse effects on Vertex's future results. The forward-looking statements included in this press release are made only as of the date hereof. Vertex cannot guarantee future results, levels of activity, performance or achievements. Accordingly, you should not place undue reliance on these forward-looking statements. Finally, Vertex undertakes no obligation to update these statements after the date of this release, except as required by law, and takes no obligation to update or correct information prepared by third parties that are not paid for by Vertex. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

PROJECTIONS

The financial projections (the "Projections") included herein were prepared by Vertex in good faith using assumptions believed to be reasonable. A significant number of assumptions about the operations of the business of Vertex were based, in part, on economic, competitive, and general business conditions prevailing at the time the Projections were developed. Any future changes in these conditions, may materially impact the ability of Vertex to achieve the financial results set forth in the Projections. The Projections are based on numerous assumptions, including realization of the operating strategy of Vertex; industry performance; no material adverse changes in applicable legislation or regulations, or the administration thereof, or generally accepted accounting principles; general business and economic conditions; competition; retention of key management and other key employees; absence of material contingent or unliquidated litigation, indemnity, or other claims; minimal changes in current pricing; static material and equipment pricing; no significant increases in interest rates or inflation; and other matters, many of which will be beyond the control of Vertex, and some or all of which may not materialize. The Projections also assume the continued uptime of the Company's facilities at historical levels and the successful funding of, timely completion of, and successful outcome of, planned capital projects. Additionally, to the extent that the assumptions inherent in the Projections are based upon future business decisions and objectives, they are

subject to change. Although the Projections are presented with numerical specificity and are based on reasonable expectations developed by Vertex's management, the assumptions and estimates underlying the Projections are subject to significant business, economic, and competitive uncertainties and contingencies, many of which will be beyond the control of Vertex. Accordingly, the Projections are only estimates and are necessarily speculative in nature. It is expected that some or all of the assumptions in the Projections will not be realized and that actual results will vary from the Projections. Such variations may be material and may increase over time. In light of the foregoing, readers are cautioned not to place undue reliance on the Projections. The projected financial information contained herein should not be regarded as a representation or warranty by Vertex, its management, advisors, or any other person that the Projections can or will be achieved. Vertex cautions that the Projections are speculative in nature and based upon subjective decisions and assumptions. As a result, the Projections should not be relied on as necessarily predictive of actual future events.

NON-GAAP FINANCIAL MEASURES AND KEY PERFORMANCE INDICATORS

In addition to our results calculated under generally accepted accounting principles in the United States ("GAAP"), in this news release we also present certain non-U.S. GAAP financial measures and key performance indicators. Non-U.S. GAAP financial measures include Adjusted Gross Margin, Fuel Gross Margin and Adjusted EBITDA, for the Company's Legacy Refining and Marketing segment, and the total Refining and Marketing segment, as a whole, and Net Long-Term Debt and Ratio of Net Long-Term Debt (collectively, the "Non-U.S. GAAP Financial Measures"). Key performance indicators include Adjusted Gross Margin, Fuel Gross Margin and Adjusted EBITDA for Conventional, Renewable and the Mobile Refinery as a whole, and Fuel Gross Margin Per Barrel of Throughput and Adjusted Gross Margin Per Barrel of Throughput for Conventional, Renewable and the Mobile Refinery as a whole (collectively, the "KPIs"). EBITDA represents net income before interest, taxes, depreciation and amortization, for continued and discontinued operations. Adjusted EBITDA represents net income (loss) from operations plus or minus unrealized gain or losses on hedging activities, Renewable Fuel Standard (RFS) costs (mainly related to Renewable Identification Numbers (RINs), and inventory adjustments, depreciation and amortization, acquisition costs, gain on change in value of derivative warrant liability, environmental clean-up, stock-based compensation, (gain) loss on sale of assets, interest expense, and certain other unusual or non-recurring charges included in selling, general, and administrative expenses. Adjusted Gross Margin is defined as gross profit (loss) plus or minus unrealized gain or losses on hedging activities and inventory valuation adjustments. Fuel Gross Margin is defined as Adjusted Gross Margin, plus production costs, operating expenses and depreciation attributable to cost of revenues and other non-fuel items included in costs of revenues including realized and unrealized gain or losses on hedging activities, RFS costs (mainly related to RINs), inventory valuation adjustments, fuel financing costs and other revenues and cost of sales items. Fuel Gross Margin Per Barrel of Throughput is calculated as fuel gross margin divided by total throughput barrels for the period presented. Operating Expenses Per Barrel of Throughput is defined as total operating expenses divided by total barrels of throughput. RIN Adjusted Fuel Gross Margin is

defined as [Fuel Gross Margin minus RIN expense divided by total barrels of throughput. RIN Adjusted Fuel Gross Margin Per Barrel of Throughput is calculated as RIN Adjusted Fuel Gross Margin divided by total throughput barrels for the period presented. Net Long-Term Debt is long-term debt and lease obligations, adjusted for unamortized discount and deferred financing costs, insurance premiums financed, less cash and cash equivalents and restricted cash. Ratio of Net Long-Term Debt is defined as Long-Term Debt divided by Adjusted EBITDA.

Each of the Non-U.S. GAAP Financial Measures and KPIs are discussed in greater detail below. The (a) Non-U.S. GAAP Financial Measures are "non-U.S. GAAP financial measures", and (b) the KPIs are, presented as supplemental measures of the Company's performance. They are not presented in accordance with U.S. GAAP. We use the Non-U.S. GAAP Financial Measures and KPIs as supplements to U.S. GAAP measures of performance to evaluate the effectiveness of our business strategies, to make budgeting decisions, to allocate resources and to compare our performance relative to our peers. Additionally, these measures, when used in conjunction with related U.S. GAAP financial measures, provide investors with an additional financial analytical framework which management uses, in addition to historical operating results, as the basis for financial, operational and planning decisions and present measurements that third parties have indicated are useful in assessing the Company and its results of operations. The Non-U.S. GAAP Financial Measures and KPIs are presented because we believe they provide additional useful information to investors due to the various noncash items during the period. Non-U.S. GAAP financial information and KPIs similar to the Non-U.S. GAAP Financial Measures and KPIs are also frequently used by analysts, investors and other interested parties to evaluate companies in our industry. The Non-U.S. GAAP Financial Measures and KPIs are unaudited, and have limitations as analytical tools, and you should not consider them in isolation, or as a substitute for analysis of our operating results as reported under U.S. GAAP. Some of these limitations are: the Non-U.S. GAAP Financial Measures and KPIs do not reflect cash expenditures, or future requirements for capital expenditures, or contractual commitments; the Non-GAAP Financial Measures and KPIs do not reflect changes in, or cash requirements for, working capital needs; the Non-GAAP Financial Measures and KPIs do not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on debt or cash income tax payments; although depreciation and amortization are noncash charges, the assets being depreciated and amortized will often have to be replaced in the future, the Non-U.S. GAAP Financial Measures and KPIs do not reflect any cash requirements for such replacements; the Non-U.S. GAAP Financial Measures and KPIs represent only a portion of our total operating results; and other companies in this industry may calculate the Non-U.S. GAAP Financial Measures and KPIs differently than we do, limiting their usefulness as a comparative measure. You should not consider the Non-U.S. GAAP Financial Measures and KPIs in isolation, or as substitutes for analysis of the Company's results as reported under U.S. GAAP. The Company's presentation of these measures should not be construed as an inference that future results will be unaffected by unusual or nonrecurring items. We compensate for these limitations by providing a reconciliation of each of these non-U.S. GAAP Financial Measures and KPIs to the most comparable U.S. GAAP measure below. We encourage investors and others to review our business, results of operations, and financial information in their entirety, not to rely on any single financial

measure, and to view these non-U.S. GAAP Financial Measures and KPIs in conjunction with the most directly comparable U.S. GAAP financial measure.

For more information on these non-GAAP financial measures and KPIs, please see the sections titled “Unaudited Reconciliation of Gross Profit (Loss) From Continued and Discontinued Operations to Adjusted Gross Margin, Fuel Gross Margin, Fuel Gross Margin Per Barrel of Throughput and Operating Expenses Per Barrel of Throughput”, “Unaudited Reconciliation of Adjusted EBITDA to Net loss from Continued and Discontinued Operations”, and “Unaudited Reconciliation of Long-Term Debt to Net Long-Term Debt and Net Leverage”, at the end of this release.

VERTEX ENERGY, INC.
CONSOLIDATED BALANCE SHEETS
(unaudited in thousands, except number of shares and par value)
(UNAUDITED)

| | 31-Dec-23 | 31-Dec-22 |
|---|-------------------|-------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 76,967 | \$ 141,258 |
| Restricted cash | 3,606 | 4,929 |
| Accounts receivable, net | 36,164 | 34,548 |
| Inventory | 182,120 | 135,473 |
| Prepaid expenses and other current assets | 53,174 | 36,660 |
| Assets held for sale | — | 20,560 |
| Total current assets | 352,031 | 373,428 |
| Fixed assets, net | | |
| Finance lease right-of-use assets, net | 326,111 | 201,749 |
| Operating lease right-of-use assets, net | 64,499 | 44,081 |
| Intangible assets, net | 96,394 | 53,557 |
| Deferred tax assets | 11,541 | 11,827 |
| Other assets | — | 2,498 |
| Other assets | 4,048 | 2,245 |
| Total non-current assets | 502,593 | 315,957 |
| TOTAL ASSETS | \$ 854,624 | \$ 689,385 |
| LIABILITIES AND EQUITY | | |
| Current liabilities | | |
| Accounts payable | \$ 75,004 | \$ 20,997 |
| Accrued expenses and other current liabilities | 73,636 | 81,953 |
| Finance lease-current | 2,435 | 1,363 |
| Operating lease-current | 20,296 | 3,713 |
| Current portion of long-term debt | 16,362 | 13,911 |
| Obligations under inventory financing agreements, net | 141,093 | 117,939 |
| Liabilities held for sale, current | — | 3,424 |
| Total current liabilities | 328,826 | 243,300 |
| Long-term debt, net | | |
| Finance lease-non-current | 170,701 | 170,010 |
| Operating lease-non-current | 66,206 | 45,164 |
| Deferred tax liabilities | 74,444 | 49,844 |
| Derivative warrant liability | 2,776 | — |
| Other liabilities | 9,907 | 14,270 |
| Other liabilities | 1,377 | 1,377 |
| Total liabilities | 654,237 | 523,965 |
| EQUITY | | |
| 50,000,000 of total Preferred shares authorized: | | |
| Common stock, \$0.001 par value per share; 750,000,000 shares authorized; 93,514,346 and 75,668,826 issued and outstanding at December 31, 2023 and 2022, respectively. | | |
| Additional paid-in capital | 94 | 76 |
| Accumulated deficit | 383,632 | 279,552 |
| Accumulated deficit | (187,379) | (115,893) |
| Total Vertex Energy, Inc. stockholders' equity | 196,347 | 163,735 |
| Non-controlling interest | 4,040 | 1,685 |

| | | | |
|------------------------------|----|---------|------------|
| Total equity | | 200,387 | 165,420 |
| TOTAL LIABILITIES AND EQUITY | \$ | 854,624 | \$ 689,385 |

VERTEX ENERGY, INC.
 CONSOLIDATED STATEMENTS OF OPERATIONS
 FOR THE YEARS ENDED DECEMBER 31,
 (in thousands, except per share amounts)
 (UNAUDITED)

| | 2023 | 2022 | 2021 |
|---|--------------|--------------|-------------|
| Revenues | \$ 3,177,187 | \$ 2,791,715 | \$ 207,760 |
| Cost of revenues (exclusive of depreciation and amortization shown separately below) | 3,005,996 | 2,598,276 | 178,786 |
| Depreciation and amortization attributable to costs of revenues | 27,018 | 13,429 | 4,043 |
| Gross profit | 144,173 | 180,010 | 24,931 |
| Operating expenses: | | | |
| Selling, general and administrative expenses | 168,640 | 127,782 | 30,606 |
| Loss on assets impairment | — | — | 2,124 |
| Depreciation and amortization attributable to operating expenses | 4,146 | 3,673 | 1,681 |
| Total operating expenses | 172,786 | 131,455 | 34,411 |
| Income (loss) from operations | (28,613) | 48,555 | (9,480) |
| Other income (expense): | | | |
| Other income (expense) | 633 | (306) | 4,158 |
| Gain (loss) on change in value of derivative warrant liability | 7,992 | 7,821 | (15,685) |
| Interest expense | (119,567) | (79,911) | (3,832) |
| Total other expense | (110,942) | (72,396) | (15,359) |
| Loss from continuing operations before income tax | (139,555) | (23,841) | (24,839) |
| Income tax benefit | 13,385 | 7,171 | — |
| Loss from continuing operations | (126,170) | (16,670) | (24,839) |
| Income from discontinued operations, net of tax (see operation report of discontinued operation below) | 54,197 | 18,667 | 17,178 |
| Net income (loss) | (71,973) | 1,997 | (7,661) |
| Net income (loss) attributable to non-controlling interest and redeemable non-controlling interest from continuing operations | (487) | (63) | 207 |
| Net income attributable to non-controlling interest and redeemable non-controlling interest from discontinued operations | — | 6,882 | 10,496 |
| Net loss attributable to Vertex Energy, Inc. | (71,486) | (4,822) | (18,364) |
| Accretion of redeemable noncontrolling interest to redemption value | — | (428) | (1,992) |
| Accretion of discount on Series B and B-1 Preferred Stock | — | — | (507) |
| Dividends on Series B and B-1 Preferred Stock | — | — | 258 |
| Net loss attributable to stockholders from continuing operations | (125,683) | (17,035) | (27,287) |
| Net income attributable to stockholders from discontinued operations, net of tax | 54,197 | 11,785 | 6,682 |
| Net loss attributable to common stockholders | \$ (71,486) | \$ (5,250) | \$ (20,605) |
| Basic income (loss) per common share | | | |
| Continuing operations | \$ (1.47) | \$ (0.24) | \$ (0.48) |
| Discontinued operations, net of tax | 0.63 | 0.17 | 0.12 |
| Basic loss per common share | \$ (0.84) | \$ (0.07) | \$ (0.36) |
| Diluted income (loss) per common share | | | |
| Continuing operations | \$ (1.47) | \$ (0.24) | \$ (0.48) |
| Discontinued operations, net of tax | 0.63 | 0.17 | 0.12 |
| Diluted loss per common share | \$ (0.84) | \$ (0.07) | \$ (0.36) |
| Shares used in computing income (loss) per share | | | |
| Basic | 85,596 | 70,686 | 56,303 |
| Diluted | 85,596 | 70,686 | 56,303 |

VERTEX ENERGY, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDING DECEMBER 31, 2023, 2022 AND 2021
(in thousands except par value)
(UNAUDITED)

| | Common Stock | | Series A Preferred | | Additional Paid-in Capital | Accumulated Deficit | Non-controlling Interest | Total Stockholders' Equity |
|--|--------------|-------------|--------------------|-------------|----------------------------|---------------------|--------------------------|----------------------------|
| | Shares | \$0.001 Par | Shares | \$0.001 Par | | | | |
| Balance on December 31, 2020 | 45,555 | \$ 46 | 420 | \$ — | \$ 94,570 | \$ (90,009) | \$ 1,318 | \$ 5,925 |
| Dividends on Series B and B1 Preferred Stock | — | — | — | — | — | (372) | — | (372) |
| Accretion of discount on Series B and B1 Preferred Stock | — | — | — | — | — | (507) | — | (507) |
| Conversion of B1 Preferred Stock to common | 7,722 | 7 | — | — | 12,038 | — | — | 12,045 |
| Share based compensation expense | — | — | — | — | 863 | — | — | 863 |
| Exercise of options | 1,800 | 2 | — | — | 2,188 | — | — | 2,190 |
| Exercise of B1 warrants | 3,093 | 3 | — | — | 16,402 | — | — | 16,405 |
| Conversion of Series A Preferred stock to common stock | 34 | — | (34) | — | — | — | — | — |
| Conversion of Series B Preferred Stock to common stock | 5,084 | 5 | — | — | 12,559 | 630 | — | 13,194 |
| Distribution to noncontrolling | — | — | — | — | — | — | (169) | (169) |
| Adjustment of redeemable noncontrolling interest to redemption value | — | — | — | — | — | (1,992) | — | (1,992) |
| Contribution from noncontrolling interest | — | — | — | — | — | — | (11) | (11) |
| Net income (loss) | — | — | — | — | — | (18,364) | 10,703 | (7,661) |
| Less: amount attributable to redeemable non-controlling interest | — | — | — | — | — | — | (9,844) | (9,844) |
| Balance on December 31, 2021 | 63,288 | 63 | 386 | — | 138,620 | (110,614) | 1,997 | 30,066 |
| Conversion of Series A Preferred stock to common stock | 386 | 1 | (386) | — | — | — | — | 1 |
| Conversion of Convertible Senior Notes to common (net of tax) | 10,165 | 10 | — | — | 59,812 | — | — | 59,822 |
| Reclass of derivative liabilities | — | — | — | — | 78,789 | — | — | 78,789 |
| Share based compensation expense | — | — | — | — | 1,574 | — | — | 1,574 |
| Exercise of warrants | 1,209 | 1 | — | — | (1) | — | — | — |
| Exercise of options | 622 | 1 | — | — | 729 | — | — | 730 |
| Adjustment of redeemable noncontrolling interest | — | — | — | — | 29 | (29) | — | — |
| Distribution to noncontrolling | — | — | — | — | — | — | (380) | (380) |
| Adjustment of redeemable noncontrolling interest to redemption value | — | — | — | — | — | (428) | — | (428) |
| Redemption of noncontrolling interest | — | — | — | — | — | — | 41 | 41 |
| Net income (loss) | — | — | — | — | — | (4,822) | 6,819 | 1,997 |
| Less: amount attributable to redeemable non-controlling interest | — | — | — | — | — | — | (6,792) | (6,792) |
| Balance on December 31, 2022 | 75,670 | 76 | — | — | 279,552 | (115,893) | 1,685 | 165,420 |
| Issuance of restricted stock | 113 | — | — | — | — | — | — | — |
| Exercise of options | 526 | 1 | — | — | 682 | — | — | 683 |
| Share based compensation expense | — | — | — | — | 2,285 | — | — | 2,285 |
| Conversion of Convertible Senior Note, net | 17,206 | 17 | — | — | 101,113 | — | — | 101,130 |
| Contribution from noncontrolling shareholder | — | — | — | — | — | — | 2,842 | 2,842 |
| Net loss | — | — | — | — | — | (71,486) | (487) | (71,973) |
| Balance on December 31, 2023 | 93,515 | \$ 94 | — | \$ — | \$ 383,632 | \$ (187,379) | \$ 4,040 | \$ 200,387 |

VERTEX ENERGY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDING DECEMBER 31, 2023, 2022 AND 2021
(UNAUDITED)

| | 2023 | 2022 | 2021 |
|--------------------------------------|------|------|------|
| Cash flows from operating activities | | | |

| | | | |
|---|-------------|------------|------------|
| Net income (loss) | \$ (71,973) | \$ 1,997 | \$ (7,661) |
| Net income from discontinued operations, net of tax | 54,197 | 18,667 | 17,178 |
| Net loss from continuing operations | (126,170) | (16,670) | (24,839) |
| Adjustments to reconcile net income (loss) from continuing operations to cash used in operating activities: | | | |
| Stock-based compensation expense | 2,285 | 1,574 | 862 |
| Depreciation and amortization | 31,165 | 17,102 | 5,724 |
| (Reduction in) Provision for bad debt | (224) | 242 | 826 |
| Loss (gain) on commodity derivative contracts | (2,858) | 87,978 | 2,258 |
| Provision for environment clean up | — | 1,428 | — |
| Gain on forgiveness of debt | — | — | (4,222) |
| Net cash settlement on commodity derivatives | 6,575 | (92,556) | (2,436) |
| Loss on sale of assets | (1) | 220 | 64 |
| Loss on assets impairment | — | — | 2,124 |
| Amortization of debt discount and deferred costs | 78,779 | 49,251 | 1,231 |
| Deferred income tax benefit | (13,385) | (7,171) | — |
| Loss (gain) on change in value of derivative warrant liability | (7,992) | (7,821) | 15,685 |
| Changes in operating assets and liabilities, net of acquisitions: | | | |
| Accounts receivable | (3,075) | (27,183) | (821) |
| Inventory | (45,231) | 2,586 | (3,997) |
| Prepaid expenses | (21,027) | (26,724) | (1,615) |
| Accounts payable | 53,593 | 10,850 | 1,054 |
| Accrued expenses | (9,855) | 77,647 | 2,551 |
| Other assets | (1,061) | 56 | (48) |
| Net cash (used in) provided by operating activities from continuing operations | (58,482) | 70,809 | (5,599) |
| Cash flows from investing activities | | | |
| Deposit for refinery purchase and related costs | — | — | (13,663) |
| Internally developed or purchased software | (3,223) | (149) | — |
| Proceeds from sale of discontinued operation | 92,034 | — | — |
| Redemption of noncontrolling entity | — | 556 | — |
| Proceeds from the sale of assets | 7 | 395 | 75 |
| Acquisition of business, net of cash | (7,775) | (227,525) | 2 |
| Purchase of fixed assets | (140,313) | (75,512) | (2,331) |
| Net cash used in investing activities from continuing operations | (59,270) | (302,235) | (15,917) |
| Cash flows from financing activities | | | |
| Line of credit payments, net | — | — | (133) |
| Proceeds received from exercise of options and warrants | 683 | 730 | 6,921 |
| Net borrowings on inventory financing agreements | 22,154 | 117,189 | — |
| Contribution received from noncontrolling interest | 2,842 | — | 2 |
| Distribution to non-controlling interest | — | (380) | (169) |
| Redemption of redeemable noncontrolling interest | — | (50,666) | — |
| Payments on finance leases | (2,045) | (819) | (844) |
| Proceeds from issuance of notes payable | 68,236 | 173,256 | 143,831 |
| Payments made on notes payable | (39,582) | (18,948) | (15,836) |
| Net cash provided by financing activities from continuing operations | 52,288 | 220,362 | 133,772 |
| Discontinued operations: | | | |
| Net cash (used in) provided by operating activities | (150) | 25,287 | 15,349 |
| Net cash used in investing activities | — | (4,663) | (1,973) |
| Net cash provided by (used in) discontinued operations | (150) | 20,624 | 13,376 |
| Net change in cash and cash equivalents and restricted cash | (65,614) | 9,560 | 125,632 |
| Cash and cash equivalents and restricted cash at beginning of the year | 146,187 | 136,627 | 10,995 |
| Cash and cash equivalents and restricted cash at end of year | \$ 80,573 | \$ 146,187 | \$ 136,627 |

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the consolidated balance sheets to the same amounts shown in the consolidated statements of cash flows (in thousands).

| | 2023 | 2022 | 2021 |
|---------------------------|-----------|------------|-----------|
| Cash and cash equivalents | \$ 76,967 | \$ 141,258 | \$ 36,130 |
| Restricted cash | 3,606 | 4,929 | 100,497 |

| | | | |
|---|-----------|------------|------------|
| Cash and cash equivalents and restricted cash as shown in the consolidated statements of cash flows | \$ 80,573 | \$ 146,187 | \$ 136,627 |
| SUPPLEMENTAL INFORMATION | | | |
| Cash paid for interest | \$ 47,430 | \$ 33,901 | \$ 2,273 |
| Cash paid for income taxes | — | — | — |
| NON-CASH INVESTING AND FINANCING TRANSACTIONS | | | |
| Conversion of Series B and B1 Preferred Stock into common stock | \$ — | \$ — | \$ 24,610 |
| Dividends on Series B and B-1 Preferred Stock | \$ — | \$ — | \$ (258) |
| Accretion of discount on Series B and B-1 Preferred Stock | \$ — | \$ — | \$ 507 |
| Accretion of redeemable noncontrolling interest to redemption value | \$ — | \$ 428 | \$ 1,992 |
| Equipment acquired under finance leases | \$ 24,159 | \$ 46,351 | \$ 552 |
| Equipment acquired under operating leases | \$ 55,114 | \$ 20,452 | \$ 89 |
| Reclass derivative liabilities | \$ — | \$ 78,789 | \$ — |
| Conversion of Convertible Senior note | \$ 79,948 | \$ 59,822 | \$ — |

Unaudited segment information for the three and twelve months ended December 31, 2023, 2022 and 2021 is as follows (in thousands):

YEAR ENDED DECEMBER 31, 2023

| | Refining and Marketing | Black Oil & Recovery | Corporate and Eliminations | Total |
|--|------------------------|----------------------|----------------------------|--------------|
| Revenues: | | | | |
| Refined products | \$ 3,007,937 | \$ 121,122 | \$ (13,039) | \$ 3,116,020 |
| Re-refined products | 17,997 | 15,959 | — | 33,956 |
| Services | 20,057 | 7,154 | — | 27,211 |
| Total revenues | 3,045,991 | 144,235 | (13,039) | 3,177,187 |
| Cost of revenues (exclusive of depreciation and amortization shown separately below) | 2,894,617 | 124,731 | (13,352) | 3,005,996 |
| Depreciation and amortization attributable to costs of revenues | 22,118 | 4,900 | — | 27,018 |
| Gross profit | 129,256 | 14,604 | 313 | 144,173 |
| Selling, general and administrative expenses | 118,165 | 19,788 | 30,687 | 168,640 |
| Depreciation and amortization attributable to operating expenses | 3,311 | 164 | 671 | 4,146 |
| Income (loss) from operations | 7,780 | (5,348) | (31,045) | (28,613) |
| Other income (expenses) | | | | |
| Other income (expense) | — | 600 | 33 | 633 |
| Gain on change in derivative liability | — | — | 7,992 | 7,992 |
| Interest expense | (18,092) | (188) | (101,287) | (119,567) |
| Total other income (expense) | (18,092) | 412 | (93,262) | (110,942) |
| Income (loss) before income tax | \$ (10,312) | \$ (4,936) | \$ (124,307) | \$ (139,555) |
| Total capital expenditures | \$ 122,827 | \$ 17,486 | \$ — | \$ 140,313 |

YEAR ENDED DECEMBER 31, 2022

| | Refining and Marketing | Black Oil & Recovery | Corporate and Eliminations | Total |
|--|------------------------|----------------------|----------------------------|--------------|
| Revenues: | | | | |
| Refined products | \$ 2,370,240 | \$ 163,095 | \$ — | \$ 2,533,335 |
| Re-refined products | 229,793 | 19,105 | — | 248,898 |
| Services | 6,611 | 2,871 | — | 9,482 |
| Total revenues | 2,606,644 | 185,071 | — | 2,791,715 |
| Cost of revenues (exclusive of depreciation and amortization shown separately below) | 2,453,809 | 144,467 | — | 2,598,276 |
| Depreciation and amortization attributable to costs of revenues | 9,605 | 3,824 | — | 13,429 |
| Gross profit | 143,230 | 36,780 | — | 180,010 |
| Selling, general and administrative expenses | 83,001 | 17,241 | 27,540 | 127,782 |
| Depreciation and amortization attributable to operating expenses | 2,593 | 180 | 900 | 3,673 |
| Income (loss) from operations | 57,636 | 19,359 | (28,440) | 48,555 |
| Other income (expenses) | | | | |
| Other income (expense) | 18 | (104) | (220) | (306) |
| Gain on change in derivative liability | — | — | 7,821 | 7,821 |
| Interest expense | (10,414) | (50) | (69,447) | (79,911) |
| Total other income (expense) | (10,396) | (154) | (61,846) | (72,396) |
| Income (loss) before income tax | \$ 47,240 | \$ 19,205 | \$ (90,286) | \$ (23,841) |

| | | | | |
|----------------------------|-----------|----------|------|-----------|
| Total capital expenditures | \$ 72,588 | \$ 2,924 | \$ — | \$ 75,512 |
|----------------------------|-----------|----------|------|-----------|

YEAR ENDED DECEMBER 31, 2021

| | Refining and Marketing | Black Oil & Recovery | Corporate and Eliminations | Total |
|--|------------------------|----------------------|----------------------------|-------------|
| Revenues: | | | | |
| Refined products | \$ 78,191 | \$ 85,253 | \$ — | \$ 163,444 |
| Re-refined products | 15,039 | 25,611 | — | 40,650 |
| Services | — | 3,666 | — | 3,666 |
| Total revenues | 93,230 | 114,530 | — | 207,760 |
| Cost of revenues (exclusive of depreciation and amortization shown separately below) | 89,570 | 89,216 | — | 178,786 |
| Depreciation and amortization attributable to costs of revenues | 509 | 3,534 | — | 4,043 |
| Gross profit | 3,151 | 21,780 | — | 24,931 |
| Selling, general and administrative expenses | 3,277 | 14,444 | 12,885 | 30,606 |
| Loss on Assets Impairment | — | 2,124 | — | 2,124 |
| Depreciation and amortization attributable to operating expenses | 434 | 234 | 1,013 | 1,681 |
| Income (loss) from operations | (560) | 4,978 | (13,898) | (9,480) |
| Other income (expenses) | | | | |
| Other income (expense) | — | — | 4,158 | 4,158 |
| Loss on change in derivative liability | — | — | (15,685) | (15,685) |
| Interest expense | — | — | (3,832) | (3,832) |
| Total other income | — | — | (15,359) | (15,359) |
| Income (loss) before income tax | \$ (560) | \$ 4,978 | \$ (29,257) | \$ (24,839) |
| Total capital expenditures | \$ — | \$ 2,331 | \$ — | \$ 2,331 |

The following summarized unaudited financial information has been segregated from continuing operations and reported as Discontinued Operations for the years ended December 31, 2023, 2022 and 2021 (in thousands):

| | For The Year Ended December 31 | | |
|--|--------------------------------|-----------|-----------|
| | 2023 | 2022 | 2021 |
| Revenues | \$ 7,366 | \$ 85,495 | \$ 58,248 |
| Cost of revenues (exclusive of depreciation shown separately below) | 4,589 | 51,815 | 32,467 |
| Depreciation and amortization attributable to costs of revenues | 124 | 1,566 | 1,566 |
| Gross profit | 2,653 | 32,114 | 24,215 |
| Operating expenses: | | | |
| Selling, general and administrative expenses (exclusive of acquisition related expenses) | 632 | 8,501 | 6,727 |
| Depreciation and amortization expense attributable to operating expenses | 21 | 251 | 251 |
| Total Operating expenses | 653 | 8,752 | 6,978 |
| Income from operations | 2,000 | 23,362 | 17,237 |
| Other income (expense) | | | |
| Interest expense | - | -39 | -59 |
| Total other expense | - | -39 | -59 |
| Income before income tax | 2,000 | 23,323 | 17,178 |
| Income tax expense | (1,572) | (4,683) | — |
| Gain on sale of discontinued operations, net of tax of 1,711 | 53,769 | 27 | — |
| Income from discontinued operations, net of tax | \$ 54,197 | \$ 18,667 | \$ 17,178 |

Unaudited Reconciliation of Gross Profit (Loss) From Continued and Discontinued Operations to Adjusted Gross Margin, Fuel Gross Margin, Fuel Gross Margin Per Barrel of Throughput and Operating Expenses Per Barrel of Throughput.

Three Months Ended December 31, 2023

| In thousands | Conventional | Renewable | Mobile Refinery Total |
|--|--------------|-------------|-----------------------|
| Gross profit | \$ 7,283 | \$ (17,557) | \$ (10,273) |
| Unrealized (gain) loss on hedging activities | 4,892 | 77 | 4,969 |
| Inventory valuation adjustments | (3,400) | 2,152 | (1,248) |
| Adjusted gross margin | \$ 8,775 | \$ (15,328) | \$ (6,553) |
| Variable production costs attributable to cost of revenues | 19,770 | 19,497 | 39,267 |
| Depreciation and amortization attributable to cost of revenues | 2,492 | 3,997 | 6,489 |
| RINs | 6,662 | - | 6,662 |
| Realized (gain) loss on hedging activities | (3,751) | (3,587) | (7,338) |
| Financing costs | 1,989 | 157 | 2,146 |
| Other revenues | (6,361) | (361) | (6,722) |
| Fuel gross margin | \$ 29,576 | \$ 4,375 | \$ 33,951 |
| Throughput (bpd) | 67,083 | 3,926 | 71,009 |
| Fuel gross margin per barrel of throughput | \$ 4.79 | \$ 12.11 | \$ 5.20 |
| Total OPEX | \$ 15,162 | \$ 9,868 | \$ 25,030 |
| Operating expenses per barrel of throughput | \$ 2.46 | \$ 27.32 | \$ 3.83 |

Three Months Ended September 30, 2023

| In thousands | Conventional | Renewable | Mobile Refinery Total |
|--|--------------|-------------|-----------------------|
| Gross profit | \$ 86,185 | \$ (8,515) | \$ 77,670 |
| Unrealized (gain) loss on hedging activities | (4,620) | (3,622) | (8,242) |
| Inventory valuation adjustments | 13,225 | (3,851) | 9,374 |
| Adjusted gross margin | \$ 94,790 | \$ (15,988) | \$ 78,802 |
| Variable production costs attributable to cost of revenues | 26,847 | 12,958 | 39,805 |
| Depreciation and amortization attributable to cost of revenues | 2,982 | 3,320 | 6,302 |
| RINs | 7,058 | - | 7,058 |
| Realized (gain) loss on hedging activities | 2,854 | 2,401 | 5,255 |
| Financing costs | 1,772 | 205 | 1,977 |
| Other revenues | (6,804) | (524) | (7,328) |
| Fuel gross margin | \$ 129,499 | \$ 2,372 | \$ 131,871 |
| Throughput (bpd) | 80,171 | 5,397 | 85,568 |
| Fuel gross margin per barrel of throughput | \$ 17.56 | \$ 4.78 | \$ 16.75 |
| Total OPEX | \$ 17,720 | \$ 11,445 | \$ 29,165 |
| Operating expenses per barrel of throughput | \$ 2.40 | \$ 23.05 | \$ 3.70 |

Three Months Ended June 30, 2023

| In thousands | Conventional | Renewable | Mobile Refinery Total |
|--|--------------|-------------|-----------------------|
| Gross profit | \$ 6,544 | \$ (13,006) | \$ (6,462) |
| Unrealized (gain) loss on hedging activities | 849 | 2,913 | 3,762 |
| Inventory valuation adjustments | (4,246) | 3,745 | (501) |
| Adjusted gross margin | \$ 3,147 | \$ (6,348) | \$ (3,201) |
| Variable production costs attributable to cost of revenues | 28,686 | 77 | 28,763 |
| Depreciation and amortization attributable to cost of revenues | 3,351 | 2,018 | 5,369 |
| RINs | 25,410 | - | 25,410 |
| Realized (gain) loss on hedging activities | (1,150) | 1,288 | 138 |
| Financing costs | (87) | 58 | (29) |
| Other revenues | (3,610) | (190) | (3,800) |
| Fuel gross margin | \$ 55,747 | \$ (3,097) | \$ 52,650 |
| Throughput (bpd) | 76,330 | 2,490 | 78,820 |
| Fuel gross margin per barrel of throughput | \$ 8.03 | \$ (13.66) | \$ 7.34 |
| Total OPEX | \$ 23,299 | \$ 7,076 | \$ 30,375 |
| Operating expenses per barrel of throughput | \$ 3.35 | \$ 31.23 | \$ 4.23 |

Three Months Ended March 31, 2023

| In thousands | Conventional | Renewable | Mobile Refinery Total |
|--|--------------|-----------|-----------------------|
| Gross profit | \$ 65,470 | \$ - | \$ 65,470 |
| Unrealized (gain) loss on hedging activities | (570) | - | (570) |
| Inventory valuation adjustments | (1,532) | - | (1,532) |
| Adjusted gross margin | \$ 63,368 | \$ - | \$ 63,368 |
| Variable production costs attributable to cost of revenues | 21,252 | - | 21,252 |
| Depreciation and amortization attributable to cost of revenues | 3,144 | - | 3,144 |
| RINs | 16,115 | - | 16,115 |
| Realized loss on hedging activities | (439) | - | (439) |
| Financing costs | 2,295 | - | 2,295 |
| Other revenues | (1,933) | - | (1,933) |
| Fuel gross margin | \$ 103,802 | \$ - | \$ 103,802 |
| Throughput (bpd) | 71,328 | - | 71,328 |
| Fuel gross margin per barrel of throughput | \$ 16.17 | \$ - | \$ 16.17 |
| Total OPEX | \$ 24,681 | \$ - | \$ 24,681 |
| Operating expenses per barrel of throughput | \$ 3.84 | \$ - | \$ 3.84 |

Twelve Months Ended December 31, 2023

| In thousands | Conventional | Renewable | Mobile Refinery Total |
|--|--------------|-------------|-----------------------|
| Gross profit | \$ 165,481 | \$ (39,078) | \$ 126,403 |
| Unrealized (gain) loss on hedging activities | 551 | (632) | (81) |
| Inventory valuation adjustments | 4,047 | 2,046 | 6,093 |
| Adjusted gross margin | \$ 170,079 | \$ (37,664) | \$ 132,415 |
| Variable production costs attributable to cost of revenues | 96,555 | 32,532 | 129,087 |
| Depreciation and amortization attributable to cost of revenues | 11,969 | 9,335 | 21,304 |
| RINs | 55,245 | - | 55,245 |
| Realized (gain) loss on hedging activities | (2,486) | 102 | (2,384) |
| Financing costs | 5,969 | 420 | 6,389 |
| Other revenues | (18,708) | (1,075) | (19,783) |
| Fuel gross margin | \$ 318,623 | \$ 3,650 | \$ 322,273 |
| Throughput (bpd) | 73,734 | 3,943 | 77,677 |
| Fuel gross margin per barrel of throughput | \$ 11.84 | \$ 3.37 | \$ 11.37 |
| Total OPEX | \$ 80,862 | \$ 28,389 | \$ 109,251 |
| Operating expenses per barrel of throughput | \$ 3.00 | \$ 26.18 | \$ 3.85 |

Unaudited Reconciliation of Adjusted EBITDA to Net loss from Continued and Discontinued Operations.

| In thousands | Three Months Ended | | Twelve Months Ended | |
|--|--------------------|-------------------|---------------------|-------------------|
| | December 31, 2023 | December 31, 2022 | December 31, 2023 | December 31, 2022 |
| Net income (loss) | \$ (63,865) | \$ 44,418 | \$ (71,973) | \$ 1,997 |
| Depreciation and amortization | 9,225 | 5,761 | 31,310 | 18,919 |
| Income tax expense (benefit) | 1,543 | (2,489) | 5,297 | (2,488) |
| Interest expense | 16,029 | 14,956 | 119,566 | 79,950 |
| EBITDA | \$ (37,068) | \$ 62,646 | \$ 84,200 | \$ 98,378 |
| Unrealized (gain) loss on hedging activities | 4,981 | 978 | (252) | (146) |

| | | | | |
|---|--------------------|------------------|------------------|-------------------|
| Inventory valuation adjustments | (1,248) | 9,614 | 6,093 | 50,766 |
| Gain on change in value of derivative warrant liability | (2,956) | (33) | (7,992) | (7,821) |
| Stock-based compensation | 783 | 622 | 2,285 | 1,574 |
| (Gain) loss on sale of assets | 3 | - | (70,878) | - |
| Acquisition costs | - | - | 4,308 | 16,527 |
| Environmental clean-up reserve | - | - | - | 1,428 |
| Other | 388 | 1,339 | (634) | 280 |
| Adjusted EBITDA | \$ (35,117) | \$ 75,166 | \$ 17,130 | \$ 160,986 |

Three Months Ended December 31, 2023

| In thousands | Mobile Refinery | | Legacy Refining & Marketing | Total Refining & Marketing | Black Oil and Recovery | Corporate | Consolidated |
|---|-------------------|--------------------|-----------------------------|----------------------------|------------------------|-------------------|--------------------|
| | Conventional | Renewable | | | | | |
| Net income (loss) | \$ (11,112) | \$ (30,266) | \$ (2,424) | \$ (43,801) | \$ (1,670) | \$ (18,395) | \$ (63,865) |
| Depreciation and amortization | 3,252 | 4,017 | 313 | 7,582 | 1,476 | 167 | 9,225 |
| Income tax expense (benefit) | - | - | - | - | (517) | 2,060 | 1,543 |
| Interest expense | 2,473 | 2,820 | - | 5,293 | 62 | 10,675 | 16,029 |
| EBITDA | \$ (5,387) | \$ (23,429) | \$ (2,111) | \$ (30,926) | \$ (649) | \$ (5,493) | \$ (37,068) |
| Unrealized (gain) loss on hedging activities | 4,892 | 77 | (7) | 4,962 | 19 | - | 4,981 |
| Inventory valuation adjustments | (3,400) | 2,152 | - | (1,248) | - | - | (1,248) |
| Gain on change in value of derivative warrant liability | - | - | - | - | - | (2,956) | (2,956) |
| Stock-based compensation | - | - | - | - | - | 783 | 783 |
| (Gain) loss on sale of assets | - | - | - | - | - | 3 | 3 |
| Other | - | - | - | - | 389 | (1) | 388 |
| Adjusted EBITDA | \$ (3,895) | \$ (21,200) | \$ (2,118) | \$ (27,212) | \$ (241) | \$ (7,664) | \$ (35,117) |

Twelve Months Ended December 31, 2023

| In thousands | Mobile Refinery | | Legacy Refining & Marketing | Total Refining & Marketing | Black Oil and Recovery | Corporate | Consolidated |
|---|-------------------|--------------------|-----------------------------|----------------------------|------------------------|--------------------|------------------|
| | Conventional | Renewable | | | | | |
| Net income (loss) | \$ 68,574 | \$ (72,537) | \$ (6,349) | \$ (10,312) | \$ 49,260 | \$ (110,922) | \$ (71,973) |
| Depreciation and amortization | 14,937 | 9,390 | 1,103 | 25,430 | 5,209 | 671 | 31,310 |
| Income tax expense (benefit) | - | - | - | - | 18,682 | (13,385) | 5,297 |
| Interest expense | 13,077 | 5,015 | - | 18,092 | 188 | 101,287 | 119,566 |
| EBITDA | \$ 96,588 | \$ (58,132) | \$ (5,246) | \$ 33,210 | \$ 73,339 | \$ (22,349) | \$ 84,200 |
| Unrealized (gain) loss on hedging activities | 551 | (632) | (89) | (170) | (82) | - | (252) |
| Inventory valuation adjustments | 4,047 | 2,046 | - | 6,093 | - | - | 6,093 |
| Gain on change in value of derivative warrant liability | - | - | - | - | - | (7,992) | (7,992) |
| Stock-based compensation | - | - | - | - | - | 2,285 | 2,285 |
| (Gain) loss on sale of assets | - | - | - | - | (70,884) | 6 | (70,878) |
| Acquisition costs | - | - | - | - | - | 4,308 | 4,308 |
| Other | - | - | - | - | (595) | (39) | (634) |
| Adjusted EBITDA | \$ 101,186 | \$ (56,718) | \$ (5,335) | \$ 39,133 | \$ 1,778 | \$ (23,781) | \$ 17,130 |

Three Months Ended December 31, 2022

| In thousands | Mobile Refinery | Legacy Refining & Marketing | Total Refining & Marketing | Black Oil | Corporate | Consolidated |
|-------------------------------|------------------|-----------------------------|----------------------------|-----------------|-------------------|------------------|
| Net income (loss) | \$ 56,839 | \$ (1,860) | \$ 54,979 | \$ 4,706 | \$ (15,267) | \$ 44,418 |
| Depreciation and amortization | 3,857 | - | 3,857 | 1,733 | 171 | 5,761 |
| Income tax expense (benefit) | - | - | - | - | (2,489) | (2,489) |
| Interest expense | 3,721 | - | 3,721 | 25 | 11,210 | 14,956 |
| EBITDA | \$ 64,417 | \$ (1,860) | \$ 62,557 | \$ 6,464 | \$ (6,375) | \$ 62,646 |

| | | | | | | |
|---|------------------|-------------------|------------------|-----------------|-------------------|------------------|
| Unrealized (gain) loss on hedging activities | 165 | 138 | 303 | 675 | - | 978 |
| Inventory valuation adjustments | 14,011 | - | 14,011 | (4,397) | - | 9,614 |
| Gain on change in value of derivative warrant liability | - | - | - | - | (33) | (33) |
| Stock-based compensation | - | - | - | - | 622 | 622 |
| Other | - | - | - | 1,119 | 220 | 1,339 |
| Adjusted EBITDA | \$ 78,593 | \$ (1,722) | \$ 76,871 | \$ 3,861 | \$ (5,566) | \$ 75,166 |

| Twelve Months Ended December 31, 2022 | | | | | | |
|---|-------------------|-----------------------------|----------------------------|------------------|--------------------|-------------------|
| In thousands | Mobile Refinery | Legacy Refining & Marketing | Total Refining & Marketing | Black Oil | Corporate | Consolidated |
| Net income (loss) | \$ 51,247 | \$ (4,007) | \$ 47,240 | \$ 18,968 | \$ (64,211) | \$ 1,997 |
| Depreciation and amortization | 11,273 | 925 | 12,198 | 4,004 | 2,717 | 18,919 |
| Income tax expense (benefit) | - | - | - | - | (2,488) | (2,488) |
| Interest expense | 10,414 | - | 10,414 | 67 | 69,469 | 79,950 |
| EBITDA | \$ 72,934 | \$ (3,082) | \$ 69,852 | \$ 23,039 | \$ 5,487 | \$ 98,378 |
| Unrealized (gain) loss on hedging activities | 90 | 69 | 159 | (305) | - | (146) |
| Inventory valuation adjustments | 37,764 | - | 37,764 | 13,002 | - | 50,766 |
| Gain on change in value of derivative warrant liability | - | - | - | - | (7,821) | (7,821) |
| Stock-based compensation | - | - | - | - | 1,574 | 1,574 |
| Acquisition costs | 11,967 | - | 11,967 | 4,560 | - | 16,527 |
| Environmental clean-up reserve | 1,428 | - | 1,428 | - | - | 1,428 |
| Other | 13,282 | - | 13,282 | (13,222) | 220 | 280 |
| Adjusted EBITDA | \$ 137,465 | \$ (3,013) | \$ 134,452 | \$ 27,074 | \$ (540) | \$ 160,986 |

Unaudited Reconciliation of Long-Term Debt to Net Long-Term Debt and Net Leverage.

| In thousands | As of | |
|---|--------------------|---------------------|
| | December 31, 2023 | December 31, 2022 |
| Long-Term Debt: | | |
| Senior Convertible Note | \$ 15,230 | \$ 95,178 |
| Term Loan 2025 | 195,950 | 165,000 |
| Finance lease liability long-term | 66,206 | 45,164 |
| Finance lease liability short-term | 2,435 | 1,363 |
| Insurance premiums financed | 6,237 | 5,661 |
| Long-Term Debt and Lease Obligations | \$ 286,058 | \$ 312,366 |
| Unamortized discount and deferred financing costs | (30,354) | (81,918) |
| Long-Term Debt and Lease Obligations per Balance Sheet | \$ 255,704 | \$ 230,448 |
| Cash and Cash Equivalents | (76,967) | (141,258) |
| Restricted Cash | (3,606) | (4,929) |
| Total Cash and Cash Equivalents | \$ (80,573) | \$ (146,187) |
| Net Long-Term Debt | \$ 205,485 | \$ 166,179 |
| Adjusted EBITDA | \$ 17,130 | \$ 160,985 |
| Net Leverage | 12.0x | 1.0x |

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Source: Vertex Energy, Inc.