



To the Stockholders of Renewable Energy Group, Inc.:

2016 was a meaningful year for Renewable Energy Group. We celebrated 21 years of operations and 10 years as a stand-alone company in 2016. More importantly, we set new records for revenue (surpassing \$2 billion), gallons sold and gallons produced. This allowed us to generate more than \$102 million in Adjusted EBITDA, capping a five-year period in which we have averaged over \$100 million annually in Adjusted EBITDA.

Financial results for the year are summarized below. However, we urge you to carefully review the details of our 2016 financial results in our Form 10-K filing with the SEC. You can access the Form 10-K from the Investor Relations section of our website, www.REGI.com, where you can also see the press releases which highlighted some of our accomplishments during the year.

Additionally, by searching for “Renewable Energy Group” on YouTube you can find a series of videos showcasing various aspects of our business and celebrating our 10-year anniversary.

2016 Highlights

- Total revenue exceeded \$2 billion
- Net income of \$44.7 million
- Achieved Adjusted EBITDA of \$102.1 million on 567 million gallons sold
- Produced over 410 million gallons of biomass-based diesel
- Increased nameplate production capacity by 20 million gallons to 452 million gallons per year. Upon acquisition of full ownership in Petrotec AG in January 2017, total nameplate production capacity increased to 502 million gallons per year
- Continued progress with development of our renewable chemicals pipeline and related strategic review, and build out of international fuel and feedstock commercial platform and completed the acquisition of Petrotec, AG.

10-Year Anniversary as an Independent Company

In 2006, we started with a single plant in Ralston, Iowa, with a nameplate capacity of 12 million gallons per year that used only soybean oil for feedstock. Today, we own and operate 13 biomass-based diesel plants with annual nameplate capacity of over one half billion gallons, along with a fermentation facility and a used cooking oil processing plant. We are now an international company with plants in the United States and Europe.

A Decade Defined by Growth

Last year, we sold a record 567 million gallons of fuel to hundreds of customers across North America and Europe. In an average month, we now sell nearly as many gallons as we sold in 2007, our first full year of independent operations, when we sold 50 million gallons. That is a 31% compounded annual growth rate over a 10-year period.

In 2016, our revenue exceeded \$2 billion for the first time and was nearly 10 times our revenue in our first full year of operations. Revenue in 2006 primarily came from building biorefineries for others. In contrast, we are now a fully integrated operating company. Revenue has grown at a 27% compounded annual rate over the past decade.

For the year, we produced net income of \$44.7 million and our Adjusted EBITDA was \$102.1 million. Over the past five years, we averaged over \$100 million dollars of Adjusted EBITDA annually.

REG ended 2016 with \$1.1 billion of assets and \$610 million of stockholders equity. We started 2007 with approximately \$144 million of assets and \$54 million of equity. We have grown assets and equity at a compounded annual growth rate of 24% and 37%, respectively, during our first decade as a stand-alone company.

Operational Highlights in 2016

The most significant operational accomplishment this year was the successful restart of our renewable hydrocarbon diesel biorefinery in Geismar, Louisiana. Our Geismar facility ran uninterrupted for almost the entire fourth quarter of 2016, and has continued to run over nameplate capacity on average for the first two months of 2017. We believe Geismar's recent performance provides a glimpse into what that investment can do for us over time. And we expect to see further operational improvement as we optimize at the facility and further invest in continuous improvement.

Another important development on the production side is that we completed the acquisition of Petrotec. While we have been consolidating Petrotec's results for a couple of years, there is a very lengthy process in Germany to acquire full ownership. That process was completed in early January 2017, and the former Petrotec business is now wholly-owned and being integrated into our European-based operations.

In October 2016 we announced that we are performing a strategic review of our Life Sciences platform and that review is progressing well. First, we have completed a technical review with a highly regarded third party expert and financial advisors, which confirmed the robustness of the technology platform and pipeline. Second, we commenced collaboration discussions with a variety of third parties and we are finding strong interest in our platform, technologies, and intellectual property. Thirdly, we have identified financial advisors with deep expertise in the space who are assisting with the review and ready to support the execution of any strategic decision we make. Finally, our product development pipeline continues to meet or exceed target performance. Overall, we are determined to significantly reduce net expense within this R&D platform. By mid-year 2017 on a going forward basis, we expect our Life Sciences R&D net cash expense to be down to a \$5-\$8 million annual rate. We are working diligently to accelerate the timeline to a positive cash flow

situation. We believe we are in position to lower significantly our net expense and monetize the fundamental value of this business.

Durable, Reliable and Profitable

We are optimistic about our prospects for success in the years ahead, based on our industry-leading assets, top-notch workforce, and decade long track record of execution. We are also optimistic about the future of the advanced biofuel and renewable chemical industries. We are serving stakeholders by creating high quality jobs, enhancing energy security and diversity, reducing greenhouse gas emissions, helping to support the agricultural economy and generating the cash flow necessary to continue to succeed. We believe we have created a durable, reliable, and profitable business that will stand the test of time.

We appreciate your support in achieving these goals, and thank you for your investment.



Jeffrey Stroburg
Chairman of the Board



Daniel J. Oh
President & Chief Executive Officer

BOARD OF DIRECTORS

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Cooperative and Chairman
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President and Chief
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President and
Chief Executive Officer

Chad Stone
Chief Financial Officer

Brad Albin
Vice President,
Manufacturing

Gary Haer
Vice President,
Sales and Marketing

STOCKHOLDER INFORMATION

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Providence, RI 02940-3006

Shareholder website
www.computershare.com/investor
Shareholder online inquiries
[https://www-
us.computershare.com/investor/Contact](https://www-us.computershare.com/investor/Contact)

Annual Meeting
The Annual Meeting of Stockholders
will be held May 10, 2017, at 10:00
a.m., Central time, at Renewable
Energy Group, Inc., 416 South Bell
Avenue, Ames, Iowa 50010.

Investor Relations
You can obtain recent press releases
and other publicly available
information on Renewable Energy
Group by visiting our website at
www.REGI.com. Additionally you
can contact Todd Robinson, Treasurer,
at 515-239-8048.

Market Information
Renewable Energy
Group's Common Stock
trades on The NASDAQ
Global Market under the
symbol REGI.

Outside Counsel
Pillsbury Winthrop Shaw
Pittman LLP

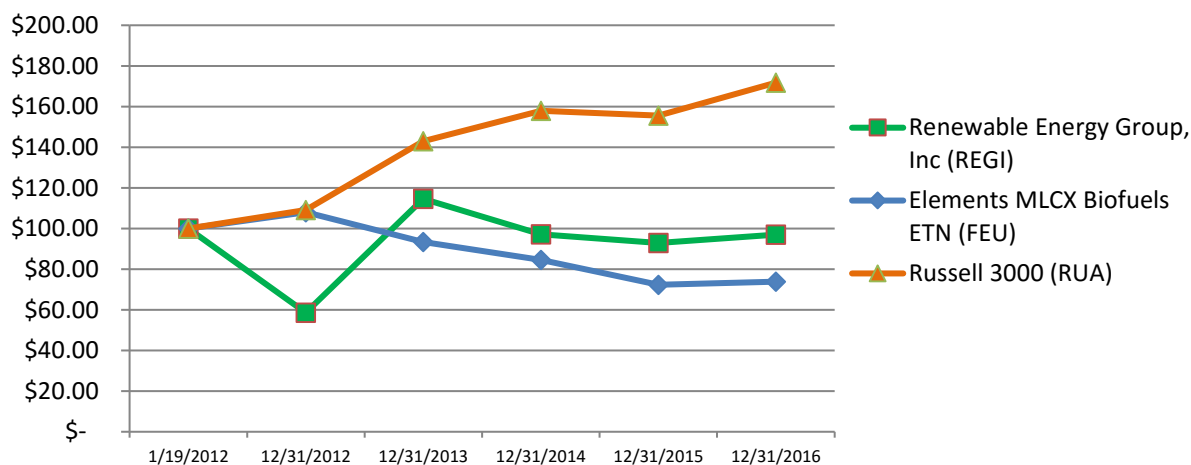
**Independent Registered
Public Accounting Firm**
Deloitte & Touche LLP

Performance:

The following graph shows a comparison of the cumulative total returns from January 19, 2012 to December 31, 2016, for REG, the Elements MLCX Biofuels ETN Index and the Russell 3000 Index. The graph assumes that \$100 was invested on January 19, 2012 in our common stock, the Elements MLCX Biofuels ETN Index and the Russell 3000 Index, and that all dividends were reinvested.

Comparison of Cumulative Total Returns to Stockholders

	IPO Issuance Date through December 31, 2016					
	1/19/2012	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016
Renewable Energy Group, Inc (REGI)	\$100.00	\$58.60	\$114.60	\$97.10	\$92.90	\$97.00
Clean Tech Index (CTIUS)	\$100.00	\$99.59	\$136.55	\$124.91	\$126.88	\$142.12
Russell 3000 (RUA)	\$100.00	\$109.17	\$142.96	\$157.90	\$155.58	\$171.77
Elements MLCX Biofuels ETN (FEU)	\$100.00	\$108.00	\$93.44	\$84.57	\$72.32	\$73.77



Non-GAAP Financial Measure

Adjusted EBITDA is a non-GAAP financial measure. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Form 10-K that follows for a reconciliation of Adjusted EBITDA to net income determined in accordance with GAAP.

Note Regarding Forward-Looking Statements

This report contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 as amended, including statements regarding growth opportunities for our Geismar facility, planned cost reduction and monetization strategies for our Life Sciences platform, and the general growth and success of our business and industry.. These forward-looking statements reflect management’s current views regarding future events based on estimates and assumptions, and are therefore subject to known and unknown risks and uncertainties and actual results may differ materially from the forward-looking statements. See the “Risk Factors” section of our Annual Report on Form 10-K for the year ended December 31, 2016, for factors that could cause actual results to differ materially. All forward-looking statements are made as of the date hereof and

REG does not undertake to update any forward-looking statements based on new developments or changes in our expectations.