



SIOUXLAND ETHANOL LLC UPDATE

Construction Zone

An Overview

from Nick Bowdish
President & CEO



Siouxland Ethanol is a flurry of activity this fall as major capital projects approach completion, the seeds of a bountiful

corn harvest are stored away and the next chapter of company ingenuity is set to begin. The team is focused on delivering the benefits from recent capital reinvestment all while staying cognizant of the extra precautions needed daily to keep everyone safe and healthy. While 2020 may be remembered as the year of COVID-19, it could very well go down as the time Siouxland Ethanol down-shifted to power its way to the summit.

The earnings for the fiscal year just ended were quite a bit lower than the previous several years. While pleased to report a positive net income for the year, Siouxland Ethanol will save the celebrating for when we return to achieving earnings that outpace our historical results. Excluding the quarter we were forced to temporarily idle the plant, the Company achieved solid ethanol production run rates exceeding an annualized 96 MGY. We are also pleased to see the value of corn oil trending higher as the underlying demand for fats and greases grows with the expansion of

the renewable diesel industry.

That said, the future terrain for the ethanol industry is full of uncertainty. From the California executive order banning the sale of cars with internal combustion engines beginning in 2035, to federal legislation called the Zero-Emission Vehicles Act which would attempt the same motive nationwide, to setbacks in total demand for liquid fuels from the worldwide pandemic, to major petroleum corporations such as Royal Dutch Shell and British Petroleum shedding refinery assets in pursuit of new business models, it's really not that hard to find a reason to be discouraged about ethanol's economic future. Siouxland Ethanol is constantly assessing the landscape, strategically repositioning, and adapting to change. The possibility to achieve future success demands it and we are a determined Company that spends our time and effort finding the opportunities while others talk about the mayhem.

Siouxland Ethanol recently distributed information to its unit holders related to an offer to buyback units at a price of \$22,000 per unit. The Board of Directors remains mindful of liquidity for unit holders as individual circumstances and investment objectives change. Any units purchased back will be retired and all remaining unit holders will experience an increase in percentage ownership of the Company. Those wishing to participate must return the appropriate forms by Friday, November 27, 2020. As always, we appreciate your support and welcome all of you to stay unit holders and continue the journey that is Siouxland Ethanol.



Pictured above is the new RTO that will capture the air stream off the DDGs dryers when the new CHP system is online. Pictured below is the CHP building that houses the generator and boiler.



The Numbers Man

Mark Rolfes
CFO



As you are aware, September is the end of our fiscal year. And it's as good a time as any to take that moment of pause and take a quick look back to see what we've done right and what

we can do better. We can't control the markets, so being an efficient producer is the name of the game—focusing on the things we can control. SLE, over the years, has always had becoming better as a constant goal. In addition to keeping the plant in tip-top shape overall, we constantly take steps to improve. As I look back over the years, the list is long as we systematically kept making improvements to increase efficiency and set ourselves up for future growth: equipment additions such as more hammer mills, heat exchangers, centrifuges which all contributed to efficiency and expanded capacity. Then

in January 2017 our biggest expansion project yet came online with additional fermentation capacity and other capital

improvements. What have the results of these investments been? A table may tell the story the best:

	2010	2012	2014	2016	2018	2020
Ethanol Prod (Gals)	54,488,000	54,164,000	54,395,000	65,203,000	86,630,000	91,083,000
Ethanol Yield/Gal	2.81	2.81	2.83	2.92	3.01	3.05
Corn Oil Yield/Gal	-	.72	.91	.96	.95	1.02
BTU's/Gal	26,205	24,065	27,609	24,580	21,300	20,588
Elec KWH/Gal	.67	.65	.67	.60	.56	.53

As you can see, we have been making steady progress in our key metrics over the years; higher production with yields increasing and costs per gallon decreasing. Especially since 2016, the improvements made have substantially reduced our carbon intensity score. Forthcoming will be our combined heat and power plant coming online later this fall, which will continue to reduce our carbon score. Mix in a little hard work with leadership that always wants to stay ahead of the curve, and you have a little

success for which we are grateful.

In the past, we've mentioned the excellent team we have here at SLE, which we truly do. I've never seen a bunch of people who when duty calls, step up and do what it takes to address the workload or challenges in front of them. But I also think we need to give a shout out to our spouses and families, too. They make sacrifices, too, because when duty calls they keep things going on the home front. A big "thank you" to them, also.

GETTING THE JOB DONE!



The grains team is in charge of loading all ethanol, distiller's grain, and modified wet feed. As the plant has nearly doubled production, this dedicated team has gone above and beyond to keep the wheels rolling safely. Pictured from L-R are: Jim Eifert, Lou Rohan, Andres Cruz and Kevin Stuhrenberg.

FINANCIAL HIGHLIGHTS

Comparison of operations three months ended:

- Despite a nearly ~8% increase in production for the quarter over the prior fiscal quarter of 2019, overall revenues were down ~9% due to a 11% decrease in ethanol netbacks and an average 15% price decrease on co-product prices as compared to the same fiscal quarter 2019.
- Gross profit and net income were down ~37% quarter over quarter, respectively, from reduced crush margins primarily the result of the lower prices received noted above.

Comparison of operations for the fiscal years ended:

- Revenues were down year over year the result of a combined ~3% reduction in overall sales volumes along with ~ 8% lower ethanol netbacks received. Coproduct prices remained relatively steady year over year.
- The reduced sales volumes year over year, along with reduced crush margins, again primarily the result of reduced ethanol netbacks, resulted in the nearly ~50% reduction in gross profit over fiscal year 2019.

Working capital remains strong at ~\$23.1MM.

No units traded during the quarter ending September 30, 2020.

Please be sure to keep Siouxland Ethanol updated on your contact information. This helps ensure you receive your distribution check, tax & other pertinent information timely. Thank you!

SUMMARY OF OPERATIONS

	3 Months Ended 9/30/2020	3 Months Ended 9/30/2019	Year Ended 9/30/2020	Year Ended 9/30/2019
Total Revenues	\$39,256,407	\$42,944,587	\$144,869,582	\$162,327,050
Gross Profit	\$ 4,439,820	\$7,009,503	\$9,627,101	\$19,100,731
Net Income	\$4,078,405	\$6,357,405	\$8,119,579	\$17,006,692
Net Income/Unit	\$ 1,121	\$1,748	\$2,232	\$4,675
Distribution/Unit	-	-	\$2,250	\$3,750

BALANCE SHEET

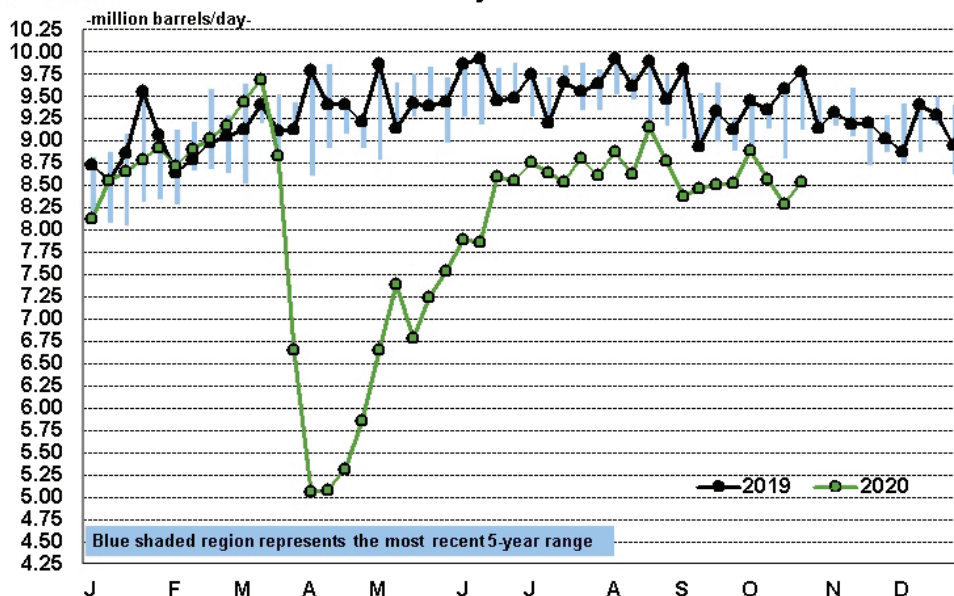
	As of 9/30/2020	As of 9/30/2019
Current Assets	\$30,954,953	\$46,136,579
Total Assets	\$100,627,591	\$98,763,489
Current Liabilities	\$7,868,885	\$5,814,060
Long-Term Liabilities	\$1,454,651	\$1,579,454
Members' Equity	\$91,304,055	\$91,369,975
Book Value/Unit	\$25,097	\$25,115

KEY METRICS

	3 Months Ended 9/30/2020	3 Months Ended 9/30/2019
Ethanol Yield (Gal/bu)	3.04	3.01
Natural Gas (BTUs/gal)	20,632	20,195
Electricity (KW/gal)	.55	.60
Corn Oil (Lbs/bu)	.94	.96
Ethanol Production (Gal/day)	272,442	264,325
Ethanol Production MGY	96.2	93.0

RJO'Brien

EIA - U.S. Weekly Gasoline Demand



Siouxland Ethanol wishes to publicly thank Gov. Pete Ricketts and the State of Nebraska for implementing the Ethanol Stabilization grant program. This program is committing \$15M of Federal CARES Act aid that Nebraska received to the ethanol plants located in Nebraska. As our state's economy recovers from the devastating impact of COVID-19, we appreciate the Governor's continued recognition of the critical importance of Nebraska's ethanol industry.



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Our Mission

To be an efficient producer of ethanol and its co-products with a low carbon footprint, and to promote the "clean octane" value of ethanol which will ensure long-term profitability for the industry and the investors in Siouxland Ethanol.



Next Generation Fuels Act: Ethanol's Pathway to Grow

REP. CHERI BUSTOS

(D-IL 17th)



In the spring 2018 newsletter, Siouxland Ethanol referenced an eight-point plan that, if enacted at EPA, would be an opportunity for agriculture and ethanol to grow.

We are pleased to report that the vast majority of this plan has been assembled and formerly introduced as legislation by Rep. Cheri Bustos from Illinois called the Next Generation Fuels Act. If enacted into law, this bill would:

- Establish a 98 RON minimum octane standard for gasoline
- Ensure the octane is sourced from low carbon fuel sources
- Provide for an E30 fuel waiver
- Approve a 98 RON certification fuel so automakers can optimize engines.
- Extend the 1 psi RVP waiver to E30 blends.
- Fix the R-factor in the fuel economy formula that is cheating ethanol blends.
- Update the MOVES model to account for the emission reduction benefits of higher ethanol blends.

- Provide CAFÉ credits for vehicles designed for use with high-octane fuels.

The Next Generation Fuels Act would usher in the era of fuel containing 30% ethanol. It would reduce greenhouse gas emissions, enable greater engine efficiency, and create more competition in the liquid fuels market. As the 117th United States Congress takes shape and begins their work, Siouxland Ethanol looks forward to promoting this legislation and contributing where we can to create a pathway to return to ethanol industry prosperity.