



SIOUXLAND ETHANOL LLC UPDATE

Nate Gutzmann to succeed Kasey Rathke as Commodity Manager



Nate Gutzmann

Siouxland Ethanol welcomes Nate Gutzmann from Emerson, Nebraska to the team. Nate will be taking over the Commodity Manager role from Kasey Rathke at the end of the fiscal year. Nate brings several years of experience originating corn from Nebraska farmers where he shipped shuttle trains of grain to fulfill the needs of livestock markets and consumers in foreign countries. Nate and his wife Quinn reside in Pender and are blessed with two-year-old Perry and his younger sibling arriving in December! Kasey Rathke will be taking over the family residential construction and remodeling business that has served the Wisner and surrounding communities exceptionally well for decades under the leadership of his late father Kurt Rathke. Based upon the past 4 years working with Kasey, you will consider yourself lucky should you have the opportunity to do business with Rathke Construction. We are wishing Kasey well!



Kasey Rathke

Buckle Up and Hammer Down

An Overview from Nick Bowdish
President & CEO



The ethanol business was solid this past quarter as fuel prices oscillated with the volatile changes in corn price. Plant operations were steady and consistent, particularly in the second half of the quarter when daily ethanol and corn oil production records were achieved. The semi annual maintenance outage was completed in May with numerous inspections, internal cleanings, equipment replacements,

and improvements implemented all without incident or injury. It was good to get the grill fired-up over some noon hours and get some spring-cleaning done.

Commodities

Corn prices set a low of \$5.37 per bushel on April 5th and a high of \$7.43 on June 30th. Margins were consistently above historical averages in Jackson, Nebraska and the plant operated very well during the quarter.

Siouxland Ethanol maintained its disciplined risk management strategy which at its core has the objective of

not benefiting from corn prices rising or falling, but rather just taking the spread between whatever daily corn and ethanol market prices might be and converting that into a profit by operating an efficient plant. In periods of significant price changes, the strategy can shift earnings from one period to another, as accounting rules recognize all the changes in value on Chicago Board of Trade hedges while ignoring changes in value of physical inventory and cash contracts. The good news is it all settles out over time and profit has returned to the industry

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without any need to speculate on the future direction of prices.

Mother Nature continues to dictate the direction of prices during the summer months based on forecasted and then actual precipitation. The supply of corn, soybeans and wheat on hand in the United States have been reduced to minimal levels from strong worldwide demand and lower South American production, which means price reactions are more sensitive to change in U.S. weather patterns. Siouxland Ethanol remains mindful of these dynamics and it is a contributing factor on why the Company prioritizes maintaining healthy levels of working capital.

Policy

The U.S. ethanol industry lost two important court cases recently. The Supreme Court ruled in favor of the oil companies over a dispute related to refinery eligibility to receive small refinery

exemptions from the blending obligations imposed by the Renewable Fuel Standard. The ruling doesn't provide the oil companies any additional exemptions, but rather it leaves the process open for oil companies to continue to apply for exemptions in the future. Ultimately, the political pressure and perceived trade-offs that those occupying the White House and EPA sense or feel will dictate future exemption decisions.

The industry also lost a case in the D.C. Circuit court where the oil companies challenged the validity of former President Trump issuing a rulemaking that allowed E15 to be sold year around. While the case could be appealed, the loss is extremely detrimental and a setback to the progress that retailers were making by expanding fuel choices across the nation to sell E15 as the new standard fuel.

Given the current landscape, the next best opportunity to advance na-

tional policy in ethanol's favor is to see progress made on the rewrite of the automobile mileage standards, or SAFE-2 rule, by raising the minimum octane of fuel in this country and providing for that octane to come from low carbon sources. The draft rule is to be released this month.

CO2 Capture and Sequestration

Siouxland Ethanol has been actively evaluating many offers and alternatives related to capturing and sequestering the carbon dioxide that is biologically produced at our plant when the yeast convert sugar to ethanol. U.S. tax policy is incentivizing this action and it is also a central component of forward-looking discussions that revolve around the production of lower carbon intensity fuels. The Company has not solidified a path forward and is gathering more information in an attempt to make the best decision for its shareholders.

Employee Highlight



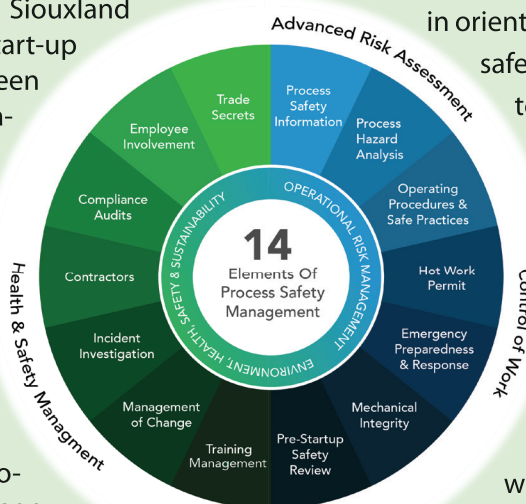
Kevin Erickson

My name is Kevin Erickson. I live in Sioux City, Iowa with my wife, Ethel. I have been with Siouxland Ethanol since start-up in 2007. I have been part of most operations positions at Siouxland Ethanol since 2007 including Cook Operator, Distillation Operator, Lead Operator and have been in my current role since 2013.

I currently oversee the 14 elements of the Process Safety Management Program (PSM) and the Food Safety Management Act (FSMA) program. Duties include mechanical integrity oversight and documentation as well as scheduling audits, and documenting completed actions of those audits. I also complete initial orientation and

follow-up safety training for PSM and FSMA programs for the Siouxland Team. Contractors on site must also be included in orientation training as we attempt to avoid any safety incidents. I oversee the Hazardous Materials Communication program at Siouxland Ethanol. This program oversees the safe transfer of incoming chemicals and insuring they are safe for the Siouxland Team to use as well as safe for feed products.

My favorite project since I have been with the team was the capacity upgrade we did in 2016. I enjoyed working with the contracted team, Stewart Brothers, Inc., and seeing the engineering develop to increase the capacity. In my off time, I enjoy getting to travel the country on my motorcycle and radio control aircraft building and flying.



FINANCIAL HIGHLIGHTS

• Comparison of operations three months ended:

o Total revenues quarter over quarter more than tripled primarily for two reasons:

- Back to full production levels for the quarter as compared to the same quarter last year (which included ~30 days suspended operations) resulted in a ~50% increase in production and sales volumes.

- Recent strong post pandemic fuel markets have doubled ethanol netbacks as compared to same quarter 2020. Also, co-product sale prices averaged ~75% higher when compared quarter over quarter.

• Comparison of operations nine months ended:

o Total revenues increased nearly 50% fiscal year over year, again primarily due to being back to full production levels fiscal year to date and improved fuel markets.

• **Working capital up to \$26.6MM, up over \$3.5MM since the beginning of the fiscal year.**

• **4 units traded during the quarter ending June 30, 2021, averaging \$21,250/unit.**

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 6/30/2021	3 Months Ended 6/30/2020	9 Months Ended 6/30/2021	9 Months Ended 6/30/2020
Total Revenues	\$70,715,977	\$23,292,840	\$159,119,435	\$105,613,175
Gross Profit	\$8,550,353	\$2,756,443	\$8,653,664	\$5,187,281
Net Income	\$8,018,693	\$3,100,243	\$8,242,058	\$4,041,174
Net Income /Unit	\$2,270	\$852	\$2,334	\$1,111
Distribution/Unit	- 0	- 0	\$1,000	\$2,250

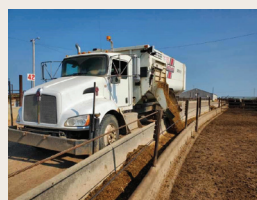
BALANCE SHEET

	As of 6/30/2021	As of 9/30/2020
Current Assets	\$34,614,529	\$30,954,954
Total Assets	\$102,949,228	\$100,627,593
Current Liabilities	\$7,996,323	\$7,868,887
Long-Term Liabilities	\$1,376,793	\$1,454,652
Members' Equity	\$93,576,112	\$91,304,054
Book Value/Unit	\$26,494	\$25,097

KEY METRICS

	3 Months Ended 6/30/2021	3 Months Ended 6/30/2020
Ethanol Yield (Gal/bu)	3.03	3.04
Corn Oil (Lbs/bu)	1.10	1.02
Ethanol Production (Gals/day)	270,035	174,522
Ethanol Production MGY	95.3	61.6

DID YOU KNOW?



Facts about Siouxland Ethanol's Modified Wet Distillers Grain production

- Siouxland Ethanol produces an average 700-800 tons of MWDG per day
- All sold to local cattle farmers with a 60-mile radius of Jackson, NE
- The moisture level 54%
- Finish cattle rations include about 34% MWDG
- Typical Northeast Nebraska rations include products such as dry rolled corn, modified wet distillers grain, supplement, high moisture corn, corn silage, alfalfa silage, corn stover, just to name a few!
- According to area cattle feeders, MWDG is a great source of protein, very consistent and palatable product to use for feed.

Call (402) 632-2676 today to schedule your next pick up of MWDG!

BOARD OF DIRECTORS

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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.



WE'RE HIRING!

Do you know someone looking for a job in the area? We are accepting applications to add to our growing team. Production operators begin at \$26 per hour.

Maintenance technicians, mechanics, and electricians earn \$30 per hour and above.

Siouxland Ethanol also has a full benefits package on top of that. Send them our way today!

\$26



Apply online or stop by the office in Jackson to fill out an application. Contact Elizabeth Nelson at (402) 632-2676 with any questions.