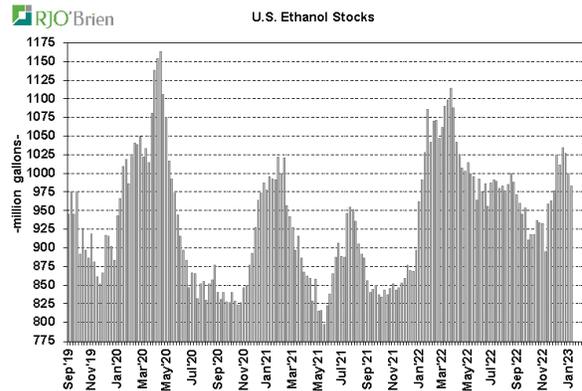


SI  **UXLAND**
ETHAN  **L** LLC

Winter 2023

Go For A Drive!

Siouxland Ethanol completed its most recent quarter with a profit of \$2.5M or ten cents per gallon. Industry margins have compressed as a function of high inventories of fuel ethanol on hand across the United States. The typical advantage of operating a plant with an efficient cost structure is being offset by the extremely strong corn basis plants in the western cornbelt have to pay to acquire corn. Commodity based businesses and investments have always been cyclical and the cycle has flipped from a year ago.



Plant operations are steady and the team is doing a nice job of executing on day-to-day demands. The record cold snap just prior to Christmas did not significantly alter our operation, however, the timing of that combined with a railroad industry that didn't move from Dec 23rd until Dec 26th did cause us to adjust production with ethanol inventory onsite at tank tops. Southwest Airlines wasn't the only transportation company that failed that weekend. The Siouxland Ethanol load out team worked around the clock the following week to get the inventory on its way to customers.

The EPA proposed suggested blending obligations of renewable fuels for 2023-2025 during the quarter. The proposed metrics are pathetically short of capturing the renewable diesel capacity coming online and ultimately the proposal leaves the door open to a negative cascading effect where the petroleum industry will not need to blend more ethanol for compliance. They will simply meet compliance obligations with a fuel they manufacture and for which there are no blending restrictions – renewable diesel. The EPA is receiving comment until Feb 10, 2023 and to do so, simply email a-and-r-Docket@epa.gov and include Docket ID No. EPA-HQ-OAR- 2021-0427 in the subject line of the message. The final rule will be out in June 2023. If the proposal becomes final, ethanol (and therefore corn) will have to get cheaper than gasoline as a commodity to find new demand and achieve blending greater than ten percent in this country. The EPA needs to increase the renewable fuel volume obligations in all categories.

There are several initiatives Siouxland Ethanol is providing support on during the Nebraska legislative session this year. The first bill would change Nebraska law so that LLC's could pay income tax to the state on behalf of its members. If this bill were law a year ago, we would not have our 680 members each amending their personal state returns right now for 2019 – 2021 and we could have handled that at the Siouxland Ethanol level as one transaction with the Department of Revenue. The second bill has to do with normalizing sales tax exemptions on equipment purchased to go into manufacturing plants. The third bill has to do with providing Nebraska consumers more choice and access to E15 at retail stations across the state and would break through the monopolistic practices used to keep higher ethanol blends from being a choice at the pump. A future newsletter will cover this topic more in-depth. Thank you to everyone who contributed to the Siouxland Ethanol PAC, which enables us to advocate on these issues.



A handwritten signature in black ink that reads "Nick Bowdish".

Nick Bowdish
President & CEO

Please join us on Tuesday, March 14th for the Siouxland Ethanol annual meeting to hear more about the business and thoughts from Governor Jim Pillen. Until then, go for a drive and use some ethanol!

Financial Highlights

Comparison Of Operations

Three Months Ended:

- Ethanol values have softened recently and is the primary reason for the nearly 16% reduction in total revenues quarter over quarter.
- Demand for corn remains strong resulting in a 33% increase in our cost of corn quarter over quarter.
- The combination of lower ethanol netbacks but continued higher corn costs has resulted in a nearly 73% reduction in our crush margins and the ~\$25.3MM reduction in gross profits quarter over quarter.

- Working capital down, but we maintain a strong working capital position over \$22.6MM. The ~\$33.2MM decrease in working capital since the beginning of the fiscal year primarily the result of:
 - \$10,000/unit distribution paid the last week of October 2022, totaling \$35.320MM distributed back to the owners.

- No units traded during the quarter ending 12/31/2022.

SUMMARY OF OPERATIONS	3 Months Ended 12/31/2022	3 Months Ended 12/31/2021
Total Revenues	\$73,046,227	\$86,770,203
Gross Profit (Loss)	\$3,265,503	\$28,588,446
Net Income (Loss)	\$2,560,551	\$27,565,724
Net Income(Loss)/Unit	\$725	\$7,805
Distribution/Unit	\$10,000	\$10,000

BALANCE SHEET	As Of 12/31/2022	As Of 9/30/2022
Current Assets	\$62,389,809	\$79,005,454
Total Assets	\$122,654,373	\$138,481,945
Current Liabilities	\$39,738,521	\$23,143,766
Long-Term Liabilities	\$1,626,635	\$1,289,512
Members' Equity	\$81,289,217	\$114,048,667
Book Value/Unit	\$23,015	\$32,290

KEY METRICS	3 Months Ended 12/31/2022	3 Months Ended 12/31/2021
Ethanol Yield (Gal/bu)	2.99	3.02
Corn Oil (Lbs/bu)	1.01	1.06
Ethanol Production (Gal/day)	278,147	277,802
Ethanol Production MGY	98.2	98.1
Natural Gas (BTU/gal)	23,462	23,226
Grid Electricity (KW/gal)	0.01	0.04

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!



**Governor Jim Pillen
to keynote the
Siouxland Ethanol
Annual Meeting
March 14th.**



**Governor
Jim Pillen**

Investor invitations coming soon.

A Director's Perspective

I have been a Director of Siouxland Ethanol since 2015, currently serving as its treasurer. I am also serving as Chairman and CEO of Citizens State Bank, Wisner NE. Citizens has 7 locations in Northeast Nebraska, 2 in Plattsmouth NE and 1 in Papillion NE. Until November 1, 2021, I also served as its President, relinquishing that role after 36 years. In my 41 years with Citizens, we have grown it from \$25 million in assets with 2 locations to over \$500 million in assets today.

Siouxland's Vice-Chair Shennen Saltzman and Director Pam Miller each did an excellent job outlining the beginnings of Siouxland Ethanol in the Summer and Spring 2022 editions of the Siouxland Newsletter. My first involvement with Siouxland was at an ethanol plant information meeting held at Craig Ebberson's machine shed near Belden, NE. There was a large crowd. The presentation was excellent, as were the steaks. I suspect that at the end of the presentation most everyone there became an investor, either on the spot or checks mailed soon after. Siouxland has been an excellent investment for the original investors. Its most recent dividend of \$10,000 per share is equal to the purchase price of the original shares! But business schools teach that great companies don't just happen. I think Siouxland's success can be attributed to several factors:

Engaged, diversified Board members.

5 of the 11 current Directors were original organizers of Siouxland. The Directors collectively bring ag production, retail marketing, finance, manufacturing, and governmental experiences to each Board meeting. The combination of historical perspective and current world experience makes an informed, active Board that guides management in this volatile industry and protects and enhances the investment of Siouxland's members.

Excellent management.

Led by CEO Nick Bowdish, the management team at Siouxland has done, and continues to do, a good job. Siouxland was originally built to produce 50 million gallons of ethanol per year; it is currently producing nearly double that amount. Over recent history, Nick and his team have had many suggestions to improve plant efficiencies resulting in increased output and lower per-unit costs. After considerable discussion at Board meetings, many of these suggested improvements—costing millions of dollars—were approved and subsequently implemented. Siouxland is consistently one of the ethanol industry's most efficient plants. Managing these improvements and the increased output requires a talented management team and workforce.





Skilled workforce. In recent history, Board and management made the strategic decision to make Siouxland an employer where people wanted to work and wanted to stay. After reviewing and revising Siouxland's payroll offering, and with the implementation of objective incentive programs, those goals, I believe, have been reached. Objective measures of workforce quality —turnover, unscheduled plant down days, efficiency data, injuries, etc.— all reflect the quality of the current workforce at Siouxland.

Government and regulatory relations. Siouxland has good relations with government and regulatory agencies that have, or could have, an effect on its business. I believe this is especially true in the states of Iowa and Nebraska, the #1 and #2 states (respectively), in ethanol production. These strong relationships can be attributed to the work of our company's leaders. Director Pam Miller was the Interim Director for the Renewable Fuels Nebraska association until a permanent director was found. CEO Nick Bowdish was on an Iowa Governor's task force charged with expanding the availability of E-15 product in that state. Several Directors have a personal relationship with Nebraska Governor-elect Jim Pillen, who has expressed his support of the ethanol industry in Nebraska. Many around the Board table and in management are active in their professions. It is hard to quantify the results of good government and regulatory relations, and the effort it takes to maintain them, but, as a good friend has told me several times, when it comes to regulatory processes: "If you are not at the table, you are on the menu!"

At their core, Siouxland and the ethanol industry produce and sell commodities. For any commodity-based business, the market can be very rewarding and also very brutal. The ethanol industry was created by a government edict, creating powerful opponents who use every tool at their disposal to reduce the growth of the ethanol industry, and some are even advocates of eliminating it. But even those opponents cannot stop the increasing benefits and usage of ethanol. The cleaner air and health benefits of using ethanol have been proven and cannot be disputed. Nebraska's recent study of burning E-30 in non-flex-fuel State Patrol vehicles proved more vehicles can be burning a higher blend with no operating or efficiency losses. New markets for ethanol are being developed. One of them showing promise is the use of ethanol as aviation fuel. Also, recent government action will allow sales of E-15 blend all year long.

So long as the Board, management and workforce competently manage and successfully operate this commodity business called Siouxland Ethanol LLC, and as the ethanol industry expands uses for its product, the future looks bright for both.

It is truly an honor and privilege to serve you on this Board.



Steve Ausdemore
Treasurer of the
Board of Directors

What Can We Expect... Or Not Expect For The Ag Economy In 2023?

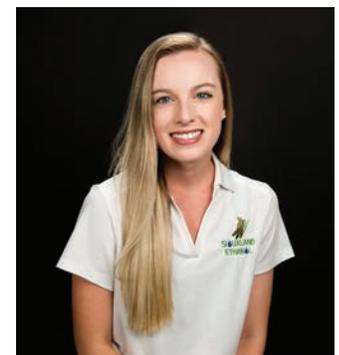
Economists predict the future of the United States economy based on several factors, including inflation rates, political environment, the lasting impacts of COVID-19, and the state of the world economy. The stability of the United States agricultural economy can be evaluated using the same factors, but it is also important to look at the conditions leading up to 2023 to get the full picture.

Corn production (million metric tons)

			Change from last month's projections	
United States	2021/22	Estimates	382.89	
	2022/23	Dec. projections	353.84	
		Jan. projections	348.75	-5.09 ▼
China	2021/22	Estimates	272.55	
	2022/23	Dec. projections	274.00	
		Jan. projections	277.20	3.20 ▲
Brazil	2021/22	Estimates	116.00	
	2022/23	Dec. projections	126.00	
		Jan. projections	125.00	-1.00 ▼
European Union	2021/22	Estimates	70.98	
	2022/23	Dec. projections	54.20	
		Jan. projections	54.20	
Argentina	2021/22	Estimates	49.50	
	2022/23	Dec. projections	55.00	
		Jan. projections	52.00	-3.00 ▼
Ukraine	2021/22	Estimates	42.13	
	2022/23	Dec. projections	27.00	
		Jan. projections	27.00	

In 2022, economies worldwide were still being effected by COVID-19, surging inflation rates, and political tensions. On February 24th, the world watched as Russia invaded Ukraine changing the lives of millions almost overnight. The Russian invasion of Ukraine had a major impact on agriculture economies, rattling the supply and demand of basic commodities like diesel fuel and natural gas and major export products like corn and crude oil. According to the CoBank year-ahead report, Forces That Will Shape the U.S. Rural Economy, these supply imbalances have been made worse by the rise in inflation. In spite of some input cost headwinds, the agricultural sector has proven its strength and ability to handle these economic challenges by setting new income records in the last two years.

Economic surveys in the United States predict a recession in 2023. The potential 'softened economy' will have negative effects across the country, but could prove to be both beneficial and challenging for agriculture economy. The expected recession in the first half of the year will lead to a drop in the number of jobs available and start to slow the rise in wage inflation. Next, the Russian invasion of Ukraine could still be impacting farming operations in the upcoming growing season. Ukraine is a competitor of the United States in the supply of oilseeds (sunflower oil) and corn, but its conflict with Russia has severely constrained their ability to grow and export their products. This has resulted in U.S. and South American production having more influence over commodity prices. China has been the largest importer of U.S. agricultural products since 2009 but has stated they want to become less dependent on U.S. agricultural products and have started formally approving imports from South America. The overall outlook for the ag economy is likely to be impacted by Chinese trade relations and China reopening their economy from COVID-19 lockdowns, rising interest rates and energy prices in the U.S., and the magnitude of a possible U.S. recession on consumer spending.



Elizabeth Nelson
Executive Assistant

Navigator CO2

Since our last contribution to Siouxland Ethanol's summer 2022 newsletter, Navigator CO2 has reached key project milestones in the development of our carbon capture, utilization, and storage (CCUS) system, Heartland Greenway. As we continue to move towards construction in 2024 and in-service operations in 2025, we are thrilled to share the following updates and look forward to keeping the Siouxland community updated on our progress.

Navigator CO2 had a strong 2022. Members of our experienced technical teams traveled across the project's five-state footprint to sit down with local decision-makers, landowners, and stakeholders to discuss critical details about the project and answer top-of-mind questions. We've now held more than 130 public meetings in nearly every county within the five-state project footprint, a testament to our commitment to transparency and collaboration. One of the core values Navigator CO2 was built on is being a good neighbor in the communities we serve. In 2023, we will continue to curate those authentic relationships with local, county, and state leaders to continue working collaboratively on Heartland Greenway's development.



Members of our right-of-way team kicked off the negotiation process with landowners in early fall. Our team continues to have productive conversations around route adjustments, restoration practices, compensation, and the specifics of easement contracts. To-date, we have acquired approximately 50% of the pipeline route dedicated for Siouxland Ethanol and we are signing up tracts daily across the project footprint and continue to be on track with the overall project timeline. With a project of this magnitude, the acquisition process is a marathon, not a sprint, and we are taking our time to ensure we get things right the first time.

As we progress through winter, the team is focused on landowner outreach and education, not just on the elements of the easement negotiation, but also on the robust oversight that exists regarding the project development, design, construction, and ultimate operations. From Pipeline and Hazardous Materials Safety Administration (PHMSA) safety regulations at the federal level, to the state regulatory siting process, to county-level road crossing permits, all levels of government have a role and voice in the process. Effectively incorporating all of these elements is a critical step in ensuring the project is built safely the right way.

You may also have heard that we are not only proud of our partnerships in Nebraska, but like many of you, we are now proud to call Nebraska home. Last summer, we relocated our corporate headquarters to Omaha, Nebraska, and continue to build out our team in that new office. Being located in the Heart of the Corn Belt allows us to further build on local relationships, develop meaningful connections in the local agricultural and industrial communities, and foster a culture that is committed to being part of this region for years to come.

2023 will bring new, energized opportunities for progress in the development of Heartland Greenway and associated value opportunities for Siouxland. Our commitment to the highest standards at every turn will not waiver and we appreciate the great deal of support we have received from the plant, its personnel and the surrounding committee. We look forward to working alongside Siouxland Ethanol to continue moving this project forward.



Matt Vining
CEO of
Navigator CO2



SIUXLAND ETHANOL LLC

1501 Knox Boulevard | Jackson, NE 68743
(402) 632-2676 | www.siouxlandethanol.com



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MISSION STATEMENT

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.

A Decade of Service!

Thank you for your contribution to the success of Siouxland Ethanol, we appreciate your 10 years of dedication!



Hugo Curiel
Maintenance
Manager

Where are you from?

I grew up in South Sioux City, NE.

What does your role consist of at Siouxland Ethanol?

My role consists of many things, anything from being a point of contact and delegating tasks to climbing dozens of flights of stairs fixing a break down.

How has your role changed since you started at Siouxland Ethanol?

I started as a contractor with a private company and then was recruited to maintenance where I eventually became Maintenance Manager.

What have you enjoyed most about working for Siouxland Ethanol?

I enjoy the sense of community. We're a big family and Siouxland Ethanol works hard to make sure their employees are happy and well taken care of.



Carla Glass
Assistant
Controller

Where are you from?

I grew up in Onawa, IA, but now live in Sergeant Bluff, IA with my husband Joe and our two children.

What does your role consist of at Siouxland Ethanol?

Maintain general ledger for month/quarter/year end close, preparation of financial statements, assist in various financial and regulatory reporting and audits.

How has your role changed since you started at Siouxland Ethanol?

I started with SLE in the role of Accountant and later transitioned to the role of Assistant Controller.

What have you enjoyed most about working for Siouxland Ethanol?

I have really enjoyed being a part of such a successful company that has seen so much growth over the years, which has provided so many learning opportunities.



George Watchorn
Maintenance
I&E

Where are you from?

I grew up in Ponca and I still live there with my wife Amy.

What does your role consist of at Siouxland Ethanol?

Electrical Maintenance – this consists of troubleshooting problems that come up, repair work, installation of new electrical components and instruments.

How has your role changed since you started at Siouxland Ethanol?

My role has stayed the same for the entire 10 years I've been with the company.

What have you enjoyed most about working for Siouxland Ethanol?

I enjoy the good work environment that we have here and how close it is to home.