



# SIUXLAND ETHANOL

Spring 2022

# The Quest to Sequester

Siouxland Ethanol has entered into a long-term agreement with Navigator CO2 Ventures to provide CO2 capture, transportation and storage services on its proposed pipeline. Historically, the plant has recycled 288,000 tons of carbon dioxide back into the atmosphere that were used by the corn plant to grow and ultimately released from the corn kernels through the production of ethanol, distiller's grains and corn oil. The agreement with Navigator provides a new economic opportunity for unitholders that will turn a biogenic coproduct into a new revenue source.

The process of permitting, installing, and commissioning the pipeline is expected to last until at least 2025 and the economic benefits from this new agreement will not be realized until Navigator is successful in their endeavor. Each and every farmer, landowner, and ethanol investor has the opportunity to improve their economic future by supporting the quest to sequester carbon dioxide in this country. If successfully implemented, the carbon intensity of the ethanol produced by Siouxland Ethanol as compared to gasoline will go from being a 36.7% reduction to a 61.5% reduction in greenhouse gas emissions as calculated by the California Air Resources Board.

While this agreement measures-up to provide the largest reduction in carbon intensity of fuel produced by Siouxland Ethanol, the reality is that the successful completion of carbon dioxide pipelines will lower the carbon intensity of more gallons of ethanol across the industry than what is consumed in California today. Therefore, some of the most important economic provisions of the agreement with Navigator stem from monetizing the carbon dioxide produced at Siouxland Ethanol by means other than just shipping ethanol to California.

The ethanol plants that are fortunate enough to go straight down to sequester their carbon dioxide because the geology of their location meets EPA standards are structurally advantaged and best suited to capitalize early on this industry opportunity. Northeast Nebraska is unfortunately not one of those locations, therefore, Siouxland Ethanol has been patient in seeking out its future carbon dioxide plans. The Company is pleased to have solidified its strategy through the agreement with Navigator.

The margin environment of the core ethanol business has returned to historical levels and the financial results for the quarter just ended include negative timing impacts from our hedging strategy. As discussed at the annual meeting, commodity markets are highly volatile during this time of war in Ukraine.

Thank you to everyone that attended the annual meeting and took part in recognizing Aimee James and Andrew Walsh for their 10 years of service to Siouxland Ethanol while celebrating the Company's 15th Birthday and 1,000,000,000 gallons of production!



A handwritten signature in black ink that reads "Nick Bowdish". The signature is fluid and cursive.

**Nick Bowdish**  
President & CEO

# Financial Highlights

SUMMARY OF OPERATIONS	3 Months Ended 3/31/2022	3 Months Ended 3/31/2021	6 Months Ended 3/31/2022	6 Months Ended 3/31/2021
Total Revenues	\$68,990,196	\$50,526,220	\$155,760,398	\$88,403,458
Gross Profit (Loss)	\$(840,105)	\$4,348,375	\$27,748,342	\$103,310
Net Income (Loss)	\$(1,506,231)	\$4,350,859	\$26,059,493	\$223,365
Net Income (Loss)/Unit	\$(426)	\$1,232	\$7,378	\$63
Distribution/Unit	\$6,000	\$-	\$16,000	\$1,000

BALANCE SHEET	As Of 3/31/2022	As Of 9/30/2021
Current Assets	\$33,049,416	\$69,637,995
Total Assets	\$91,400,220	\$129,841,397
Current Liabilities	\$5,533,110	\$13,486,870
Long-Term Liabilities	\$1,324,424	\$1,359,336
Members' Equity	\$84,542,686	\$114,995,191
Book Value/Unit	\$23,936	\$32,558

KEY METRICS	3 Months Ended 3/31/2022	3 Months Ended 3/31/2021
Ethanol Yield (Gal/bu)	3.02	3.01
Corn Oil (Lbs/bu)	1.05	1.01
Ethanol Production (Gal/day)	272,908	261,850
Ethanol Production MGY	96.3	92.4

## Comparison Of Operations

### Three Months Ended:

- Total revenues were up nearly \$18.5MM, or 36.5% primarily on higher ethanol values when compared to the same quarter of prior fiscal year. Production was also up nearly 12% quarter over quarter.
- Although revenues were higher when compared to the same quarter last year, during the current quarter ethanol crush margins have weakened. These weaker margins in conjunction with unrealized hedge losses have resulted in a negative gross profit for the quarter.

## Comparison Of Operations

### Six Months Ended:

- While gross profits were down for the quarter, our fiscal YTD revenues and gross profits are still at record levels through the first six months of the fiscal year.
- The board declared a \$6,000/unit distribution at their March 2022 board meeting. Combined with the distribution paid last October of \$10,000/unit, these two distributions total \$56,512,000 paid to members this fiscal year to date.
- Post distribution working capital remains strong at \$27.5MM.

**No units traded during the quarter ending 3/31/2022.**

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!

## Legislation Was Recently Passed

Legislation was recently passed giving a tax credit to fuel retailers who sell E15 or higher blends of ethanol. Our own Senator Joni Albrecht introduced and got passed LB596 which establishes the Nebraska Higher Blend Tax Credit. The incentives provide a tax credit of \$0.05 per E15 gallon sold, and \$0.08 per gallon of E25 and higher blends. Siouxland Ethanol would like to thank Senator Albrecht for her leadership on the bill!



**Senator  
Joni Albrecht**

# A Director's Perspective

The year was 2003, I received a call from Tom Lynch asking about a rail siting on a farm we owned along Highway 20. As the conversation progressed, Tom said he was looking for enough ground that had rail access to build an ethanol plant. At the time I was aware of several plants that had been constructed, and colleagues that had invested, but knew nothing about the business side or how we go about building one. Tom had sparked a fire and I asked to join the team!

We were a team of 5-Tom, of course, Pam Miller, who then was a county commissioner and spark to the idea of creating an industry in Dakota County to create jobs and an economic stimulus to support the local farmer. This was the goal of the Dakota County Economic Development Committee. John Kingsbury, President of Bank of Dixon County, Skip Meisner, from SIMPCO, and local businessman and farmer, Doug Garwood completed the team.

Beyond that, we recruited Darrell Downs and Ronnie Wetherell from Marcus, Iowa. They were instrumental in the developments of the Little Sioux Corn Processors Plant (40 mgy) that had been fired up and was an exact copy of the nameplate we hoped to build in Jackson, NE. Next, we went west and recruited Craig Ebberson, farmer and cattle rancher from Belden, NE. Jim Warner, local money manager and businessman joined the team as did local farmer Nancy Kirkholm, and lastly, Bailey Aalfs, owner at the time of Sabre Communications. The team was built, there was work to do...

We would meet when we could here and there; finally incorporating Siouxland Ethanol, LLC in 2004. Emory Graffis, then President of Northeast Nebraska Telephone, in Jackson, NE was gracious enough to offer us his board room as home base of the newly formed company. That became our meeting place for the next 3 years. First order of business was to hire a company called Pro Exporter to complete a corn origination study to ensure we had the right location and the corn needed to supply a successful ethanol plant. That study was \$100,000 so we started what we called "passing the hat" to fund our dream. Each director kicked in \$10,000 to fund the initial study. The report came back, and we now had more expensive decisions to make. Be careful what you wish for I said. Pass the hat! From here we chose Fagen, Inc., and ICM to be our design build team. Matt Sederstrom from Fagen quickly joined our board. We were officially in the process of building a world class ethanol plant in Jackson, NE.



Fast forward to August 2005, our offering memorandum was created, and it was time to try and raise \$36,000,000. As most of you all know, that have been here since the start, that was one FAST capital campaign. If you hesitated a week to write your check, you would not be reading this article now. We closed out the offering in only 5 days and held 8 meetings and had 42 more scheduled. I remember after that first week of fund raising being at the Northeast Nebraska offices on Saturday morning calculating checks and there were people knocking on doors and windows wanting to drop off checks having heard we exceeded our goal.

The campaign was complete, and we needed ground. We negotiated our land purchases from local farmer and investor Chuck Wenter in what we felt was the perfect site... except for the damn trestle bridge as we referred to it. The bridge connected the now office/scale area to the plant. Chuck would drive his equipment over that damn trestle bridge to farm that side of the ground. Lets just say none of us had built many bridges and the \$1,000,000 it was going to cost to connect our two parcels is what created that "damn trestle bridge". Those bridge planks now live in our board room as the wood we used to create our board table.

Tim Smith, our fearless construction manager, and major asset to the Siouxland Ethanol's investors' money was hired. We broke ground in November of 2005 to begin the journey. Our dreams were coming true.

A year and a half later (2007) Siouxland Ethanol produced its first gallon of ethanol. And here recently we just produced gallon # 1,000,000,000. It's been a journey. Our first two years operating were somewhat stable followed by not so stable 2009. I'll save those stories for another time... Despite that year that felt like a decade, we paid off our debt inside 5 years and never looked back.

This is the story of Siouxland Ethanol LLC. It's been a journey that we once only dreamed about. And the chapters that have followed have been equally important and impressive. I thank you all for the confidence you placed in our initial board and the directors that have followed. It's been a great journey together and the future is bright!

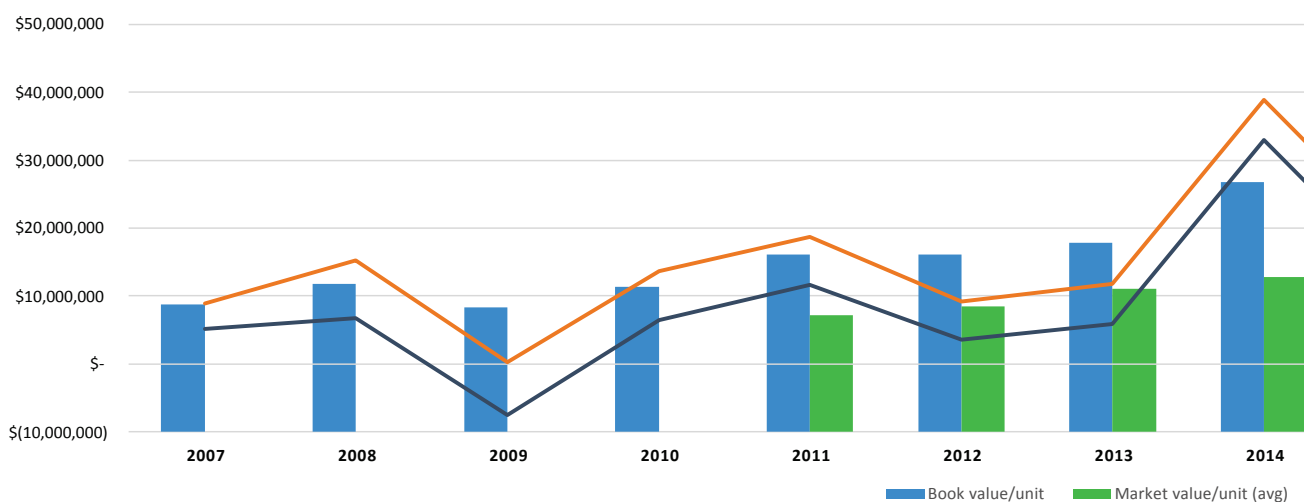


**Shennen Saltzman**  
Vice Chair of the  
Board of Directors



# 15 Year Financial History

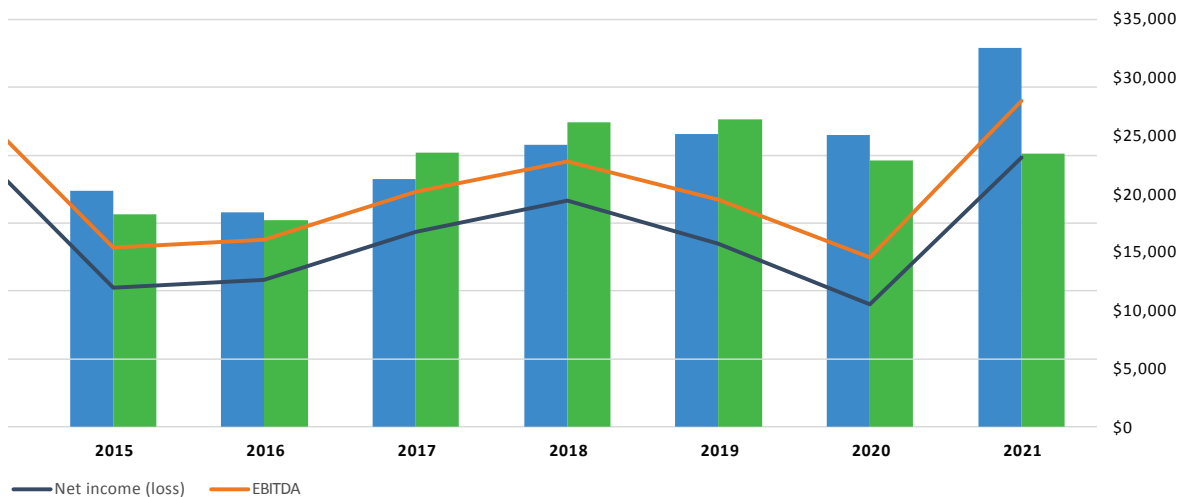
Statement of Operations Data:	2007	2008	2009	2010	2011	2012
Gallons Sold	20,151,404	53,812,488	49,078,843	54,438,509	57,895,880	53,833,708
Bushels Used	7,679,124	19,300,947	17,937,634	19,380,041	20,685,709	19,248,000
Ethanol yield (Gal/bu)	2.70	2.76	2.75	2.81	2.80	2.81
Revenues	\$45,838,559	\$130,898,558	\$94,218,521	\$105,420,804	\$168,586,748	\$157,339,071
Gross profit (loss)	\$9,220,439	\$11,182,396	\$(3,654,510)	\$9,523,801	\$13,804,153	\$5,480,543
Net income (loss)	\$5,127,036	\$6,745,674	\$(7,468,151)	\$6,411,136	\$11,693,071	\$3,612,932
Net income (loss) per gallon	\$0.25	\$0.13	(\$0.15)	\$0.12	\$0.20	\$0.07
Weighted average units outstanding	3,789	3,789	3,789	3,789	3,789	3,789
Net income (loss) per unit	\$1,353	\$1,780	(\$1,971)	\$1,692	\$3,086	\$954
Cash distribution/unit				\$263	\$1,000	\$500
Tax credit allocation/unit	\$396	\$396	\$396	\$396	\$396	\$396
Total cash & tax distribution/unit	\$396	\$396	\$396	\$659	\$1,396	\$896
Distr/Net income	29.3%	22.2%	-20.1%	38.9%	45.2%	94.0%
ROI (Original \$10,000 unit)	13.53%	17.80%	-19.7%	16.9%	30.9%	9.5%
ROI (5 yr avg)					11.9%	11.1%
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA):</b>						
Depreciation	\$2,211,292	\$5,424,420	\$5,414,897	\$5,363,498	\$5,673,525	\$4,878,821
Interest	1,553,421	3,029,705	2,377,930	1,901,208	1,409,202	711,871
EBITDA	\$8,891,749	\$15,199,799	\$324,676	\$13,675,842	\$18,775,798	\$9,203,624
EBITDA/gallon	\$0.44	\$0.28	\$0.01	\$0.25	\$0.32	\$0.17
<b>Balance Sheet Data - (EoY):</b>						
Current assets	\$12,743,608	\$16,302,465	\$7,554,786	\$11,172,058	\$17,146,332	\$16,495,486
Total assets	\$91,261,118	\$89,491,150	\$76,495,642	\$75,064,412	\$76,659,046	\$71,092,317
Current liabilities	\$8,519,545	\$15,945,098	\$7,967,273	\$10,739,030	\$10,669,812	\$6,318,134
Long-term liabilities	\$41,336,758	\$25,395,563	\$27,846,031	\$17,231,908	\$8,199,196	\$7,160,213
Members' equity	\$41,404,815	\$48,150,489	\$40,682,338	\$47,093,474	\$57,790,038	\$57,613,970
Units outstanding at year end	3,789	3,789	3,789	3,789	3,789	3,789
Book value/unit	\$10,928	\$12,708	\$10,737	\$12,429	\$15,252	\$15,206
Market value/unit (avg)					\$10,000	\$10,800





# SIUXLAND ETHANOL LLC

2013	2014	2015	2016	2017	2018	2019	2020	2021
49,283,212	54,493,591	58,407,011	65,004,702	80,092,003	86,055,052	93,909,380	91,220,582	93,732,319
17,595,560	19,020,612	20,097,891	22,308,513	26,988,747	28,765,197	31,066,030	29,889,019	30,979,909
2.80	2.86	2.89	2.92	2.97	3.01	3.02	3.05	3.03
\$158,121,269	\$144,725,718	\$110,529,886	\$115,365,571	\$140,985,081	\$150,942,816	\$162,327,050	\$144,869,582	\$233,821,492
\$7,440,565	\$34,576,986	\$11,639,747	\$13,843,954	\$20,745,597	\$25,361,429	\$19,100,731	\$9,580,696	\$27,643,278
\$5,907,727	\$33,007,728	\$10,569,517	\$11,636,881	\$18,706,828	\$23,325,382	\$17,006,692	\$8,119,579	\$29,661,137
\$0.12	\$0.61	\$0.18	\$0.18	\$0.23	\$0.27	\$0.18	\$0.09	\$0.32
3,789	3,789	3,789	3,789	3,720	3,638	3,638	3,638	3,550
\$1,559	\$8,711	\$2,790	\$3,071	\$5,029	\$6,412	\$4,675	\$2,232	\$8,355
\$1,500	\$6,000	\$1,950	\$3,000	\$3,600	\$4,700	\$2,000	\$2,000	\$10,000
\$100	\$250	\$350	\$0	\$1,174	\$454	\$450	\$188	\$484
\$1,600	\$6,250	\$2,300	\$3,000	\$4,774	\$5,154	\$2,450	\$2,188	\$10,484
102.6%	71.7%	82.5%	97.7%	94.8%	80.4%	52.4%	98.0%	124.9%
15.6%	87.1%	27.9%	30.7%	50.3%	64.1%	46.7%	22.3%	83.6%
10.6%	32.0%	34.2%	34.2%	42.3%	52.0%	44.0%	42.8%	53.4%
\$5,411,417	\$5,476,882	\$5,661,598	\$5,827,587	\$5,852,690	\$5,677,983	\$6,428,580	\$6,714,192	\$8,084,800
488,246	341,625	197,181	76,301	64,601	24,483	9,399	129,074	268,602
\$11,807,390	\$38,826,235	\$16,428,296	\$17,540,769	\$24,624,119	\$29,027,848	\$23,444,671	\$14,962,845	\$38,014,539
\$0.24	\$0.71	\$0.28	\$0.27	\$0.31	\$0.34	\$0.25	\$0.16	\$0.41
\$20,648,795	\$41,857,653	\$36,513,439	\$35,063,325	\$32,621,323	\$45,102,160	\$46,136,579	\$30,954,954	\$69,637,995
\$69,623,241	\$86,542,079	\$85,423,337	\$83,539,195	\$84,634,339	\$95,960,464	\$98,763,489	\$100,627,593	\$129,841,397
\$5,271,267	\$4,619,797	\$8,020,670	\$13,188,329	\$5,411,925	\$6,266,432	\$5,814,060	\$7,868,887	\$13,486,870
\$2,724,777	\$548,857	\$615,725	\$682,593	\$1,809,013	\$1,688,249	\$1,579,454	\$1,454,652	\$1,359,336
\$61,627,197	\$81,373,425	\$76,786,942	\$69,668,273	\$77,413,401	\$88,005,783	\$91,369,975	\$91,304,054	\$114,995,191
3,789	3,789	3,789	3,789	3,638	3,638	3,638	3,638	3,532
\$16,265	\$21,476	\$20,266	\$18,387	\$21,279	\$24,191	\$25,115	\$25,097	\$32,558
\$12,305	\$13,292	\$18,250	\$17,767	\$23,543	\$26,122	\$26,370	\$22,840	\$23,511





# SIUXLAND ETHANOL LLC

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## BOARD OF DIRECTORS

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Mark Condon · Sioux City, IA  
Darrell Downs · Marcus, IA  
Vern Henjes · Dakota Dunes, SD  
Pam Miller · Dakota Dunes, SD  
Luke Moser · Valentine, NE  
Doug Nelson · Jackson, NE  
Ronald Wetherell · Cleghorn, IA

## 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.

# 1 BILLION GALLONS!

On February 18th, Siouxland Ethanol produced its billionth gallon of ethanol. The current annual capacity of the plant is 95 million gallons per year. To produce 1 billion gallons of ethanol, we've purchased 1.5 billion dollars of corn, paid more than 35 million in wages, and in tandem produced enough high protein livestock feed to support the equivalent of 1.25 million head of cattle.



Doug Punke, RPMG CEO presented an award to Pat Baker, SLE Plant Manager, recognizing the achievement of producing 1 billion gallons.



Siouxland Ethanol celebrated the milestone by giving employees custom copper mugs, made locally in O'Neill, NE by Handlebend.

**Thank you to our employees, board members, local farmers and livestock feeders for all the hard work that went into the production of those 1,000,000,000 gallons!**