

Winter 2022

When Demand Exceeds Supply

Siouxland Ethanol achieved record financial results in the quarter just ended. The Company maintains a consistent strategy of accepting the crush margin the market makes available and it matched cards with an economy needing more ethanol and the SLE team executing on consistent operations. Margins are currently profitable at \$0.47 per gallon EBITDA but nothing like the \$1.20 per gallon EBITDA achieved in the prior quarter.

Gasoline demand in 2021 was 4% lower than the pre-pandemic level set in 2019, but the year went out in style with weekly demand actually 1.5% higher than 2019. Idled ethanol plants reopened during the quarter and the industry produced at a level as high as 17.0 billion gallons per year which helped meet surging demand and replenish supply chains, ultimately bringing ethanol prices down from their Thanksgiving high of \$4.11 to \$2.53 per gallon in Los Angeles as of this writing.

Back at the plant, reinvestments are being made as components reveal their age and around-the-clock service. The plant commissioned a new well during the quarter, replacing the last original well from 2006. The facility now has three wells with stainless steel downpipes for water supply that rotate service with just two needed during peak summer demand and even less during the winter. A carbon steel corn oil storage tank was safely replaced with a new stainless steel tank. Upcoming projects include replacing the bag house that suppresses dust when grinding corn and a condenser in distillation that turns 190 proof vapors back into a liquid. Siouxland Ethanol has a positive long-term view of our industry and remains committed to continuously improve the equipment integrity at the facility.

Senator Joni Albrecht and Governor Pete Ricketts are hitting the ground running in 2022 to improve the environment for ethanol. Senator Albrecht is leading LB596 which is draft legislation being considered in Lincoln that would provide tax credits to retailers who sell higher blends of ethanol. Renewable Fuels Nebraska and Iowa Renewable Fuels Association are working together with Governor Ricketts and Iowa's Governor Reynolds around the possibility of using a state waiver process to ensure gasoline shipped into these states is the type that can legally be blended into E15 resulting in the ability to retail E15 year-round.

The annual meeting of the Members is set for Tuesday, March 22nd and soon you will be receiving a packet in the mail with meeting details and the annual proxy statement. The 2021 audited financials are available on the Members only section of the website and the website bulletin board continues to be available for anyone interested in buying or selling units of Siouxland Ethanol.

Please join the Board of Directors and I in recognizing the 41 employees of Siouxland Ethanol that all contribute in their own way and collectively keep our plant performing day and night. Their commitment to the company's success does not fluctuate like commodity margins and I invite each of you to let them know you are an investor and say thanks for their hard work when you see them around our local communities. Not only do they do great work in Jackson, NE, but the \$3.5M annual payroll positively impacts so many local schools, churches, non-profits and businesses. When ethanol demand exceeds supply, an efficiently operating plant delivers constructive results for many stakeholders.



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

Nick Bowdish
President & CEO

Financial Highlights

Comparison Of Operations Three Months Ended:

- Record breaking start to the new fiscal year fueled by new highs in quarterly production margins. Even with a 48% increase in our cost/bu. of corn quarter over quarter, this higher input cost was outpaced by an 125% increase in our average net price received per gallon of ethanol, along with a 65% increase in co-product revenues over the same comparative periods.
 - Plant ran well as quarterly production increased nearly 8% when compared to the same quarter of last fiscal year.
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- Working capital down, but balance sheet remains strong. The ~\$6.8MM 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 2021, totaling \$35.320MM distributed back to the owners.
 - No units traded during the quarter ending 12/31/2021.

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 12/31/2021	3 Months Ended 12/31/2020
Total Revenues	\$86,770,203	\$37,877,238
Gross Profit (Loss)	\$28,588,446	\$(4,245,065)
Net Income (Loss)	\$27,565,724	\$(4,127,495)
Net Income (Loss)/Unit	\$7,805	\$(1,169)
Distribution/Unit	\$10,000	\$1,000

BALANCE SHEET	As Of 12/31/2021	As Of 9/30/2021
Current Assets	\$77,595,907	\$69,637,995
Total Assets	\$136,822,290	\$129,841,397
Current Liabilities	\$28,239,493	\$13,486,870
Long-Term Liabilities	\$1,341,880	\$1,359,336
Members' Equity	\$107,240,917	\$114,995,191
Book Value/Unit	\$30,363	\$32,558

KEY METRICS	3 Months Ended 12/31/2021	3 Months Ended 12/31/2020
Ethanol Yield (Gal/bu)	3.02	3.01
Corn Oil (Lbs/bu)	1.06	1.07
Ethanol Production (Gal/day)	277,802	266,393
Ethanol Production MGY	98.1	94.0

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HOPE TO SEE YOU THERE!

ANNUAL MEETING

SOUTH SIOUX CITY MARRIOTT RIVERFRONT

Doors open at 5:30 pm | Dinner served at 6:00 pm | Meeting commences at 7:00 pm

A Director's Perspective

Ethanol... just the word alone stirs many emotions. In my lifetime I have seen ethanol in three different phases. Each phase has had its ups and downs, with the downs aging me and everyone around me more than I care to think about! As we at Siouxland Ethanol acknowledge a successful year, it's not without careful pause to remember the trip ethanol has taken us all on. Please allow me to take you on a journey thru each phase as I remember them.

Phase I: Inception Phase

This phase to me was a blur, partly because I was 18, but also because I was concentrating on a different kind of distilled spirits preparing myself for college! What I do recall however was the industry concern from the ethanol plants that we were familiar with. MCP (Minnesota Corn Processors) was well known and didn't have a ton of success early on. The idea was there, but the big dream didn't feel like a reality at the time. There was also the hold up on where the corn will come from. What if the exporter/cattle feeder/hog feeder need the corn? Will there be enough to go around? Most (including my family) were not bullish the future of ethanol. While we invested, it wasn't a "push your chips out" moment for most.

Phase II: Rapid Growth Phase

The plants were up, and they were making money. The rush was on, build more faster, get plants up to capture this unbelievable margin. The early doubters were now on board, and this was the black swan to change agriculture forever. The good builders were booked, and the other technologies and builders emerged antsy to put a stake in the ground and capture some of this silly money. As with anything, high returns drive knee jerk decisions. I can't speak for Siouxland, but for a plant closer to us, this decision was one that took our family, and many local farmers thru some financial anxiety. Call it greed, call it inexperience, call it an overzealous market due for a correction, but things turned ugly thru the growth stage. Some banks ran, some banks stayed, and the good plants weathered the storm and were taught not to take risks beyond their means.

Phase III: Mature Market Phase

The shine is off the apple, but ethanol is here to stay. Some plants never found this phase, while others leveled out and cranked out reliable home-grown fuel for years. The race was on to produce more ethanol with less corn as carbon friendly as possible. Policy looks stuck in the mud, and the only financial growth appears to be in specialized plants with jet fuel and high protein feed. While this phase is different, I would not say that it is bad. As our financials indicate, the mature market phase doesn't mean low margin environment.

Ethanol touches everyone. There is no doubt that ethanol has improved the life of everyone around us even including the dark times. The Siouxland Ethanol Board, Employees, and our fearless leader all have different accounts of the last 25 years, but we all have one goal in mind for the next 25!



John Meuret
Chair of the Board
of Directors

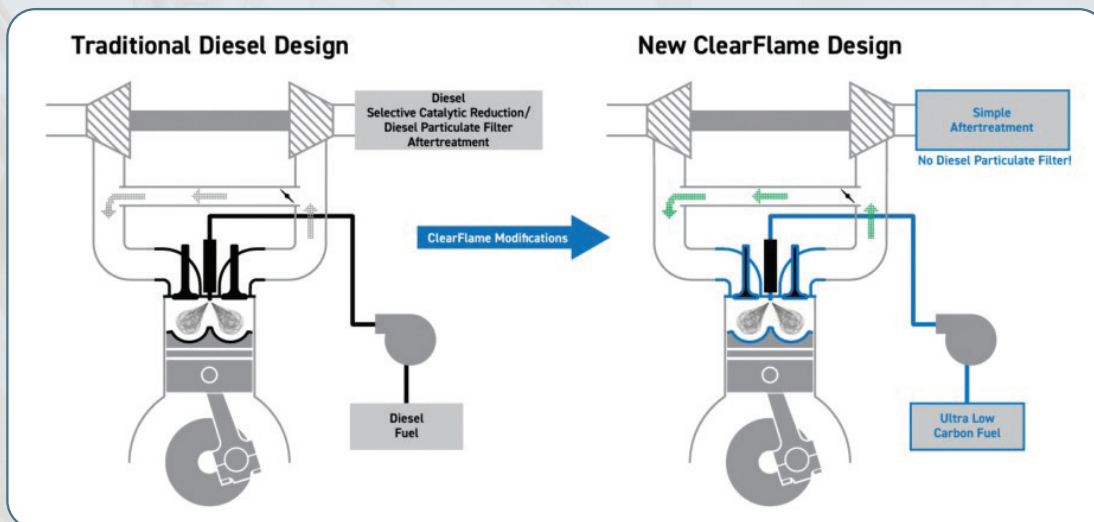


New Clean Engine Opportunity

Fifteen years after an unsuccessful attempt by one company to use ethanol in diesel engines, a new company has presented a new solution. ClearFlame Engine Technologies is an Illinois based research company dedicated to the development of a net-zero diesel engine. Without a doubt, the diesel engine is the right machine for the heavy-duty industry it drives; over the road trucking, agriculture, construction, power generation, and more. The United States is on track to consume 62.8 Billion gallons of diesel fuel in 2021. If successful, a market using billions of gallons of liquid fuel will be opened to ethanol.

ClearFlame's Clear Combustion Innovation

The fuel is where the benefits begin. In the past, clean burning fuels have failed to ignite using diesel-style Mixing-Controlled Compression Ignition. Clear Combustion solves this problem. At a high enough temperature, any fuel will burn like diesel, shortening ignition and burning after injection. Soot is a byproduct of burning diesel fuel, it forms in a fuel rich low temperature region of the combustion chamber impacting the chamber wall of the engine. Soot is only partially burned leaving behind heterocyclic hydrocarbon particles which are captured by the diesel particulate filtration system (DPF). Low soot producing fuels eliminates the need for the filtration system. Incorporating new technology produced by ClearFlame's soot-free "Clear" Exhaust Gas Recirculation allows for lower NOx emissions, meeting next-generation emission standards.



Along with the direct environmental impact of their technology, ClearFlame has made it possible for engine manufactures to simply implement the new technology into their existing production time, rather than creating an entirely new process, making it a low-cost solution. Companies also have the option to retrofit existing engines with the new combustion technology, avoiding the waste of engines already in use. The outcome being a net-zero carbon heavy-duty engine, without added production costs, meeting future net-zero emission standards while giving back to the customer.

Investments

In October, John Deere announced their equity investment in ClearFlame, stating their investment is in line with their vision to lead the industry in low carbon powertrain technology. John Deere will also be supplying the research company with an engine to be used in their concept testing. John Deere was one of many investors that invested a total of \$17 million in a Series A financing that is expected to facilitate the commercialization of ClearFlame Engine Technologies' engine technology for the industries powered by the diesel engine. In early 2020, ClearFlame completed its \$3 million Series Seed financing, led by Clean Energy Ventures. The advanced engine technology company has also acquired support and funding from Iowa and Illinois Corn Growers Associations, the Department of Energy and others.

Sustainability

ClearFlame Engine Technologies was founded with the goal to develop a clean engine technology to address the growing climate issue and harmful greenhouse gas emissions. In 2021, diesel engines are a critical component of the transportation sector of our economy. Yet, the growing need for diesel fuel is continuing to have a negative impact on our planet. By taking the petroleum-based diesel fuel out of diesel engines and replacing it with a renewable biofuel such as ethanol, heavy equipment operators are able to continue working while meeting future emission goals for CO2 and air quality. With the push to lower greenhouse gas emissions growing with each Administration, ClearFlame's patented Clear Combustion eliminates the need for petroleum-based diesel fuel replacing it with renewable biofuel already being produced globally. In addition, ethanol is a highly efficient widely available fuel option. ClearFlame's technology allows ethanol to be integrated into compression ignition engines, offering a sustainable solution without negatively impacted the engine's performance.

Pilot Project

Alto Ingredients, a producer of specialty alcohol and renewable fuel based in California, has partnered with ClearFlame to begin pilot demonstrations using their combustion engine technology. ClearFlame has modified a Class VIII truck with a 500hp demonstration engine to produce diesel style performance and durability using renewable fuel. Alto will contribute fuel and fleet vehicles to the project, giving ClearFlame the chance to real-world test their new technology. The two companies aim to start fleet testing in early 2022.

And The Journey for Year Round E15 Continues

In October 2021, Growth Energy filed an appeal requesting the Supreme Court review the DC Circuit Court's decision that stated EPA overstepped its authority to extend E10's 1 psi Reid Vapor Pressure (RVP) to E15. Without that waiver, E15 cannot be sold in parts of the U.S. between June 1st and September 15th.

On December 9, six ethanol industry and agricultural related groups wrote a letter to EPA Administrator Michael Regan asking him to take administrative action to allow uninterrupted summertime sale of E15. The groups informed Regan that the EPA could gain the same goals as the 2019 rulemaking by requiring the use of lower conventional gasoline blendstocks. This regulation would lower tailpipe and evaporative emissions and improve air quality during the summer season.

"While the D.C. Circuit determined that EPA does not have the statutory authority under the Clean Air Act (CAA) to extend the 1-psi waiver to E15 (a decision with which we continue to disagree), the agency does have statutory authority to mandate lower-RVP summertime conventional gasoline blendstocks," the groups letter stated.

The letter went on to say establishing a lower RVP summertime mandate would make the 1 psi waiver irrelevant for E10 and E15 during the summer months.

The groups also wrote the lower-RVP requirement would, "help facilitate compliance with Renewable Fuel Standard requirements, with no noticeable impact on fuel costs." A study published December 1, by MathPro Inc. prepared for The Renewable Fuels Association, indicated that lowering volatility of the conventional gasoline blendstock only effects the cost per gallon by a couple cents.

Although this approach is similar to the November 3rd request made by seven Midwest governors asking the EPA to help secure a state-level policy allowing the sale of E15 year-round, it's a national rather than regional solution.

In a disappointing turn of events, the Supreme Court on January 10th denied Growth Energy's petition to review the lower court July ruling that disallowed the RVP waiver for summertime E15 sales. Siouland Ethanol will continue to advocate for bringing consumers access to E15 during the summer driving months, but federal policy wins that actually grow demand for ethanol continue to be evasive and nearly nonexistent since 2011.





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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!



Aimee James
Accountant

Where are you from?

I grew up in Newcastle, NE and that's where I currently live with my husband Brian and our three children.

What does your role consist of at Siouxland Ethanol?

Employee Payroll, PAC Assistant Treasurer, Accounts Payable, Accounts Receivable

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

I started as Commodity Assistant in 2011 until 2015 when I had the opportunity to move to the accounting department. This move gave me a wide range of knowledge of all the departments so that I'm able to help wherever I'm needed.

What have you enjoyed most about working for Siouxland Ethanol?

We are a smaller company that has grown tremendously over the last 10 years, I have enjoyed being a part of the many projects we've conducted and watching the company grow. Also, I have enjoyed working with a lot of the same people over the years, developing close friendships and a family-like atmosphere.

Where are you from?

I grew up outside Holstein, IA and I've been living in Jackson for the past 10 years.

What does your role consist of at Siouxland Ethanol?

My position is lead operator, which is a combination of a shift lead and a control room operator. As shift lead, I'm in charge of my crew, but most of my time is focused on being a control room operator. As a control room operator, I monitor the Distributed Control System (DCS) system, which ties into all our automated sensors, pumps, conveyors, and valves. I adjust these as needed to keep the plant and our final products running within specified parameters.

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

Since my work involves the entire plant, any time we add a new system or process I'm usually involved in operating it. Our facility has grown a lot since I first started. Aside from entirely new systems, we're also running our existing systems at a faster rate, so we've had to make modifications and adjust them to compensate.

What have you enjoyed most about working for Siouxland Ethanol?

I've really appreciated the opportunities I've had to grow and learn. When I think back on where I was ten years ago compared to today it's astonishing. Our managers are always pushing us to learn more about the plant and the process, I'm grateful for this knowledge and experience.



Andrew Walsh
Lead Operator

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