

# Dakota ETHANOL



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## Contact information

Do we have your current address and phone number? Have you moved? No longer have a home phone? Is your cell phone your only phone number? What is your email address? Call or email to [investor-relations@dakotaethanol.com](mailto:investor-relations@dakotaethanol.com).

This newsletter contains forward-looking statements. We undertake no responsibility to update any forward-looking statement. When used, the words "believe", "expect", "will", "can", "estimate", "anticipate" and similar expressions are intended to identify forward-looking statements. Readers should not place undue reliance on any forward-looking statements and recognize that the statements are not predictions of actual future results; which could, and likely will differ materially from those anticipated in the forward-looking statements due to risks and uncertainties.

## Away for the winter? Don't miss our info.

Going to be away for the winter? Notify the office of your temporary address if you wish to have mail sent directly to you and avoid the mail forwarding delays.

## CEO Report:

# Expansion plans in place

### Startup anticipated mid-2027

We are nearing completion of the audit process for 2025. Production continues to be steady at the 100 million gallons per year rate. We have analyzed various expansion scenarios and recently approved a project to increase production to 150 million gallons per year.

We have chosen to partner with Nelson Baker Biotech as the general contractor/project manager for this expansion (the same company that managed our expansion in 2019 to our current rate of 100 MGY).

There are many details to be worked out in the next few months as we prepare to start the construction of this project. Expected startup at the projected increased rate is mid year 2027. Financing the capital cost for this project will come from profits from operations, 45Z tax credits, and debt.

### 45Z tax credit update

As previously disclosed in August 2025 and November 2025 newsletters, we are working

very hard to realize tax credit revenue from the 45Z clean fuels tax credit (the "45Z Credit").

Although the IRS has not approved final regulations regarding the 45Z credit, we have met the prevailing wage requirements for 2025 and estimate tax credit revenue of \$.20 per gallon for 2025 increasing to \$.30 per gallon for 2026 through 2029 with removal of Indirect Land Use Change from our Carbon Intensity (CI) calculation as proposed.

Increased production gallons from the expansion to 150 MGY will increase the revenue expected from the 45Z Credit.

We want to provide our members as much information as we have about the current status of the 45Z Credit, and we anticipate updating this information periodically as material developments occur. We encourage our members to use caution and perform due diligence if you expect to buy or sell membership units during this uncertain time.

—Scott Mundt, CEO

## Reminder:

# New venue for April 14 annual meeting: Silver Creek Events

The annual meeting of members (the "2026 Annual Meeting") of Lake Area Corn Processors, LLC (the "Company") will be held in person on Tuesday, April 14, 2026. The meeting will take place at Silver Creek Events, 45081 SD Highway 34, Madison, SD 57042.

Registration for the 2026 Annual Meeting will commence at 11:30 a.m. CDT time. Lunch will begin at noon. The 2026 Annual Meeting will follow lunch, and will commence at approximately 1:00 p.m. CDT time. Please note that the meeting location has changed from the previous meetings' venue.

The purposes of the meeting are to: (1) Elect three managers to the Board; and (2) Transact such other business as may properly come before the 2026 Annual Meeting or any adjournments thereof.

Proxy statements will be mailed to members in early March. We encourage members to return the proxy card included in that mailing prior to the meeting, even if they intend to attend. This helps us ensure we receive enough total ballots to reach a quorum. The information will also be available on the Company website under the LACP tab. Please contact the office if you have any questions.

CFO Report:

# Distribution OK'd; ACH payment available

Following strong financial performance in the last quarter of Dakota Ethanol's fiscal year, the board of directors have approved another distribution at its February 2026 meeting. This distribution will be \$0.40 per unit to members of record as of Jan. 1, 2026.

### Fourth Quarter results

The fourth quarter provided for strong production margins to finish off the year. In addition to strong margins, Dakota Ethanol recorded 2025 45Z revenue of \$18.8 million during the quarter to further enhance the net income. Dakota Ethanol finished 2025 with

98.5 million gallons of production. Hankinson production was 160 million gallons and Ring-neck production was 92 million gallons.

Year end financial statement audit and income tax returns preparation are in process.

—Rob Buchholtz, CFO

### Direct/ACH deposit forms

Members who would like to receive their distribution through a direct deposit/ACH payment can complete a form that is available on the Lake Area Corn Processors section of the company website and then return the form to the office with the necessary supporting documents.

Balance Sheet Data	12/31/25	12/31/24
Current Assets	\$74,803,223	\$45,615,219
Total Assets	\$207,671,497	\$184,564,771
Current Liabilities	\$26,805,153	\$29,178,523
Long-Term Liabilities	\$1,000	\$16,011,000
Member's Equity	\$180,865,344	\$139,375,248
Book Value Per Capital Unit	\$6.11	\$4.71

Statement of Operations	Year Ended 12/31/2025	Year Ended 12/31/2024	Three Months Ended 12/31/2025	Three Months Ended 12/31/2024
Revenues	\$212,338,472	\$190,691,715	\$54,841,497	\$46,242,920
Gross Profit	\$40,813,543	\$24,241,620	\$12,485,544	\$6,035,364
Equity in Net Income of Investments	\$12,773,704	\$12,291,108	\$5,555,157	\$22,126
Net Income	\$65,347,722	\$30,811,805	\$34,822,186	\$4,334,443
Net Income Per Capital Unit	\$2.21	\$1.04	\$1.18	\$0.15
Distributions Per Capital Unit	\$0.81	\$0.90	\$0.40	\$0.30

## From the Chairman

# To our LACP owners

As your management team works to position Dakota Ethanol for the future, we look for ways to become more profitable (plant efficiencies, investment opportunities and increased production).

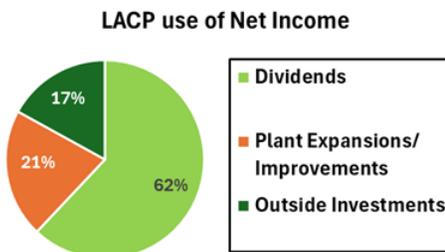
### When is the right time for an expansion???

- Low debt and a strong balance sheet are times for reinvestments.
- New revenues are good time for an expansion, 45Z tax credits, possible year round E15 and large available corn supplies.

### Why invest in more gallons???

- The ethanol industry is very cyclical, no different from farming or any other business.
- In tough low margin times, the more efficient you are the better. Size and scale are important.
- In good high margin times, the more gallons the better.

Where were your profits used???



See the pie chart at right. Thank you for your support.

—Todd Brown

## Unit trade price trends higher

Capital units continue to be traded on AgStockTrade.com. Trading closed the year with a total of only 0.49% of the 29,620,000 outstanding units traded during 2025. The 36,000 units traded in the fourth quarter, however, traded at more than \$1/unit average higher than the three prior quarters, at \$6.84 per unit. The highest price during that quarter was \$8 per unit.

Unit Trades by Quarter	Low Price	High Price
First Quarter 2025	\$5.50	\$5.50
Second Quarter 2025	\$5.40	\$5.50
Third Quarter 2025	\$5.40	\$6.10
Fourth Quarter 2025	\$5.40	\$8.00

Unit Trades by Quarter	Average	Units Traded
First Quarter 2025	\$5.50	1,000
Second Quarter 2025	\$5.42	12,500
Third Quarter 2025	\$5.62	96,500
Fourth Quarter 2025	\$6.84	36,000