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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, including those described in our SEC filings, copies of which are available through our website or upon request.

CEO Report:

**Capital projects, distribution start 2024 on positive note**

As shown in the financial recap for 2024, financial results for 2024 were very solid. I am pleased to share that the Board has approved a \$.30 per unit distribution for a total distribution of \$8,886,000; your share of the distribution is enclosed.

Capital projects for 2024 were also approved which include equipment designed to increase corn oil yields and replacement of the original dehydration sieve bottle set. We anticipate continued strong demand for corn oil. The new oil

recovery process will increase oil yield without increasing chemical or recipe costs.

The plant’s original sieve bottle set will also be replaced with the same process resulting in a slightly higher throughput capability. Together these capital projects have an estimated cost of \$11.8 million. Expected completion for both is late 2024.

—Scott Mundt, CEO

**April 16 set for annual meeting**

Plan now to attend the annual meeting of Lake Area Corn Processors/Dakota Ethanol on April 16 at Nicky’s Restaurant, 1407 NW 2nd St., West Highway 34, in Madison, S.D.

Lunch and registration begin at noon with the meeting to follow at 1 p.m.

Business to transact in the meeting includes election of two managers to the board.

Proxy votes for the election should be returned by 5 p.m. Monday, April 15, if you are unable to attend the annual meeting. Returning proxy votes will help ensure that there is a quorum recorded for the election. You may fax the ballot to 605-483-2681; mail it to PO Box 100, Wentworth, SD 57075 or scan and email the ballot to [investor-relations@dakotaethanol.com](mailto:investor-relations@dakotaethanol.com).

**Unit sales price trends higher in 2023**

The following table contains information concerning completed unit transactions that occurred in 2023. There are 29,620,000 capital units issued and outstanding. The total 91,500 units traded in 2023 represents 0.31% of units outstanding.

First quarter 2024 trading to date has 12,500 units traded at \$6.00 per unit.

For more details on Lake Area Corn Processors, LLC trading please contact Variable Investment Advisors at 1-800-859-3018, visit their website at [www.agstocktrade.com](http://www.agstocktrade.com) or contact our office.

Quarter	Low Price	High Price	Average	Units Traded
First Quarter 2023	4.25	4.47	4.38	12,000
Second Quarter 2023	4.24	4.47	4.25	51,000
Third Quarter 2023	4.49	4.49	4.49	3,500
Fourth Quarter 2023	6.00	6.08	6.06	25,000

CFO Report:

# 2023 year-end results strong for LACP

All of the facilities in which Lake Area Corn Processors has ownership had increased profitability as the industry experienced strong margins during the summer and fall 2023.

Revenues were lower as prices for ethanol, distillers grains, and corn oil were weaker. Decreases in corn and natural gas fell also, outpacing sales values. The net effect, increased gross profits and net income.

Dakota Ethanol finished 2023 production with 99 million gallons, up from 92 million in the prior year as the 2022 expansion project increased production.

Ringneck Energy generated strong profits for 2023 despite four months of explosion-related downtime. Business interruption insurance compensated for the profits from the lost production. The insurance claims continue to be settled into 2024.

Guardian Energy in Hankinson, N.D., also experienced strong profitability and our increased ownership for the fourth quarter enhanced LACP's net income and cash flows.

Total assets increased with strong profitability and the additional carrying value of our investment in Hankinson.

Long-term liabilities increased as we borrowed to fund the acquisition of the additional interest in the Hankinson plant.

Cash distributions paid in 2023 were \$0.50 per unit and are followed by \$0.30 per unit paid in March 2024.

Capital unit values increased during 2023.

—Rob Buchholtz, CFO

Balance Sheet Data	2023	2022
Current Assets	\$61,486,747	\$59,455,069
Total Assets	193,384,154	156,406,527
Current Liabilities	37,989,725	45,460,292
Long-Term Liabilities	20,001,000	2,998,229
Member's Equity	135,393,429	107,948,006
Book Value Per Capital Unit	4.57	3.64

Statement of Operations	2023	2022	2021
Revenues	\$280,440,962	\$282,564,697	\$258,989,603
Gross profit	35,714,291	26,853,716	51,713,988
Net Income	42,381,393	27,301,957	57,086,286
Capital Units Outstanding	29,620,000	29,620,000	29,620,000
Net Income Per Capital Unit	\$1.43	\$0.92	\$1.93
Distributions Per Capital Unit	\$0.50	\$1.11	\$0.30

## Ethanol in the News

### U.S. ethanol consumption up in 2023

Data released on Feb. 29th by the Energy Information Administration show that U.S. ethanol production and consumption rose nearly 2 percent in 2023 to reach their highest levels since 2019, while the blend rate (i.e., the national average ethanol content of gasoline) hit a record 10.39 percent, pushing further above the hypothetical 10-percent "blend wall." U.S. ethanol output grew to 15.62 billion gallons (bg), and domestic usage increased to 14.25 bg.

Once again, the ethanol blend rate exceeded 10% each month, twice approaching 10.70 percent. This progress is the result of continued expansion in the number of retail stations offering E15, a blend containing 15% ethanol that is typically priced at a significant discount to regular unleaded gasoline, together with waivers by the Biden administration allowing E15 to be sold year-round. Additionally, EIA's estimate of E85 sales hit a record

high, as ethanol flex fuels such as E85 have been especially popular in California under the state's Low Carbon Fuel Standard.

### E15 support in the House

The Renewable Fuels Association today thanked a large, bipartisan group of 31 lawmakers, including South Dakota Congressman Dusty Johnson, who asked House leadership to advance a legislative solution that would allow the voluntary sale of lower-cost, lower-carbon E15 year-round nationwide.

"We thank Reps. Mariannette Miller-Meeks, Nikki Budzinski, Adrian Smith and Mark Pocan for their leadership, along with the dozens of others who are part of this effort," said RFA President and CEO Geoff Cooper. "E15 reduces fuel costs for American families while also lowering emissions. Allowing year-round availability of lower-cost, lower-carbon E15 should be an easy lift. We urge Speaker Johnson to work with the bipartisan House Biofuels Caucus to move commonsense legislation forward quickly, so families on the road this

summer can enjoy the economic and environmental benefits of E15."

### SAF's potential in S.D.

In a significant boost to South Dakota's economy, the SD Ethanol Producers Association share the promising economic impacts from the Sustainable Aviation Fuel (SAF) industry, as revealed by a Decision Innovation Solutions (DIS) study, released in February.

The introduction of SAF production, particularly from fats, oils, and greases (HEFA-SAF) and ethanol-to-jet (ETJ-SAF), is set to escalate ethanol production capacity in South Dakota remarkably. The potential includes an additional 400 million gallons of ethanol capacity and the establishment of new ETJ-SAF plants utilizing 426 million gallons of ethanol yearly that would require an additional 147 million bushels of corn. This also opens doors for the construction of one or more HEFA-SAF plants in South Dakota, capable of processing the soybean oil from 167 million bushels of soybeans.