

# Dakota ETHANOL



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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:

# Distribution approved, enclosed

## Company increases investment in Hankinson plant

As shown in the financial recap for the third quarter of 2023, financial results for the quarter and 2023 year-to-date have been very solid. I am pleased to share that the Board has approved a \$.30 per unit distribution totalling \$8,886,000; your share of the distribution is enclosed with this mailing. This is the third distribution paid to members in 2023, bringing total distributions for the year to \$14,810,000 or \$0.50 per unit.

Harvest is complete in our area. The new bin completed late last year has been put to good use to support our production needs. With the addition of the eighth fermenter last year we have seen consistent throughput at the 100

million gallon per year production rate.

We continue to value and benefit from our collaborative partnership with other members of the Guardian Energy Management company, which manages our investment in the Hankinson, North Dakota facility. Recently one of the members made the decision to sell their ownership to the remaining 5 owner/members. Lake Area Corn Processors exercised its rights to increase ownership in the Hankinson plant. On September 29, 2023, LACP invested \$44 million to purchase additional units of the Hankinson facility increasing our ownership percentage to about 27% of this plant. A combination of debt and cash from operations will be used to fund this investment.

—Scott Mundt, CEO

## Nomination deadline coming Jan. 1

Deadlines are approaching for member nominations or proposals to be considered at the 2024 meeting of Lake Area Corn Processors/Dakota Ethanol.

Manager nominations must be made on a Manager Nomination Petition and submitted by January 1, 2024.

Members who intend to present a proposal

at the 2024 annual meeting of members, without including such proposal in the annual meeting information statement, must provide notice of such proposal no later than January 24, 2024.

Lake Area Corn Processors reserves the right to reject, rule out of order, or take appropriate action with respect to any proposal that does not comply with these and other applicable requirements.

## Trading volume down second half of FY 2023

There are 29,620,000 capital units issued and outstanding. The following table contains information concerning completed unit transactions that occurred since Q4 2022. There was no trading activity during Q4 2023. Units traded during that time represent just 0.33 percent of the total units outstanding.

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
Fourth Quarter 2022	3.90	3.95	3.92	30,000
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

CFO Report:**Strong Q3 performance improves YTD results**

Along with the increased production made possible by Dakota Ethanol's most recent capital improvement, profitability for the year increased due to strong third quarter performance.

Ethanol values were stable with summer driving demand, though coproduct values were lower following lower corn prices.

Our third quarter performance was primarily driven by lower corn and natural gas prices. Margins were strong for both Dakota Ethanol and the Hankinson, N.D. plant in which LACP has an ownership share. Ringneck Energy, another plant in which LACP has ownership, had a fire in July and was down during the third quarter to repair the damage.

Our operating notes with Farm Credit Services of America were amended in September 2023 to increase our borrowing capacity to support Dakota Ethanol operations and to facilitate the acquisition of the additional interest in Hankinson.

**Tax return timeline:**

Members should expect their K-1 statements to be available around Feb. 15, 2024, similar to past years.

—Rob Buchholtz, CFO

Balance Sheet Data	9/30/23	12/31/22
Current Assets	\$19,539,445	\$59,455,069
Total Assets	161,850,852	156,406,527
Current Liabilities	21,506,440	45,460,292
Long-Term Liabilities	10,285,762	2,998,229
Member's Equity	130,058,650	107,948,006
Book Value Per Capital Unit	4.39	3.64

Statement of Operations	Nine Months Ended 9/30/2023	Nine Months Ended 9/30/2022
Revenues	\$218,936,367	\$214,098,692
Gross Profit	24,006,963	18,930,306
Net Income	\$28,160,614	\$19,297,865
Capital Units Outstanding	29,620,000	29,620,000
Net Income Per Capital Unit	\$0.95	\$0.65
Distributions Per Capital Unit	\$0.20	\$0.91



Wishing

# HAPPY HOLIDAYS



and a

# PROSPEROUS NEW YEAR

to all of our members, neighbors and friends.

