



Summer 2025

STAY TUNED.

LSCP achieved \$8.5M in profit for the quarter that just ended as industry margins tracked seasonal trends. Ethanol industry production remains robust while gasoline demand stayed near levels consistent with a year ago. The ethanol industry did set another production record in June when it operated at the equivalent of a 17.2 BG annualized rate for one week. U.S. ethanol exports totaled 890 million gallons through the first five months of the v2024 - which was an industry record ethanol exports year. Records are meant to be broken!

LSCP announced a future investment in its corn oil extraction equipment on May 21st and will be adding ICM's FOT process to the Marcus plant. All aspects of that project are on track for completion by spring 2026. Corn oil is the most valuable product coming out of an ethanol plant on a per pound basis and it is anticipated that the plant corn oil yield will step change from 1.0 pound per bushel closer to 1.3 pounds per bushel once the system is online.

Cherokee County commenced construction on paving three miles of F Avenue from 480th Street to County Road C16 during the quarter. LSCP made the \$1M payment to Cherokee County per the June 2016 Agreement. Cherokee County intends to have the project finalized by later this year.

The corn receiving and storage capital project is progressing well and is still on track for completion by October 1, 2025. The automated RFID card reading system was launched during the quarter for both inbound corn trucks and outbound distillers' shipments and will also be a feature of the new facility. The process to hire two scale operators to work in the new probe shack is underway with more than 20 applications received to-date. I'm pleased to report the plant remains fully staffed although the company continues

to invite applications for maintenance and electrical roles as we develop our organization for retirement succession planning purposes.

The accounting and maintenance teams have been working in overdrive to stand-up internal recordkeeping and reporting systems as it relates to tracking where time is spent constructing, altering, or repairing components of the clean fuel production facility. This is necessary to maximize the potential of the 45Z clean fuel production tax credit which requires taxpayers to meet prevailing wage regulations. It was not surprising to learn that LSCP's wages and benefits were already at levels that exceed many of the thresholds because the ethanol industry has always created good jobs that pay above average manufacturing wages. We are proud of that!

With the One Big Beautiful Bill now signed into law and the 45Z tax credit extended an additional two years, it is probable that the U.S. Treasury will be issuing new rulemaking bulletins that will specify the details of what the 45Z credit means to LSCP investors in 2025. The legislation did nothing to enable farm practices to lower 45Z carbon intensity fuel scores, so unless the new Treasury rulemaking puts farm practices into action, they remain sidelined and disabled. Until the latest Treasury rulemaking is released, the message is simple. Stay tuned.



Nick Bowdish
President & CEO

FINANCIAL METRICS

Three Months Ended (Q3) FY 2025 vs FY 2024:

- ▶ Total revenues drop 8% – The main source of the drop was ethanol price as the increase in corn oil production and value offset the reduction in distiller value
- ▶ Production costs had savings of approximately 6.5% - Those savings coming from purchasing corn for 12¢ less per bushel and having fewer repairs to the facility

Nine Months Ended (June 30th) FY 2025 vs FY 2024:

- ▶ Total revenues were down ~\$12M – The 6% increased production of ethanol could not overcome the drastic fall in value of distiller grains

Production Metrics

- ▶ LSCP continues to stay strong with great improvement over the previous fiscal year

Unit Trading

- ▶ There were 100 units traded in the quarter-ending June 30, 2025. The average trading value was \$1,000/unit. If you are interested in selling or buying units, please contact FNC Ag Stock LLC at 701-780-2828.

Please be sure to contact LSCP if you have updated contact information to help ensure you receive information in a timely manner.

SUMMARY OF OPERATIONS	3 Months Ended 6/30/2025	3 Months Ended 6/30/2024	9 Months Ended 6/30/2025	9 Months Ended 6/30/2024
Total Revenues	\$84,710,062	\$91,577,004	\$256,235,918	\$268,073,874
Gross Profit (Loss)	\$9,468,522	\$11,206,672	\$19,401,261	\$22,625,054
Net Income (Loss)	\$8,569,467	\$10,149,208	\$16,163,938	\$20,653,919
Net Income(Loss)/Unit	\$32	\$37	\$60	\$76
Distribution/Unit	\$-	\$-	\$40	\$80

BALANCE SHEET	As Of 6/30/2025	As of 9/30/2024	KEY METRICS	3 Months Ended 6/30/2025	3 Months Ended 6/30/2024
Current Assets	\$79,009,763	\$87,722,235	Ethanol Yield (Gal/bu)	3.07	2.96
Total Assets	\$225,056,030	\$221,985,720	Ethanol Production (Gal/day)	476,740	465,105
Current Liabilities	\$21,040,930	\$22,693,833	Ethanol Production MGY	168.3	164.1
Long-Term Liabilities	\$1,779,582	\$2,231,973	Natural Gas (BTU/gal)	21,687	22,069
Members' Equity	\$202,235,517	\$197,060,094	Grid Electricity (KW/gal)	0.553	0.581
Book Value/Unit	\$746	\$727	Corn Oil (Lbs/bu)	1.060	1.043

The LSCP Board of Directors

DECLARED A \$40 PER UNIT DISTRIBUTION

at its July meeting for members of record as of July 22, 2025.



CORN RECEIVING AND



The lane 3 pit is shown here. Once grating is installed, it will be ready to devour your semi load of corn.



A view from inside the bin. 156 feet wide is panoramic!



The new probe shack will house two scale operators and the three-person commodities team – Jake, Kody and Blake.



The new probe shack interior view.

STORAGE EXPANSION PROJECT



Corn will travel from the new facility to feed the plant across the railroad tracks. All aboard!

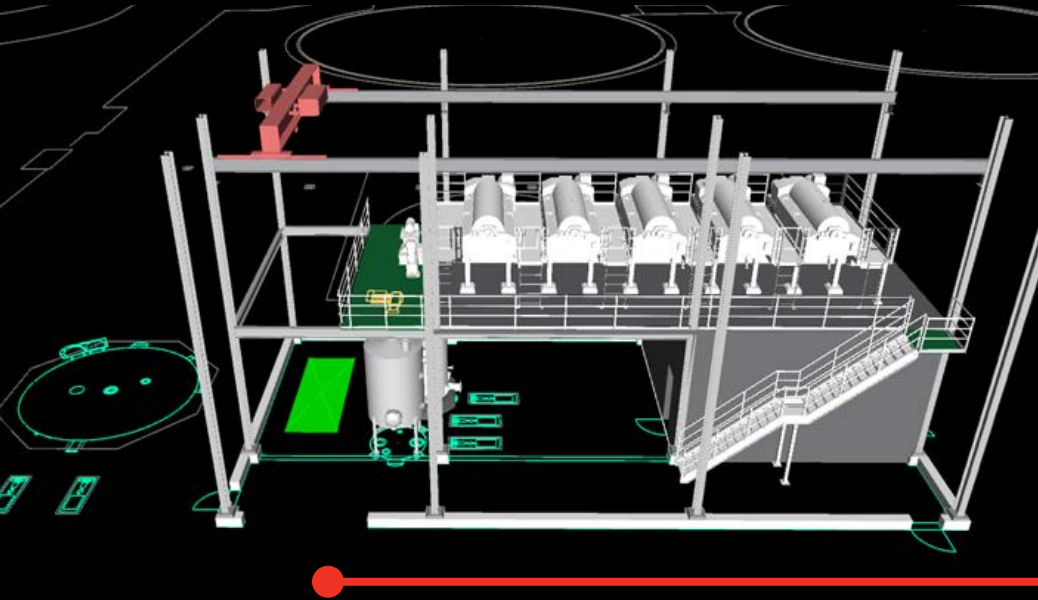


The scale decks inside the receiving building were poured in concrete in mid-July.



The base of Bin 1 is nearing completion and the bin erectors will return August 4th to go to work.

LSCP PROJECT ANNOUNCEMENT

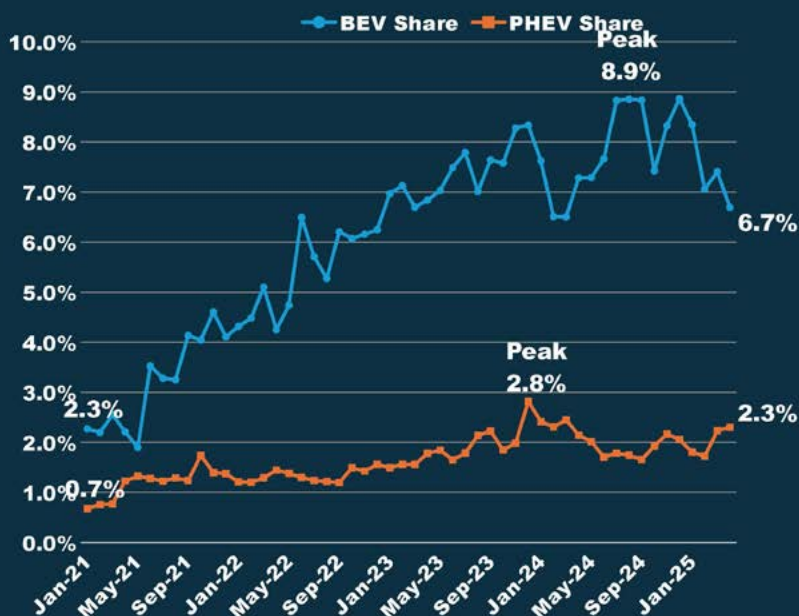


- ▶ Contractors mobilize fall 2025.
- ▶ Completion by April 1, 2026.

- ▶ ICM FOT project selected to increase corn oil yield.
- ▶ Contract is signed and construction air permit is approved.



Monthly BEV and PHEV Share of New LD Vehicle Sales



Mercedes Is Walking Back Its All-EV Future to Invest in 'High-Tech Combustion'

Just a few years after "switching from EV-first to EV-only," Merc says it's throwing its weight behind further ICE development.

McKinsey: 46% of U.S. EV owners want to switch to ICE vehicles

Used EV Prices in Freefall

Dealers should plan to discount heavily to clear inventory, reports iSeeCars.



EVs won over early adopters, but mainstream buyers aren't along for the ride yet

CONSUMPTION, CREDITS AND COURTS

The past quarter included a frenzy of policy updates, changes, proposals and court decisions. Here is a recap of some of the most influential decisions that impact the ethanol industry:

- » The EPA proposed blending volumes for 2026 and 2027 under the Renewable Fuels Standard. The proposed volumes would support an increase of over 2B gallons of biomass-based diesel sending a strong signal to support future corn oil prices. The proposal also includes the debut of a rule that fuels produced from foreign feedstocks only generate ½ RIN per gallon which would work to disincentivize imports of tallow, used cooking oil, and Brazilian sugarcane ethanol. The proposed volumes will not be finalized until Fall 2025. See Figure A.

Proposed Volume Requirements 2023 – 2027 (billion RINs)					
Billion RINs	Volume Requirement Established in Set 1 Rule			Proposed Volume Requirements	
	2023	2024	2025	2026	2027
Cellulosic biofuel	0.84	1.09	1.38	1.30	1.36
Biomass-based diesel (RINs)	4.51	4.86	5.36	7.12	7.50
Biomass-based diesel (gallons) – projected	2.82	3.04	3.35	5.61	5.86
Advanced biofuel	5.94	6.54	7.33	9.02	9.46
Total renewable fuel	20.94	21.54	22.33	24.02	24.46
Conventional (implicit mandate)	15.00	15.00	15.00	15.00	15.00

Figure A

- » One Big Beautiful Bill becomes law on July 4th and this legislation has major consequences on tax policy.

- » Eliminates the \$7,500 electric vehicle tax credit. EV sales have started to decline as a percentage of new car sales and this policy change will likely lead to that continued trend. See Figure B.
- » Takes the guillotine to the SAF tax credit and cuts its value from \$1.75 per gallon down to a maximum of \$1.00 per

gallon which is the same as on road transportation fuel. Turning corn ethanol into SAF made no economic sense before this policy change and its coffin just got '75' of dirt put on top of it with this policy change.

- » Extends the 45Z tax credit to December 31, 2029 while requiring all fuels and feedstocks used to produce the fuels be produced or grown in the United States, Canada or Mexico. Another effort to disincentivize importing used cooking oil and tallow.
- » Reinstates the small producer biodiesel tax credit which would pay \$0.20 per gallon on the first 10M gallons of biodiesel produced.
- » The Supreme Court ruled in favor of the ethanol industry that lawsuits surrounding the Renewable Fuel Standard must be argued in the DC Circuit Court and the Supreme Court denied the oil industry's request to go argue these matters throughout the country depending on where the oil refinery was located. This should keep the legal arguments in front of unbiased judges and out of Texas courtrooms.
- » The Supreme Court ruled in favor of EPA as it related to the EPA's 2023-2025 RFS volume standards. The oil industry had challenged the EPA's authority to set blending volumes above statutory requirements. This ruling also compels the EPA to update its 2010 GHG modeling which it had still relied upon for the ruling. This update will show greater GHG savings by displacing gasoline with ethanol and helpful in the future.
- » AB30 legislation passes the CA House unanimously and is working its way through the CA Senate. The legislation, if enacted, would make E15 a legal fuel in CA upon the Governor's signature and act to supersede CARB's unbearable regulatory intransigence.



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CREATING MEMORIES

From tickets to county fairs to celebratory gifts upon birth, LSCP appreciates its employees who are doing the hard work.

