



Summer 2023

Nick Bowdish

NAMED PRESIDENT AND CEO

I'm honored to be writing to you today from this leadership position at your Company and to have the opportunity to provide the owners of Little Sioux Corn Processors an update. My background as it relates to the ethanol industry begins in 2004 as an investor, just like you, followed by a business development role at Fagen, Inc. and then beginning my ethanol plant management career in Arthur, IA in 2008. I grew up around agriculture as the son of a grain elevator manager and the agriculture industry has been a passion of mine ever since.

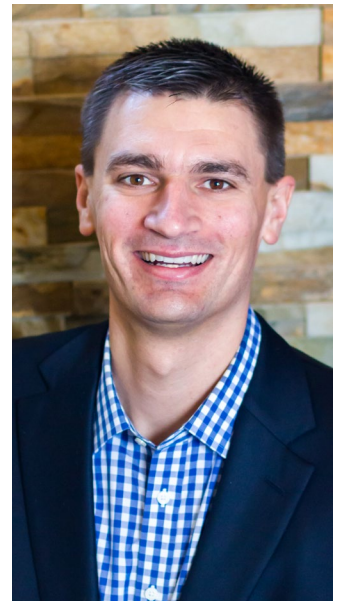
It is exciting to join the employees and begin to review both internal and external opportunities for the Company. The 2019 – 2021 investment in protein production is multi-faceted and undoubtedly will consume my time and attention as I come up-to-speed with our team and business partners. The infrastructure to receive corn and manage rail logistics are top of mind to prepare the plant for the future in agriculture.

Little Sioux Corn Processors has a few operational improvement projects underway that will be incorporated into the plant including the addition of another corn oil extraction centrifuge and adding a piece of equipment that enables better mixing of syrup with distillers grains. The plant recently commissioned a new well and retired an original one. The staff is beginning to utilize the new spare parts warehouse and organize the Company's existing inventory.

Little Sioux Corn Processors has opportunities in the near future and many of them are driven by federal tax policy. I would encourage each of you to discuss with your personal tax preparer the reality that LSCP K-1s will likely not be readily available by future March 1st filing deadlines. The path for you to discuss with your own tax preparer is making estimated payments and filing extensions. Little Sioux Corn Processors will provide investors with information each winter via newsletter or other written communications to assist you with your estimates. The Company must attempt to squeeze out every last bit of financial opportunity to be sustainable and with that will come the inconvenience, but worthwhile tasks associated with estimated payments and filing final returns once the juice has been squeezed. Again, please discuss with your own tax preparer ahead of time.

The industry is seeing robust demand for its products despite the fact that 7% of all new vehicles sold so far in 2023 were electric. The nationwide fleet on the road today is still only 1% electric and consumer demand is starting to wane on electric vehicle purchases even though greater rebates and subsidies are being thrown at that segment of the market. Consumers want mobility. Charge times and battery range do not match the mobility liquid fuels offer.

On behalf of all the employees, thank you for the opportunity to work at Little Sioux Corn Processors and for entrusting your investment to our future care. I look forward to meeting many of you at the annual shareholders meeting in the spring of 2024.



A handwritten signature in blue ink, appearing to read 'Nick Bowdish', written in a cursive style.

Nick Bowdish
President & CEO



ETHANOL'S LEFT OUT

The National Corn Growers Association (NCGA) today (July 11th) joined over 90 other trade groups representing diverse businesses across the transportation sector in urging the Biden administration to reverse course on its proposed tailpipe emissions standards for light, medium and heavy-duty vehicles.

In a letter to President Biden, the organizations outlined significant concerns with the EPA's proposed rules and the need to preserve consumers' access to affordable, reliable, and efficient transportation.

"We share the goal of reduced greenhouse gas emissions across the broader economy and, specifically, those from energy production, transportation, and use by society," the letter states. "EPA's proposals inhibit the marketplace from identifying the most efficient, lowest cost opportunities to reduce GHG emissions from vehicles and greatly restrict consumer choice. We are concerned that such a prescriptive policy is not in the best interest of the consumer or of U.S. energy and economic security."

SEE FULL LETTER ON [NCGA.COM](https://www.ncga.com)

The letter also expressed concerns with EPA's narrow focus on electric vehicles to achieve compliance and highlighted the benefits of evaluating a broader range of emissions reductions pathways.

"A diversified portfolio of vehicle and fuel technologies that meets the multitude of transportation needs of Americans and makes meaningful GHG reductions can be achieved while also allowing new zero-emission vehicle, and specifically battery electric vehicle, technologies to advance," the signatories wrote. "Improved crop yield, innovative biofuel and refined product processing, and manufacturing efficiency tied with carbon capture each represent promising advancements for current liquid and gaseous fuels to continue to accelerate emissions reductions."

Brooke S. Appleton, NCGA vice president of public policy, participated in a press conference on the issue today with leaders from the American Petroleum Institute, the U.S. Chamber of Commerce and the American Fuel & Petrochemical Manufacturers. The group talked about the letter and called on the Biden administration to be more inclusive of ethanol and other environmental solutions as it finalizes the proposal.

NCGA and state corn grower leaders have worked to educate EPA about how biofuels can help the Biden administration meet its environmental goals. NCGA submitted comments to EPA and its grassroots advocate network sent more than 2,822 letters to the EPA during the comment period. In all its outreach, NCGA has made clear that ethanol, which is critical to rural economies, can help lower greenhouse gas emissions while saving consumers money at the pump.

SOURCE [NCGA.COM](https://www.ncga.com)



FINANCIAL HIGHLIGHTS

In comparing Q3 FY 2023 vs Q3 FY 2022, the reduction in netbacks lead to a 10M change. While our ethanol and distillers production was steady, we've seen a decrease in netback for both, ethanol seeing a 9.4% reduction along with distillers down 13.4%. At the same time, corn oil production jumped 31.5% but lost value by 46.6%.

When we compare COGS for the periods, we were able to capture savings in corn and natural gas costs. Corn cost us 21¢ a bushel less in Q3 FY 2023 than it did in Q3 FY 2022 with our grind stable. Natural gas usage was consistent, yet the costs dropped 159%.

For the 9-Months Ended FY 2022 vs 9-Months Ended FY 2023, we had a substantial swing. The drivers of that swing are once again, ethanol netback and corn cost. The combination of a 19% loss in ethanol revenues with an 11% increase in corn cost is noticeable.

We continue to have a strong working capital near \$39M after the June 2023 distribution.

Glancing at the key metrics, corn oil yield shows a significant variance. In April through June 2022, we were working through operational issues and experienced the lowest corn oil production levels we've had in years.

For the quarter-ended 06/30/2023, we had 2,465 units trade at an average of \$800/unit.

If you are interested in selling or buying units, please contact FNC Ag Stock LLC at 701-780-2828.

SUMMARY OF OPERATIONS	3 Months Ended 6/30/2023	3 Months Ended 6/30/2022	9 Months Ended 6/30/2023	9 Months Ended 6/30/2022
Total Revenues	\$124,597,267	\$135,458,224	\$363,034,057	\$400,407,201
Gross Profit (Loss)	\$11,170,217	\$16,744,368	\$20,422,785	\$83,422,676
Net Income (Loss)	\$14,857,457	\$29,323,803	\$25,208,827	\$71,875,616
Net Income(Loss)/Unit	\$55	\$108	\$93	\$265
Distribution/Unit	\$25	\$55	\$150	\$135

BALANCE SHEET	As Of 6/30/2023	As of 9/30/2022	KEY METRICS	3 Months Ended 6/30/2023	3 Months Ended 6/30/2022
Current Assets	\$65,931,449	\$74,923,030	Ethanol Yield (Gal/bu)	2.97	2.96
Total Assets	\$201,660,686	\$213,912,335	Corn Oil (Lbs/bu)	1.07	0.80
Current Liabilities	\$26,952,246	\$23,752,972	Ethanol Production (Gal/day)	454,547	454,600
Long-Term Liabilities	–	–	Ethanol Production MGY	160.4	160.4
Members' Equity	\$174,708,440	\$190,159,363	Natural Gas (BTU/gal)	22,588	22,844
Book Value/Unit	\$645	\$702	Grid Electricity (KW/gal)	0.71	0.69

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



IOWA SECRETARY OF AGRICULTURE

Mike Naig



"The EPA's final RFS volumes fail to meaningfully expand access to homegrown, domestic sources of energy like ethanol and biodiesel. While the increased blend levels for biodiesel and renewable diesel in this final rule are a slight improvement, the targets are still below production and usage levels. Additionally, the Biden Administration chose to do so at the expense of ethanol, therefore pitting one biofuel against another. Biofuels reduce costs at the pump for consumers, are cleaner burning for our environment, support our rural communities and move our country closer to energy independence. It's unfortunate that the Biden administration fails to fully support these significant and widespread benefits for both farmers and consumers."

MEMO LSCP UNIT TRANSFER RESTRICTIONS

Little Sioux Corn Processors, LLC (the “**Company**”) would like to remind its members (the “**Members**”) that any transfer of the Company’s Units is subject to transfer restrictions. This includes trades executed through FNC AgStock, private sales, gifts of units, transfer of units to family members due to death, and estate planning transfers. There are several transfer restrictions, as set forth below, required by the Company’s Fifth Amended and Restated Operating Agreement (the “**Operating Agreement**”), the Securities Exchange Commission (the “**SEC**”) and the Internal Revenue Service (the “**IRS**”).

IN GENERAL, MOST TRANSFERS WILL REQUIRE APPROVAL OF THE BOARD OF DIRECTORS OF THE COMPANY, WHICH APPROVAL IS AT THE SOLE DISCRETION OF THE BOARD.

Operating Agreement Restrictions.

Members cannot transfer Class A, Class B and Class C Units until:

- the transfer is approved by the Board of Directors in their sole discretion;
- the transfer is for a minimum of 120 (one hundred and twenty) Units of a single class to a single transferee or, if less, all Units of a single class owned by the Member proposing to transfer such Units; and
- the transfer meets the other conditions of the Operating Agreement.

Members cannot transfer Class D, Class E and Class F until:

- they first offer them to the Company for purchase on the same terms and the potential purchaser would like to purchase them (please see section 9.4 of the Operating Agreement which outlines this process); and
- the transfer is approved by the Board of Directors.

If the above requirements are not satisfied, the proposed transfer will not be permitted.

Transfers of units will also not be permitted if the transfer will result in the number of (i) Class A Unit Holders equaling 300 or more, or (ii) Class B, Class C, Class D, Class E or Class F Unit Holders equaling 500 or more. Staying under these thresholds maintains the termination of the Company’s reporting obligations to the SEC. Breaching these thresholds of Unit Holders would require the Company to re-register with the SEC and begin costly reporting obligations to the SEC.

There are several other reasons why the Board of Directors may block a transfer, including if the transfer would require the Company to be treated as a “publicly traded partnership” by the IRS, or the transfer would deem the Company to be treated as an “investment company” under the Investment Company Act of 1940.

It is important to read the Operating Agreement and to become familiar with the transfer restrictions stated there.

IN GENERAL, THE BOARD OF DIRECTORS LIKELY WILL NOT APPROVE TRANSFERS THAT INCREASE THE NUMBER OF UNIT HOLDES.

Please also note, if there is a transfer that the Board of Director approves, the Member transferring the Units and the transferee are still required to execute any documents the Company requires to transfer the units.

Estate Planning Options.

If you are considering a gift of Units or a transfer of Units to your family members upon death, please consult with your legal advisors on how a potential transfer can comply with the restrictions in the Operating Agreement so that the transfer may be approved by the Board of Directors.

Family LLCs / Family Trusts

Members that are a corporation, a limited liability company, a partnership, a trust or other organization count as one (1) holder. As a result, Members have created family LLCs and family trusts to hold Company Units to be counted as one Unit Holder, but ownership of the family LLC or family trust is owned by multiple family members.

Co-Owners

Spouses holding Units together count as one holder. If you wish to co-own your units with your spouse, this would not be prohibited.

Holders in a Voting Trust, Deposit Agreement or Similar Arrangement.

If units are held in a voting trust, a deposit agreement or a similar arrangement, each person who is a participant in such voting trust, deposit agreement or arrangement will be counted as a unit holder. The Board of Directors may block any transfers of units to a voting trust, a deposit agreement or similar arrangement.

Holders Holding Units with Institutional Custodians or Broker-Dealers.

If any Member holds units with an institutional Custodian, such as Cede & Co., the Custodian will not be a single Unit Holder. Each underlying beneficial owner of the account held by that Custodian will counts as a Unit Holder. The Board of Directors may block any transfers to new accounts with such institutional Custodians or other commercial depositories.

However, if the Units are held in street name by a broker-dealer, that broker-dealer will only be counted as one Unit Holder of record even though the broker-dealer may hold Units of multiple Unitholders.

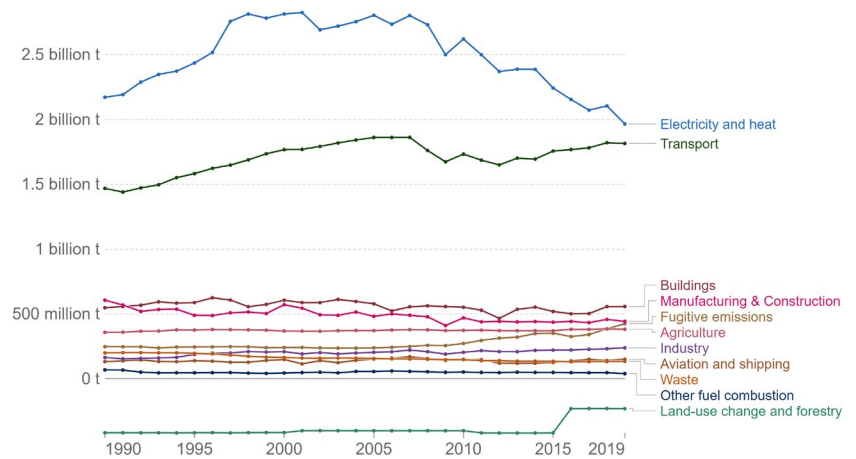
Prohibited Transfers.

Any transfer of Units that has not met the conditions of the Operating Agreement and is not permitted by the Operating Agreement, the SEC Rules and the IRS rules will have no effect and be null and void. Parties engaging or attempting to engage in a transfer that is not permitted shall be liable to indemnify and hold harmless the Company and the other Members from all cost, liability, and damage that the Company or any of the other Members may incur because of such transfer or attempted transfer.

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. Diesel consumption makes up about 26% of carbon dioxide emissions from our country's transportation sector. If successful, a market using billions of gallons of liquid fuel will be opened to ethanol.

Greenhouse gas emissions by sector, United States

Emissions are measured in carbon dioxide equivalents (CO₂eq). This means non-CO₂ gases are weighted by the amount of warming they cause over a 100-year timescale.



Source: Our World in Data based on Climate Analysis Indicators Tool (CAIT).
OurWorldInData.org/co2-and-greenhouse-gas-emissions • CC BY

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 NO_x emissions, meeting next-generation emission standards.

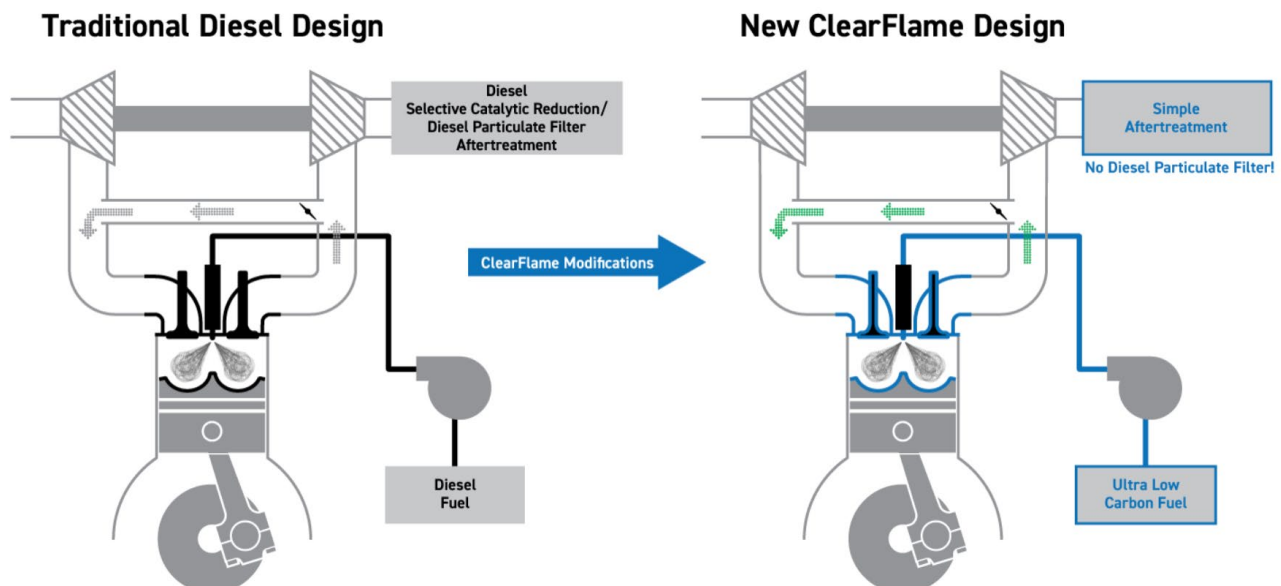


Photo source: ClearFlameEngines.com

THE NEXT BIG THING!

Along with the direct environmental impact of their technology, ClearFlame has made it possible for engine manufacturers 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.

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. 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.

INVESTMENTS

John Deere announced in October of 2021 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, Breakthrough Energy Ventures, Mercuria Energy Group and Clean Energy Ventures invested a total of \$17 million in Series A financing. 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.

In March 2023, ClearFlame secured \$30 Million in Series B funding, led by Mercuria and Breakthrough Energy, both companies reinvesting in the new technology, and a few new investors.

"ClearFlame continues gaining momentum with technology that heavy-duty equipment users can deploy to more quickly and affordably meet critical ESG goals," said BJ Johnson, ClearFlame Chief Executive Officer and company co-founder. "Federal Department of Energy funding moved us from concept to patent. Series A funding propelled us from patent to pilot. This latest investment round can accelerate us from pilot to proven product in multiple markets, starting with long-haul trucks."

SOURCE ClearFlame Engine Technologies



LITTLE SIOUX CORN PROCESSORS

4808 F Avenue, Marcus, IA 51035

(712) 376-2800 | littlesiouxcornprocessors.com

PRSRT STD
U.S. POSTAGE
PAID
LE MARS, IA
51031
PERMIT NO. 29

Call us daily for current corn bids. We have a large supply of distillers grains on hand at all times - Contact us for your distillers grains needs.

BOARD OF DIRECTORS

Steve Core, Chair • Frost, MN

Myron Pingel, Vice-Chair • Cherokee, IA

Tim Ohlson, Secretary • Meriden, IA

Dale Arends • Newell, IA

Ray Bradbury • Decatur, IL

Vince Davis • Spirit Lake, IA

Darrell Downs • Marcus, IA

Daryl Haack • Primghar, IA

Doug Lansink • Arthur, IA

Harold Post • Holstein, IA

Ron Wetherell • Cleghorn, IA

MEET HAROLD POST, OUR NEWEST DIRECTOR



Little Sioux Corn Processors (LSCP) is pleased to welcome our newest director, Harold Post, of rural Holstein. Harold brings a unique skill set and perspective to LSCP, thanks to his many years in farming and education.

Harold also embodies many key traits of an effective board member, including:

- **A passion for the mission.** Harold grew up on a farm near Ocheyedan, Iowa. He started a farrow-to-finish swine operation in 1974, and purchased farmland through the years. He formed a farming partnership in 1990 with his son-in-law, Curt Phillips. Today, Harold, his wife, Everly, (a retired educator), Curt, and one employee run the family's corn and soybean farm. They also have pasture acres for their 250-head cow-calf herd, plus they finish the calves out. In addition, Harold was an early supporter of LSCP, purchasing stock when the business was created in the early 2000s.

- **The ability to set a vision and clarify goals.** Harold served as an educator from 1972 to 2010. He started as a junior high math/physics teacher at Bridgewater-Fontanelle Community Schools

for two years. He spent the next 36 years in Galva-Holstein Schools, where he taught high school mathematics, served as an elementary principal for 14 years and superintendent for 10 years. Harold has not only worked with boards during his education career, but he has served on various boards, including the Galva-Holstein Education Foundation Board since 2000. He's also a past board member of Siouxland Human Investment Partnership (SHIP).

- **A willingness to learn.** Harold earned his accounting/mathematics degree from Ferris State University in Michigan and took additional math and physics classes at Iowa State University. After earning his master's degree in mathematics from Mankato State University, he completed the doctor of education program at University of South Dakota, with an emphasis on administration. "I look forward to learning more about LSCP and the biofuels industry," he says.

- **Serving as an ambassador for the organization.** Harold sees continued demand for biofuels. It's also important to explore opportunities as carbon pipelines and electric vehicles evolve, he says. "Ethanol is a renewable resource that continues to provide jobs and marketing opportunities for corn farmers. It's a bright spot for rural Iowa."