



February 2021

Summary from the Annual Meeting

Three incumbent directors Rob Davis, Cy LeFevre and Dale Schwieterman were elected to serve an additional three-year term. The members also approved the endorsement of the compensation of our executive officers.

For the calendar year tax purposes, ordinary income ended at \$575 per unit. This is the amount that was reported on the K-1 mailed at the end of January.

Jeff Painter, CEO, reported on Cardinal's tenacity through a tough year faced with a pandemic. Jeff noted Cardinal's call to action as we were quick to work with other partners in dispensing ethanol for sanitizer. Jeff continued to summarize operational achievements including denatured ethanol yields, BTU's/gallon, and ethanol gallons produced. He also outlined major capital projects that are planned for the upcoming fiscal year. Bill Dartt, CFO, reported on the financials for FY 2020 and the First Quarter of 2021. Bill discussed the comparative Income Statements, Balance Sheets, and Statements of Cash Flow. He went over the book to tax differences and how member's taxes are affected. He also broke down the balance sheet and working capital in greater detail and discussed how cash is being used and appropriated. After his financial presentation, Bill went on to discuss market conditions and the relationship between corn and ethanol prices for the fiscal year.

After the operations and financial discussion, Rob Davis, Chairman of the Board, discussed a breakdown of members and their unit holdings and recent unit trading. Rob also discussed the new administration and the outlook for the ethanol industry. Rob touched on ethanol inventories and demand, corn prices, and global destinations for ethanol exports. The looming topic of electric vehicles was also discussed. Rob noted that although U.S. Energy Information Administration projections show electric vehicles will increase market share, even by 2050, the majority of all vehicles on the road are predicted by the EIA to still be gasoline powered.

After the presentations were concluded, Rob Davis entertained questions of the members.

Rob Davis adjourned the Cardinal Ethanol Annual business meeting at 7:00 p.m.

Distributions

At the February 9th meeting, the Board approved a distribution of \$150 per unit for holders of record at the close of business on that date for a total distribution of \$2,190,900. This distribution is expected to be paid by the end of February. Please remember to keep us updated with your current contact information for accurate distribution posting. Also, please be mindful of checking Cardinal's website and/or SEC website to find out current distribution status prior to calling the office. For investor related questions, please call Cardinal's office and ask to speak with Bill Dartt or Ashleigh Lawrence.

Quarter Ended December 31, 2020 Financial Results

Below are the condensed income statements and balance sheets from our annual report filed on Form 10-Q for the quarter ended December 31, 2020. Some of the highlights and key information from the fiscal year include:

- Net loss was approximately \$1 million or about (\$72) per unit for the quarter December 31, 2020, compared to a net income of approximately \$1.6 million or about \$112 per unit for the fiscal quarter ended December 31, 2019.
- We experienced an increase in ethanol gallons sold of 15% for the quarter ended December 31, 2020 as compared to the same period in 2019 resulting primarily from increased ethanol production rates for the period.
- The average price per gallon of ethanol sold for the quarter ended December 31, 2020 was approximately 6% lower than the average price for the same period in 2019, resulting primarily due to industry-wide production in excess of demand coupled with the COVID-19 pandemic.
- We experienced an increase in DDGS sold for the quarter ended December 31, 2020 as compared to the same period in 2019 of approximately 2% resulting from increased ethanol production.
- DDGS prices were up approximately 18% for the quarter ended December 31, 2020 compared to the same period in 2019.
- We experienced an increase in corn oil sold of approximately 21% for the quarter ended December 31, 2020 as compared to the same period in 2019 resulting primarily from increased efficiencies in corn oil production and increased volume of sales.
- Our revenues from soybean sales increased for the quarter ended December 31, 2020 as compared to the same period in 2019. This increase is primarily a result of an increase in bushels sold of approximately 377%. This increase is primarily due to conducive market conditions for selling soybeans for the period ended December 31, 2020.
- We used approximately 3% more bushels of corn to produce our ethanol, distillers' grain and corn oil in the quarter ended December 31, 2020 compared to the same period in 2019 due to higher ethanol production for the period.

- Corn prices increased 12% for the quarter ended December 31, 2020 compared to the same period in 2019, primarily due China's entry back into the market coupled with a smaller crop carryout from 2020's harvest.
- We used approximately 4% more natural gas for the quarter ended December 31, 2020 as compared with the same period in 2019.
- During the quarter ended December 31, 2020, we purchased approximately 188% more bushels of soybeans compared to the same period in 2019 primarily due to a cash price that was conducive to producer selling.

1st Quarter 2021 Financial Results *

Statements of Operations (Three Months Ended)

	<i>12/31/2020</i>	<i>12/31/2019</i>
Revenues	\$ 93,239,981	\$ 63,736,852
Cost of Goods Sold	<u>92,710,626</u>	<u>60,748,808</u>
Gross Profit	529,355	2,988,044
Operating Expenses	<u>1,812,657</u>	<u>1,694,742</u>
Operating Income (Loss)	(1,283,302)	1,293,302
Other Income	<u>227,448</u>	<u>345,458</u>
Net Income (Loss)	<u><u>\$ (1,055,854)</u></u>	<u><u>\$ 1,638,760</u></u>
Net Income (Loss) Per Unit	\$ (72)	\$ 112

Balance Sheets

	<i>12/31/2020</i>	<i>9/30/2020</i>
Assets	<u>\$ 164,413,399</u>	<u>\$ 129,737,278</u>
Current Liabilities	\$ 53,890,781	\$ 16,442,809
Long Term Debt	\$ 4,091,722	\$ 4,347,119
Member's Equity	<u>\$ 106,430,896</u>	<u>\$ 108,947,350</u>
Total Liabilities & Member's Equity	<u><u>\$ 164,413,399</u></u>	<u><u>\$ 129,737,278</u></u>
Book Value Per Share	\$ 7,287	\$ 7,459

*This information has been derived from the audited Financial Statements and accompanying notes included in our Annual Report on Form 10-K and the unaudited Financial Statements and accompanying notes included in our Quarterly Report on Form 10-Q, which are available at the SEC's website at: www.sec.gov. You can also access the Annual and Quarterly Reports at Cardinal's website: www.cardinalethanol.com.

More detailed financials and financial footnotes, along with other information, can be found in our quarterly and annual reports filed with the Securities Exchange Commission (SEC). These are available by linking from our website to the SEC website; simply click on “Investors” then “SEC Info”. Please call our office if you need any assistance in obtaining or understanding the reports.

Cardinal’s Employee Spotlight

This quarter’s employee spotlight is on our military personnel at Cardinal. Pictured left to right, top to bottom, Eric Hollopeter, Robert Cooper, James Smith, Ben Stewart and Tyler Trent. They are serving, or have served, our country and we are honored to employ their commitment and sacrifice at Cardinal. Eric currently serves in the Air Force, Robert Cooper is a veteran of the Marines, James Smith currently serves in the Army, Ben Stewart is a veteran of the Army, and Tyler Trent currently serves in the Army.

We thank these employees not only for the excellent work and effort they give to Cardinal, but for the dedication they have to our country.



CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS:

This communication contains forward looking statements regarding future events, future business operations or other future prospects. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from the statements made. Cardinal Ethanol disclaims any intent or obligation to update its forward-looking statements, whether as a result of receiving new information, the occurrence of future events or otherwise. Certain of these risk and uncertainties are described in our filings with the SEC which are available at the SEC's website at www.sec.gov.