Creating Energy
for Iowa and America.

September 8, 2022

Greetings All,

Lincolnway Energy had another successful quarter ended June 30th, 2022, despite high corn prices. The prices of our revenues far exceeded our expenses. Lincolnway Energy had record profits not only for the quarter but also for May and June.

Management strives for the plant to run at max capacity and most efficiently. The ultimate goal is to maximize profits through milestone goals established for Lincolnway.

While we are doing what we can to align both facilities of Husker Ag and Lincolnway Energy in the respective states, there are some inherent differences but, in those differences, diversity and strategic relationships are born.

I couldn't be more excited about the amount of collaboration that is continuing to form between staff members of both plants. Each facility has unique individuals that complement the whole.

For example, with all the delays and problems associated with parts and inventory we are constantly bringing materials back and forth between Plainview and Nevada, each plant often having on the shelf the parts or ingredients that the other needs. Why wait 6 weeks or have expensive overnight charges when we can load it up and bring it over. Rest assured though; the parts are ordered back by the consuming party into the other's inventory immediately.

We recently leased into a flying service and have made great use of that. What is typically a 3.5- 4-hour drive is now a 40-minute flight. It's great to be in Nevada in the morning and be home in Plainview that night. It's been great on staff as we can usually accommodate six employees for the day. While we have not needed to take the plane in a pinch, our pilot lives very close to Plainview and assured us that we could go in a short order if there was a plant emergency or something.

We also have regularly scheduled weekly production meetings as both plants jump on team video conferences to compare the facilities. Often each plant trials something and shares the results with the others to avoid trialing products that are not a fit.

Each plant has its own business parameters to meet the demands of the region, but we still find ways to spread the expertise and capitalize on the opportunities. For example, in Iowa we are operating a range cube line and we are leveraging our knowledge of the Nebraska cattle operations to market the cubes in an efficient manner.

Production in Nevada continues to meet milestones as we recently operated at a 93-million-gallon rate and are in the process of commissioning and building production equipment to run up to 95 million gallons soon. We also recently completed a very large principal debt reduction in Nevada, and I feel very comfortable now that we are at debt ratio that is extremely acceptable for the gallons that are being produced. Over 20 million dollars of debt reduction was made in 3 years!! That is down from 25 million outstanding debt leaving Lincolnway Energy's long-term debt at 5 million as of September.

Both Husker and Lincolnway plants are considering technology that will increase gallons even further, possibly by 10-20% and with California recently announcing that they have completed studies on allowing E-15 into their fuel mix I think our timing is good to increase production at both facilities. With where we are in the production levels at both locations, the time has come for us to consider increasing our distillation and dehydration capabilities.

Some of our project ideas that we have been pondering recently are on pause as we continue to evaluate the future of energy. Today it isn't a real big pay back on electrical generation as carbon has fallen over the past year due to renewable diesel and other low carbon fuels like RNG making a big push into California. However, with California recently releasing that they are eyeing being 30% less carbon by 2030 vs 20% previously, it's probably only a matter of time before carbon starts to go up again. Also, if electric vehicles continue to gain traction, electrons could also become lucrative.

Even though we are all quite aware that we could and probably will see profits shift I think we are really starting to refine our company as a whole. Both companies seem to be emerging stronger as a team than individually. The partnership that we have created between Nebraska and Iowa has really been a win-win. **That is something that may be a bit rare these days!!**

The results for both quarter end and nine months ending June 30th are contributed to a combination of the efficiency gains and decrease in our production costs along with the market conditions.

With our annual meeting's positive deregistration vote, Management filed the termination paperwork on June 21st, 2022. At this point we have not heard from the Securities and Exchange Commission (SEC) for their acceptance of our deregistration. The fall back if we do not officially receive an acceptance letter is the 90-day expiration. This means on September 21st, 2022, Lincolnway Energy is officially deregistered, through the 90 day no response to our request.

Financial Results:

Management continues to strengthen the balance sheet through increased working capital and term debt reduction. One key item to note post June 30th is an additional principle paydown of $5 million towards the term loan on August 5th, 2022. As stated above, Lincolnway Energy has reduced its term debt by $20 million. The outstanding balance three years ago was an estimated $25 million.

The other item this year is the distribution of $50.00 per unit on January 7th, 2022, and $25.00 per unit on May 23rd, 2022.

Balance Sheet	**9/30/2021**	**6/30/2022**
Total Current Assets	$29,432,521	$41,858,533
Net Property and Equipment	$35,971,396	$38,102,833
Total Assets	$72,859,396	$86,001,898
Total Current Liabilities	$13,127,118	$12,457,705
Total Long Term Debt	$20,512,827	$13,114,766
Member's Equity	$39,219,391	$60,429,427
TOTAL LIABILITIES & EQUITY	$72,859,336	$86,001,898
Book Value /Unit	**$373**	**$575**

Income Statement	**Quarter Ended June 30th, 20222**	**Quarter Ended June 30th, 2021**	**Nine Month Ended June 30, 2022**	**Nine Month Ended June 30th, 2021**
Total Sales	$69,131,297	$52,581,551	$181,095,013	$119,896,697
Cost of Goods Sold	$57,138,070	$47,916,221	$153,016,158	$112,773,380
Gross Profit Margin	$11,993,227	$4,665,331	$28,078,855	$7,123,318
Operating Expenses	$872,962	$687,331	$2,624,659	$2,243,676
Other Income	$3,721,926	$317,822	$3,639,790	$283,732
Net Profit	$14,842,190	$4,295,822	$29,093,986	$5,163,373
Net Income/Unit	**$141**	**$41**	**$277**	**$49**

With earnings and debt reduction the book value per unit continues to improve.

The primary benefit to the income statement is the positive crush margins Lincolnway Energy has experienced. Management continues to monitor the crush margin on a daily to weekly basis. This monitoring helps management to make decisions to help improve or maintain positive financial performance.

The next newsletter will share the results of our fiscal year and plans for our tax planning.

Seth Harder, CEO