



**Glacial Lakes
Energy, LLC**

NEWSLETTER

2ND HALF FY 2021 & 1ST HALF FY 2022

A ROADMAP FOR THE FUTURE

WHILE WE MAY NOT AGREE WITH THE POLITICAL VIEWS THAT ARE BEHIND THE DRIVE TOWARD LOW CARBON MARKETS, WE HAVE NO CHOICE BUT TO RESPOND IF WE ARE TO KEEP THIS COMPANY COMPETITIVE AND RELEVANT FOR YEARS TO COME.

Earlier this year, I received an email from a shareholder inquiring about GLE's plan if Big Oil is successful in putting us out of business. The author of that email wanted to know what steps the Board of Directors and Management have taken to respond to this threat or, specifically, "does the Board/Management ever do any worst-case scenario planning" and "have we any solutions" to the constant onslaught from Big Oil?

Although the battle with Big Oil is one which has been waged since our industry's beginning, it's the more recent threat from the EVs (electric vehicles) that threatens and has the attention of both the oil and ethanol industries. We "share the same tank" and any reduction or elimination in the use of liquid fuels will hurt both of us at the same time. While there are many questions about the viability of EVs and whether there's enough power to go around, one cannot deny that they're here to stay and, just like many products that we now buy with a battery, their performance will continue to improve and they will become more reliable.

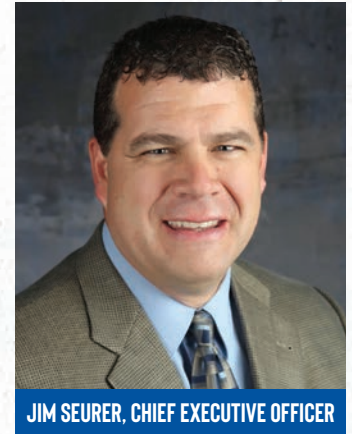
Back to the question at hand. The Board and Senior Management team have been developing a Strategic Plan or "roadmap", of sorts, for more than a decade. While this Plan doesn't address the fight between Big Oil and our industry directly, it sets to print our focus and a direction into the future to help ensure our survival. The key objectives (initiatives) of the Plan include preserving the financial stability of the company, maintaining operational excellence, and evaluating growth and diversification strategies. Here is a brief dissection of each of our three Strategic Plan initiatives.

Preserving Financial Stability and Increase Enterprise Value. An absolute and critical ingredient of any company that faces competitive threats is their financial stability and "going concern". Through this objective, the Board and Management have

committed to maintaining GLE's financial strength during cycles which may otherwise threaten our existence or hamper our ability to compete. While we routinely receive questions (and even some criticism) about the amount of working capital we retain, we view this as the NUMBER ONE component of this objective and we remain committed to avoiding mistakes of the past. As the saying goes, "cash is king" and this has been proven out many times over the past couple years of economic turmoil and uncertainty.

Maintaining Operational Quality and Industry Reputation. A key component to preserving our financial stability is operating in a manner that is ranked among the best in the industry. We attempt to do this by maintaining our facilities in optimum condition to maximize their capabilities and improve our efficiencies. This includes the concept that capital is proactively invested in projects that extend and preserve our operational excellence and in projects with a quick return on our investment.

Evaluate and Develop Growth and Diversification Strategies. This initiative is directed toward the future. We have explored countless projects and ideas that sound great in theory but are cost prohibitive, unproven, or lack scaled up technology. One of our more "proven" tactics is our current focus on corn oil which has increased in value four-fold in just the past three years. We continue to explore opportunities to capitalize on this trend which appears sustainable given the movement toward renewable diesel. Also included in this initiative is lowering our carbon intensity score which would be significantly accomplished with the Summit Carbon Solutions project. While we may not agree with the political views that are behind the drive toward low carbon markets, we have no choice but to respond if we are to keep this company competitive and relevant for years to come.



JIM SEURER, CHIEF EXECUTIVE OFFICER

YEARS OF SERVICE APPRECIATION



GLE Board Chairman Mark Schmidt (left) presents Larry Kahnke of Florence, SD with a plaque in appreciation for his years of service to the Glacial Lakes Energy Board of Directors. Kahnke was a founding Director and had served for nearly 20 years.



GLE Board Chairman Mark Schmidt (left) presents Craig Johnson of Vermillion, SD with a plaque in appreciation for his nearly 15 years of service to the Glacial Lakes Energy Board of Directors.

SHORT CROP FREIGHT PROGRAM HELPS LOCAL PRODUCERS & GLE

For the most part, last year's harvest came in better than predicted, with Codington County having the best yields in South Dakota. Due to the global situation, corn prices are high and many producers are motivated to sell.

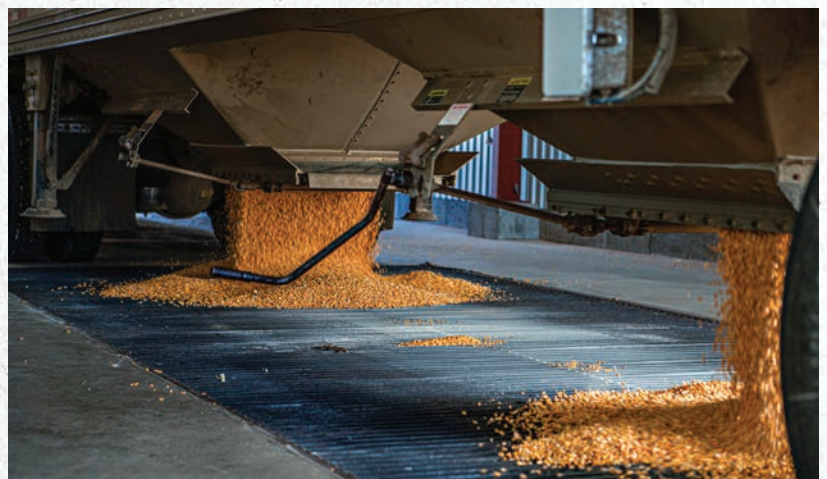
These factors, plus the implementation of GLE's Short Crop Freight Program last fall, have allowed GLE's four locations to keep feedstock costs lower. This program provides incentive to local producers to sell their bushels directly to GLE by providing them with freight typically from the farm to the plant.

"Typically, we pay freight on the committed bushels directly tied to a producer's ownership of shares in the cooperative. However, due to the lower yields especially in our central and western draw areas, we have introduced a program to pay freight on every bushel our shareholders grow," says Chief Executive Officer Jim Seurer.

The Short Crop Freight Program has helped maintain corn inventories especially in Aberdeen and Mina, where drought was more prevalent. The program has improved reliability and reduced the additional costs from third-party suppliers.

"We were very impressed with how much this program affected corn movement," said Ty Weisendanger, GLE Director of Commodities & Risk Management. "At times, we had to adjust our receiving hours as we could not grind the corn as fast as it was coming in. It's a great challenge to have and we are pleased with the response to this program," stated Weisendanger.

The Short Crop Freight Program, which is in effect until August 31, 2022, has also created many new memberships in the cooperative especially corn producers who may not have considered membership previously.



GLACIAL LAKES ENERGY PRODUCTION UPDATE

Maintaining operational quality, preserving facilities in optimum condition, and maximizing plant capabilities is at the forefront of GLE's strategic initiatives.

"GLE is always looking for opportunities to increase production which have a return on investment of three years or less. Our teams at the plants are most often the first to know where we need to direct our attention to improve yield and efficiencies and this brings more value to shareholders," states Director of Operations Pat Hogan.

To improve various aspects of operational performance, there have been several improvements to the Aberdeen, Mina, and Huron locations:

- Aberdeen can now accept more producer corn with a new 750,000 bu. bin that was completed and commissioned in October 2021 and a new corn dryer which was up and running by January 2022.
- Since early December 2021, the corn oil tank storage and rail loadout system has been in operation in Mina. Corn oil values on rail are sold at a premium as compared to truck values. GLE is loading five to six railcars weekly at both its Watertown and now Mina plant locations.
- Both Aberdeen and Huron will be commissioning additional new fermenters by the end of June 2022. Similar to Mina and Aberdeen, longer fermentation times have a positive impact on ethanol and oil yields



and the additional capacity will help lengthen fermentation times and improve yields.

- Additionally, upgrades to Aberdeen and Huron's grind and milling equipment have been approved for opportunities to improve ethanol and oil yields.
- Ethanol storage at our Huron location will be increased by 1.5 million gallons by June 2022, improving finished storage capacity from 2 days to 13 days.

Although these projects will help our productivity, there have been disruptions. This past six months, GLE experienced slightly lower production than budget due

to railcar availability which is becoming a significant challenge.

"The rail industry is experiencing the same issues that we are seeing at our ports," said Director of Commodities and Risk Management Ty Weisendanger. "We came out of COVID and the railroad has cars moving again, but they are still staffed at COVID levels or below. They cannot find enough people to help with the current demand."

On a much positive note, as we head into warmer weather, we should see the rail logistics improve and we are anticipating optimizing production after several of the projects listed above come online.

GLE EXPERIENCING A PROFITABLE FISCAL 2022

“Strong margins mean cash distributions. We are pleased to have distributed \$21.1 million in dividends this year based on last fiscal year’s financial performance, bringing our total historical distributions to nearly \$270 million,”

The role of the ethanol industry continues to evolve as the world takes the first steps into a post COVID existence and finds itself facing war in Ukraine. As the nation settles back into some sense of normalcy, Americans find the national average per gallon of gasoline has risen significantly since February 2021. High gas prices often mean good profits for the ethanol industry.

GLE’s second quarter numbers reflect this with a YTD net income of \$49.8 million compared to 2021 second quarter YTD net income of \$7.9 million, a \$42.0 million year-over-year improvement. In fiscal year 2021, GLE’s total net income was \$23.1 million. Improving crush margins late in FY 2021, allowed GLE to post third and fourth quarter combined net income of \$16.1 million. Continuing a trend of the 4th quarter in FY 2021, this year has brought strong results of \$27.9 million in the first quarter and \$22.0 million in the second quarter.

Strong margins mean cash distributions. “We are pleased to have distributed \$21.1 million in dividends this year based on last fiscal year’s financial performance, bringing our total historical distributions to nearly \$270 million,” said GLE Chief Financial Officer David Elkin.

“We distributed the highest amount of patronage sourced dividends that we could have under US tax law. We maximized it for our shareholders and, had we gone further, we may have found

added scrutiny from the IRS” said Board Chairman Mark Schmidt.

GLE has also applied for the United States Department of Agriculture (USDA) Biofuel Producer Program. “There is money set aside by the USDA for those impacted by COVID. “We completed an application earlier this calendar year, and hopefully, we will see some upside considering the production volume in years past,” said Elkin.

It is currently unknown how much GLE will receive from the Biofuel Producer Program. The program has up to \$700 million in payments available to biofuel producers including renewable diesel producers. The amount received will depend on the number of qualifying gallons of fuel produced by each applicant.

Looking forward, as war continues to disrupt the lives of one of Europe’s largest crop producers, there is a risk of increased prices and demand for corn this harvest season. If Ukrainian farmers cannot plant their fields this spring, the need for American exports will likely see a steep increase.

“Until things get settled over there, unprecedented prices going through the roof will continue,” said Ty Weisendanger, GLE Director of Commodities &

Risk Management. “Ukraine’s crop cycle is similar to ours and if 30-40% of their crops do not get planted, markets may stay similar to how they are now.”

Widespread drought across the United States and neighboring countries has created a shortage in feed. Throw in the Ukraine situation, and everyone is looking for an affordable feed source. Distillers grain is in high demand and today’s prices reflect that. Earlier this year, the feed was priced 70% of the value of corn compared to 110% currently. Distillers grain sales continue to add significant value to GLE’s bottom line.

High fuel prices typically may mean a good profit spread for GLE, but if fuel prices continue to climb, it could have a negative impact as travelers opt to stay home instead of venturing out this summer.

“At some point, \$5 per gallon gasoline may cause folks to drive less, and that will have an effect on ethanol demand which won’t be good for us,” said Weisendanger.

Financial Report for the Six Months Ended February 2022 (unaudited) <i>Dollars in Millions</i>			
Total Assets	\$323.74	Current Assets	\$182.75
Total Liabilities	\$115.34	Current Liabilities	\$71.33
Net Worth	\$208.40	Working Capital	\$111.42
NET INCOME \$49.78 MILLION			



THIS YEAR'S GLCP ANNUAL MEETING WAS HELD LATE NOVEMBER. GUEST SPEAKER US CONGRESSMAN DUSTY JOHNSON DISCUSSED HIS EFFORTS TO SUPPORT ETHANOL AT BOTH THE STATE AND FEDERAL LEVELS.

INTERESTED IN BUYING OR SELLING GLCP SHARES?

Contact AgStockTrade.com at 1-800-859-3018 for more information.

Average share price for the past Quarter 2 (December 2021-February 2022) is \$1.30 per share.

GLE NIGHT DRAWS OVER 600 SHAREHOLDERS

GLE initiated the "GLE Night @ NSU" nearly 10 years ago introducing ourselves to Mina area corn producers raising the awareness that we are a viable option for their corn marketing options. During the NSU men's and women's doubleheader basketball game, GLE typically attracts nearly 600 producers and their families in the area and the annual event is a welcome respite from the long winter.

"We promote GLE and use the event as a recruiting tool for purchasing corn and to build loyalty, letting that community know who we are and where we are," said Marcy Kohl, Director of Communications and Corporate Affairs.

The men's half-time frisbee toss event is a fan favorite. Those who successfully hit the center of the target with the frisbee win four NASCAR tickets and pit passes to the NASCAR Kansas City race courtesy of Growth Energy, GLE's industry trade

association working to expand consumer access to higher ethanol blends.



GABE SMITH (LEFT) OF LANGFORD, SD SUCCESSFULLY LANDED HIS FRISBEE ON THE CENTER TARGET TO SCORE NASCAR TICKETS TO THE KANSAS CITY RACE AT THE 2022 "GLE NIGHT @ NSU" EVENT. PRESENTING THE TICKETS IS CEO JIM SEURER (RIGHT).

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**CREATING VALUE FROM SUSTAINABLE AGRICULTURAL PRODUCTS WHICH
HAS MEANINGFUL IMPACT FOR OUR STAKEHOLDERS AND ENVIRONMENT.**

Cautionary Statements Regarding Forward-Looking Statements

This document contains forward-looking statements by the use of words such as "believe," "expect," "anticipate," "intend," "plan," "estimate," "predict," "hope," "should," "could," "may," "future," "continue," "potential" or the negatives of these terms or other similar expressions. These statements are based on management's beliefs and expectations and on information currently available to management.

Forward-looking statements are only our predictions and involve numerous assumptions, risks and uncertainties. Important factors that could significantly affect future financial condition and results include, among others, operating margins in the ethanol industry, the rapid pace of expansion in the industry, the cost of corn and the price of ethanol, changes in ethanol supply and demand, changes in current legislation or regulations that affect ethanol supply and demand, disruptions to infrastructure or in the supply of raw materials, the results of our risk management and hedging transactions, and ethanol industry valuation generally.

Our actual results or actions may differ materially from those set forth in the forward-looking statements for many reasons, including events that are beyond our control or assumptions not proving to be accurate or reasonable. We caution you not to put undue reliance on any forward-looking statements, which speak only as of the date of this document. We cannot guarantee our future results, levels of activity, performance or achievement.

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Glacial Lakes Energy and the ethanol industry?**

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