Glacial Lakes Energy, LLC

NEWSLETTER
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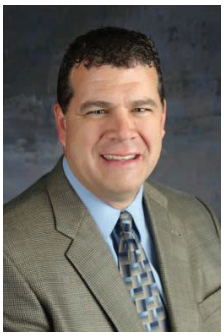
45Z: Chasing Lower Carbon, Creating Higher Value

JIM SEURER, CHIEF EXECUTIVE OFFICER



The 45Z Clean Fuel Production Credit, established under the Inflation Reduction Act of 2022, is a federal incentive that rewards fuel producers, including ethanol producers such as GLE, for lowering their carbon intensity (CI) score. The CI score considers emissions from everything we do—from planting, growing, and hauling corn to how efficiently we operate our plants.

The proposed carbon pipeline of yesteryear would have captured the CO2 emitted in the production process and stored it underground for a significant CI score reduction. Although the passage of legislation in South Dakota terminated the CO2 pipeline project, our focus on 45Z tax credits and premiums offered by growing low-carbon fuel markets hasn't changed and for good reason, if you've seen our recently posted fiscal 2026 financial results.

We intend to take advantage of the 45Z incentives to the greatest extent possible until expiration at the end of 2029. This puts into motion our review of a significant number of initiatives and capital improvement projects that help improve our efficiency and reduce our CI score. The lower our CI score, the more benefit we receive and the greater our ability to expand into low-carbon markets. Most of these initiatives and projects will not only gain us 45Z tax credits but longer-term energy and efficiency that extends beyond 2029 as well. These projects could also bring more gallons that qualify for 45Z incentives. You, our shareholders, win both ways.

The 45Z Clean Fuel Production Credit runs from 1/1/2025 through 12/31/2029 or five years unless extended. During FY2026, we were paid just under $21.0 million for the sale of 45Z tax credits for the period from 1/1/2025 through 8/31/2025 which was booked to our quarter ended May 31, 2026. We also accrued (not yet received) an additional $51.0 million for the period from 9/1/2025 through 8/31/2026. After 9/1/2026, we will investigate whether monetizing these credits quarterly provides a better return. It's also very likely that we'll be recording an estimated 45Z tax credit amount on a quarterly basis to better align with the period in which they were earned. Our recent experience tells us to expect approximately 86%-88% of the gross value of the tax credit after discounts, commissions, and consultants/legal expenses are paid.

Tier	Emissions Rate/CI Score	Cents Per Gallon
Tier 0	48.0 - 50.0	$ -
Tier 1	43.0 - 47.5	$ 0.10
Tier 2	38.0 - 42.5	$ 0.20
Tier 3	33.0 - 37.5	$ 0.30
Tier 4	28.0 - 32.5	$ 0.40
Tier 5	23.0 - 27.5	$ 0.50
Tier 6	18.0 - 22.5	$ 0.60
Tier 7	13.0 - 17.5	$ 0.70
Tier 8	8.00 - 12.5	$ 0.80
Tier 9	3.00 - 7.50	$ 0.90
Tier 10	0.00 - 2.50	$ 1.00

As you can see from the GREET model table (right), when we continue to lower our CI score and move into lower tiers, the incentive maximum reaches $1.00 per gallon at the lowest CI levels. The only way we would achieve this level would be through the sequestration of CO2 via a pipeline or the railroad. We will continue to investigate projects which move us into the lowest tiers possible. Our strategic goal, established at our strategic planning meeting last winter, is to get our all-plant combined CI score to 30, which would put us in Tier 4 for $0.40 per gallon. While we recognize this is a stretch goal, I'm certain you'll agree that achieving such a level would be a significant achievement for our company.

NQWNAs Explained: What It Means for You

An NQWNA (Nonqualified Written Notice of Allocation) is a type of taxable patronage income that Glacial Lakes Corn Processors (GLCP) allocates to you, our shareholder, based on your ownership level. The difference between an NQWNA and a QWNA (Qualified Notice of Allocation) is the taxes on an NQWNA have been paid by GLCP until such time the NQWNA is distributed in the form of cash.

GLCP utilizes this cash to finance large capital expenditures needed for plant upkeep, equipment modernization, company growth, and capital projects which, most recently, lower our CI scores to earn additional 45Z tax credits. The NQWNA option provides a significant advantage since we can re-invest this cash and avoid high borrowing costs, keeping our balance sheet strong. When an NQWNA is returned or retired as a distribution to you, it becomes taxable income to you.

One key thing to remember is that the NQWNA is tied to member shares in the event of a sale or transfer. Under such circumstances, the NQWNA stays with those shares, and any future payments go to the new owner. The chart below provides a summary of the NQWNA declared and paid for FY2024 and FY2025. For additional dividend history information, please visit our website at www.glaciallakesenergy.com.

NQWNA Distribution History

NQWNA FY2025 Declaration & Distribution History

Amount Per Share	Declaration/ Payment Date	Description	Payment of Record Date
$ 0.09447	**8/31/2025**	**NQWNA 2025 Declared (no cash paid)**	n/a
$ 0.09447	*7/28/2026*	*Payment on NQWNA 2025*	*7/21/2026*
$ -		***PAID IN FULL - NQWNA 2025***	

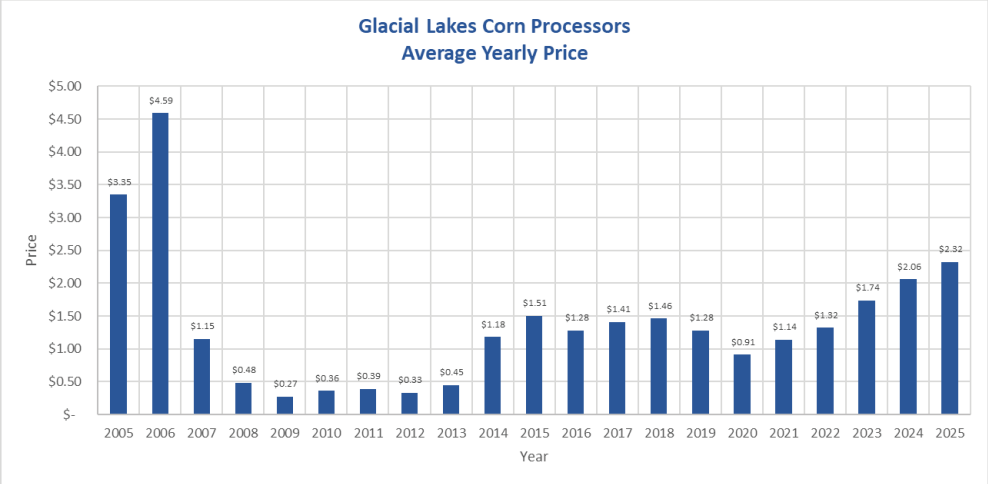
NQWNA FY2024 Declaration & Distribution History

Amount Per Share	Declaration/ Payment Date	Description	Payment of Record Date
$ 0.29000	**1/18/2025**	**NQWNA 2024 Declared (no cash paid)**	n/a
$ 0.06000	*10/10/2025*	*Payment #1 on NQWNA 2024*	*9/17/2025*
$ 0.10000	*1/2/2026*	*Payment #2 on NQWNA 2024*	*11/19/2025*
$ 0.13000	*5/26/2026*	*Payment #3 on NQWNA 2024*	*5/20/2026*
$ -		***PAID IN FULL - NQWNA 2024***	

NQWNA Distribution History

Date Paid	Fiscal Year	# of Shares	Paid Per Share	Total Paid	NOTES
August 1, 202	2022	185,636,652	$0.1210	$ 22,462,034.88	*Payment of NQWNA declared on 11/22/2022. Paid to shareholders of record as of 07/19/2023.*
July 15, 2024	2023	185,636,652	$0.1210	$ 22,462,034.88	*Payment of NQWNA declared on 11/23/2023. Paid to shareholders of record as of 06/19/2024.*
October 13, 2	2024	185,636,652	$0.0600	$ 11,138,199.12	*Partial payment of NQWNA declared on 11/20/2024. Paid to shareholders of record as of 9/17/2025.*
January 2, 20	2024	185,636,652	$0.1000	$ 18,563,665.20	*Partial payment of NQWNA declared on 11/20/2024. Paid to shareholders of record as of 11/19/2025.*
May 26, 2026	2024	185,636,652	$0.1300	$ 24,132,764.76	*Partial payment of NQWNA declared on 11/20/2024. Paid to shareholders of record as of 5/20/2026.*
July 28, 2026	2025	185,636,652	$0.0945	$ 17,537,094.51	*Payment of NQWNA declared on 8/31/2025. Paid to shareholders of record as of 07/21/2026.*
Total Cash Distributed:				**$ 116,295,793.35**	

Share Price History



Shares were sold for $2.00 in 2001 and again in 2006, with a 2-to-1 stock split in 2004 and a 9-to-1 split in 2006. Prices ranged from a low of $0.15 per share in 2008 to a high of $6.10 per share in 2006. Learn more at our website, www.glaciallakesenergy.com or to buy or sell shares visit www.agstocktrade.com.

FY2026 - A Year to Be Proud

Consolidated Statement of Operations

	Q1 FY2026	Q2 FY2026	Q3 FY2026	Q4 FY2026	YE FY2026
Net Income	$30.1	$16.4	$50.3	$98.2	$195.0
Working Capital	$100.4	$114.4	$141.2	$197.7	$197.7
200 Proof Prod. (gal)	89.1	96.6	94.9	95.3	375.9
Corn Ground (bu)	30.6	32.8	32.5	32.8	128.7
Corn Oil (lbs)	37.4	41.8	42.2	46.7	168.1

(Unaudited — in Millions)

GLE had a very strong year, our best in terms of total net income and our 2nd best when the 45Z incentives and other LCFS (Low Carbon Fuel Standard) credits are excluded. Our strong performance came from several areas, including strong market demand, good availability of corn, and exceptional operational performance from our two largest plants, Watertown and Mina.

As discussed previously, Q3 and Q4 were impacted by the receipt and accrual of 45Z incentives of over $72.0 MM. We also received roughly $8.0 MM from CFR (Canadian Fuel Regulation) Credits as well. While about one-third, or $25.0 MM, of this has been received in cash, the reminder or approximately $55.0 MM will not be received as cash until early 2027.

Our working capital position is very strong but it's important to remember that we currently have approximately $53.0 MM in approved capital projects underway that will improve our CI scores. We also have a significant amount (more than $50.0 MM) of CI Reduction capital projects still under consideration which have not yet been approved.

In summary, just because our financial statements show $195.0 MM in net income and $197.7 MM in working capital, doesn't mean this is available for dividend distribution.

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(Article Continued) FY 2026 – A Year to Be Proud Of

As we have done in the past, we will employ a balanced approach when considering capital expenditures and dividends. We always take a view of the whole picture including cash available, future cash inflows, and future cash outflows. And, as a cooperative, we can only distribute our taxable net income, which is typically much lower (due to accelerated depreciation) than our GAAP net income shown on the financial statement.

This doesn't mean that returning value to our shareholders isn't our priority - it absolutely is. But we also must make sure we are making decisions that keep GLE financially strong, positioning us for long term success, and taking advantage of opportunities. As always, we appreciate your support.

New Corn Check Pickup Option - AVAILABLE AT MINA

We are pleased to offer a new convenience for shareholders and patrons delivering corn to our Mina and Aberdeen locations!

Checks may now be picked up at the Mina office every Thursday. To take advantage of this option, you must call ahead and let us know you would like to pick up your check.

Checks not picked up by 4:30 p.m. on Thursday will be mailed.

We are happy to offer this additional option to better serve our shareholders and patrons!

Cautionary Statements Regarding Forward- Looking Statements

This document contains forward-looking statements involving future events, future business and other conditions, our future performance and our expected future operations and actions. In some cases you can identify 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 valuations 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 achievements.