Risk Factors Comparison 2024-02-09 to 2023-02-10 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

Risks Related to our Business and Industry Our margins are dependent on managing the spread between the price of corn, natural gas, ethanol, distillers grains, Ultra- High Protein and renewable corn oil. Our operating results are highly sensitive to the spread between the corn and natural gas we purchase, and the ethanol, distillers grains, Ultra- High Protein and renewable corn oil we sell. Price and supply are subject to various market forces, such as weather, domestic and global demand, global political or economic issues, including but not limited to the war in Ukraine including sanctions associated therewith **, other global conflicts** , shortages, export prices, crude oil prices, currency valuations and government policies in the United States and around the world, over which we have no control. Price volatility of these commodities may cause our operating results to fluctuate substantially. Increases in corn or natural gas prices or decreases in ethanol, distillers grains, Ultra- High Protein and renewable corn oil prices may make it unprofitable to operate. No assurance can be given that we will purchase corn and natural gas or sell ethanol, distillers grains, Ultra- High Protein and renewable corn oil at or near prices which would provide us with positive margins. Consequently, our results of operations and financial position may be adversely affected by increases in corn or natural gas prices or decreases in ethanol, distillers grains, Ultra- High Protein and renewable corn oil prices. We **have made significant investments in our biorefinery platform to produce Ultra- High Protein, and our financial results are increasingly dependent on our ability to operate these new systems consistently and to sell the products into new markets at a premium to distillers grains. Rapid expansion of soybean crushing capacity to meet the soybean oil demands of the growing renewable diesel and biomass- based diesel industry could result in an oversupply of soybean meal, which could depress prices for various protein feed ingredients, and negatively impact our anticipated financial returns. We** continuously monitor the margins at our ethanol plants using a variety of risk management tools and hedging strategies when appropriate. Should our combined revenue from ethanol, distillers grains, Ultra- High Protein and renewable corn oil fall below our cost of production, we could decide to slow or suspend production at some or all of our ethanol plants, which could also adversely affect our results of operations and financial position. The products we buy and sell are subject to price volatility and uncertainty. Our operating results are highly sensitive to commodity prices. Corn. We are generally unable to pass increased corn costs to our customers since ethanol competes with other fuels. We continue to see considerable ~~price~~ volatility in corn prices. Ethanol plants, livestock industries and other corn- consuming enterprises put significant price pressure on local corn markets. In addition, local corn supplies and prices could be adversely affected by, but not limited to ~~,~~ **:** prices for alternative crops, increasing **pricing for seed corn, fertilizers, crop protection products and other** input costs ~~,~~ **;** changes in government policies, **including crop insurance, conservation programs, regulation of farmland, and other regulations;** shifts in global supply and demand ~~,~~ **;** global political or economic issues, including but not limited to the war in Ukraine including sanctions associated therewith ~~, or~~ **; other global conflicts; and** global or regional growing conditions, such as plant disease, pests or adverse weather, including drought ~~, as well as global conflicts~~ . Ethanol. Our revenues are dependent on market prices for ethanol which can be volatile as a result of a number of factors, including but not limited to: the price and availability of competing fuels **and oxygenates for fuels** ; the ~~overall~~ **domestic and global** supply and demand for ethanol, gasoline and corn; the price of gasoline, crude oil and corn; global political or economic issues, including but not limited to the war in Ukraine including sanctions associated therewith, **other global conflicts;** and government policies **that impact the supply, demand and pricing of corn, crude oil, gasoline, ethanol and other liquid fuels** . Ethanol is marketed as a fuel additive that reduces vehicle emissions, an economical source of ~~octanes~~ **octane** and, to a lesser extent, **as** a gasoline substitute **through higher blends such as E15 and E85** . Consequently, gasoline supply and demand can affect the price of ethanol. Should gasoline prices or demand change significantly, our results of operations could be materially impacted. Ethanol imports also affect domestic supply and demand. Imported ethanol is not subject to an import tariff and, under the RFS, sugarcane ethanol from Brazil can be used as a means for obligated parties to meet the advanced biofuel standard **in addition to state level low- carbon fuel standards. Brazil is also rapidly expanding corn and corn ethanol production, which can have a lower CI score if it is produced from the second crop or " Safrinha " crop, which could be imported into the U. S. or displace our exports elsewhere globally** . Distillers Grains. Distillers grains compete with other protein- based animal feed products. Downward pressure on other commodity prices, such as corn, **wheat, soybeans,** soybean meal, and other feed ingredients, will generally cause the price of competing animal feed products to decline, resulting in downward pressure on the price of distillers grains. Occasionally, the price of distillers grains will lag behind fluctuations in corn or other feedstock prices, lowering our cost recovery percentage. Additionally, exports of distiller grains could be impacted by the enactment of foreign policy **, or expanded production of soybean meal or distillers grains elsewhere** . Natural Gas. The price and availability of natural gas are subject to volatile market conditions. These market conditions are often affected by factors beyond our control, such as weather, drilling economics, overall economic conditions and government regulations. Significant disruptions in natural gas supply could impair our ability to produce ethanol. Furthermore, increases in natural gas prices or changes in our cost relative to our competitors cannot be passed on to our customers, which may adversely affect our results of operations and financial position. Ultra High Protein. Our Ultra- High Protein has unique nutritional advantages and a higher protein concentration than soybean meal and can be included in a variety of feed rations in the pet, dairy, swine, poultry and aquaculture industries. As a value- added feed ingredient, quality control is imperative. Demand for feed products and pricing pressure from competing feed products may result in downward pressure on the price of Ultra- High Protein. Reliable production of Ultra- High Protein from both consistent operations of the biorefinery as well as the MSC ™ technology is necessary to produce anticipated volumes.

Changes in our customers willingness to accept these ingredients, ~~Inconsistency~~ **inconsistency** in **production** volumes, quality or downward pressure on prices could result in adverse impact on our business and profitability. Renewable Corn Oil. Renewable corn oil is generally marketed as a **low- carbon feedstock for biofuel production including** renewable diesel ~~and~~ **,** biodiesel ~~feedstock~~ **and currently to a lesser extent, sustainable aviation fuel** ; therefore, the price of renewable corn oil is ~~affected~~ **largely driven** by demand for renewable diesel and biodiesel. Expanded demand from the renewable diesel and biodiesel industry due to the extended blending tax credit **, new tax credits included in the IRA** and growing LCFS markets **in California, Oregon, Washington state or Canada, as well as customer acceptance for such fuels** could impact renewable corn oil demand. In general, renewable corn oil prices follow the prices of heating oil and soybean oil **, though LCFS programs incentivize the lower CI of renewable corn oil as a feedstock relative to soybean oil. Federal incentives for sustainable aviation fuel also provide higher credit values for lower CI. Other feedstocks such as used cooking oil and animal fats and tallows are scored at a lower CI than renewable corn oil under most life cycle assessment models, and these feedstocks may be preferred to renewable corn oil. Increased imports of used cooking oil could pressure all vegetable oil values lower** . Decreases in the price of or demand for renewable corn oil could have an adverse impact on our business and profitability. **While we believe our investments in MSC ™ and other technologies have allowed us to capture more renewable corn oil from each bushel, these yields could be negatively impacted by any number of factors.** We may be affected by or unable to fulfill our total transformation strategies. **We continually** ~~In May 2018, we announced that we were evaluating~~ **evaluate** the ~~performance~~ **makeup** of our ~~entire~~ portfolio ~~of assets and businesses. As part of that process~~ , ~~during the fourth quarter of 2018, we sold three ethanol plants, permanently closed one ethanol plant~~ and ~~sold Fleischmann' s Vinegar Company, Inc. Furthermore, we sold our 50 % interest in JGP Energy Partners during the fourth quarter of 2019. We sold a 50 % interest in GPCC during the third quarter of 2019 and the remaining 50 % interest in GPCC during the fourth quarter of 2020. In December 2020, we sold the Hereford, Texas ethanol plant and in March 2021, we sold our Ord, Nebraska ethanol plant. As we continue to evaluate our portfolio,~~ we may sell additional assets or businesses or exit particular markets that are no longer a strategic fit or no longer meet their growth or profitability targets. Depending on the nature of the assets sold, our profitability may be impacted by lost operating income or cash flows from such businesses. In addition, divestitures we complete may not yield the targeted improvements in our business and may divert management' s attention from our day- to- day operations. We also undertook a number of project initiatives to improve margins, ~~including our Project 24 initiative and Total Transformation Plan~~ focused on **reducing operating costs and** expanding the products and value we can extract from a kernel of corn. The Ultra- High Protein **and Clean Sugar** strategy includes substantial construction projects and ~~cost~~ **significant capital expenditures** to deploy FQT' s MSC ™ technology, and FQT' s ~~CSTTM~~ -- **CST ™** production capabilities to meet anticipated customers' demands **and these technology implementations may not perform as designed and are subject to various construction risks and delays in the supply chain. These products may not be readily accepted as substitutes to existing sugars and proteins on the market, and we may not earn a premium for them, even if they are of higher quality and have a lower CI** . We may not achieve our construction goals on time or **within** our budget ~~, we~~ **. We** may not achieve the operating yields we project ~~, we~~ **or our technologies may not perform as expected. We** may not achieve product market sales, margins ~~,~~ or pricing we project, and our operating cost goals may not be achieved due to a variety of factors. **Increasing costs for construction materials, supply chain issues limiting the availability of certain components, lack of available labor and delays in required permitting could all lead to projects being over budget and behind schedule.** Our failure to achieve **our production** ~~any of these~~ , ~~inclusive~~ **sales and pricing targets, including,** but not limited to **:** construction, yield, sales, margin, pricing, or financial results associated with our total transformation strategies could have an adverse effect on our business, financial condition or results of operations. Government **biofuels programs** ~~mandates affecting ethanol~~ could change and impact the ethanol market. The RFS mandates the minimum volume of renewable fuels that must be blended into the transportation fuel supply each year **,** which affects the domestic market for ethanol. ~~Each year~~ **Through 2022,** the EPA ~~is supposed to undertake~~ - **undertook** rulemaking to set the RVO for the following year, though at times months or years **would** pass without a finalized RVO. Further, the EPA has the authority to waive the requirements, in whole or in part, if there is inadequate domestic renewable fuel supply or the requirement severely harms the economy or the environment. After 2022, volumes **are** ~~shall be~~ determined by the EPA in coordination with the Secretaries of Energy and Agriculture, taking into account such factors as impact on environment, energy security, future rates of production, cost to consumers, infrastructure, and other factors such as impact on commodity prices, job creation, rural economic development ~~,~~ or ~~impact on~~ food prices. The EPA also has the authority to set volumes for multiple years at a time, rather than annually as required prior to 2022. ~~The~~ **In June 2023, the** EPA ~~has stated an intention to finalize~~ **finalized** a ~~post~~ **multi** - **year RVO for** ~~2022 set rulemaking by June 14,~~ 2023, **2024 and 2025** ~~in compliance with a consent decree from the U. S. District Court for D. C~~ . Volumes can also be impacted as small refineries can petition the EPA for an SRE which, if approved, waives their portion of the annual RVO requirements. The EPA, through consultation with the DOE and the USDA, can grant them a full or partial waiver, or deny it outright within 90 days of submittal. **Elimination of a refinery' s obligation effectively lowers the amount of renewable fuels required to be blended, and by extension the amount of RINs that need to be retired, which can impact their values and ultimately blending levels of renewable fuels. There are multiple on- going legal challenges to how the EPA has handled SREs and RFS rulemakings.** Our operations could be adversely impacted by legislation, administration actions, **court rulings,** EPA actions, or lawsuits that may reduce the RFS mandated volumes of conventional ethanol and other biofuels through the ~~annual~~ RVO **levels** , **a change in** the **RFS** ~~2022 set rulemaking, the~~ point of obligation ~~for blending~~ **from blenders and importers to retailers** , or SREs ~~. A recent Supreme Court ruling held that the small refineries can continue to apply for an extension of their waivers from the RFS, even if they have not been awarded a continuous string of exemptions, though the current EPA, in conjunction with the RVO rulemaking for 2020, 2021 and 2022, denied all pending SREs, a stance they have reiterated in the proposed 2023, 2024 and 2025 rulemakings. There are multiple legal challenges to how the EPA has handled SREs and RFS rulemakings~~ . The D. 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Circuit Court of Appeals ruled that the EPA overstepped its authority in extending the one pound Reid Vapor Pressure waiver for 10 % ethanol blends to 15 % ethanol blends in the summer, effectively limiting summertime sales of ethanol blends above 10 % to FFVs from June 1 to September 15 each year. Notwithstanding, on April 12, 2022, the President announced that he ~~has~~ **had** directed the EPA to issue an emergency waiver to allow for the continued sale of E15 during the June 1 to September 15 period. **On April 28, 2023, the EPA issued an emergency waiver to allow for continued sale of E15 during the 2023 summer driving season.** As of this filing **, according to Prime the Pump** , E15 is sold year- round at approximately ~~2~~ **3** , ~~923~~ **244** stations **. The U. S. Supreme Court currently has two cases on its docket that could impact one of the most important principles** in ~~31 states~~ **administrative law called " Chevron deference, " based on a landmark case, Chevron U. S. A., Inc. v. Natural Resources Defense Council, Inc. The Chevron deference is a doctrine of judicial deference given to administrative actions. Should the U. S. Supreme Court modify this doctrine, it could adversely impact current and / or future rulemaking and regulations which in turn could negatively and materially impact our financial performance. A change in Chevron precedent could impact how the EPA can administer the RFS, impose limitations on the Treasury Department' s ability to promulgate regulations around IRA provisions, including SAF tax credits and the 45Z Clean Fuel Production Credit, 45Q carbon capture and sequestration tax credits, EV tax credits and other clean energy programs** . Similarly, should federal mandates regarding oxygenated gasoline be repealed, the market for domestic ethanol could be adversely impacted. Economic incentives to blend based on the relative value of gasoline versus ethanol, taking into consideration the octane value of ethanol, environmental requirements and the RFS mandate, may affect future demand. A significant increase in supply **of biofuels** beyond the RFS ~~mandate~~ **mandated volumes** could have an adverse impact on ethanol prices. Moreover, changes to the RFS could negatively impact the price of ethanol or cause imported sugarcane **or corn** ethanol **from Brazil** to become more economical than domestic **corn** ethanol. Likewise, national, state and regional LCFS like that of California, Oregon, ~~Brazil~~ **Washington state** or Canada could be favorable or harmful to ~~conventional~~ **U. S. corn** ethanol, depending on how the regulations are crafted, enforced **, repealed** and **/ or** modified. Future demand may be influenced by economic incentives to blend based on the relative value of gasoline versus ethanol, taking into consideration the octane value of ethanol, environmental requirements and the value of RFS credits ~~or~~ **known as** RINs. A significant increase in supply **of biofuels** beyond the RFS ~~mandate~~ **mandated levels** could have an adverse impact on ethanol prices. Moreover, any changes to RFS, whether by legislation, EPA action or lawsuit, originating from issues associated with the market price of RINs could negatively impact the demand for ethanol, discretionary blending of ethanol and / or the price of ethanol. Prior actions by the EPA to grant SREs without accounting for the lost gallons, for example, resulted in lower RIN prices. **The final** ~~Similarly, proposals to reduce annual~~ RVO **for 2023, 2024 and 2025 set biodiesel and renewable diesel volumes below current production** levels ~~could also lead~~ **, which has contributed** to lower **D4, D5 and D6** RIN ~~prices~~ **values in 2023 and 2024** . To the extent federal or state laws or regulations are modified **, repealed** and / or enacted, it may result in the demand for ethanol being reduced, which could negatively and materially affect our financial performance. Future demand for ethanol is uncertain and changes in public perception, consumer acceptance and overall consumer demand for transportation fuel could affect demand. While many trade groups, academics and government agencies support ethanol as a fuel additive that promotes ~~a~~ cleaner ~~environment~~ **air and reduces GHG emissions** , others claim **growing corn and producing** ethanol ~~production~~ consumes ~~considerably~~ more energy, emits more GHG **emissions** than other fuels and depletes water resources. While we do not agree, some studies suggest ethanol produced from corn is less efficient than ethanol produced from switch grass or wheat grain. Others claim corn ~~- based~~ ethanol negatively impacts consumers by causing the prices of **food made from corn and corn byproducts, as well as** meat ~~and other food~~ derived from corn- consuming livestock to increase. Ethanol critics also contend the industry redirects corn supplies from international food markets to domestic fuel markets, and contributes to land use change domestically and abroad. **Today** ~~There~~ **there** are limited markets for ethanol beyond ~~the federal mandates~~ **its value as an oxygenate domestically and abroad** . We believe further consumer acceptance of E15 and E85 fuels may be necessary before ethanol can achieve significant market share growth **in the U. S** . Discretionary and E85 blending are important secondary markets. Discretionary blending is often determined by the price of ethanol relative to gasoline, the value of RINs **or other low-carbon fuel credits** , and availability to consumers. When discretionary blending is financially unattractive, the demand for ethanol may be reduced **. New incentives for SAF could open new markets for ethanol through ATJ technologies, though existing commercial production is limited as of this filing** . Demand for ethanol is also affected by overall demand for **surface** transportation fuel, which is affected by cost, number of miles traveled and vehicle fuel economy. Miles traveled typically increases during the spring and summer months related to vacation travel, followed closely ~~behind~~ **by** the fall season due to holiday travel. Global events, such as COVID- 19, greatly decreased miles traveled and in turn, the demand for ethanol. Consumer demand for gasoline may be impacted by ~~emerging~~ **various** transportation trends, such as **widespread adoption of** electric vehicles ~~or ride sharing~~ . **Numerous automakers have** ~~In January 2021, General Motors~~ announced **plans to phase** ~~a target date of 2035 for phasing~~ out the production of gasoline and diesel powered vehicles ~~. Similarly, Nissan has stated that their entire fleet will be electric vehicles~~ by the ~~early~~ **mid-** 2030s ~~. Most OEMs have made similar commitments to phase out internal combustion engine production~~ . These announcements coincide with pledges to ban the sale of internal combustion engines in countries such as Japan and the United Kingdom by 2035, as well as a statewide ban in California, which several states are imitating. If realized, these bans would accelerate the decline of liquid fuel demand **for surface transportation** and by extension demand for ethanol, biodiesel and renewable diesel. **The EPA has proposed CAFE standards, which would require aggressive EV deployment by Original Equipment Manufacturers.** We are closely monitoring legislation **and regulations** that may impact the future sales of electric vehicles as well as vehicles with internal combustion engines in various states and around the world. **Our business is directly affected by the supply and demand for ethanol and other fuels in the markets served by our assets.** Additionally, factors such as ~~over-~~ **changes in the** supply **and demand** of ethanol ~~, which has been the case for some time~~ , could continue to negatively impact our business. Reduced demand for ethanol may depress the value of our products, erode ~~its~~ **our** margins, and reduce our ability to generate revenue or ~~operate profitably. Our business is directly affected by the supply and demand for ethanol and other fuels in the markets served by our assets. Reduced demand for ethanol, regardless of cause, may erode our margins and reduce our ability to generate revenue and~~ operate profitably. Our risk management and commodity trading strategies could be ineffective and expose us to decreased liquidity. As market conditions warrant, we use forward contracts to sell some of our ethanol, distillers grains, Ultra- High Protein, and renewable corn oil, or buy some of the corn, and natural gas we need to partially offset commodity price volatility. We also engage in other hedging transactions and other commodity trading involving exchange- traded futures contracts for corn, natural gas, ethanol, soybean meal, soybean oil and other agricultural commodities. The financial impact of these activities depends on the price of the commodities involved and / or our ability to physically receive or deliver the commodities. Hedging arrangements expose us to risk of financial loss when the counterparty defaults on its contract or, in the case of exchange- traded contracts, when the expected differential between the price of the underlying and physical commodity changes. Hedging activities can result in losses when a position is purchased in a declining market or sold in a rising market. Hedging losses may be offset by a decreased cash price for corn, and natural gas and an increased cash price for ethanol, distillers grains, Ultra- High Protein and renewable corn oil. We vary the amount of hedging and other risk mitigation strategies we undertake and sometimes choose not to engage in hedging transactions at all. We cannot provide assurance that our risk management and commodity trading strategies and decisions will be profitable or effectively offset commodity price volatility. If they are not, our results of operations and financial position may be adversely affected. The use of derivative financial instruments frequently involves cash deposits with brokers, or margin calls. Sudden changes in commodity prices may require additional cash deposits immediately. Depending on our open derivative positions, we may need additional liquidity with little advance notice to cover margin calls. While we continuously monitor our exposure to margin calls, we cannot guarantee we will be able to maintain adequate liquidity to cover margin calls in the future. **Carbon Capture and Sequestration projects we are committed to could be delayed or cease operations. We have seven facilities committed to carbon capture and sequestration projects. The projects we are committed to may be delayed or suspend operations for various reasons prior to us realizing any benefit. The CI benefits we anticipate from our carbon reduction strategy may not materialize. Additionally, the regulatory modeling for CI reductions may be adjusted outside of our control in such a manner that reduces the anticipated benefits from these strategies. Federal guidelines in the IRA may be changed in the future to preclude corn- based ethanol from recognizing tax incentives, or otherwise reduce our potential benefits. Delays in regulations being issued, rescinding clean energy or carbon capture tax credits, could negatively impact our carbon capture endeavors. Elimination of clean fuel tax credits and other incentives at the state, federal and international level could negatively impact our business.** In the past, we have had operating losses and could incur future operating losses. In the last five years, we incurred operating losses during certain quarters and annually and could incur operating losses in the future that are substantial. Although we have had periods of sustained profitability, we may not be able to maintain or increase profitability on a quarterly or annual basis, which could impact the market price of our common stock and the value of your investment. In addition, periods of sustained losses create uncertainty as to whether some or all of our deferred tax assets will be realizable in the future. If the United States were to withdraw from or materially modify certain international trade agreements, our business, financial condition and results of operations could be materially adversely affected. Ethanol and other products that we produce are or have been exported to Canada, Mexico, Brazil, China and other countries. The previous administration expressed antipathy towards certain existing international trade agreements and significantly increased tariffs on goods imported into the United States, which in turn led to retaliatory actions on U. S. exports. The outcome of trade negotiations or lack thereof, has had and / or may continue to have a material effect on our business, financial condition and results of operations ~~. Our ability to access the partnership' s terminals adjacent to our ethanol plants could cause disruptions in our operations and adversely affect our production levels, profitability and needed capital expenditures. We are party to the storage and throughput agreement with our partnership, under which we access the storage and throughput services offered by the partnership. In the event of a default by either party under that agreement, our ability to throughput our ethanol may be disrupted, which in turn could adversely affect our production levels, operating expenses, profitability and our need for capital expenditures for alternative throughput arrangements~~ . Our debt exposes us to numerous risks that could have significant consequences to our shareholders. Risks related to the level of debt we have include: (1) requiring a sizeable portion of cash to be dedicated for debt service, reducing the availability of cash flow for working capital, capital expenditures, and other general business activities and limiting our ability to invest in new growth opportunities; (2) limiting our ability to obtain additional financing for working capital, capital expenditures, acquisitions and other activities; (3) limiting our flexibility to plan for or react to changes in the businesses and industries in which we operate; (4) increasing our vulnerability to general and industry- specific adverse economic conditions; (5) being at a competitive disadvantage against less leveraged competitors; and (6) being vulnerable to increases in prevailing interest rates. A portion of our debt bears interest at variable rates, which creates exposure to interest rate risk. If interest rates increase, our debt service obligations at variable rates would increase even though the amount borrowed remained the same, decreasing net income. Our ability to make scheduled payments on or to refinance our debt obligations and to fund our planned capital expenditures, acquisitions and other ongoing liquidity needs depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions as well as certain financial, business and other factors which are beyond our control. There can be no assurance that we will maintain a level of cash flow from operating activities in an amount sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. If our cash flow and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, or to seek additional capital or restructure our indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. We are required to comply with a number of covenants under our existing loan agreements that could ~~hinder~~ **impact** our ~~growth~~ **liquidity** . We are required to maintain specified financial ratios, including minimum cash flow coverage, working capital and tangible net worth under certain loan agreements. A breach of these covenants could result in default, and if such default is not cured or waived, our lenders could accelerate our debt and declare it immediately due and payable. If this occurs, we may not be able to repay or borrow sufficient funds to refinance the debt. Even if financing is available, it may not be on acceptable terms. No assurance can be given that our future operating results will be sufficient to comply with these covenants or remedy default. In the event we are unable to comply with these covenants in the future, we cannot provide assurance that we will be able to obtain the necessary waivers or amend our loan agreements to prevent default. Under our convertible senior notes, default on any loan in excess of $ 20. 0 million could result in the notes being declared due and payable, which could have a material and adverse effect on our ability to operate. We operate in a capital intensive business and rely on cash generated from operations and external financing, which could be limited. Increased commodity prices could increase liquidity requirements. Our operating cash flow is dependent on overall commodity market conditions as well as our ability to operate profitably. In addition, we may need to raise additional financing to fund growth. In some market environments, we may have limited access to incremental financing, which could defer or cancel growth projects, reduce business activity or cause us to default on our existing debt agreements if we are unable to meet our payment schedules. These events could have an adverse effect on our operations and financial position. Our ability to repay current and anticipated future debt will depend on our financial and operating performance and successful implementation of our business strategies. Our financial and operational performance will depend on numerous factors including prevailing economic conditions, commodity prices, and financial, business and other factors beyond our control. If we cannot repay, refinance or extend our current debt at scheduled maturity dates, we could be forced to reduce or delay capital expenditures, sell assets, restructure our debt or seek additional capital. If we are unable to restructure our debt or raise funds, our operations and growth plans could be harmed and the value of our stock could be significantly reduced. Disruptions in the credit market could limit our access to capital. We may need additional capital to fund our growth or other business activities in the future. The cost of capital under our existing or future financing arrangements could increase and affect our ability to trade with various commercial counterparties or cause our counterparties to require additional forms of credit support. If capital markets are disrupted, we may not be able to access capital at all or capital may only be available under less favorable terms. **Our** ~~We are required to continue to make payments to the partnership to the minimum volume commitment regardless of our~~ production ~~levels~~ - **level may fluctuate due** ~~. We are party~~ to **planned** ~~the storage~~ and **unplanned downtime at** ~~throughput agreement with our partnership, under which we are obligated to pay a minimum volume commitment regardless of whether or~~ **our assets** ~~not we operate~~ . ~~We~~ **Unplanned downtime may occur from time to time at our facilities. Our plants** may not **produce** ~~run our plants~~ at ~~volumes sufficient enough~~ **yields we expect due** to ~~cover~~ **a variety of reasons, including, but not limited to, equipment failures and** ~~the~~ **other breakdowns; labor shortages; lack** ~~MVC resulting in payments being made to the partnership. In times~~ of ~~sustained negative margins~~ **adequate raw materials** , **including corn supply; adverse pricing on raw materials and finished goods that becomes uneconomical; poor rail service; lack of adequate storage for distillers grains, Ultra- High Protein, renewable corn oil** ~~our~~ - **or** ~~volumes~~ **ethanol; permitting or regulatory issues, adverse weather and other reasons. Any of these production events** may **adversely impact** ~~be insufficient to recover these MVC payments in the following four~~ - **our profitability and financial position** ~~quarters as outlined in the partnership agreement~~ . Our ability to maintain the required regulatory permits or manage changes in environmental, safety and TTB regulations is essential to successfully operating our plants. Our plants are subject to extensive air, water, environmental and TTB regulations. Our production facilities involve the emission of various airborne pollutants, including particulate, carbon dioxide, nitrogen oxides, hazardous air pollutants and volatile organic compounds, which requires numerous environmental permits to operate our plants. Governing state agencies could impose costly conditions or restrictions that are detrimental to our profitability and have a material adverse effect on our operations, cash flows and financial position. Environmental laws and regulations at the federal and state level are subject to change. These changes can also be made retroactively. It is possible that more stringent federal or state environmental rules or regulations could be adopted, which could increase our operating costs and expenses. Consequently, even though we currently have the proper permits, we may be required to invest or spend considerable resources in order to comply with future environmental regulations. Furthermore, ongoing plant operations, which are governed by the Occupational Safety and Health Administration, may change in a way that increases the cost of plant operations. Any of these events could have a material adverse effect on our operations, cash flows and financial position. Part of our business is regulated by environmental laws and regulations governing the labeling, use, storage, discharge and disposal of hazardous materials. Since we handle and use hazardous substances, changes in environmental requirements or an unanticipated significant adverse environmental event could have a negative impact on our business. While we strive to comply with all environmental requirements, we cannot provide assurance that we have been in compliance at all times or will not incur material costs or liabilities in connection with these requirements. Private parties, including current and former employees, could bring personal injury or other claims against us due to the presence of hazardous substances. We are also exposed to residual risk by our land and facilities which may have environmental liabilities from prior use. Changes in environmental regulations may require us to modify existing plant and processing facilities, which could significantly increase our cost of operations. TTB regulations apply when producing our undenatured ethanol. These regulations carry substantial penalties for non- compliance and therefore any non- compliance may adversely affect our financial operations or adversely impact our ability to produce undenatured ethanol. Any inability to generate or obtain RINs could adversely affect our operating margins. **Under the RFS, biofuel producers generate different types of RINs to attach to each gallon produced depending on the feedstock, pathway and level of GHG reduction. Cellulosic biofuel is assigned a D3 or D7 RIN, advanced biofuels such as biodiesel and renewable diesel generate D4 RINs, advanced biofuels generate D5 RINs, and all other biofuels that do not generate a D3, D4, D5 or D7 RIN qualify for a D6 RIN.** Nearly all of our ethanol production is sold with **D6** RINs that are used by our customers to comply with **their blending obligations under** the RFS. Should our production **practices** not meet the EPA' s requirements for RIN generation in the future, we would need to **export the ethanol,** purchase RINs in the open market or sell our ethanol at ~~lower~~ **a discounted** ~~prices~~ - **price** to compensate for the absence of RINs **. Likewise, our renewable corn oil must meet regulatory requirements to be suitable as a feedstock for the production of renewable diesel, biodiesel and SAF, and changing production practices or regulations could impact its suitability as a feedstock** . The price of RINs depends on a variety of factors, including the availability of qualifying biofuels and RINs for purchase, production levels of transportation fuel and percentage mix of ethanol with other fuels, and cannot be predicted **. The values of D6 RINs, for which most conventional corn ethanol qualifies, have varied from a few pennies to well over a dollar** . Failure to obtain sufficient RINs or reliance on invalid RINs could subject us to fines and penalties imposed by the EPA which could adversely affect our results of operations, cash flows and financial condition. As we trade ethanol acquired from third- parties, should it be discovered the RINs associated with the ethanol we purchased are invalid, albeit unknowingly, we could be subject to substantial penalties if we are assessed the maximum amount allowed by law. Based on EPA penalties assessed on RINS violations in the past few years, in the event of a violation, the EPA could assess penalties, which could have an adverse impact on our profitability. Compliance with evolving environmental, health and safety laws and regulations, particularly those related to climate change, could be costly. Our plants emit **biogenic** carbon dioxide **from fermentation** as a by- product of ethanol production. While all ~~eleven~~ **ten** of our plants have grandfathered **RFS** pathways allowing them to operate under their current authorized capacity under ~~the~~ **their** ~~RFS mandate~~ **EPA approved grandfathered limits** , operating above these capacities requires an Efficient Producer ~~Pathways~~ - **Pathway** ~~and~~ **, demonstrating at least** a 20 % reduction in GHG emissions **relative to petroleum- based gasoline** from a 2005 baseline. Four of our plants currently maintain Efficient Producer Pathways to operate at increased capacities. Separately, CARB began implementation of the California LCFS in 2011, which aims to decrease the CI of transportation fuel in the state. In 2018, CARB strengthened GHG benchmarks to 20 % reductions vs 1990 levels by 2030. The most recent Scoping Plan from CARB in 2022 sets a target of 85 % GHG reductions vs 1990 levels no later than 2045. An ~~ILUC~~ **indirect land usage charge** component is included in the GHG emission calculation, which may have an adverse impact on the market for corn- based ethanol in California **. In late 2023, CARB proposed changes to the LCFS which would increase compliance requirements, including traceability of crop-based feedstocks beginning in 2028, an automatic accelerator mechanism to increase carbon credit values in the event of over- compliance by obligated parties, and other changes which could impact our ability to participate in and profit from the program** . To expand our production capacity, federal and state regulations may require us to obtain additional permits, achieve EPA' s efficient producer status under the pathway petition program, install advanced technology or reduce drying distillers grains. Compliance with future laws or regulations to decrease carbon dioxide could be costly and may prevent us from operating our plants as profitably, which may have an adverse impact on our operations, cash flows and financial position. We may fail to realize the anticipated benefits of mergers, acquisitions, joint ventures or partnerships. We have increased the size and diversity of our operations through mergers, acquisitions and joint ventures or partnerships and intend to continue exploring potential growth opportunities. Acquisitions involve numerous risks that could harm our business, including: (1) difficulties integrating the operations, technologies, products, existing contracts, accounting processes and personnel and realizing anticipated synergies of the combined business; (2) risks relating to environmental hazards on purchased sites; (3) risks relating to developing the necessary infrastructure for facilities or acquired sites, including access to rail networks; (4) difficulties supporting and transitioning customers; (5) diversion of financial and management resources from existing operations; (6) the purchase price exceeding the value realized; (7) risks of entering new markets or areas outside of our core competencies; (8) potential loss of key employees, customers and strategic alliances from our existing or acquired business; (9) unanticipated problems or underlying liabilities; and (10) inability to generate sufficient revenue to offset acquisition and development costs. The anticipated benefits of these transactions may not be fully realized or could take longer to realize than expected. We have also pursued growth through joint ventures or partnerships, which typically involve restrictions on actions that the partnership or joint venture may take without the approval of the partners. These provisions could limit our ability to manage the partnership or joint venture in a manner that serves our best interests. Future acquisitions may involve issuing equity as payment or to finance the business or assets, which could dilute your ownership interest. Furthermore, additional debt may be necessary to complete these transactions, which could have a material adverse effect on our financial condition. Failure to adequately address the risks associated with acquisitions or joint ventures could have a material adverse effect on our business, results of operations and financial condition. Future events could result in impairment of long- lived assets, which may result in charges that adversely affect our results of operations. Long- lived assets, including property, plant and equipment, intangible assets, goodwill and equity method investments, are evaluated for impairment annually or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Our impairment evaluations are subject to changes in key assumptions used in our analysis and may require use of financial estimates of future cash flows. Application of alternative assumptions could produce significantly different results. We may be required to recognize impairments of long-lived assets based on future economic factors such as unfavorable changes in estimated future undiscounted cash flows of an asset group. Global competition could affect our profitability. We compete with producers in the United States and abroad. Depending on feedstock, labor and other production costs, producers in other countries, such as Brazil, may be able to produce ethanol **, corn oil and distillers grains** cheaper **or with a lower CI** than we can. Under the RFS, certain parties are obligated to meet an advanced biofuel standard. While transportation costs, infrastructure constraints **, currency valuations** and demand may temper the impact of ethanol imports, foreign competition remains a risk to our business. Moreover, significant additional foreign ethanol production could create excess supply, which could result in lower ethanol prices throughout the world, including the United States. ~~Any penetration~~ **Penetration** of ethanol **or distillers grains** imports into the domestic **or international** market may have a material adverse **effect on our operations, cash flows and financial position.** International activities such as boycotts, embargoes, product rejection, trade policies and compliance matters, may have an adverse effect on our results of operations. Government actions abroad can have a significant impact on our business ~~. In 2022, we exported approximately 16 % of our ethanol production~~ . We have experienced trade policy disputes, tariffs, changing foreign laws as well as investigations in various foreign countries over the past ten years that have adversely impacted the international demand for U. S. ethanol. With these types of international activities, the value of our products may be affected, which could have a negative impact on our profitability. Additionally, tariffs on U. S. ethanol may lead to further industry over- supply and reduce our profitability. Moreover, the America First trade position has caused more countries to toughen their positions on U. S. imports. The ability or willingness of OPEC and other oil exporting nations to set and maintain production levels has a significant impact on oil and natural gas commodity prices. The Organization of Petroleum Exporting Countries and their allies (collectively, OPEC), is an intergovernmental organization that seeks to manage the price and supply of oil on the global energy market. Actions taken by OPEC members, including those taken alongside other oil exporting nations, have a significant impact on global oil supply and pricing. There can be no assurance that OPEC members and other oil exporting nations will agree to future production cuts or other actions to support and stabilize oil prices, nor can there be any assurance that they will not further reduce oil prices or increase production. Uncertainty regarding future actions to be taken by OPEC members or other oil exporting countries could lead to increased volatility in the price of oil, which could adversely affect our business, future financial condition and ~~results of operations.~~ Increased ethanol industry penetration by oil and other multinational companies could impact our margins. We operate in a very competitive environment and compete with other domestic ethanol producers in a relatively fragmented industry. The top four producers account for approximately ~~41~~ **40** % of the domestic production capacity with production capacity ranging from ~~958~~ **903** mmgy to ~~2~~ **3** , ~~811~~ **005** mmgy. The remaining ethanol producers consist of smaller entities engaged exclusively in ethanol production and large integrated grain companies that produce ethanol in addition to their base grain businesses. We compete for capital, labor, corn **, shipping** and other resources with these companies. Historically, oil companies, petrochemical refiners and gasoline retailers were not engaged in ethanol **, biodiesel and other biofuel** production even though they form the primary distribution network for **finished liquid fuels** ~~ethanol blended with gasoline~~ . As of this filing, oil refiners accounted for approximately 10 % of domestic ethanol production. If these companies increase their ethanol plant ownership or additional companies commence production, the need to purchase ethanol from independent producers like us or at pricing that provides us an acceptable margin could diminish and adversely effect on our operations, cash flows and financial position **. Integrated oil companies and merchant refiners are increasingly investing in retrofitting refineries or building new refineries to produce renewable diesel, and partnering with commodity processors to supply soybean oil, distillers corn oil and other feedstocks, which could adversely impact the market for our renewable corn oil and Ultra- High Protein** . Our agribusiness operations are subject to significant government regulations. Our agribusiness operations are regulated by various government entities that can impose significant costs on our business. Failure to comply could result in additional expenditures, fines or criminal action. Our production levels, markets and grains we merchandise are affected by federal government programs. Government policies such as tariffs, duties, subsidies, import and export restrictions **, tax incentives, commodity support programs, conservation incentives, fuel and vehicle standards** and embargos can also impact our business. Changes in government policies and producer support could impact the type and amount of grains planted, which could affect our ability to buy grain. Export restrictions or tariffs could limit sales opportunities outside of the United States. Commodities futures trading is subject to extensive regulations. The futures industry is subject to extensive regulation. Since we use exchange- traded futures contracts as part of our business, we are required to comply with a wide range of requirements imposed by the Commodity Futures Trading Commission, National Futures Association and the exchanges on which we trade. These regulatory bodies are responsible for safeguarding the integrity of the futures markets and protecting the interests of market participants. As a market participant, we are subject to regulation concerning trade practices, business conduct, reporting, position limits, record retention, the conduct of our officers and employees, and other matters. Failure to comply with the laws, rules or regulations applicable to futures trading could have adverse consequences. Such claims could result in fines, settlements or suspended trading privileges, which could have a material adverse impact on our business, financial condition or operating results. Our success depends on our ability to manage our growing and changing operations. Since our formation in 2004, our business has grown significantly in size, products and complexity. This growth places substantial demands on our management, systems, internal controls, and financial and physical resources. If we acquire or develop additional operations, **implement new technologies, sell into new markets, track the CI of the feedstocks we purchase and finished products we sell,** we may need to further develop our financial and managerial controls and reporting systems, and could incur expenses related to hiring additional qualified personnel and expanding our information technology infrastructure. Our ability to manage growth effectively could impact our results of operations, financial position and cash flows ~~. Replacement technologies could make corn- based ethanol or our process technology obsolete. Ethanol is used primarily as an octane additive and oxygenate blended with gasoline. Critics of ethanol blends argue that it decreases fuel economy, causes corrosion and damages fuel pumps. Prior to federal restrictions and ethanol mandates, methyl tertiary- butyl ether, or MTBE, was the leading oxygenate. Other oxygenate products could enter the market and prove to be environmentally or economically superior to ethanol. Alternative biofuel alcohols, such as methanol and butanol, could evolve and replace ethanol. Research is currently underway to develop products and processes that have advantages over ethanol, such as: lower vapor pressure, making it easier to add to gasoline; similar energy content as gasoline, reducing any decrease in fuel economy caused by blending with gasoline; ability to blend at higher concentration levels in standard vehicles; and reduced susceptibility to separation when water is present. Products offering a competitive advantage over ethanol could reduce our ability to generate revenue and profits from ethanol production~~ . New ethanol process technologies could emerge that require less energy per gallon to produce **or increase yields of various products and in some cases develop new coproducts** and result in lower production costs **or more favorable economics for a plant** . Our process technologies could become less effective or competitive than competing technologies or **become** obsolete and place us at a competitive disadvantage, which could have a material adverse effect on our operations, cash flows and financial position **. Newly constructed plants could operate more efficiently and reliably than the legacy fleet of plants constructed nearly 20 years ago, which includes our assets, putting us at a competitive disadvantage. Competitors could successfully deploy carbon capture technology and achieve lower CI scores before we are able to do so, which could put us at a competitive disadvantage** . We may be required to provide remedies for ethanol, distillers grains, Ultra- High Protein or renewable corn oil that do not meet the specifications defined in our sales contracts. If we produce or purchase ethanol, distillers grains, Ultra- High Protein or renewable corn oil that does not meet the specifications defined in our sales contracts, we may be subject to quality claims. We could be required to refund the purchase price of any non- conforming product or replace the non- conforming product at our expense. Ethanol, distillers grains, Ultra- High Protein or renewable corn oil that we purchase or market and subsequently sell to others could result in similar claims if the product does not meet applicable contract specifications, which could have an adverse impact on our profitability. Business disruptions due to unforeseen operational failures or factors outside of our control could impact our ability to fulfill contractual obligations. Natural disasters, pandemics, transportation issues, significant track damage resulting from a train derailment **, aging equipment breakdowns, coupled with supply chain challenges impacting repairs** or **replacements, or labor** strikes by our transportation providers could **adversely impact operations and / or** delay shipments of raw materials to our plants or deliveries of ethanol, distillers grains, Ultra- High Protein and renewable corn oil to our customers. If we are unable to meet customer demand or contract delivery requirements due to stalled operations caused by business disruptions, we could potentially lose customers **or volume with such customers** . Shifts in global markets, supply or demand changes, as well as adverse weather conditions, such as inadequate or excessive amounts of rain during the growing season, overly wet conditions, **hail, derecho wind events,** an early freeze or snowy weather during harvest could impact the supply of corn that is needed to produce ethanol. Corn stored in ~~an~~ **a temporary** open pile may be damaged by rain or warm weather before the corn is dried, shipped or moved into a **permanent** storage structure. Our business may be adversely impacted by the ~~continued~~ **follow on** ~~impact~~ **impacts** of the COVID- 19 ~~outbreak~~ **pandemic** . The outbreak of the coronavirus, or COVID- 19, including resurgences and variants of the virus, ~~has~~ created risk on all aspects of our business, including its impact on our employees, customers, vendors, and business partners. There are uncertainties from COVID- 19 that continue, and include but are not limited to (1) the health of our workforce, and our ability to meet staffing needs which are vital to our operations; (2) the duration of additional outbreaks; (3) the effect on customer demand resulting in a decline in the demand for our products **due to reduced travel and commuting** ; (4) impacts on our supply chain and potential limitations of supply of our feedstocks, chemicals and other products utilized as well as supply chain impacts on construction equipment, supplies and / or labor; (5) interruptions of our rail and distribution systems and delays in the delivery of our product; and (6) volatility in the credit and financial markets. Specifically, we have experienced demand fluctuations for our products ~~,~~ and rail disruptions. Any of the foregoing may have an adverse impact ~~our business, operations and / or profitability. We continue to actively manage our response in collaboration with customers, government officials, and business partners and assess potential impacts to our future financial position and operating results, as well as adverse developments in our business. While many restrictions have been lifted, it is not possible for us to predict whether there will be additional government- mandated orders that could affect our business, or how any additional measures could impact our operations. We are unable to predict the overall impact these events will have on our future financial position and operations and it could have a material adverse impact on~~ our business, operations and / or profitability. Our ethanol- related assets may be at greater risk of terrorist attacks, threats of war or actual war, than other possible targets. Terrorist attacks in the United States, including threats of war or actual war, may adversely affect our operations. A direct attack on our ethanol plants, ~~or our partnership' s~~ storage facilities, fuel terminals and railcars could have a material adverse effect on our financial condition, results of operations and cash flows. Furthermore, a terrorist attack could have an adverse impact on ethanol prices. Disruption or significant increases in ethanol prices could result in government- imposed price controls. Our network infrastructure, enterprise applications and internal technology systems could be damaged or otherwise fail and disrupt business activities. Our network infrastructure, enterprise applications and internal technology systems are instrumental to the day- to- day operations of our business. Numerous factors outside of our control, including earthquakes, floods, lightning, tornados, fire, power loss, telecommunication failures, computer viruses, physical or electronic vandalism or similar disruptions could result in system failures, interruptions or loss of critical data and prevent us from fulfilling customer orders. We cannot provide assurance that our backup systems are sufficient to mitigate hardware or software failures, which could result in business disruptions that negatively impact our operating results and damage our reputation. We could be adversely affected by cyber- attacks, data security breaches and significant information technology systems interruptions. We rely on network infrastructure, enterprise applications, and internal and external technology systems for operational, marketing support and sales, and product development activities. The hardware and software systems related to such activities are subject to damage from earthquakes, floods, lightning, tornados, fire, power loss, telecommunication failures, cyber- attacks and other similar events. They are also subject to acts such as computer viruses, physical or electronic vandalism or other similar disruptions that could cause system interruptions and loss of critical data, and could prevent us from fulfilling customers' orders. We have experienced various cyber- attacks, with minimal consequences on our business to date. As examples, we have experienced attempts to gain access to systems, denial of service attacks, attempted malware infections, account takeovers, scanning activity and phishing emails. Attacks can originate from external criminals, terrorists, nation states or internal actors. We will continue to dedicate resources and incur expenses to maintain and update on an ongoing basis the systems and processes that are designed to mitigate the information security risks we face and protect the security of our computer systems, software, networks and other technology assets against attempts by unauthorized parties to obtain access to confidential information, disrupt or degrade service or cause other damage. Despite the implementation of numerous cybersecurity measures (including but not limited to, ongoing collaboration and engagement with the Department of Homeland Security, access controls, data encryption, internal and third- party vulnerability assessments, employee training, continuous protection and monitoring, and maintenance of backup and protective systems), our information technology systems may still be vulnerable to cybersecurity threats and other electronic security breaches. While we have taken reasonable efforts to protect ourselves, and to date, we have not experienced any material losses related to cyber- attacks, we cannot assure our shareholders that any of our security measures would be sufficient in the future. Any event that causes failures or interruption in such hardware or software systems could result in disruption of our business operations, have a negative impact on our operating results, and damage our reputation, which could negatively affect our financial condition, results of operation, cash flows. We may not be able to hire and retain qualified personnel to operate our facilities. Our success depends, in part, on our ability to attract and retain competent employees. Qualified employees, including but not limited to finance and accounting, managers, engineers, merchandisers, and other personnel must be hired for each of our locations and our corporate office. If we are unable to hire and retain productive, skilled personnel, we may not be able to maximize production, optimize plant operations or execute our business strategy. Compliance with and changes in tax laws could adversely affect our performance. We are subject to extensive tax liabilities imposed by multiple jurisdictions, including income taxes, indirect taxes (excise / duty, sales / use, gross receipts, and value- added taxes), payroll taxes, franchise taxes, withholding taxes, and ad valorem taxes. New tax laws and regulations and changes in existing tax laws and regulations are continuously being enacted or proposed that could result in increased expenditures for tax liabilities in the future. Many of these liabilities are subject to periodic audits by the respective taxing authority. Subsequent changes to our tax liabilities as a result of these audits may subject us to interest and penalties **. Tax incentives for producing low- carbon fuels may add additional complexity to our business, and our ability to qualify for them relative to other producers may put us at a competitive disadvantage** . Federal, state and local jurisdictions may challenge our tax return positions. The positions taken in our federal and state tax return filings require significant judgments, use of estimates and the interpretation and application of complex tax laws. Significant judgment is also required in assessing the timing and amounts of deductible and taxable items. Despite management' s belief that our tax return positions are fully supportable, certain positions may be successfully challenged by federal, state and local jurisdictions. Financial performance of our equity method investments are subject to risks beyond our control and can vary substantially from period to period. The company invests in certain limited liability companies, which are accounted for using the equity method of accounting. This means that the company' s share of net income or loss in the investee increases or decreases, as applicable, the carrying value of the investment. By operating a business through this arrangement, we do not have control over operating decisions as we would if we owned the business outright. Specifically, we cannot act on major business initiatives without the consent of the other investors. The company recognizes these investments within other assets on the consolidated balance sheets and its proportionate share of earnings on a separate line item in the consolidated statements of operations. As a result, the amount of net investment income recognized from these investments can vary substantially from period to period. Any losses experienced by these entities could adversely impact our results of operations and the value of our investment. We are exposed to credit risk that could result in losses or affect our ability to make payments should a counterparty fail to perform according to the terms of our agreement. We are exposed to credit risk from a variety of customers, including major integrated oil companies, large independent refiners, petroleum wholesalers and other ethanol plants. We are also exposed to credit risk with major suppliers of petroleum products and agricultural inputs when we make payments for undelivered inventories. Our fixed- price forward contracts are subject to credit risk when prices change significantly prior to delivery. The inability by a third party to pay us for our sales, provide product that was paid for in advance or deliver on a fixed- price contract could result in a loss and adversely impact our liquidity and ability to make our own payments when due. ~~The interest rates under our credit facilities may be impacted by the phase- out of LIBOR and we have exposure to increases in interest rates. LIBOR was historically the basic rate of interest widely used as a reference for setting the interest rates on loans globally. We have and continue to use LIBOR as a reference rate for some of our credit facilities. The United Kingdom' s Financial Conduct Authority, which regulates LIBOR, ceased the publication of the one week and two month LIBOR settings immediately following the LIBOR publication on December 31, 2021, and will cease the remaining USD LIBOR settings immediately following the LIBOR publication on June 30, 2023. The U. S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U. S. financial institutions, is considering replacing U. S. dollar LIBOR with a new reference rate, the SOFR, calculated using short- term repurchase agreements backed by Treasury securities. The potential effect of any such event on interest expense cannot yet be determined. Our financial condition, results of operations and cash flows could be materially adversely affected by significant increases in interest rates.~~ We have limitations, as a holding company, in our ability to receive distributions from a small number of our subsidiaries. We conduct most of our operations through our subsidiaries and rely on dividends or intercompany transfers of funds to generate free cash flow. Some of our subsidiaries are currently, or are expected to be, limited in their ability to pay dividends or make distributions under the terms of their financing agreements. Consequently, we cannot fully rely on the cash flow from one subsidiary to satisfy the loan obligations of another subsidiary. As a result, if a subsidiary is unable to satisfy its loan obligations, we may not be able to prevent default by providing additional cash to that subsidiary, even if sufficient cash exists elsewhere within our organization. The ability of suppliers to deliver inputs, parts, components and equipment to our facilities, and our ability to construct our facilities without disruption, could affect our business performance. We use a wide range of materials and components in the production of our products and our transformation construction, which come from numerous suppliers. Also, key parts may be available only from a single or a limited group of suppliers, and we are subject to supply and pricing risk. Our operations and those of our suppliers are subject to disruption for a variety of reasons, including supplier plant shutdowns or slowdowns, parts availability, transportation delays, work stoppages, labor relations, governmental regulatory and enforcement actions, disputes with suppliers, distributors or transportation providers, information technology failures, and natural hazards, including due to climate change. We may be impacted by supply chain issues, due to factors largely beyond our control, which could escalate in future quarters. Any of the foregoing factors may result in higher costs ~~or~~ **,** operational disruptions **or construction delays**, which could have an adverse impact on our business and financial statements. Such disruption has in the past and could in the future interrupt our ability to manufacture certain products. Any significant disruption could have a material adverse impact on our financial statements. Inflation may impact the cost and / or availability of materials, inputs and labor, which could adversely affect our operating results. We have experienced inflationary impacts on raw materials, labor costs, wages, components, equipment, other inputs and services across our business and inflation and its impact could escalate in future quarters, many of which are beyond our control. Moreover, we may not be able to pass those costs along in the products we sell. As such, inflationary pressures could have a material adverse effect on our performance and financial statements. Climate change, environmental, social and corporate governance issues and uncertainty regarding regulation of such matters may increase our operating costs, impact our capital markets and potentially reduce the value of our products and assets. The issue of global climate change continues to attract considerable public and scientific attention with widespread concern about the impacts of human activity, especially the emissions of GHG such as carbon dioxide and methane. With the current administration, climate change legislation in the U. S. is likely to receive increased focus and consideration over the next several ~~years~~ **decades**, with numerous proposals having been made and are likely to continue to be made at the international, national, regional and state levels of government that are intended to limit emissions of GHG and capture carbon. Several states have already adopted measures requiring reduction of GHG within state boundaries. Other states have elected to participate in voluntary regional cap- and- trade programs **, low- carbon fuel standards and low- carbon energy requirements**. While we have considered potential risks with transitioning to a low- carbon economy, and we believe our products are low carbon and result in a reduction of GHG emissions compared to alternatives, any significant legislative changes at the international, national, state or local levels could significantly affect our ability to produce and sell our products, could increase the cost of the production and sale of our products and could materially reduce the value of our products. Additionally, our industry receives adverse commentary related to food versus fuel and land use change / conversion debates. These debates could increase which could potentially result in increased costs and / or regulations. Moreover, costs to transition to lower emissions process technology related to our decarbonization strategy is a related risk that has the potential to result in increased research and development expenditures in new and alternative technologies and capital investments in technology development. Unsuccessful investment in new technologies could pose further risk. Transitioning to a low- carbon economy could also result in increased cost of raw materials, which could increase our overall production costs. Apart from legislation and regulation, some banks based both domestically and internationally have announced that they have adopted **non- financial metrics for evaluating companies on their** environmental **impact**, ~~social and corporate~~ governance ~~guidelines (ESG)~~ **structure, and other criteria**. There have also been efforts in recent years affecting the investment community promoting the divestment of fossil fuel equities, and encouraging the consideration of ~~ESG practices of~~ **environmental factors in evaluating** companies. ~~The~~ **While we have made improvements to our corporate governance, and continue to reduce the environmental** impact of ~~such efforts~~ **our operations and ingredients, these trends** may adversely affect the demand for and price of securities issued by us, and impact our access to the capital and financial markets. Further, it is believed that climate change itself may cause more extreme temperatures and weather conditions such as more intense hurricanes, thunderstorms, tornadoes, droughts, floods, snow or ice storms as well as rising sea levels and increased volatility in temperatures. Extreme weather conditions can interfere with our operations and cause damage resulting from extreme weather, which may not be fully insured. However, at this time, we are unable to determine the extent to which any potential climate change may lead to increased weather hazards affecting our operations. Our insurance policies do not cover all losses, costs or liabilities that we may experience, and insurance companies that currently insure companies in the energy industry may cease to do so or substantially increase premiums. We are insured under property, liability and business interruption policies, subject to the deductibles and limits under those policies. We have acquired insurance that we believe to be adequate to prevent loss from material foreseeable risks. However, events may occur for which no insurance is available **for some or all of the loss** or for which insurance is not available on terms that are acceptable. Loss from an event, such as, but not limited to war, riots, pandemics, terrorism or other risks, may not be insured and such a loss may have a material adverse effect on our operations, cash flows and financial position. Certain of our ethanol plants and our related storage tanks, as well as certain of our fuel terminal facilities are located within recognized seismic and flood zones. We believe that the design of these facilities have been modified to fortify them to meet structural requirements for those regions of the country. We have also obtained additional insurance coverage specific to earthquake and flood risks for the applicable plants and fuel terminals. However, there is no assurance that any such facility would remain in operation if a seismic or flood event were to occur. Additionally, our ability to obtain and maintain adequate insurance may be adversely affected by conditions in the insurance market over which we have no control. In addition, if we experience insurable events, our annual premiums could increase further or insurance may not be available at all. If significant changes in the number or financial solvency of insurance underwriters for the ethanol industry occur, we may be unable to obtain and maintain adequate insurance at a reasonable cost. We cannot assure our shareholders that we will be able to renew our insurance coverage on acceptable terms, if at all, or that we will be able to arrange for adequate alternative coverage in the event of non- renewal. The occurrence of an event that is not fully covered by insurance, the failure by one or more insurers to honor its commitments for an insured event or the loss of insurance coverage could have a material adverse effect on our financial condition, results of operations, cash flows ~~and ability of the partnership to make distributions to its unitholders~~. **Our review** ~~Risks Related to the Partnership We depend on the partnership to provide fuel storage and transportation services. The partnership' s operations are subject to all~~ of **strategic alternatives** ~~the risks and hazards inherent in the storage and transportation of fuel, including: damages to storage facilities, railcars and surrounding properties caused by floods, fires, severe weather, explosions, embargoes, natural disasters or acts of terrorism; mechanical or structural failures at the partnership' s facilities or at third- party facilities at which its operations are dependent; curtailments of operations relative to severe weather; and other hazards, resulting in severe damage or destruction of the partnership' s assets or temporary or permanent shut- down of the partnership' s facilities. If the partnership is~~

~~unable to serve our storage and transportation needs, our ability to operate our business could be adversely impacted, which could adversely affect our financial condition and results of operations. The inability of the partnership to continue operations, for any reason, could also impact the value of our investment in the partnership and, because the partnership is a consolidated entity, our business, financial condition and results of operations. The partnership' s credit facility includes restrictions that may limit its ability to finance future operations, meet its capital needs or expand its business. If the partnership fails to comply with covenants in its credit facility, the partnership~~ may be ~~required~~ **disruptive** to ~~repay its indebtedness thereunder~~ **our business. On February 7, 2024, we publicly announced that our Board of Directors has authorized a process to explore a range of strategic alternatives** , which ~~may have an adverse effect on the partnership' s liquidity and its ability to operate and provide services to us. The partnership is dependent upon the earnings and cash flow generated by its operations in order to meet its debt service obligations and to allow the partnership to pay cash distributions to its unitholders. The operating and financial restrictions and covenants in the partnership' s credit facility or in any future financing agreements~~ could **include** ~~restrict its ability to finance future operations or capital needs or to expand or pursue its business activities, which may, in turn, limit its ability to pay cash distributions to unitholders. For example, the partnership' s credit facility restricts its ability to~~ , among other things ~~: (1) make certain cash~~ **, acquisitions, divestitures, a merger or sale, partnerships and financings. Exploring strategic alternatives may create a significant** ~~distributions~~ - **distraction** ~~; (2)~~ **for our management team and Board of Directors and require us to expend significant time and resources and** incur **expenses** ~~certain indebtedness; (3) create certain liens; (4) make certain investments; (5) merge or~~ **for advisors. Moreover,** ~~sell certain of our assets; and (6) expand~~ the ~~nature~~ **review** of **strategic alternatives may disrupt** our business **by causing** ~~. Furthermore, the partnership' s credit facility contains covenants requiring it to maintain certain~~ **uncertainty among current** ~~financial ratios. A failure to comply with the provisions of the partnership' s credit facility could result in an~~ **and potential employees** ~~event of default that could enable the partnership' s lenders~~ , **suppliers** ~~subject to the terms and conditions of the partnership' s credit facility~~ , **customers** ~~to declare the outstanding principal of that debt, together with accrued interest, to be immediately due~~ and ~~payable~~ **investors. The selection** and ~~/~~ **execution of a strategic alternative may lead to similar disruptions, and parties advocating** ~~or~~ **for alternatives not selected may solicit support for** ~~to proceed against the collateral granted to them to secure~~ such ~~debt. If there is a default or event of default, the payment of the partnership' s debt is accelerated, defaults under its~~ other **alternatives** ~~debt instruments~~ , **causing further** ~~if any, may be triggered, and its assets may be insufficient to repay such debt in full. Therefore, the holders of its units could experience a partial or total loss of their investment. Increases in interest rates could adversely impact the partnership' s unit price, ability to issue equity or incur debt, and pay cash distributions at intended levels. The partnership' s cash distributions and implied distribution~~ --- **disruption** ~~yield affect its unit price. Distributions are often used by investors to compare and rank yield- oriented securities when making investment decisions. A rising interest rate environment could have an adverse impact on the partnership' s unit price, ability to issue equity or incur debt or pay cash distributions at intended levels, which could adversely impact the value of our investment in the partnership. The partnership may not have sufficient available cash to pay quarterly distributions on its units. The amount of cash the partnership can distribute depends on how much cash is generated from operations, which can fluctuate from quarter to quarter based on ethanol and other fuel volumes, handling fees, payments associated with minimum volume commitments, timely payments by subsidiaries, and other third parties, and prevailing economic conditions. The amount of cash available for distribution also depends on the partnership' s operating and general and administrative expenses, capital expenditures, acquisitions and organic growth projects, debt service requirements, working capital needs, ability to borrow funds and access capital markets, credit facility restrictions, cash reserves and other risks affecting cash levels. Increasing the partnership' s borrowings or other debt to finance certain projects could increase interest expense, which could impact the amount of cash available for distributions. There are no limitations in the partnership agreement regarding its ability to issue additional units. Should the partnership issue additional units in connection with an acquisition or expansion, the distributions on the incremental units will increase the risk that the partnership will be unable to maintain or increase distributions on a per unit basis. We may be required to pay taxes on our share of the partnership' s income that are greater than the cash distributions we receive from the partnership. The unitholders of the partnership generally include, for purposes of calculating their U. S. federal, state and local income taxes, their share of the partnership' s taxable income, whether they have received cash distributions from the partnership. We ultimately may not receive cash distributions from the partnership equal to our share of taxable income or the taxes that are due with respect to that income, which could negatively impact our liquidity. A majority of the executive officers and directors of the partnership are also officers of our company, which could result in conflicts of interest. We indirectly own and control the partnership and appoint all of its officers and directors. A majority of the executive officers and directors of the partnership are also officers or directors of our company. Although our directors and officers have a fiduciary responsibility to manage the company in a manner that is beneficial to us, as directors and officers of the partnership, they also have certain duties to the partnership and its unitholders. Conflicts of interest may arise between us and our affiliates, and the partnership and its unitholders, and in resolving these conflicts, the partnership may favor its own interests over the company' s interests. In certain circumstances, the partnership may refer conflicts of interest or potential conflicts of interest to its conflicts committee, which must consist entirely of independent directors, for resolution. The conflicts committee must act in the best interests of the public unitholders of the partnership. As a result, the partnership may manage its business in a manner that differs from the best interests of the company or our stockholders, which could adversely affect our profitability. Cash available for distributions could be reduced and likely cause a substantial reduction in unit value if the partnership became subject to entity- level taxation for federal income tax purposes. The present federal income tax treatment of publicly traded partnerships or investments in its units could be modified, at any time, by administrative, legislative or judicial changes and interpretations. From time to time, members of Congress propose and consider substantive changes to the existing federal income tax laws that affect publicly traded partnerships. Should any legislative proposal eliminate the qualifying income exception, all publicly traded partnerships would be treated as~~

~~corporations for federal income tax purposes. The partnership would be required to pay federal income tax on its taxable income at the corporate tax rate and likely state and local income taxes at varying rates as well. Distributions to unitholders would be taxed as corporate distributions. The partnership' s cash available for distributions and the value of the units would be substantially reduced~~ . Risks Related to our Common Stock The price of our common stock may be highly volatile and subject to factors beyond our control. Some of the many factors that can influence the price of our common stock include: (1) our results of operations and the performance of our competitors; (2) public' s reaction to our press releases, public announcements and filings with the SEC; (3) changes in earnings estimates or recommendations by equity research analysts who follow us or other companies in our industry; (4) changes in general economic conditions; (5) changes in market prices for our products or raw materials and related substitutes; (6) sales **or purchases** of common stock by our directors, executive officers and significant shareholders; (7) actions by institutional investors trading in our stock; (8) disruptions in our operations; (9) changes in our management team; (10) other developments affecting us, our industry or our competitors; and (11) U. S. and international economic, legal and regulatory factors unrelated to our performance. The stock market may experience significant price and volume fluctuations, which are unrelated to the operating performance of any particular company. These broad market fluctuations could materially reduce the price of our common stock price based on factors that have little or nothing to do with our company or its performance. Anti- takeover provisions could make it difficult for a third party to acquire us. Our restated articles of incorporation, restated bylaws and Iowa' s law contain anti- takeover provisions that could delay or prevent change in control of us or our management. These provisions discourage proxy contests, making it difficult for our shareholders to take other corporate actions without the consent of our board of directors, which include: (1) board members can only be removed for cause with an affirmative vote of no less than two- thirds of the outstanding shares; (2) shareholder action can only be taken at a special or annual meeting, not by written consent except where required by Iowa law; (3) shareholders are restricted from making proposals at shareholder meetings; and (4) the board of directors can issue authorized or unissued shares of stock. We are subject to the provisions of the Iowa Business Corporations Act, which prohibits combinations between an Iowa corporation whose stock is publicly traded or held by more than 2, 000 shareholders and an interested shareholder for three years unless certain exemption requirements are met. Provisions in the convertible notes could also make it more difficult or too expensive for a third party to acquire us. If a takeover constitutes a fundamental change, holders of the notes have the right to require us to repurchase their notes in cash. If a takeover constitutes a make- whole fundamental change, we may be required to increase the conversion rate for holders who convert their notes. In either case, the obligation under the notes could increase the acquisition cost and discourage a third party from acquiring us. These items discourage transactions that could otherwise command a premium over prevailing market prices and may limit the price investors are willing to pay for our stock. Non- U. S. shareholders may be subject to U. S. income tax on gains related to the sale of their common stock. If we are a U. S. real property holding corporation during the shorter of the five- year period before the stock was sold or the period the stock was held by a non- U. S. shareholder, the non- U. S. shareholder could be subject to U. S federal income tax on gains related to the sale of their common stock. Whether we are a U. S. real property holding corporation depends on the fair market value of our U. S. real property interests relative to our other trade or business assets and non- U. S. real property interests. We cannot provide assurance that we are not a U. S. real property holding corporation or will not become one in the future.