



**RED TRAIL**  
ENERGY

# Quarterly Report

PO Box 11

3682 Hwy 8 S

Richardton, ND 58652

**4th Quarter 2023**

Another year has come to a close. Year-ends are always a busy time for everyone and here at Red Trail we are busy working on our tax return and preparing for the annual meeting. Before I discuss tax return and annual meeting details I have a distribution announcement. On December 20, 2023 the Board of Governors declared a \$0.15 per share distribution. This distribution is payable to shareholders holding shares on December 20<sup>th</sup> and will be paid on January 12, 2024.



**Jodi Johnson**

Two Board of Governor's seats are up for election at this year's annual meeting. The annual meeting will be held Thursday, April 4, 2024 at the Bismarck Hotel and Conference Center across from the Kirkwood Mall (formerly Ramkota Hotel). There will also be a virtual option for viewing the annual meeting for those members that cannot attend in person. Lunch will begin at noon with the annual meeting to follow. Mike Appert and Bill Price have both indicated they will be running for reelection. If any members would like to run for the Board of Governors, please contact Stacy Wagner at 701-974-1103 for further information. The deadline to apply is close of business on January 15, 2024.

We look forward to seeing everyone at the annual meeting where we will provide a more detailed update on operations, but I am happy to report our new Carbon Capture and Storage (CCS) ethanol fuel pathway into Oregon was approved by the Oregon Department of Environmental Quality (DEQ) the end of December. This pathway allows us to certify a lower carbon intensity (CI) score on our ethanol sales into Oregon and means we will be able to receive a higher premium on those sales.

Work on CCS ethanol fuel pathways with the California Air Resource Board (CARB) and Canada's Clean Fuels Regulations are ongoing. Lastly, we are completing an application to be certified through Puro.earth's Geologically Stored Carbon methodology. This certification will allow us to issue CO<sub>2</sub> Removal Certificates (CORCs) for the carbon we sequester. These CORCs can then be sold through voluntary carbon markets. We anticipate approval with Puro.earth in January. We are building a diversified marketing opportunity for RTE by seeking approval in all of these pathways.

Finally, I'd like to provide a 2023 calendar year tax estimate. **We anticipate a taxable income of \$0.34 per share and a 45-Q tax credit of \$0.17 per share.** This will result in a net taxable income of \$0.17 per share.

Please keep in mind this figure is only an estimate and actual results may vary. We anticipate mailing K-1's by February 15<sup>th</sup>. We want to remind everyone that we are not tax professionals

and cannot provide individual tax advice. We encourage everyone to visit with their tax professionals about how the tax credit and taxable income will impact your individual tax return.

We would like to thank everyone for their continued support and on behalf of myself, the Board of Governors, and all Red Trail Energy employees, we hope everyone had a safe and happy holiday season, and wish everyone a prosperous new year.

## **RED TRAIL ENERGY'S ANNUAL MEETING**

**THURSDAY • APRIL 4, 2024**

**NOMINATIONS FOR BOARD OF GOVERNORS POSITIONS WILL BE ACCEPTED UNTIL JANUARY 15, 2024.**

**Please contact Stacy if you would like to nominate an individual: 701-974-1103**

<b>Statements of Operations</b>	<b>For the year ended September 30, 2023 (audited)</b>	<b>%</b>	<b>For the year ended September 30, 2022 (audited)</b>	<b>%</b>
Revenues	\$199,645,418	100.00%	\$217,135,121	100.00%
Gross Profit	\$12,054,588	6.04%	\$26,306,950	12.12%
Net Income	\$5,561,255	2.79%	\$29,496,680	13.58%
Net Income Per unit— Basic	\$0.14		\$0.73	
Average Units Outstanding—Basic	40,148,160		40,148,160	

<b>Balance Sheets</b>	<b>September 30, 2023 (audited)</b>	<b>September 30, 2022 (audited)</b>
Total Assets	\$116,790,200	\$115,016,024
Total Liabilities	\$33,418,468	\$29,174,889
Members Equity	\$83,371,732	\$85,841,135
Book Value per Unit	\$2.08	\$2.14
Debt to equity ratio	0.40	0.34

### **HAVE YOU MOVED OR ARE YOU A SNOWBIRD?**

Please email or call us with any address or phone number changes.

You can call Stacy at (701) 974-1103 or send her an email at [stacy@redtrailenergy.com](mailto:stacy@redtrailenergy.com)