

Stormy Waters

Years of Chaos & Uncertainty

WESTERN DUBUQUE BIODIESEL, LLC
FARLEY, IOWA

AGENDA

1. **Welcome**
   20th Meeting of the Western Dubuque Biodiesel Shareholders
2. **Introduction**
   Directors, Management, & Support Staff
3. **Vote on Election**
   Two current directors
   - George Davis
   - Bruce Klostermann
4. **Valuation of Shares**
   --Bruce Klostermann

AGENDA continued

5 Company Results
-- Financials Results
-- Production Results
-- Sales Results

6 State & Federal Policy Review

7 Q & A Panel
--Bruce Klostermann
--Tom Brooks

8 VOTING RESULTS



Board Members

- **William G. Schueller, Chairman** **Farley**
- **Bruce Klostermann, President** **Dubuque**
- **Joyce Jarding, Secretary** **Farley**
- **George Davis, CFO, Treasurer** **Dubuque**
- **David P. O'Brien** **Epworth**
- **Craig J. Breitbach** **Farley**
- **Jack Friedman** **Dyersville**

Note: Craig could not be here with us this evening



Management & Staff

- Tom Brooks — General Manager
- Troy Gibbs — Operations Manager
- Michael Ties — Controller & Director of Elections
- Chris Rausch — Quality Manager
- Renee Fendell — Administrative Assistant

PROPOSAL # 1

The proposal is for the election of the following nominees to serve on the Board of Directors of the Company for the term provided in the Proxy Statement three years.

George Davis	-	Currently serves as a Director
Bruce Klostermann	-	Currently serves as a Director

Questions Concerning Proposal



Shareholder Value

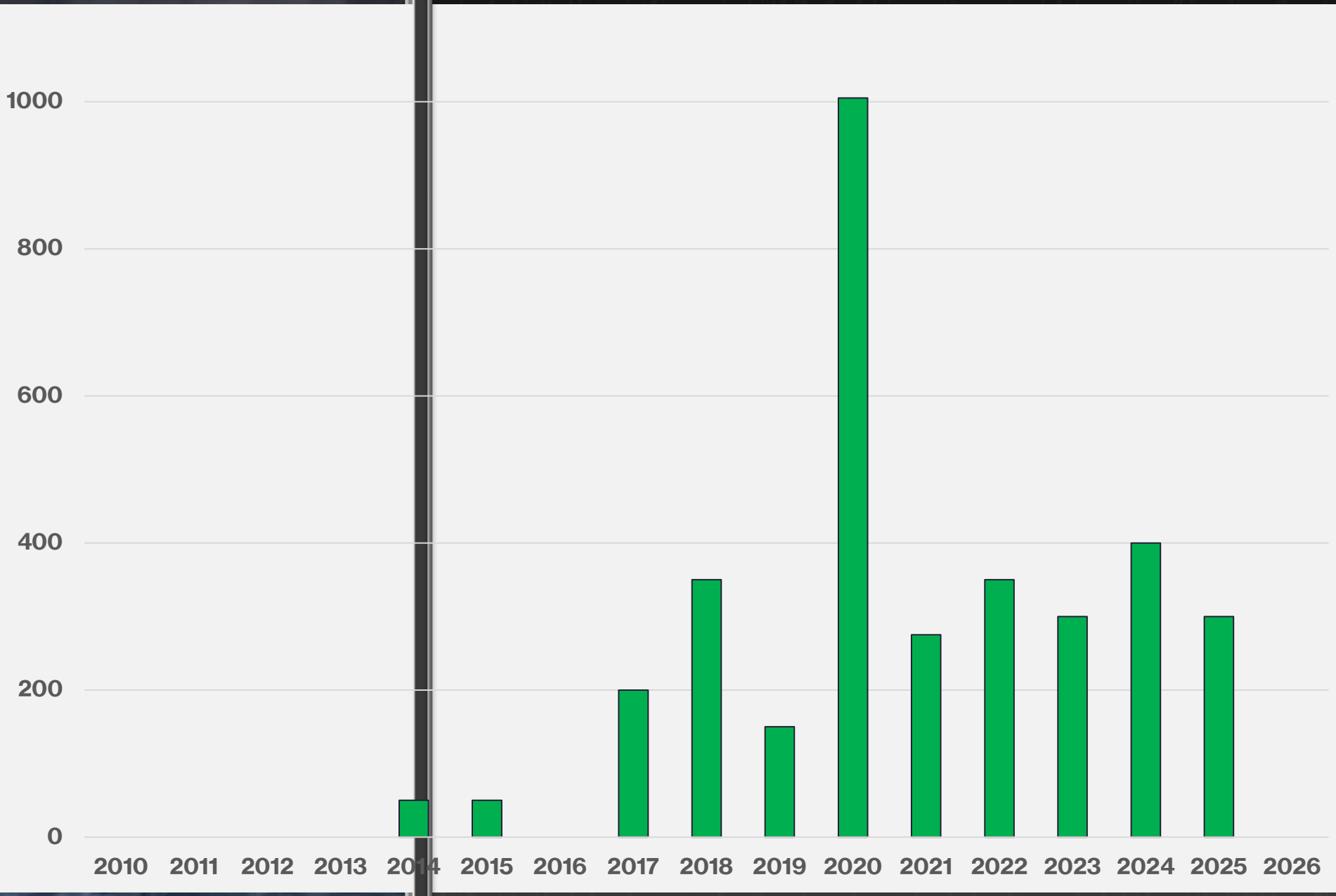
25 Shares (what you received with the $25,000 initial value share of $ 1,000)

WDB Member Value Received Per Share / Since Inception

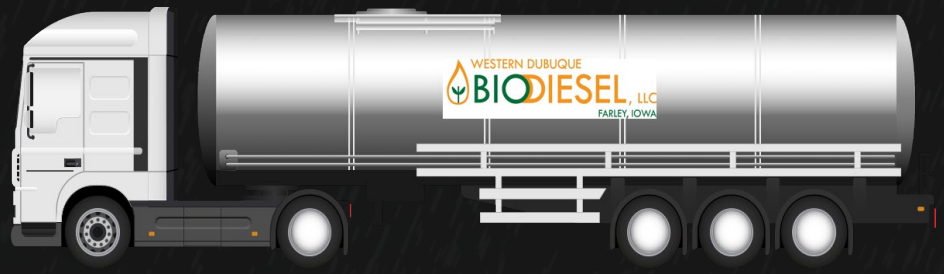
Total Distributions	$	3,430.00		
Small Producers Tax Credit	$	918.00		
Iowa Investment Tax Credit (5 yrs.)	$	50.00		
TOTAL BENEFIT RECEIVED:	$	4,398.00		
Tax gain benefits passed through:	$	339.52		
Based on (25 % Bracket or 40 % Bracket)	$	84.88	/	135.81
TOTAL BENEFIT RECEIVED / UNIT:	*$*	*4,313.03*	*/*	*4,262.10*

WESTERN DUBUQUE BIODIESEL, LLC FARLEY, IOWA

Distributions by Year



2026 Management Results



Financial Results

2021 thru 08/2026

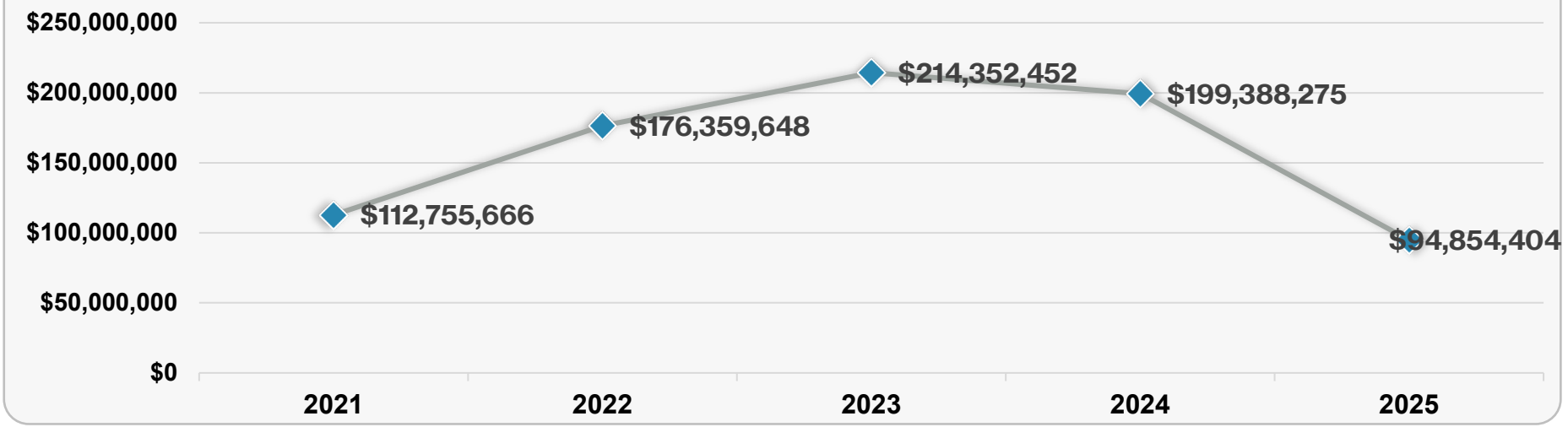
Production & Sales with Quality Results

2021 thru 08/2026

5 Year Financial Highlights

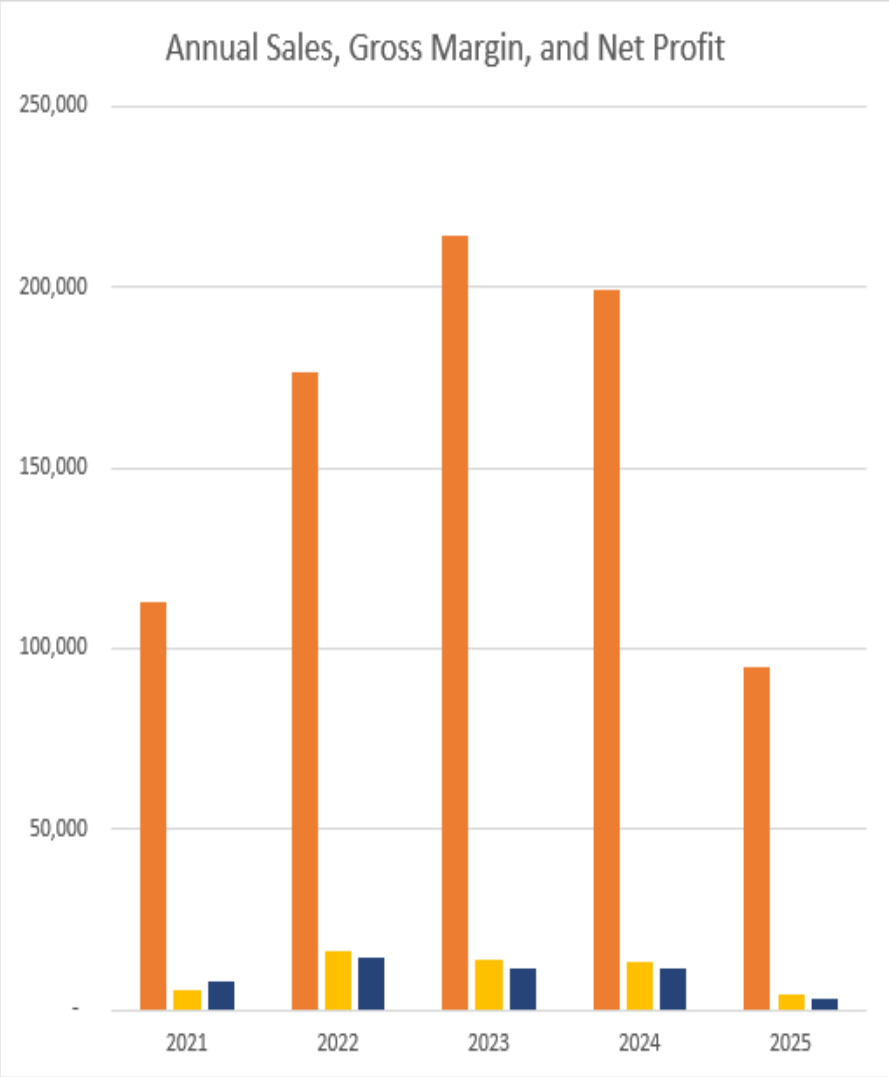
Profit & Loss

Sales	Net Income	Distributions/share	Total Distributions
$797,710,445	$48,517,126	$1,625	$48,350,250



WESTERN DUBUQUE BIODIESEL, LLC
FARLEY, IOWA

WDB Financials



(in '000s)	2021	2022	2023	2024	2025
Net Sales	112,756	176,360	214,352	199,388	94,854
Cost of Goods Sold	107,345	160,025	200,536	186,055	90,868
Gross Profit	5,411	16,334	13,817	13,333	3,986
Operating Expenses	1,480	1,822	1,932	2,022	1,517
Other Income/Expense	4,127	220	(410)	(19)	491
Net Income	8,057	14,733	11,475	11,292	2,961
Net Income Per Share	271	495	386	380	100

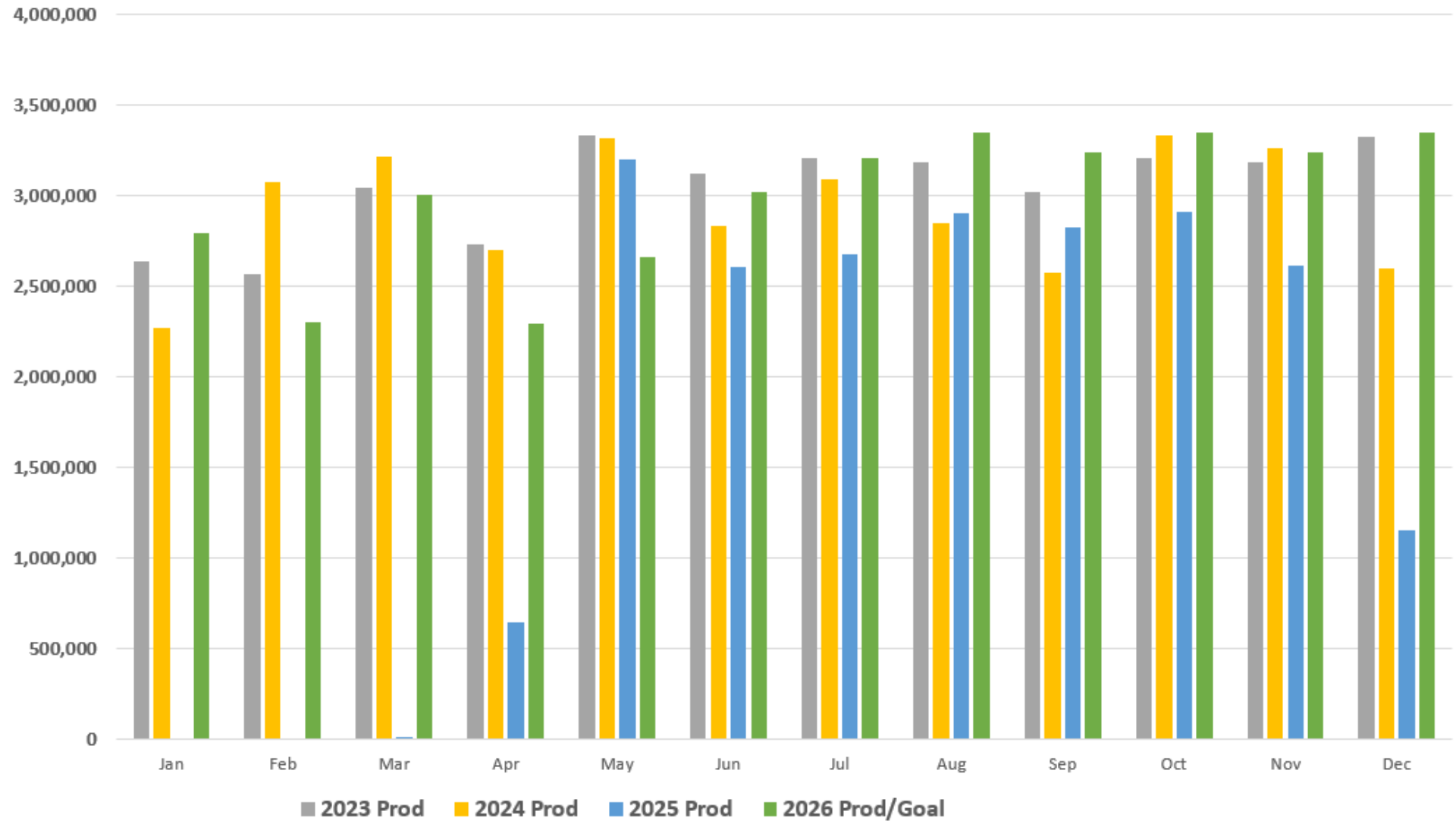
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FARLEY, IOWA

WDB Financials

Year	2021	2022	2023	2024	2025	2026
Net Sales	112,755,666	176,359,648	214,352,452	199,388,275	94,854,404	107,774,946
Cost of Goods Sold	107,344,926	160,025,427	200,535,812	186,054,899	90,867,920	100,613,052
Feedstock Cost	89,482,806	150,017,082	185,808,150	161,257,513	85,895,824	90,851,696
Gross Profit	5,410,740	16,334,221	13,816,640	13,333,375	3,986,484	7,161,894
Net Income	8,057,404	14,732,541	11,474,602	11,291,895	2,960,684	5,926,532
Net Income Per Share	271	495	386	380	100	199

WESTERN DUBUQUE BIODIESEL, LLC
FARLEY, IOWA

WDB PRODUCTION 2023 through 2026



WESTERN DUBUQUE BIODIESEL, LLC

Market Influencers



Market Influencers

-- IA Legislation
-- Federal Legislation
-- EPA RVO & Set
-- Industry Influences







FEDERAL ENGAGEMENT CONTINUES…

- Hill Visits
- RFS testimony
- RFS written comments
- 45Z written comments



Biodiesel Promotion Tax Credits

- B11-B19
  - $0.05/gallon
  - through December 31, 2027
- B20-B29
  - $0.07/gallon
  - through December 31, 2027
- B30+
  - $0.10/gallon
  - through December 31, 2027



Fuel Tax Differential

- **Effective Date July 1, 2024**
- B20 or higher with an eroding $0.03 differential based on market share
- Sunsets June 30, 2030
- Fuel Distribution Percentage Review Committee

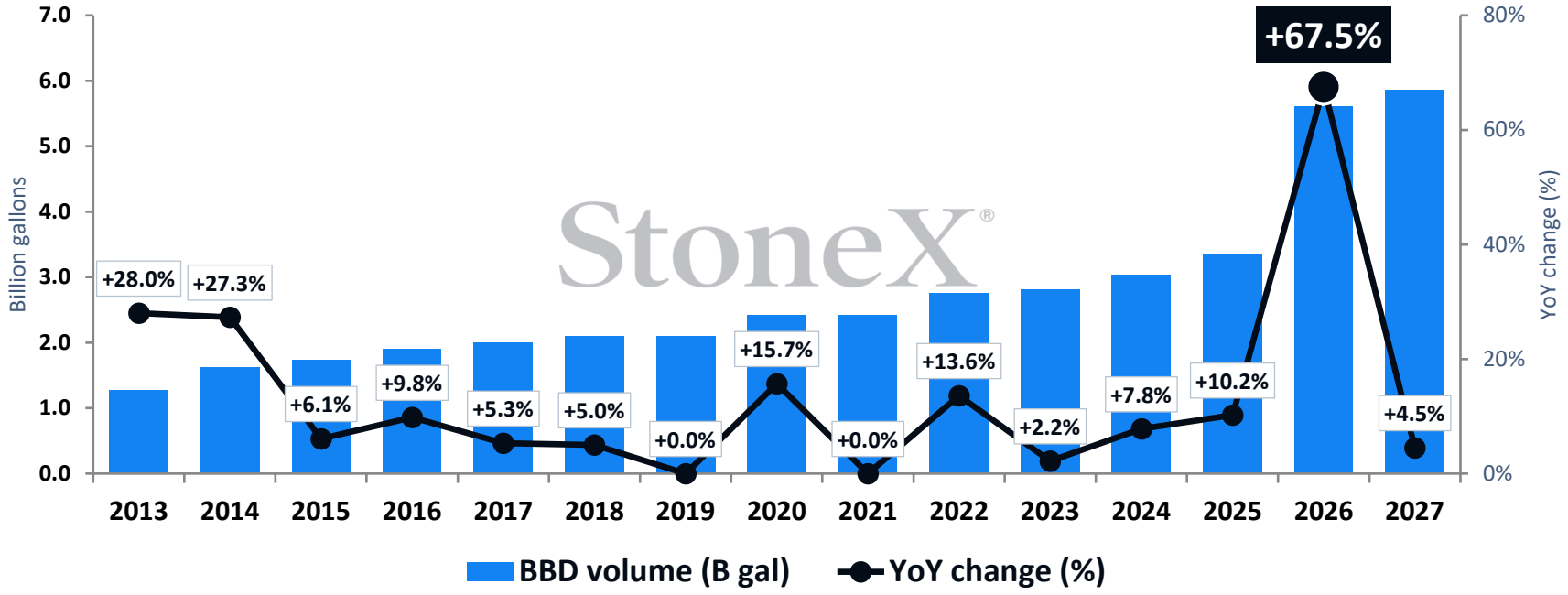
The Value of Iowa's Current Incentive Package:

FY 2026 estimates

Production tax credit	$9.0 million
Promotion tax credit	$22.6 million
RFIP	$1.75 million
Fuel tax differential	$7.15 million
Total	$40.5 million

The BBD Mandate Steps up 67% in 2026

Biomass-based diesel volume requirement 2013–2027, billion gallons, with year-over-year change (right axis)

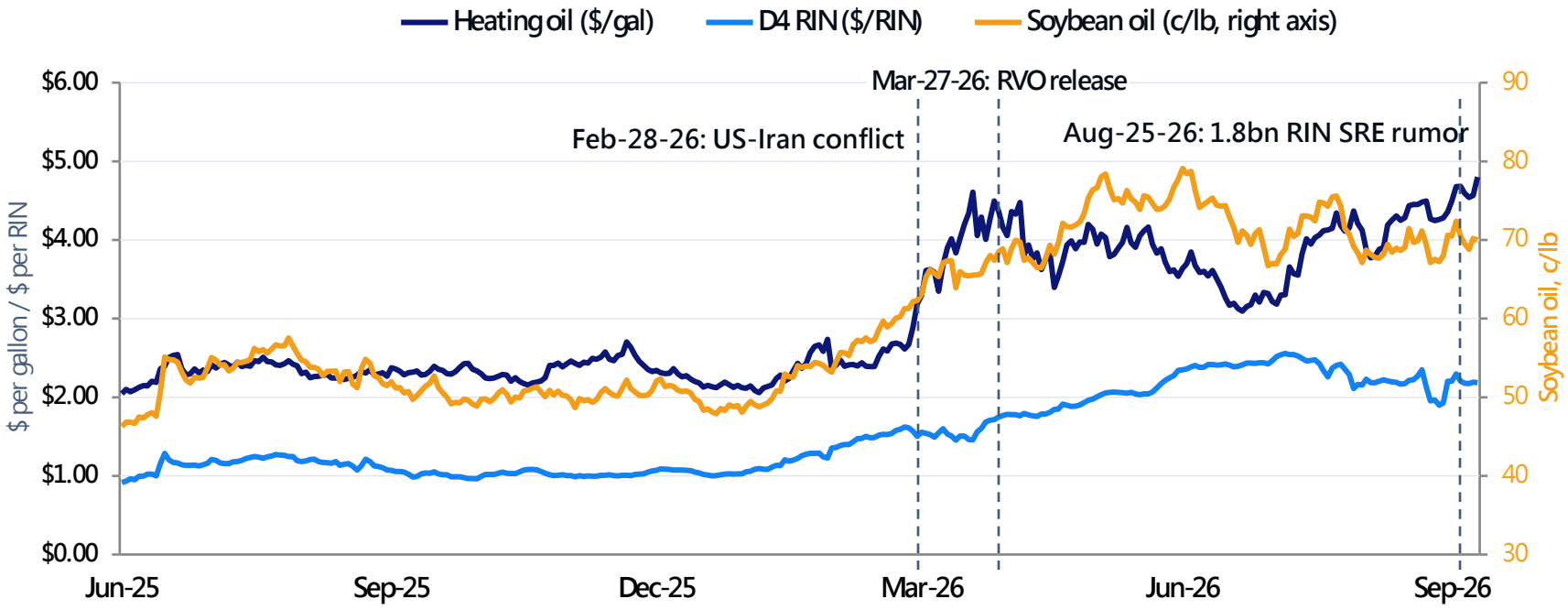


StoneX®

Source: EPA

The Three Legs of the Biodiesel Margin

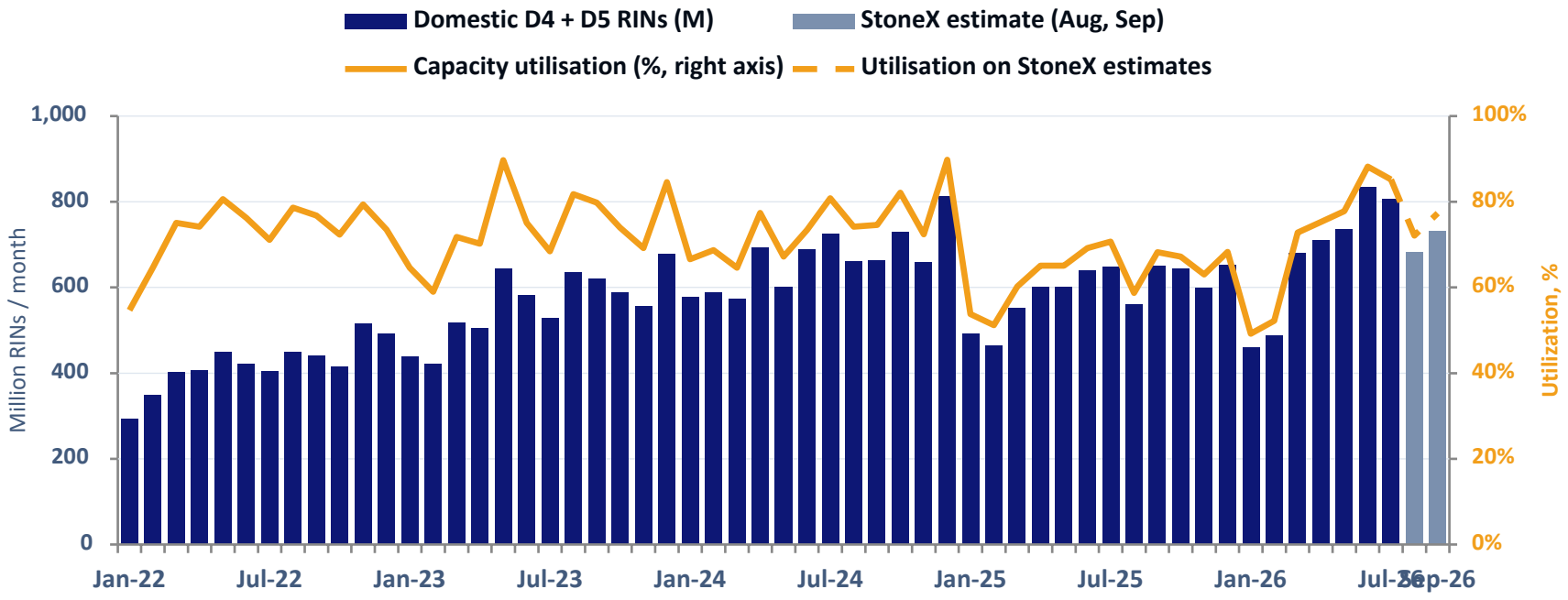
Heating oil ($/gal) and D4 RIN ($/RIN), left axis; soybean oil (c/lb), right axis. Daily, Jun-2025 to 9-Sep-2026



Source: NYMEX, CBOT, Platts

Domestic BBD Plants are Running Near 90% of Capacity

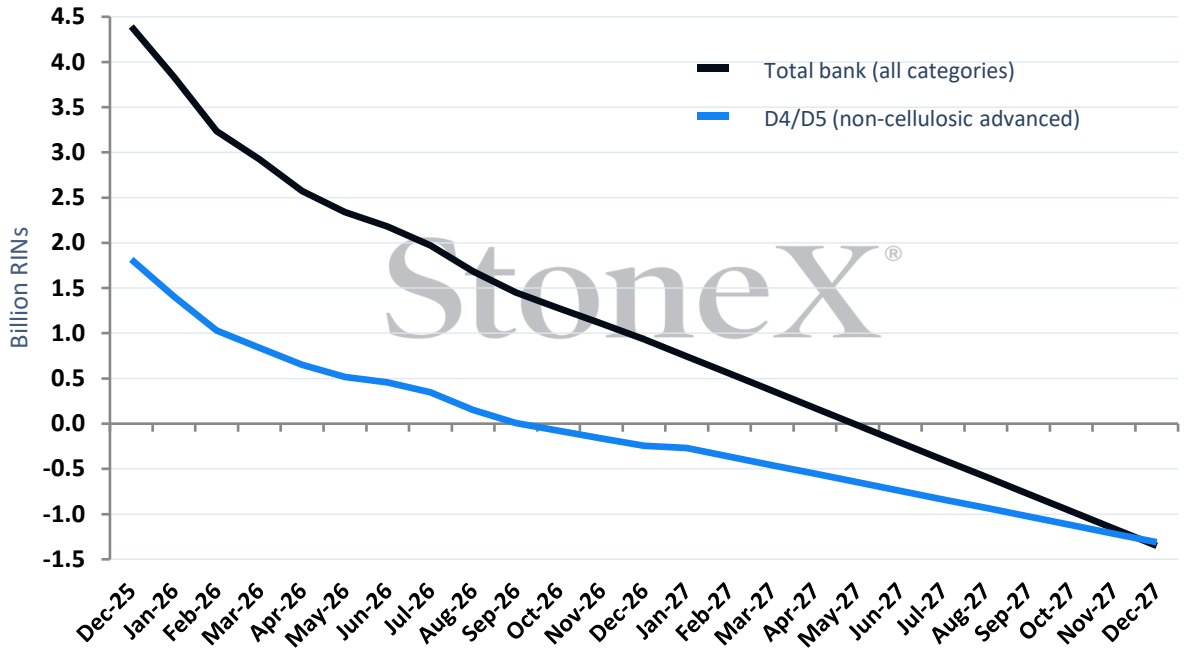
Domestic D4 + D5 RIN generation (bars) and capacity utilisation (line, right axis), Jan-2022 to Sep-2026 (Aug–Sep estimated)



Source: EPA, EIA

RIN bank drawn down in 2026, exhausted in 2027

Monthly closing balance, billion RINs — 1.76B SREs; 770M true-up at 100%, split 50/50; Aug/Sep at StoneX estimates



KEY ASSUMPTIONS

2025 SRE Reallocation
770M RINs reallocated 100%, split 50/50 — 385M into each of 2026 and 2027

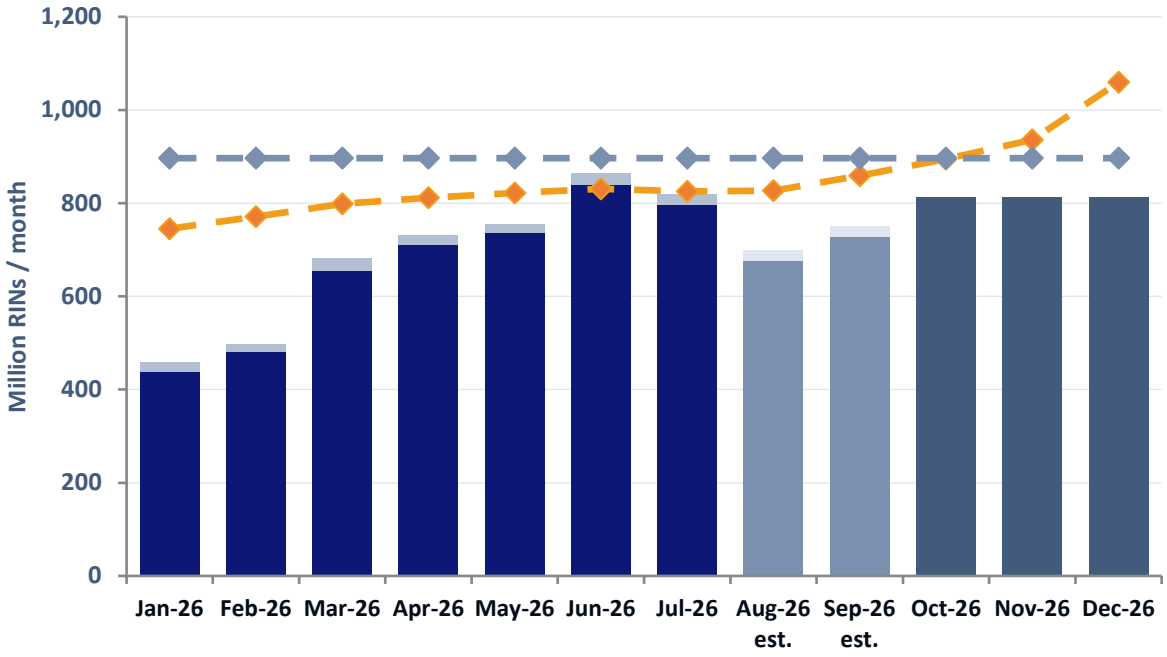
2025 SREs granted
1.76B RINs

Generation
Jan–Jul EMTS actuals; Aug 700M / Sep 750M StoneX estimates; 813M run-rate after

2026 close
2025-vintage RINs expire; 2027 opens on 2026 on 2026 vintage

D4/D5 Supply Keeps Falling Behind 2026 Needs

Monthly D4/D5 RIN generation vs. the pace needed to end 2026 without a deficit, million RINs



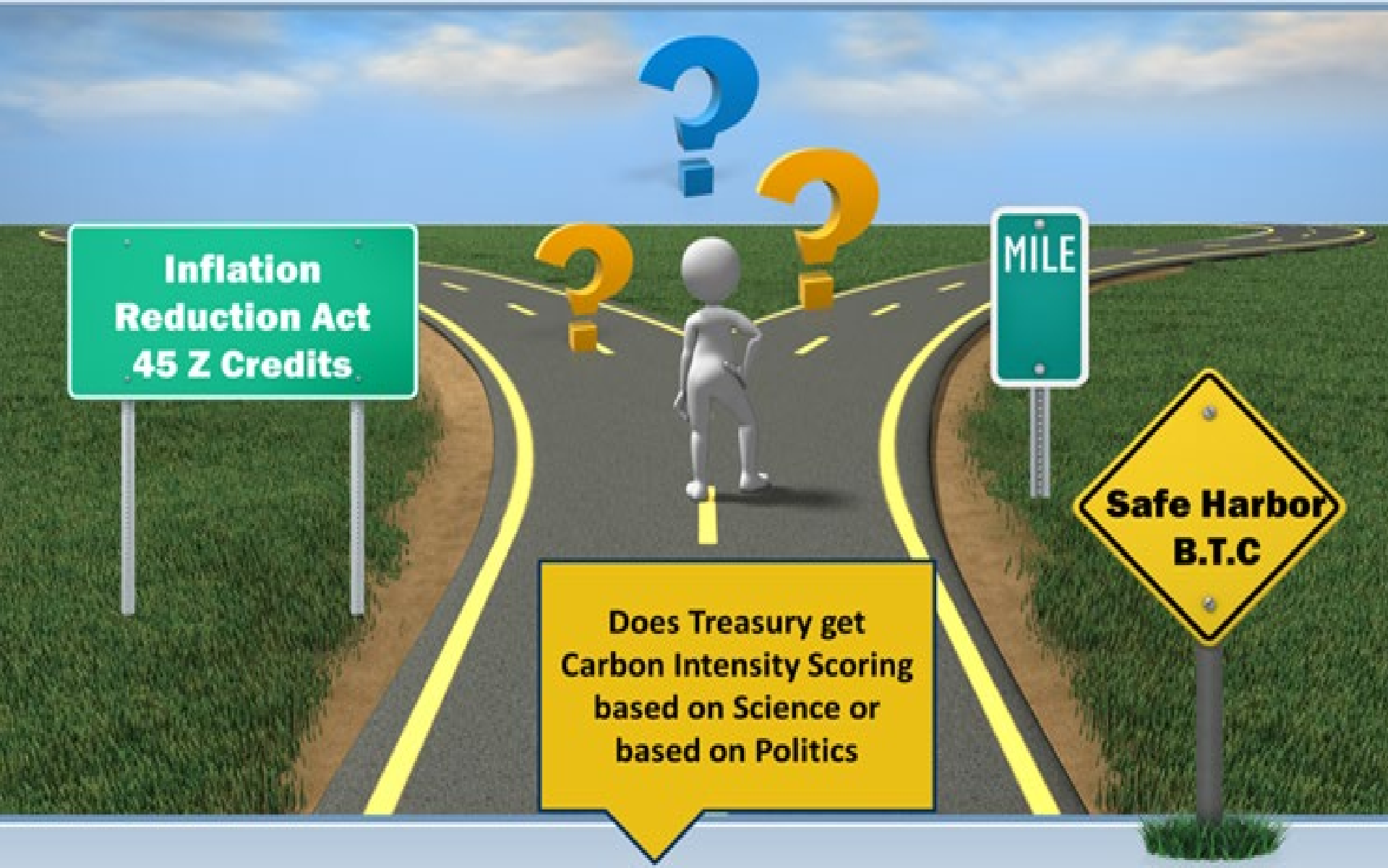
D4 (EMTS)
D5 (EMTS)
D4 est.
D5 est.
Run-rate Oct–Dec
Monthly obligation (bank-neutral)
Required avg to end 2026 at zero bank

KEY ASSUMPTIONS

2025 SRE Reallocation
770M RINs reallocated 100%, split 50/50 — 385M added to each of 2026 and 2027

2025 SREs granted
1.76B RINs

Generation
Jan–Jul EMTS actuals; Aug 700M and Sep 750M are StoneX estimates; Oct–Dec at the Apr–Jun run-rate of 813M



2025 CROSSROADS Decision

2025 & 2026 DIFFICULT YEARS



USDA's 2026/27 Soybean Oil Balance Sheet Has No lack

US soybean oil supply and use, million lb unless noted, marketing years Oct–Sep — 2026/27 is USDA's projection

Million lb	2025/26	2026/27 proj.	Change	%
Crush (mm bu)	*2,655*	*2,780*	*+125*	*+4.7%*
Oil yield (lb/bu)	*11.66*	*11.85*	*+0.19*	
Beginning stocks	1,746	1,836	+90	+5.2%
Production	30,971	32,946	+1,975	+6.4%
Imports	450	600	+150	+33.4%
Total supply	33,166	35,382	+2,216	+6.7%
Biofuel	14,800	17,800	+3,000	+20.3%
Food, feed & other industrial	15,556	15,307	−249	−1.6%
Exports	974	399	−575	−59.1%
Total use	33,166	35,382	+2,216	+6.7%
Ending stocks	1,836	1,876	+40	+2.2%
Stocks-to-use (%)	5.5	5.3	−0.2	

WHAT THE CHANGES SAY

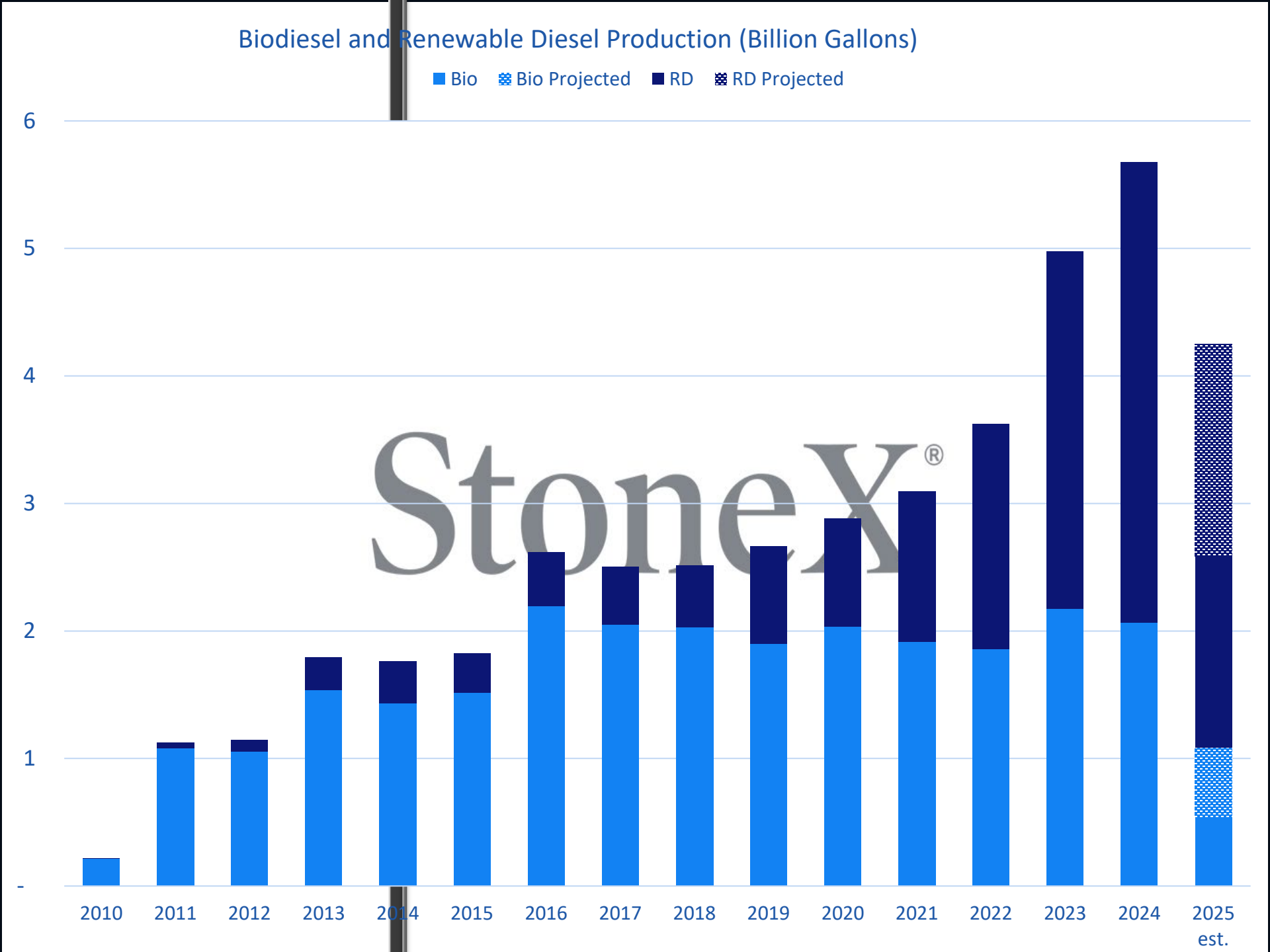
Supply grows 2.2, demand grows 3.0

- **Supply +2.2 bn lb:** production +2.0 (crush +125 mm bu, yield 11.85), imports +0.15
- **Use +3.0 bn lb:** biofuel +3.0, offset by food/feed −0.25 and exports −0.6

Bean oil has structural support under it

- **Ending stocks 1.9 bn lb, stocks-to-use 5.3%** — ties the 2023/24 low
- **No buffer** for a crush, yield or import miss
- Price must ration food use and pull in other oils

Source: USDA ERS Oil Crops Yearbook / WASDE, September 2026. Biofuel includes renewable diesel, biodiesel and SAF feedstock. Oil yield = production ÷ crush. Stocks-to-use = ending stocks ÷ total use.


Biodiesel and Renewable Diesel Production (Billion Gallons)
Bio
Bio Projected
RD
RD Projected
6
5
4
3
2
1
-
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025 est.
StoneX®

Hill Visits

RFS testimony

RFS written comments

45Z written comments





Capitol Hill Visits



Renewable Volume Obligation

RFS Standard	Volume Requirement			SRE Reallocation Volume		Total Applicable Volume	
	2025	2026	2027	2026	2027	2026	2027
Cellulosic biofuel	1.21	1.36	1.43	0	0	1.36	1.43
Biomass-based diesel	n/a	8.86	8.95	0.21	0.25	9.07	9.20
Advanced biofuel	n/a	10.82	10.98	0.28	0.34	11.10	11.32
Renewable fuel	n/a	25.82	25.98	0.99	1.04	26.81	27.02

Clean Fuel Production Tax Credit (45Z)

Goals and Objectives

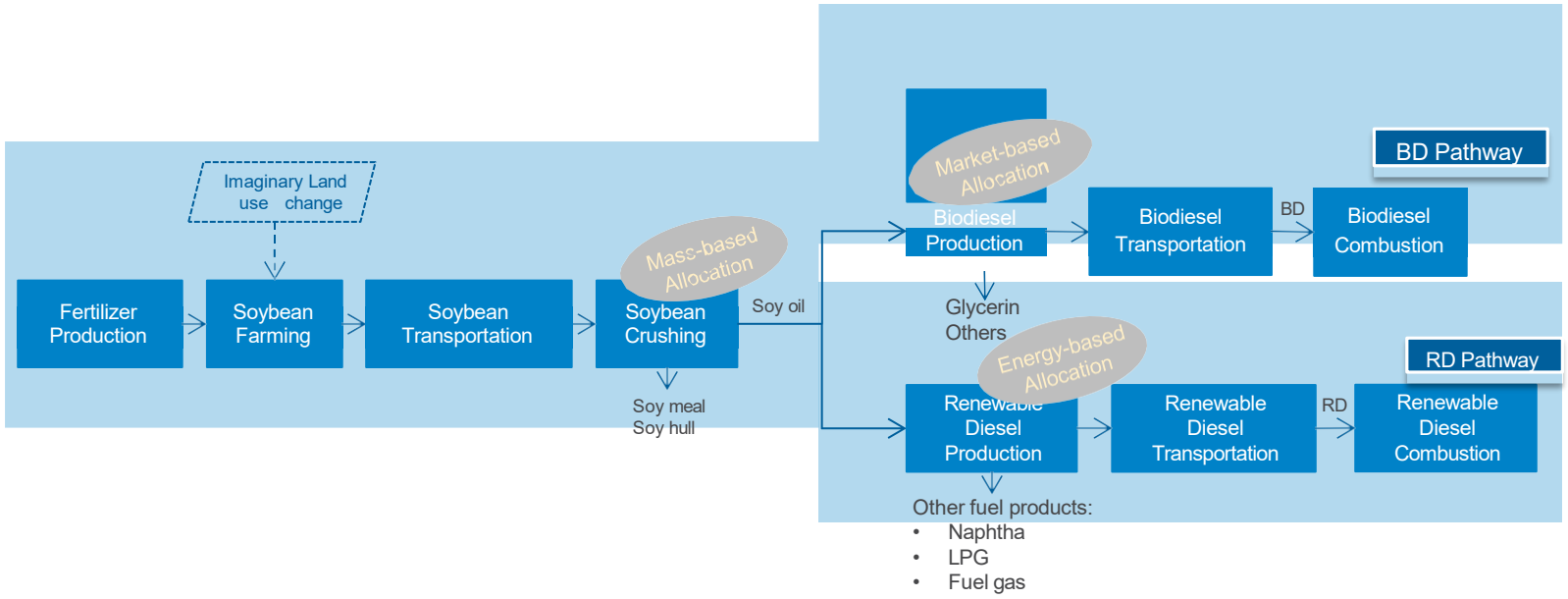
- Increase the transparency of the 45Z marketplace
- Reduce transaction friction and improve value farmers receive for regenerative agricultural practices
- Increase value of regenerative agricultural practices in the soybean cropping year
- Support USDA's development of their regenerative agricultural standard and methods
- Identify opportunities to align state incentives with 45Z

Refundability

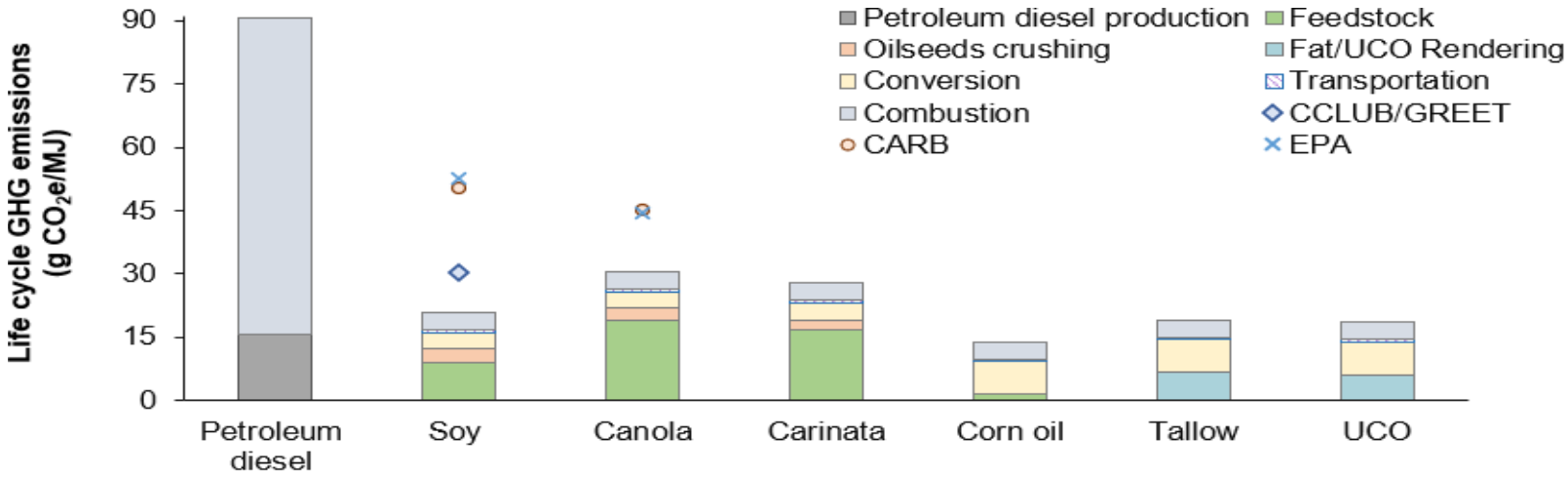
- Under the Blenders Tax Credit, Treasury refunded the excess credit, regardless of tax liability
  - – 45Z is nonrefundable, the direct pay is closed to taxable producers
- WDB & most plants are standalone taxable entities with no liability to absorb it the credit.
  - – Forced to monetize and sell credits for cash at a discount.
- Credits trade at $0.90–$0.92, plus 2–4% insurance and 1 – 4% brokerage – Up to fifteen cents lost per dollar.

Recent BD LCA study with R&D GREET

- Well-to-wheels GHG emissions presented as g CO_2e/MJ BD/RD consumed
- Default co-product handling method: **process-level hybrid allocation**
- Alternative allocation methods are available in GREET



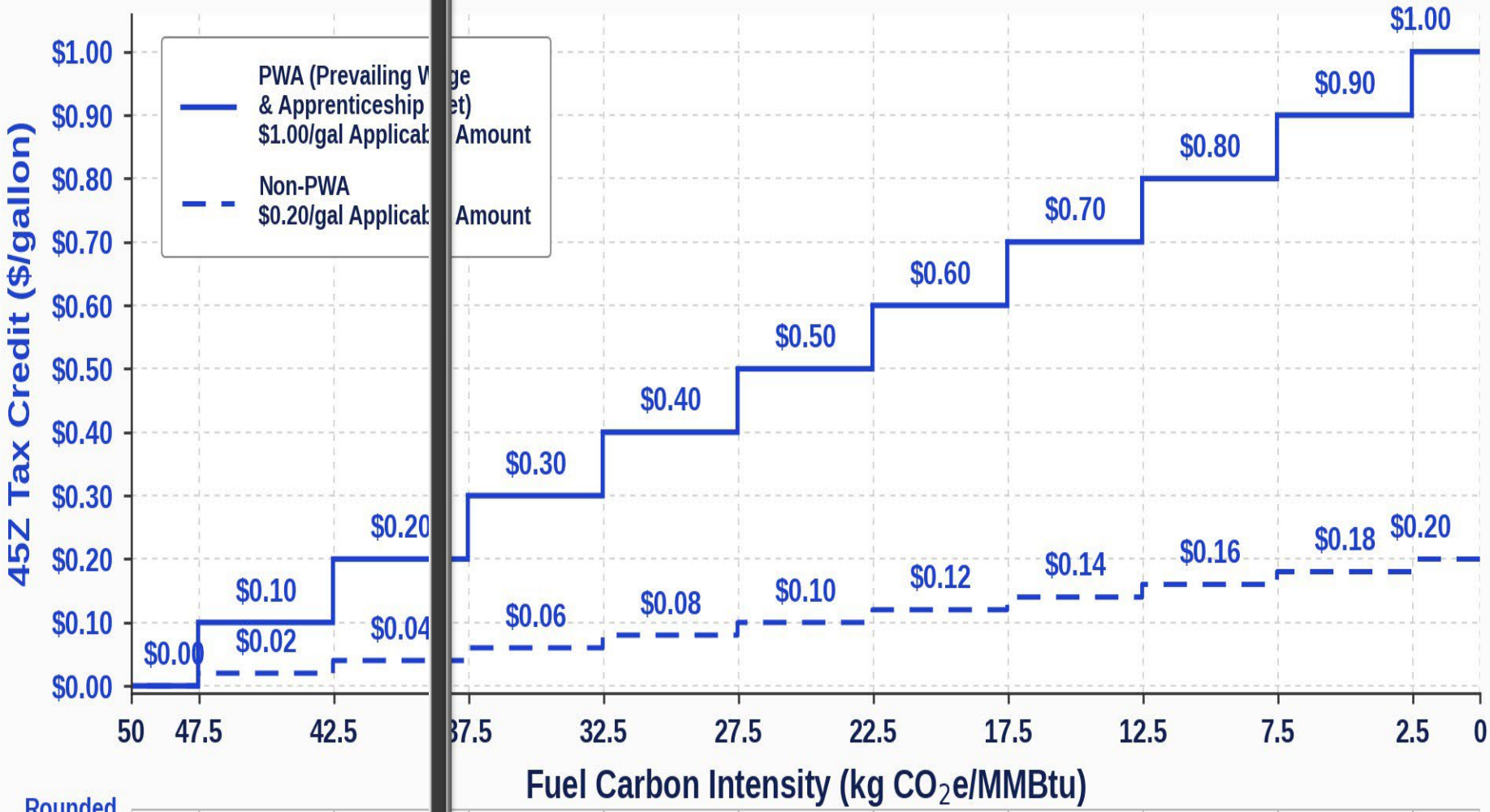
Biodiesel and GREET Scoring



- CI of soy BD and RD are 30.2 and 32.6 g CO_2e/MJ, respectively. Soy oil has lower GHG emissions than canola and carinata (higher yield, no N input requirement)
- With LUC emissions accounted for, GHG of soy oil BD and RD could still be 64% to 67% (using GREET LUC value) or 42% to 52% (using LUC values from EPA, CARB, and ICAO) lower than petroleum diesel
- Converting tallow, UCO, and corn oil to BD and RD could achieve higher GHG reductions of 79% to 86%, mainly because they are residue feedstock

Section 45Z Tax Credit by Fuel CI

Current Law: Emissions Factor Rounded to the Nearest 0.1



Rounded Emissions Factor	0.0	0.1	0.2	0.3	0.4	0.5	0.6	0.7	0.8	0.9	1.0

- Fuel must have a lifecycle carbon intensity (CI) ≤) kg CO_2e/MMBtu to qualify.
- Emissions factor is rounded to the nearest 0.1 as equired by Section 45Z(b)(2).
- Credit = Applicable Amount × Rounded Emissions Factor

Applicable Amount: $0.20/gal (Non-PWA) or $1.00/gal (PWA) before inflation adjustments.

Current LCA Co-Product Methodology Disadvantages Oilseeds

Corn → Ethanol

1 bushel produces ~2.8 gals. of ethanol + distillers grains

GREET applies the farming emissions and credits to the ethanol. Then the ethanol receives a credits for the feed displaced by the distillers grains.

100%

of your conservation credit reaches the fuel

Soybeans → biodiesel

1 bushel produces 11 pounds of oil + 44 pounds of meal

For soybeans, GREET splits by emissions by weight. Here, meal takes 80% of the farming emissions and emission credits. Meal doesn't earn a 45z credit, only the fuel does.

20%

of your conservation credit reaches the fuel





WESTERN DUBUQUE BIODIESEL, LLC
FARLEY, IOWA

George Davis			Bruce Klostermann		
For	Against	Abstain	For	Against	Abstain
16,149	381	425	16,379	76	500
95.25%	2.25%	2.51%	96.60%	0.45%	2.95%
16,955			16,995		