

## Bonanza BioEnergy LLC

For the month ending 06/30/13

	Q2 '13	Q1 '13	Q2 '12
<b>Current Assets</b>			
Cash & Equivalents	\$7,324,691.03	\$4,287,913.12	\$4,850,069.27
Accounts Receivable - Trade	3,401,621.22	4,197,748.68	1,960,225.00
Accounts Receivable - Other	1,290,800.60	638,701.00	3,923,974.90
Accounts Receivable - Allowance for Bad Debt	(33,634.15)	(33,634.15)	(113,590.75)
<b>Total Accounts Receivable</b>	<b>4,658,787.67</b>	<b>4,802,815.53</b>	<b>5,770,609.15</b>
Inventory - Corn	415,686.21	422,197.19	1,063,252.91
Inventory - Sorghum	568,804.01	561,058.35	595,250.03
Inventory - Chem, Enzymes & Yeast	436,320.78	418,026.70	162,190.16
Inventory - Denaturant	152,123.13	198,590.52	198,386.36
Inventory - Work In Process	1,489,579.75	1,690,500.96	1,355,282.49
Inventory - Spare Parts	597,310.68	548,361.53	479,224.42
Inventory - Ethanol	2,337,149.40	2,669,016.37	1,809,227.48
Inventory - DDG	-	0.00	-
Inventory - DWG	47,735.00	44,130.30	17,332.87
LIFO Reserve	(1,297,915.06)	(1,297,915.06)	(815,042.78)
<b>Total Inventory</b>	<b>4,746,793.90</b>	<b>5,253,966.86</b>	<b>4,865,103.94</b>
Prepays	186,635.36	226,768.16	259,407.05
Hedging Accounts at Market	1,754,312.79	1,257,583.85	3,792,753.95
<b>Total Other Current Assets</b>	<b>1,940,948.15</b>	<b>1,484,352.01</b>	<b>4,052,161.00</b>
<b>Total Current Assets</b>	<b>18,671,220.75</b>	<b>15,829,047.52</b>	<b>19,537,943.36</b>
PPE-Land and Buildings - Net	13,566,814.99	13,988,590.07	14,662,153.17
PPE-Machinery and Equipment - Net	38,640,427.62	39,708,992.08	42,914,685.47
PPE-Office, Computers and Software - Net	6,393.50	8,791.43	10,634.95
PPE-Vehicles - Net	3,683.54	4,108.52	5,383.46
<b>Total Property, Plant and Equip - Net</b>	<b>52,217,319.65</b>	<b>53,710,482.10</b>	<b>57,592,857.05</b>
Other Assets	266,036.53	283,626.97	336,397.99
Investment in Conestoga	2,691,087.21	2,691,087.21	1,306,176.31
Investment in Farm Credit Services	1,000.00	1,000.00	1,000.00
<b>Total Other Assets</b>	<b>2,958,123.74</b>	<b>2,975,714.18</b>	<b>1,643,574.30</b>
<b>TOTAL ASSETS</b>	<b>73,846,664.14</b>	<b>72,515,243.80</b>	<b>78,774,374.71</b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Current Liabilities</b>			
Accounts Payable	1,991,555.71	2,137,259.93	2,141,633.52
Accruals	898,657.08	1,157,990.57	815,811.48
Current Maturities of Working Capital	1,995,000.00	1,995,000.00	0.00
Current Maturities of Senior Debt (Incl Sweeps)	723,795.86	723,795.86	5,068,620.00
Current Maturities of Sub Debt	285,714.29	285,714.29	285,714.29
<b>Total Current Liabilities</b>	<b>5,894,722.94</b>	<b>6,299,760.65</b>	<b>8,311,779.29</b>
Long Term Senior Debt	19,750,000.00	19,750,000.00	17,939,485.86
Long Term Sub-Debt	1,071,428.54	1,142,857.10	1,357,142.84
<b>Total Liabilities</b>	<b>26,716,151.48</b>	<b>27,192,617.75</b>	<b>27,608,407.99</b>
Equity	32,338,558.50	32,338,558.50	31,144,164.50
Retained Earnings	12,998,467.35	12,998,467.35	24,054,064.87
Current Year Income	1,793,486.81	(14,399.80)	(4,032,262.65)
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>73,846,664.14</b>	<b>72,515,243.80</b>	<b>78,774,374.71</b>

**Bonanza BioEnergy**  
**Budget vs Actual**  
**For the quarter ending 06/30/13**

Description	Q2 Budget	Per Gal	Q2 Actual	Per Gal	Variance	Per Gal
<b>Gallons Sold</b>	<b>14,670,000</b>	<b>1.000</b>	<b>14,030,947</b>	<b>1.000</b>	<b>(639,053)</b>	<b>1.000</b>
<b>Revenues</b>						
Ethanol	35,428,050.00	2.415	36,083,186.67	2.572	655,136.67	0.157
DDGS	0.00	0.000	0.00	0.000	0.00	0.000
WDGS	11,278,579.88	0.769	10,500,163.79	0.748	(778,416.09)	-0.020
Other	138,000.00	0.009	124,044.69	0.009	(13,955.31)	-0.001
<b>Total Revenue</b>	<b>46,844,629.88</b>	<b>3.193</b>	<b>46,707,395.15</b>	<b>3.329</b>	<b>(137,234.73)</b>	<b>0.136</b>
<b>COGS</b>						
<b>Feedstock</b>						
Total Grain	39,910,904.35	2.721	37,584,338.30	2.679	(2,326,566.05)	-0.042
Natural Gas	936,322.92	0.064	1,136,612.67	0.081	200,289.75	0.017
Denaturant	577,631.25	0.039	703,864.44	0.050	126,233.19	0.011
<b>Chemicals</b>						
Fuel	0.00	0.000	10,024.96	0.001	10,024.96	0.001
ABS	0.00	0.000	3,938.55	0.000	3,938.55	0.000
Chemicals	10,404.00	0.001	165,492.98	0.012	155,088.98	0.011
Urea	114,822.58	0.008	84,979.72	0.006	(29,842.86)	-0.002
Antibiotics	33,155.30	0.002	160,678.50	0.011	127,523.20	0.009
Yeast	41,081.81	0.003	41,309.40	0.003	227.59	0.000
Ammonia	77,980.65	0.005	98,776.36	0.007	20,795.71	0.002
Sulfuric Acid	63,551.61	0.004	39,699.58	0.003	(23,852.03)	-0.002
Caustic	68,516.13	0.005	110,684.78	0.008	42,168.65	0.003
Enzymes	523,264.18	0.036	635,719.01	0.045	112,454.83	0.010
<b>Total Chemicals</b>	<b>932,776.26</b>	<b>0.064</b>	<b>1,351,303.84</b>	<b>0.096</b>	<b>418,527.58</b>	<b>0.033</b>
Water	108,000.00	0.007	108,159.03	0.008	159.03	0.000
Electricity	510,000.00	0.035	615,300.54	0.044	105,300.54	0.009
<b>Total COGS</b>	<b>42,975,634.77</b>	<b>2.929</b>	<b>41,499,578.82</b>	<b>2.958</b>	<b>(1,476,055.95)</b>	<b>0.028</b>
<b>Gross Profit</b>	<b>3,868,995.11</b>	<b>0.264</b>	<b>5,207,816.33</b>	<b>0.371</b>	<b>1,338,821.22</b>	<b>0.107</b>
Labor	408,652.44	0.028	418,797.75	0.030	10,145.31	0.002
Management Fees	499,125.00	0.034	499,125.00	0.036	0.00	0.002
Operations and Maintenance	596,550.00	0.041	334,146.94	0.024	(262,403.06)	-0.017
Other Plant Fixed Costs	75,000.00	0.005	105,339.60	0.008	30,339.60	0.002
License Fees and Insurance	221,833.33	0.015	280,514.36	0.020	58,681.03	0.005
Bank Fees	24,000.00	0.002	20,430.64	0.001	(3,569.36)	0.000
Property Tax	120,375.00	0.008	154,387.14	0.011	34,012.14	0.003
Depreciation	1,218,000.00	0.083	1,304,837.25	0.093	86,837.25	0.010
Amortization	17,590.44	0.001	17,590.44	0.001	0.00	0.000
Bad Debt Reserve	28,196.45	0.002	24.21	0.000	(28,172.24)	-0.002
<b>Total Fixed Costs - Operation</b>	<b>3,209,322.66</b>	<b>0.219</b>	<b>3,135,193.33</b>	<b>0.223</b>	<b>(74,129.33)</b>	<b>0.005</b>
<b>EBIT</b>	<b>659,672.45</b>	<b>0.045</b>	<b>2,072,623.00</b>	<b>0.148</b>	<b>1,412,950.55</b>	<b>0.103</b>
Interest/Other Income	0.00	0.000	82,864.88	0.000	82,864.88	0.000
Interest Expense	258,476.00	0.018	347,601.27	0.000	89,125.27	-0.018
<b>Net Income</b>	<b>401,196.45</b>	<b>0.027</b>	<b>1,807,886.61</b>	<b>0.129</b>	<b>1,406,690.16</b>	<b>0.102</b>
					<b>0.00</b>	
<b>EBITDA</b>	<b>1,895,262.89</b>	<b>0.129</b>	<b>3,477,915.57</b>	<b>0.248</b>	<b>1,582,652.68</b>	<b>0.119</b>
					<b>0.00</b>	
<b>EBITDA - Debt Service</b>	<b>1,214,401.89</b>	<b>0.083</b>	<b>3,130,314.30</b>	<b>0.223</b>	<b>1,915,912.41</b>	<b>0.140</b>

**Bonanza Analytics**  
**('000's)**

	<b>YE 2009</b>	<b>YE 2010</b>	<b>YE 2011</b>	<b>Q2 2012</b>	<b>Q2 2013</b>
Revenue	112,837.77	120,694.42	194,029.13	39,375.28	46,707.40
Gross Profit	20,742.79	20,146.50	34,315.74	1,917.16	5,207.82
Net Profit	7,651.73	6,204.67	18,743.77	( 1,475.31 )	1,807.89
EBITDA	15,159.99	13,479.31	25,604.55	131.98	3,477.92
EBITDA - Debt Service	10,072.23	5,844.07	18,777.48	( 1,419.50 )	3,130.31
Senior Debt / Gallon	\$ 0.74	\$ 0.64	\$ 0.50	\$ 0.42	\$ 0.37

**Debt Analytics**  
**('000's)**

	YE 2009	YE 2010	YE 2011	Q2 2012	Q2 2013
Senior Debt	33,480.34	28,411.72	20,473.80	17,939.49	19,750.00
Current Maturities of Senior Debt	7,068.62	6,646.24	7,068.62	5,068.62	723.80

Bonanza BioEnergy, LLC  
Cash Flow Statement  
For the quarter ending 06/30/13

Beginning Cash	\$ 4,287,913.12
Ending Cash	\$ 7,324,691.03
Net Income	1,807,886.61
Depreciation	1,304,837.25
<i>Changes in Working Capital</i>	
Accounts Receivable	144,027.86
Inventory	507,172.96
Prepaid & Commodity	(456,596.14)
Other Assets	17,590.44
Accounts Payable	(405,037.71)
Current Maturities of Working Capital	0.00
CMLTD - Sub Debt	0.00
CMLTD - Sr. Debt	0.00
Total	<u>(192,842.59)</u>
Operating Activities	2,919,881.27
<i>Investing Activities</i>	
Acquisition of Assets	188,325.20
Sale of Assets	-
Investing Activities	<u>188,325.20</u>
<i>Financing Activities</i>	
Proceeds from Long Term Debt	0.00
Debt Repayment	(71,428.56)
Dividend	0.00
Financing Activities	<u>(71,428.56)</u>
Net Change in Cash	3,036,777.91

**Debt Disclosure**  
**('000's)**

	<u>2013</u>	<u>2012</u>
Revolver	1,995,000.00	-
Sub Debt	1,357,142.83	1,642,857.13
Senior Debt	<u>20,473,795.86</u>	<u>23,008,105.86</u>
Total Long-Term Debt	<u>23,825,938.69</u>	<u>24,650,962.99</u>

**Debt Terms**

- Revolver: LIBOR + 3.35% with a 5% floor; \$0 outstanding
- Senior Debt: \$20,473 outstanding at LIBOR + 3.35%; 5% floor; \$4.8M annual amortization + \$2M cash sweep (\$7M max over the life of the loan)
- Sub debt: 7.5% interest paid quarterly

**Amounts of LT debt due in each of the next 5 years (in thousands):**

<b>Years Ended</b>	
<b><u>December 31,</u></b>	<b><u>Amount</u></b>
2013	5,069
2014	5,069
2015	5,069
2016	5,069
2017	199.32
Thereafter	
Total	<u>20,474</u>

**3 Months Ended  
6/30/2013**

**Per Gallon Information**

Total Gallons Sold (000's):

EBITDA

Debt

Cash

	<b>2013</b>	<b>2012</b>	<b>Change</b>
Total Gallons Sold (000's):	14,031	14,096	( 65 )
EBITDA	\$ 247.87	\$ 9.36	239
Debt	\$ 1,698.10	\$ 1,748.79	( 51 )
Cash	\$ 522.04	\$ 344.07	178



## Key Production Indicators

For the Three Months Ended

June 30,

	<u>2013</u>	<u>2012</u>	<u>Change</u>
Gallons sold (in thousands)	14,031	14,096	( 65.07 )
Average sales price per gallon (net)	\$ 2.54	\$ 2.18	\$ 0.36
Corn cost per bushel	\$ 7.37	\$ 6.60	\$ 0.76
Crush margin	\$ ( 0.15 )	\$ ( 0.23 )	0.08
Denatured yield (2.25% denaturant added)	2.74	2.75	( 0.01 )
Distiller's grain as a % of the delivered cost of corn	29%	25%	4%