

Bonanza BioEnergy LLC

For the quarter ending 09/31/13

	Q3 '13	Q2 '13	Q3 '12
Current Assets			
Cash & Equivalents	\$12,782,509.24	\$7,324,691.03	\$1,944,562.35
Accounts Receivable - Trade	1,940,393.70	3,401,621.22	2,549,374.87
Accounts Receivable - Other	1,125,647.85	1,290,800.60	3,941,668.35
Accounts Receivable - Allowance for Bad Debt	(9,999.99)	(33,634.15)	(113,590.75)
Total Accounts Receivable	3,056,041.56	4,658,787.67	6,377,452.47
Inventory - Corn	216,346.34	415,686.21	531,467.56
Inventory - Sorghum	368,205.76	568,804.01	602,917.18
Inventory - Chem, Enzymes & Yeast	438,785.12	436,320.78	250,479.60
Inventory - Denaturant	185,075.50	152,123.13	193,439.15
Inventory - Work In Process	1,362,815.96	1,489,579.75	1,509,872.82
Inventory - Spare Parts	614,463.71	597,310.68	487,248.61
Inventory - Ethanol	1,966,194.95	2,337,149.40	2,256,372.22
Inventory - DWG	28,447.80	47,735.00	92,072.28
LIFO Reserve	(1,297,915.06)	(1,297,915.06)	(815,042.78)
Total Inventory	3,882,420.08	4,746,793.90	5,108,826.64
Prepays	90,261.56	186,635.36	130,345.01
Hedging Accounts at Market	1,864,221.58	1,754,312.79	2,721,019.13
Total Other Current Assets	1,954,483.14	1,940,948.15	2,851,364.14
Total Current Assets	21,675,454.02	18,671,220.75	16,282,205.60
PPE-Land and Buildings - Net	13,560,351.48	13,566,814.99	14,408,718.55
PPE-Machinery and Equipment - Net	37,571,863.16	38,640,427.62	41,846,121.00
PPE-Office, Computers and Software - Net	8,497.35	6,393.50	8,110.43
PPE-Vehicles - Net	3,258.56	3,683.54	4,958.48
Total Property, Plant and Equip - Net	51,143,970.55	52,217,319.65	56,267,908.46
Other Assets	248,446.09	266,036.53	366,738.85
Investment in Conestoga	2,577,726.99	2,691,087.21	1,852,031.38
Investment in Farm Credit Services	1,000.00	1,000.00	1,000.00
Total Other Assets	2,827,173.08	2,958,123.74	2,219,770.23
TOTAL ASSETS	75,646,597.65	73,846,664.14	74,769,884.29
LIABILITIES & EQUITY			
Current Liabilities			
Accounts Payable	3,652,071.88	1,991,555.71	1,225,953.81
Accruals	943,428.59	898,657.08	1,189,021.53
Current Maturities of Working Capital	0.00	1,995,000.00	0.00
Current Maturities of Senior Debt (Incl Sweeps)	73,795.86	723,795.86	5,068,620.00
Current Maturities of Sub Debt	285,714.29	285,714.29	285,714.29
Total Current Liabilities	4,955,010.62	5,894,722.94	7,769,309.63
Long Term Senior Debt	19,750,000.00	19,750,000.00	16,672,330.86
Long Term Sub-Debt	999,999.96	1,071,428.54	1,285,714.26
Total Liabilities	25,705,010.58	26,716,151.48	25,727,354.75
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	4,604,561.22	1,793,486.81	(6,155,699.83)
TOTAL LIABILITIES & EQUITY	75,646,597.65	73,846,664.14	74,769,884.29

Bonanza BioEnergy
Budget vs Actual
For the quarter ending 09/31/13

Description	Q3 Budget	Per Gal	Q3 Actual	Per Gal	Variance	Per Gal
Gallons Sold	14,344,000	1.000	13,829,919	1.000	(514,081)	1.000
Revenues						
Ethanol	33,923,560.00	2.365	34,374,131.04	2.485	450,571.04	0.120
DDGS	0.00	0.000	0.00	0.000	0.00	0.000
WDGS	11,229,112.43	0.783	9,479,947.00	0.685	(1,749,165.43)	-0.097
Other	638,000.00	0.044	952,205.32	0.069	314,205.32	0.024
Total Revenue	45,790,672.43	3.192	44,806,283.36	3.240	(984,389.07)	0.047
COGS						
Feedstock						
Total Grain	39,096,613.04	2.726	34,215,525.56	2.474	(4,881,087.48)	-0.252
Natural Gas	936,322.92	0.065	950,190.86	0.069	13,867.94	0.003
Denaturant	597,069.00	0.042	768,613.72	0.056	171,544.72	0.014
Chemicals						
Fuel	0.00	0.000	12,998.86	0.001	12,998.86	0.001
ABS	0.00	0.000	7,375.73	0.001	7,375.73	0.001
Chemicals	10,172.80	0.001	46,951.69	0.003	36,778.89	0.003
Urea	112,270.97	0.008	79,340.23	0.006	(32,930.74)	-0.002
Antibiotics	32,418.52	0.002	125,227.50	0.009	92,808.98	0.007
Yeast	40,168.88	0.003	38,453.80	0.003	(1,715.08)	0.000
Ammonia	76,247.74	0.005	44,243.14	0.003	(32,004.60)	-0.002
Sulfuric Acid	62,139.35	0.004	42,346.64	0.003	(19,792.71)	-0.001
Caustic	66,993.55	0.005	114,906.85	0.008	47,913.30	0.004
Enzymes	511,636.09	0.036	669,532.41	0.048	157,896.32	0.013
Total Chemicals	912,047.90	0.064	1,181,376.85	0.085	269,328.95	0.022
Water	108,000.00	0.008	117,866.85	0.009	9,866.85	0.001
Electricity	510,000.00	0.036	667,235.59	0.048	157,235.59	0.013
Total COGS	42,160,052.86	2.939	37,900,809.43	2.740	(4,259,243.43)	-0.199
Gross Profit	3,630,619.57	0.253	6,905,473.93	0.499	3,274,854.36	0.246
Labor	408,652.44	0.028	478,824.18	0.035	70,171.74	0.006
Management Fees	499,125.00	0.035	499,125.00	0.036	0.00	0.001
Operations and Maintenance	596,550.00	0.042	818,581.16	0.059	222,031.16	0.018
Other Plant Fixed Costs	75,000.00	0.005	133,634.56	0.010	58,634.56	0.004
License Fees and Insurance	221,833.33	0.015	328,168.01	0.024	106,334.68	0.008
Bank Fees	24,000.00	0.002	21,492.01	0.002	(2,507.99)	0.000
Property Tax	120,375.00	0.008	154,387.15	0.011	34,012.15	0.003
Depreciation	1,218,000.00	0.085	1,304,965.86	0.094	86,965.86	0.009
Amortization	17,590.44	0.001	17,590.44	0.001	0.00	0.000
Bad Debt Reserve	28,072.78	0.002	(23,607.59)	-0.002	(51,680.37)	-0.004
Total Fixed Costs - Operation	3,209,198.99	0.224	3,733,160.78	0.270	523,961.79	0.046
EBIT	421,420.58	0.029	3,172,313.15	0.229	2,750,892.57	0.200
Interest/Other Income	0.00	0.000	(97,054.85)	0.000	(97,054.85)	0.000
Interest Expense	253,728.33	0.018	264,183.89	0.000	10,455.56	-0.018
Net Income	167,692.25	0.012	2,811,074.41	0.203	2,643,382.16	0.192
					0.00	
EBITDA	1,657,011.02	0.116	4,397,814.60	0.318	2,740,803.58	0.202
					0.00	
EBITDA - Debt Service	980,897.69	0.068	4,133,630.71	0.299	3,152,733.02	0.231

Bonanza Analytics
('000's)

	YE 2009	YE 2010	YE 2011	Q3 2012	Q3 2013
Revenue	112,837.77	120,694.42	194,029.13	44,434.44	44,806.28
Gross Profit	20,742.79	20,146.50	34,315.74	730.43	6,905.47
Net Profit	7,651.73	6,204.67	18,743.77	(2,123.44)	2,811.07
EBITDA	15,159.99	13,479.31	25,604.55	(543.50)	4,397.81
EBITDA - Debt Service	10,072.23	5,844.07	18,777.48	(2,068.64)	4,133.63
Senior Debt / Gallon	\$ 0.74	\$ 0.64	\$ 0.50	\$ 0.40	\$ 0.36

Debt Analytics
('000's)

	YE 2009	YE 2010	YE 2011	Q3 2012	Q3 2013
Senior Debt	33,480.34	28,411.72	20,473.80	16,672.33	19,750.00
Current Maturities of Senior Debt	7,068.62	6,646.24	7,068.62	5,068.62	73.80

Bonanza BioEnergy, LLC
Cash Flow Statement
For the quarter ending 09/31/13

Beginning Cash	\$ 7,324,691.03
Ending Cash	\$ 12,782,509.24
Net Income	2,811,074.41
Depreciation	1,304,965.86
<i>Changes in Working Capital</i>	
Accounts Receivable	1,602,746.11
Inventory	864,373.82
Prepaid & Commodity	(13,534.99)
Other Assets	130,950.66
Accounts Payable	1,705,287.68
Current Maturities of Working Capital	(1,995,000.00)
CMLTD - Sub Debt	0.00
CMLTD - Sr. Debt	(650,000.00)
Total	<u>1,644,823.28</u>
Operating Activities	5,760,863.55
<i>Investing Activities</i>	
Acquisition of Assets	(231,616.76)
Sale of Assets	-
Investing Activities	<u>(231,616.76)</u>
<i>Financing Activities</i>	
Proceeds from Long Term Debt	0.00
Debt Repayment	(71,428.58)
Dividend	0.00
Financing Activities	<u>(71,428.58)</u>
Net Change in Cash	5,457,818.21

Debt Disclosure
('000's)

	<u>2013</u>	<u>2012</u>
Revolver	-	-
Sub Debt	1,285,714.25	1,571,428.55
Senior Debt	<u>19,823,795.86</u>	<u>21,740,950.86</u>
Total Long-Term Debt	<u>21,109,510.11</u>	<u>23,312,379.41</u>

Debt Terms

- Revolver: LIBOR + 3.35% with a 5% floor; \$0 outstanding
- Senior Debt: \$19,824 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):

Years Ended	
<u>December 31,</u>	<u>Amount</u>
2013	5,069
2014	5,069
2015	5,069
2016	4,618
2017	
Thereafter	
Total	<u>19,824</u>

**3 Months Ended
9/30/2013**

Per Gallon Information

Total Gallons Sold (000's):

EBITDA

Debt

Cash

	2013	2012	Change
Total Gallons Sold (000's):	13,830	13,933	(103)
EBITDA	\$ 317.99	\$ (39.01)	357
Debt	\$ 1,526.37	\$ 1,673.18	(147)
Cash	\$ 924.26	\$ 139.57	785

Key Production Indicators

For the Three Months Ended

September 30,

	<u>2013</u>	<u>2012</u>	<u>Change</u>
Gallons sold (in thousands)	13,830	13,933	(103.08)
Average sales price per gallon (net)	\$ 2.44	\$ 2.39	\$ 0.06
Corn cost per bushel	\$ 6.90	\$ 8.14	\$ (1.24)
Crush margin	\$ 0.01	\$ (0.58)	0.58
Denatured yield (2.25% denaturant added)	2.83	2.75	0.09
Distiller's grain as a % of the delivered cost of corn	28%	25%	3%