IANR’s Trackage Map and Strong Relationships with Connecting Lines

IANR currently serves 19 counties in Iowa, and maintains direct connections with Canadian National, Canadian Pacific, Union Pacific and CRANDIC.

- IANR is geographically well suited in the upper Midwest and strategically connects directly with Canadian National (CN), Canadian Pacific (CP), Union Pacific (UP) and the Iowa Interstate Railroad (IAIS) indirectly through the Cedar Rapids and Iowa City Railroad (CIC).
- The IANR operates approximately 250 miles of track in 19 counties of North Central and North East Iowa.
- As a short line railroad, IANR has numerous connections and outlets to the North American rail system; this provides IANR customers with significant leverage in rates and routes for their business.
Overview of IANR’s Economic Development Initiatives

- Emphasis has been made on identifying specific locations for industrial development and identifying the overall logistical needs of the region
  - IANR maintains constant discussion with potential industries and market leaders toward bringing a diversity of new commodities for IANR to originate and support, most of the projects are quite large with equally large capital investment requirements
    - The Company is breaking ground on all projects, highlighted herein
    - Several new industries are completing the construction stage and moving on to training, followed by production
    - Two additional major projects will be completed by Q4 2021 and one by Q3 2022
- Growth has also been supported through the use of local and regional efforts, often teaming up with local Economic Development and Rural Electric Cooperatives
  - Identification of local and regional needs, including employment opportunities, plus exceptional levels of effort to identify and convince various industries that could be located along IANR has produced very positive results
  - These efforts have paid off with new industries making the decision to build and grow along IANR, the historical five-year increments of IANR efforts can be demonstrated with committed volume growth from on-line and new customers (see chart at right)
- Several examples of specific industrial development initiatives, including high volume organic growth on IANR

<table>
<thead>
<tr>
<th>Five-Year Increments</th>
<th>Total Cars</th>
<th>Avg. Year C/L</th>
<th>Change</th>
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<tbody>
<tr>
<td>1994-1998</td>
<td>105,448</td>
<td>21,089</td>
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<tr>
<td>1999-2003</td>
<td>120,441</td>
<td>24,088</td>
<td>14.2%</td>
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<td>2004-2009</td>
<td>178,847</td>
<td>35,329</td>
<td>48.7%</td>
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<td>2010-2014</td>
<td>286,179</td>
<td>57,236</td>
<td>62.6%</td>
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<td>2015-2019</td>
<td>287,353</td>
<td>53,471</td>
<td>(6.6%)</td>
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<tr>
<td>2020-2024</td>
<td>485,303</td>
<td>93,061</td>
<td>74.0%</td>
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</table>
Selected Initiatives and High-Volume Growth on Selected IANR Projects

Renewable Ethanol Plants

- In 2007 and 2008, IANR captured two large Hawkeye Renewable ethanol plants at Butler and Fairbank, now owned by Flint Hills Resources
- IANR also developed a joint venture, Manly Terminal (MT), with a regional liquid trucking company to build an ethanol terminal on IANR’s property at Manly
  - This has grown over time to include a wide variety of chemicals and ethanol co-products
- The ethanol and related new traffic has provided a major boost to IANR’s car loadings and revenue while demonstrating the ability of IANR’s fixed-cost business to grow revenues without corresponding growth in expenses
- Through this same period, IANR weathered serious flooding that bifurcated our railroad in two strategic locations for over 18 months
- This experience has directed IANR’s efforts toward diversification of Ag related products, beyond just corn and soybeans; IANR is no longer as vulnerable to floods and droughts

Oelwein Line

- The 25-mile line between Waterloo and Oelwein was up for abandonment by CNW and later UP for several years, with only a car repair facility at Oelwein left as the only source of limited revenue
- Transco Industries, the car repair facility owner, purchased the line from Dewar to Oelwein from UP in October 2002 and leased the operations to IANR at closing
- Today the line is owned by IANR and generates nearly 12,000 carloads of business annually, with additional industrial development planned
- In 2019, IANR leased the remaining UP industrial trackage running from Waterloo to Dewar from UP
  - In one year, IANR representing UP as the operator and marketer of the line, has more than doubled the traffic, which includes John Deere Tractor works, Tyson Foods, Kinder-Morgan Terminals and the Dewar Elevator
- IANR also developed two major industrial parks as greenfield sites over the past ten years
  - Subsidiaries of IANR, jointly or solely own two large industrial parks adjacent to the IANR yard in Manly, Iowa known as Manly Terminal (MT) and Manly Logistics Park (MLP); IANR also owns another industrial park in Butler County, Iowa called Butler Logistical Park (BLP)
  - Every industry on both facilities began with a cold call from IANR with substantial cooperative support from Iowa Economic Development, local REC’s, Iowa DOT, and Butler and Worth Counties
Selected Initiatives and High-Volume Growth on Selected IANR Projects (cont’d)

**Manly Yard, Terminal and Logistics Park**

- Traffic growth at Manly has been significant and will continue to grow for the next decade.
- The property at Manly has grown considerably from a former derelict 60-acre rallyard in 2005 and adjacent cornfields to now over 500 acres in play for development, extending three miles long – it will all be filled with industry by Second Half, 2021.
- Besides the large grain elevator at Manly, IANR has built:
  - Manly Terminal, a joint effort to establish a trading and staging facility for ethanol, chemicals, fuel, corn oil, organic grain, lumber, and rail car repair.
  - Sukup Manufacturing Steel Distribution Center.
  - Union Pacific’s largest wind component distribution center.
  - Two soon-to-be-announced new industries that will generate the equivalent of 60,000 additional truck-loads per year with annual growth estimates of 10% or greater.
- By 2024, Manly will, by itself, generate more traffic than the entire IANR system does today; rural Worth County will have added 600+ new jobs due to IANR’s development efforts.

**Butler Logistics Park**

- IANR and/or its subsidiaries own an extensively growing industrial park in Butler County between Shell Rock and Clarksville along Highway 3 and close to I-38 and the “Avenue of the Saints,” Highway 218.
- This economic development has nearly 1,000 acres in play and includes:
  - An international intermodal terminal.
  - Flint Hills Resources ethanol plant.
  - Zin-Pro
  - American Colloid
  - A chemical trans-load operation.
  - Trinity Industries largest railcar repair facility in North America.
- Just last month, Mid-Iowa Coop broke ground on a major soybean processing facility that will generate nearly 20,000 railcar loads of new rail business.
- From a series of corn fields adjacent to IANR’s main line in 2007, BLP will bring nearly 750 jobs to rural Butler County by 2022; BLP will, by end of 2023, generate nearly 50,000 railcar loads of rail business to IANR.
Comments or Questions?