

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended October 31, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-09097

REX AMERICAN RESOURCES CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

31-1095548
(I.R.S. Employer
Identification Number)

7720 Paragon Road, Dayton, Ohio
(Address of principal executive offices)

45459
(Zip Code)

(937) 276-3931
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.01 par value	REX	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definition of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

At the close of business on December 3, 2025, the registrant had 32,937,718 shares of Common Stock, par value \$.01 per share, outstanding.

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Commonly Used Defined Terms

Corporate Structure:

REX/the Company	REX American Resources Corporation, and its majority and wholly owned subsidiaries
NuGen	NuGen Energy, LLC – REX owns 99.7%
One Earth	One Earth Energy, LLC and subsidiaries – REX owns 76.1%
Big River	Big River, LLC, and subsidiaries – REX owns 10.3%

Industry Terms:

CI	Carbon Intensity
CO ₂	Carbon dioxide
E-10	Gasoline blended with up to 10% ethanol by volume
E-15	Gasoline blended with up to 15% ethanol by volume
EPA	United States Environmental Protection Agency
FEOC	Foreign Entity of Concern
GHG	Greenhouse Gas
IRA	Inflation Reduction Act
IRC	Internal Revenue Code of 1986, as amended
IRC Section 41	Internal Revenue Code § 41 - Credit for Increasing Research Activities
IRC Section 45/Section 45	Internal Revenue Code § 45 - Electricity Produced from Certain Renewable Resources, etc.
IRS	Internal Revenue Service
OBBA	One Big Beautiful Bill Act
PHMSA	Pipeline and Hazardous Materials Safety Administration
RFS II	Renewable Fuel Standard II
RIN(s)	Renewable Identification Number(s)
RVOs	Renewable Volume Obligations
Section 45Q/45Q	Section 45Q of the Internal Revenue Code
Section 45Z/45Z	Section 45Z of the Internal Revenue Code
SB	Illinois Senate Bill
SAF	Sustainable Aviation Fuel
SRE(s)	Small Refinery Exemption(s)
USDA	United States Department of Agriculture
USMCA	United States-Mexico-Canada Agreement

Accounting and General Business Terms:

ASC	Accounting Standards Codification
ASC 280	ASC 280, “ <i>Segment Reporting</i> ”
ASC 815	ASC 815, “ <i>Derivatives and Hedging</i> ”
ASC 820	ASC 820, “ <i>Fair Value Measurements and Disclosures</i> ”
ASU	Accounting Standards Update
FASB	Financial Accounting Standards Board
SG&A	Selling, general, and administrative
TSR	Total shareholder return

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

REX AMERICAN RESOURCES CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

Unaudited

(In Thousands)

	October 31, 2025	January 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	\$ 272,004	\$ 196,255
Short-term investments	63,537	162,820
Accounts receivable	27,442	21,511
Inventory	27,675	31,676
Refundable income taxes	6,067	6,445
Prepaid expenses and other	14,938	17,112
Total current assets	<u>411,663</u>	<u>435,819</u>
Property and equipment, net	260,173	210,683
Operating lease right-of-use assets	19,291	20,985
Finance lease right-of-use assets	18,032	-
Other assets	1,321	16,721
Equity method investment	39,579	35,800
Total assets	<u>\$ 750,059</u>	<u>\$ 720,008</u>
Liabilities and equity		
Current liabilities:		
Accounts payable – trade (includes \$0.6 million and \$1.4 million with related parties at October 31, 2025 and January 31, 2025, respectively)	\$ 33,616	\$ 28,337
Current operating lease liabilities	6,859	5,746
Current finance lease liabilities	469	-
Accrued expenses and other current liabilities	16,537	16,360
Total current liabilities	<u>57,481</u>	<u>50,443</u>
Long-term liabilities:		
Deferred taxes	10,152	3,562
Long-term operating lease liabilities	12,818	15,367
Long-term finance lease liabilities	2,793	-
Long-term taxes payable	7,843	4,334
Other long-term liabilities	2,769	2,700
Total long-term liabilities	<u>36,375</u>	<u>25,963</u>
Equity		
REX shareholders' equity:		
Common stock	329	344
Retained earnings	566,594	559,993
Total REX shareholders' equity	<u>566,923</u>	<u>560,337</u>
Noncontrolling interests	89,280	83,265
Total equity	<u>656,203</u>	<u>643,602</u>
Total liabilities and equity	<u>\$ 750,059</u>	<u>\$ 720,008</u>

The accompanying notes are an integral part of these unaudited consolidated financial statements.

REX AMERICAN RESOURCES CORPORATION AND SUBSIDIARIES
Consolidated Statements of Operations
Unaudited

(In Thousands, Except Per Share Amounts)

	Three Months Ended October 31,		Nine Months Ended October 31,	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Net sales and revenue	\$ 175,625	\$ 174,877	\$ 492,528	\$ 484,263
Cost of sales (includes \$19,437 and \$22,739 with related parties for the three months ended October 31, 2025 and 2024, respectively, and \$73,290 and \$81,726 with related parties for the nine months ended October 31, 2025 and 2024, respectively.)	<u>139,493</u>	<u>135,196</u>	<u>427,735</u>	<u>410,358</u>
Gross profit	36,132	39,681	64,793	73,905
Selling, general and administrative expenses	(8,214)	(8,426)	(20,359)	(20,977)
Equity in income of unconsolidated affiliates	4,388	3,621	6,285	7,086
Interest and other income, net	<u>3,151</u>	<u>4,629</u>	<u>10,461</u>	<u>14,950</u>
Income before income taxes	35,457	39,505	61,180	74,964
Provision for income taxes	<u>(7,988)</u>	<u>(9,402)</u>	<u>(13,711)</u>	<u>(17,581)</u>
Net income	27,469	30,103	47,469	57,383
Net income attributable to noncontrolling interests	(4,056)	(5,603)	(8,267)	(10,314)
Net income attributable to REX common shareholders	<u>\$ 23,413</u>	<u>\$ 24,500</u>	<u>\$ 39,202</u>	<u>\$ 47,069</u>
Weighted average shares outstanding – basic	<u>33,002</u>	<u>35,189</u>	<u>33,267</u>	<u>35,100</u>
Basic net income per share attributable to REX common shareholders	<u>\$ 0.71</u>	<u>\$ 0.70</u>	<u>\$ 1.18</u>	<u>\$ 1.34</u>
Weighted average shares outstanding – diluted	<u>33,002</u>	<u>35,445</u>	<u>33,267</u>	<u>35,346</u>
Diluted net income per share attributable to REX common shareholders	<u>\$ 0.71</u>	<u>\$ 0.69</u>	<u>\$ 1.18</u>	<u>\$ 1.33</u>

The accompanying notes are an integral part of these unaudited consolidated financial statements.

REX AMERICAN RESOURCES CORPORATION AND SUBSIDIARIES
Consolidated Condensed Statements of Equity
For the Three and Nine Months Ended October 31, 2025 and 2024
Unaudited

(In Thousands)

	REX Shareholders					
	<u>Common Shares Issued Shares</u>	<u>Amount</u>	<u>Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Noncontrolling Interests</u>	<u>Total Equity</u>
Balance at July 31, 2025	33,058	\$ 331	\$ -	\$ 545,435	\$ 85,224	\$ 630,990
Net income				23,413	4,056	27,469
Issuance of equity awards and stock-based compensation expense				125		125
Correction to equity awards and stock-based compensation expense	<u>(120)</u>	<u>(2)</u>	<u>-</u>	<u>(2,379)</u>	<u>-</u>	<u>(2,381)</u>
Balance at October 31, 2025	<u>32,938</u>	<u>\$ 329</u>	<u>\$ -</u>	<u>\$ 566,594</u>	<u>\$ 89,280</u>	<u>\$ 656,203</u>
Balance at January 31, 2025	34,389	\$ 344	\$ -	\$ 559,993	\$ 83,265	\$ 643,602
Net income				39,202	8,267	47,469
Stock repurchases	(1,651)	(16)		(32,843)		(32,859)
Noncontrolling interests distribution and other					(2,252)	(2,252)
Issuance of equity awards and stock-based compensation expense	320	3		2,621		2,624
Correction to equity awards and stock-based compensation expense	<u>(120)</u>	<u>(2)</u>	<u>-</u>	<u>(2,379)</u>	<u>-</u>	<u>(2,381)</u>
Balance at October 31, 2025	<u>32,938</u>	<u>\$ 329</u>	<u>\$ -</u>	<u>\$ 566,594</u>	<u>\$ 89,280</u>	<u>\$ 656,203</u>

Continued on the following page

REX AMERICAN RESOURCES CORPORATION AND SUBSIDIARIES
Consolidated Statements of Equity
Unaudited

(In Thousands)

Continued from the previous page

	REX Shareholders					
	Common Shares		Paid-in Capital	Retained Earnings	Noncontrolling Interests	Total Equity
	Shares	Amount				
Balance at July 31, 2024	35,134	\$ 351	\$ -	\$ 539,282	\$ 76,553	\$ 616,186
Net income				24,500	5,603	30,103
Noncontrolling interests distribution and other					(47)	(47)
Issuance of equity awards and stock-based compensation expense	-	-	-	358	-	358
Balance at October 31, 2024	<u>35,134</u>	<u>\$ 351</u>	<u>\$ -</u>	<u>\$ 564,140</u>	<u>\$ 82,109</u>	<u>\$ 646,600</u>
Balance at January 31, 2024	35,007	\$ 350	\$ -	\$ 513,568	\$ 73,679	\$ 587,597
Net income				47,069	10,314	57,383
Noncontrolling interests distribution and other					(1,884)	(1,884)
Issuance of equity awards and stock-based compensation expense	127	1	-	3,503	-	3,504
Balance at October 31, 2024	<u>35,134</u>	<u>\$ 351</u>	<u>\$ -</u>	<u>\$ 564,140</u>	<u>\$ 82,109</u>	<u>\$ 646,600</u>

The accompanying notes are an integral part of these unaudited consolidated financial statements.

REX AMERICAN RESOURCES CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Unaudited

(In Thousands)

	Nine Months Ended	
	October 31,	
	2025	2024
Cash flows from operating activities:		
Net income including noncontrolling interests	\$ 47,469	\$ 57,383
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	11,007	12,433
Amortization of operating lease right-of-use assets	4,859	4,192
Amortization of finance lease right-of-use assets	949	-
Income from equity method investments	(6,285)	(7,086)
Dividends received from equity method investments	2,506	3,007
Interest income from investments	(3,707)	(4,219)
Deferred income taxes	6,590	11,934
Stock-based compensation expense	3,636	2,980
Loss on disposal of property and equipment – net	191	45
Changes in assets and liabilities:		
Accounts receivable	(5,931)	854
Inventories	4,001	(2,143)
Refundable income taxes	378	172
Other assets	904	(12,639)
Accounts payable, trade	2,961	(21,629)
Long-term taxes payable	3,509	-
Other liabilities	(8,990)	(6,178)
Net cash provided by operating activities	<u>64,047</u>	<u>39,106</u>
Cash flows from investing activities:		
Capital expenditures	(55,653)	(55,428)
Purchase of short-term investments	(129,010)	(210,328)
Maturity of short-term investments	232,000	302,981
Proceeds from sale of real estate and property and equipment	-	210
Deposits	118	195
Net cash provided by investing activities	<u>47,455</u>	<u>37,630</u>
Cash flows from financing activities:		
Treasury stock acquired	(33,382)	-
Payments to noncontrolling interests holders	(2,252)	(1,884)
Principal paid on finance lease liabilities	(119)	-
Net cash used in financing activities	<u>(35,753)</u>	<u>(1,884)</u>
Net increase in cash and cash equivalents	75,749	74,852
Cash and cash equivalents, beginning of period	196,255	223,397
Cash and cash equivalents, end of period	<u>\$ 272,004</u>	<u>\$ 298,249</u>
Non-cash investing activities – Accrued capital expenditures	<u>\$ 5,235</u>	<u>\$ 3,275</u>
Non-cash investing activities – Capital additions transferred from prepaid expense	<u>\$ 952</u>	<u>\$ 188</u>
Non-cash financing activities – Stock awards accrued	<u>\$ 3,392</u>	<u>\$ 1,648</u>
Non-cash financing activities – Stock awards issued	<u>\$ -</u>	<u>\$ 2,172</u>
Non-cash financing activities – Excise tax on stock repurchases accrued	<u>\$ 258</u>	<u>\$ -</u>
Operating right-of-use assets acquired and liabilities incurred upon lease commencement	<u>\$ 3,007</u>	<u>\$ 13,734</u>
Finance right-of-use assets acquired and liabilities incurred upon lease commencement	<u>\$ 3,381</u>	<u>\$ -</u>

The accompanying notes are an integral part of these unaudited consolidated financial statements.

REX AMERICAN RESOURCES CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

October 31, 2025

Note 1. Consolidated Financial Statements

References to the Company – References to “REX” or the “Company” in the consolidated financial statements and in these notes to the consolidated financial statements refer to REX American Resources Corporation, a Delaware corporation, and its majority and wholly owned subsidiaries.

The consolidated financial statements included in this report have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission and include, in the opinion of management, all adjustments necessary to state fairly the information set forth therein. Any such adjustments were of a normal recurring nature. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. Financial information as of January 31, 2025 included in these financial statements has been derived from the audited consolidated financial statements included in the Company’s Annual Report on Form 10-K for the year ended January 31, 2025 (fiscal year 2024). These unaudited consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company’s Annual Report on Form 10-K for the year ended January 31, 2025. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the year.

Basis of Consolidation – The consolidated financial statements in this report include the operating results and financial position of the Company. All intercompany balances and transactions have been eliminated. The Company consolidates the results of its wholly owned and majority owned subsidiaries. The Company includes the results of operations of One Earth Energy, LLC in its Consolidated Statements of Operations on a delayed basis of one month as One Earth has a fiscal year end of December 31.

Stock Split – On August 26, 2025, the Board of Directors of the Company adopted resolutions declaring a two-for-one split of the Company’s Common Stock to be effectuated in the form of a 100% stock dividend, payable on September 15, 2025 to stockholders of record at the close of business on September 8, 2025. The stock split has been retroactively reflected in the accompanying consolidated financial statements.

Nature of Operations – The Company has one reportable segment, ethanol and by-products. Within the ethanol and by-products segment, the Company has equity investments in three ethanol limited liability companies, two of which are majority ownership interests.

In applying the criteria set forth in ASC 280, the Company determined that based on the nature of the products and production process and the expected financial results, the Company’s operations at its ethanol plants are aggregated into one reporting segment.

Note 2. Accounting Policies

The interim consolidated financial statements have been prepared in accordance with the accounting policies described in the notes to the consolidated financial statements included in the Company's fiscal year 2024 Annual Report on Form 10-K. While management believes that the procedures followed in the preparation of interim financial information are reasonable, the accuracy of some estimated amounts is dependent upon facts that will exist or calculations that will be accomplished at fiscal year-end. Examples of such estimates include accrued liabilities, such as management bonuses, and the provision for income taxes. Any adjustments pursuant to such estimates during the quarter were of a normal recurring nature. Actual results could differ from those estimates.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents includes bank deposits as well as short-term, highly liquid investments with original maturities of three months or less.

Revenue Recognition

The Company recognizes sales of ethanol, distillers grains and distillers corn oil when obligations under the terms of the respective contracts with customers are satisfied; this occurs with the transfer of control of products, generally upon shipment from the ethanol plant or upon loading of the rail car used to transport the products.

Cost of Sales

Cost of sales includes depreciation, costs of raw materials, third-party freight charges, purchasing and receiving costs, inspection costs, other distribution expenses, warehousing costs, plant repair and maintenance costs, production labor and related payroll costs, and general facility overhead charges.

Selling, General and Administrative Expenses

The Company includes non-production related costs such as professional fees, selling charges, operating lease expense, and certain payroll in SG&A expenses.

Financial Instruments

Certain of the forward corn and natural gas purchase contracts and ethanol, distillers grains and distillers corn oil sale contracts are accounted for under the "normal purchases and normal sales" scope

exemption of ASC 815 because these arrangements are for purchases of corn that will be delivered in quantities expected to be used by the Company and sales of ethanol, distillers grains and distillers corn oil in quantities expected to be produced by the Company over a reasonable period of time in the normal course of business.

The Company uses derivative financial instruments (exchange-traded futures contracts and swaps) to manage a portion of the risk associated with changes in commodity prices, primarily related to corn. The Company monitors and manages this exposure as part of its overall risk management policy. As such, the Company seeks to reduce the potentially adverse effects that the volatility of these markets may have on its operating results. The Company may take hedging positions in these commodities as one way to mitigate risk. While the Company attempts to link its hedging activities to purchase and sales activities, there are situations in which these hedging activities can themselves result in losses. The Company does not hold or issue derivative financial instruments for trading or speculative purposes. The changes in fair value of these derivative financial instruments are recognized in current period earnings as the Company does not use hedge accounting.

Income Taxes

The Company applies an effective tax rate to interim periods that is consistent with the Company's estimated annual tax rate as adjusted for discrete items impacting the interim periods. The Company provides for deferred tax liabilities and assets for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and operating loss and tax credit carryforwards. The Company provides for a valuation allowance if, based on the weight of available positive and negative evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. The Company paid income taxes of approximately \$3.1 million and \$5.5 million and received no refunds during the nine months ended October 31, 2025 and October 31, 2024, respectively.

As of October 31, 2025, and January 31, 2025, total unrecognized tax benefits were approximately \$18.9 million. Accrued penalties and interest were approximately \$118,000 and approximately \$99,000 at October 31, 2025 and January 31, 2025, respectively. If the Company were to prevail on all unrecognized tax benefits recorded, the provision for income taxes would be reduced by approximately \$18.8 million. In addition, the impact of penalties and interest would also benefit the effective tax rate. Interest and penalties associated with unrecognized tax benefits are recorded within income tax expense. On a quarterly basis, the Company accrues for the effects of open uncertain tax positions and the related potential penalties and interest.

Inventory

Inventories are carried at the lower of cost or net realizable value. Cost for all inventories is determined using the first-in, first-out method. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonable predictable costs of completion, disposal, and transportation. Inventory includes direct production costs and certain overhead costs such as depreciation, property taxes and utilities related to producing ethanol and related by-products. Inventory is permanently written down in instances when cost exceeds estimated net realizable value; such write-downs are based primarily upon commodity prices as the market value of inventory is often dependent upon changes in commodity prices.

The Company did not record any inventory write-downs at October 31, 2025. The Company recorded approximately \$100,000 of inventory write-downs in cost of sales at January 31, 2025. Fluctuations in the write-down of inventory generally relate to the levels and composition of such inventory and changes in commodity prices at a given point in time.

The components of inventory are as follows as of the dates presented (amounts in thousands):

	October 31, 2025	January 31, 2025
Ethanol and other finished goods	\$ 4,162	\$ 4,923
Work in process	4,671	5,185
Corn and other raw materials	18,842	21,568
Total	<u>\$ 27,675</u>	<u>\$ 31,676</u>

Property and Equipment

Property and equipment is recorded at cost or the fair value on the date of acquisition (for property and equipment acquired in a business combination). Depreciation is computed using the straight-line method. Estimated useful lives are 15 to 40 years for buildings and improvements, and 3 to 40 years for fixtures and equipment.

In accordance with ASC 360-10 “*Impairment or Disposal of Long-Lived Assets*”, the carrying value of long-lived assets is assessed for recoverability by management when changes in circumstances indicate that the carrying amount may not be recoverable. The Company did not identify any indicators of impairment or record any impairment charges during the first nine months of fiscal year 2025 or 2024.

The Company tests for recoverability of an asset group by comparing its carrying amount to its estimated undiscounted future cash flows. If the carrying amount exceeds its estimated undiscounted future cash flows, the Company recognizes an impairment charge for the amount by which the asset group’s carrying amount exceeds its fair value, if any.

Investments

The method of accounting applied to long-term investments, whether consolidated, equity or cost, involves an evaluation of the significant terms of each investment that explicitly grant or suggest evidence of control or influence over the operations of the investee and also includes the identification of any variable interests in which the Company is the primary beneficiary. The Company accounts for investments in a limited liability company in which it has a less than 20% ownership interest using the equity method of accounting when the factors discussed in ASC 323, “*Investments-Equity Method and Joint Ventures*” are met. The excess of the carrying value over the underlying equity in the net assets of equity method investees is allocated to specific assets and liabilities. Investments in businesses that the Company does not control but for which it has the ability to exercise significant influence over operating and financial matters are accounted for using the equity method. The Company accounts for its investment in Big River using the equity method of accounting and includes the results on a delayed basis of one month as Big River has a fiscal year end of December 31.

The Company periodically evaluates its investments for impairment due to declines in market value considered to be other than temporary. Such impairment evaluations include general economic and company-specific evaluations. If the Company determines that a decline in market value is other than temporary, then a charge to earnings is recorded in the Consolidated Statements of Operations and a new cost basis in the investment is established.

Short-term investments, consisting of U.S. government obligations, are considered held to maturity, and therefore are carried at amortized historical cost.

Recently Issued Accounting Standards

In December 2023, the FASB issued ASU 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures”, to enhance the transparency and decision usefulness of annual income tax disclosures. This ASU is effective for all entities that are subject to Topic 740 for annual reporting periods beginning after December 15, 2024. Early adoption and retrospective application are permitted, but not required. The Company does not expect the adoption of this ASU to have a material impact on the Consolidated Financial Statements.

In November 2024, the FASB issued ASU 2024-03, “Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40)”, which provides clarity in assessing an entity’s performance and prospects for future cash flows by disclosure of more detailed information about the types of expenses in commonly presented expense captions. This ASU is effective for the Company’s fiscal year-ended January 31, 2028. Early adoption is permitted, but not required. The Company is currently evaluating the impact of this ASU.

Note 3. Net Sales and Revenue

The Company recognizes sales of products when obligations under the terms of the respective contracts with customers are satisfied. This occurs with the transfer of control of products, generally upon shipment from the ethanol plant or upon loading of the rail car or truck used to transport the products. Revenue is measured as the amount of consideration expected to be received in exchange for transferring goods. Sales, value added and other taxes the Company collects concurrent with revenue producing activities are excluded from net sales and revenue.

The majority of the Company’s sales have payment terms ranging from 5 to 10 days after transfer of control. The Company has determined that sales contracts do not generally include a significant financing component. The Company has not historically entered into sales contracts in which payment is due from a customer prior to transferring product to the customer. Thus, the Company does not record unearned revenue.

The following tables shows disaggregated revenue by product (amounts in thousands):

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2025	2024	2025	2024
Ethanol	\$ 136,031	\$ 138,107	\$ 383,739	\$ 373,634
Dried distillers grains	22,357	25,032	65,903	77,564
Distillers corn oil	16,353	10,249	38,741	28,633
Modified distillers grains	1,180	1,159	4,053	3,479
Derivative financial instruments (losses) gains	(328)	300	(110)	737
Other	32	30	202	216
Total	<u>\$ 175,625</u>	<u>\$ 174,877</u>	<u>\$ 492,528</u>	<u>\$ 484,263</u>

Note 4. Leases

Operating Leases

At October 31, 2025, the Company had lease agreements, as lessee, for railcars. All of the leases are accounted for as operating leases. The lease agreements do not contain a specified implicit interest rate; therefore, the Company's estimated incremental borrowing rate was used to determine the present value of future minimum lease payments. The lease term for all of the Company's leases includes the noncancelable period of the lease and any periods covered by renewal options that the Company is reasonably certain to exercise. Certain leases include rent escalations pre-set in the agreements, which are factored into the lease payment stream.

The components of lease expense, classified as SG&A expenses on the Consolidated Statement of Operations and total cash paid for amounts included in the measurement of lease liabilities are as follows (amounts in thousands):

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2025	2024	2025	2024
Operating lease expense	\$ 2,059	\$ 2,014	\$ 6,133	\$ 5,384
Variable lease expense	46	134	150	129
Total lease expense	<u>\$ 2,105</u>	<u>\$ 2,148</u>	<u>\$ 6,283</u>	<u>\$ 5,513</u>
Total cash paid in measurement of lease liability	<u>\$ 1,955</u>	<u>\$ 1,821</u>	<u>\$ 5,806</u>	<u>\$ 4,981</u>

The following table is a summary of future minimum rentals on such leases at October 31, 2025 (amounts in thousands):

<u>Years Ended January 31,</u>	<u>Minimum Rentals</u>
Remainder of 2026	\$ 1,931
2027	7,706
2028	6,378
2029	3,698
2030	2,036
Thereafter	133
Total	<u>21,882</u>
Less: present value discount	<u>2,205</u>
Operating lease liabilities	<u>\$ 19,677</u>

At October 31, 2025, the weighted average remaining lease term is 2.9 years, and the weighted average discount rate is 6.60% for the outstanding leases.

At January 31, 2025, the weighted average remaining lease term was 3.5 years, and the weighted average discount rate was 6.60% for the outstanding leases.

Finance Lease

At October 31, 2025, the Company had one lease agreement that was classified as a finance lease for an electrical substation facility. Prepayments totaling \$15.6 million were made prior to fiscal year 2025, with monthly payments of approximately \$39,000 to be made over the term of the lease. The lease term for this lease includes the noncancelable period of the lease and any periods for which only the Company has the option to cancel but is reasonably expected to continue the lease. Based on this, the lease term was determined to be 10 years. Control of the facility's output was transferred to the Company just before the end of the first quarter of 2025, with monthly lease expense commencing in the second quarter of 2025. For the three- and nine-month periods ended October 31, 2025, expense related to this lease was approximately \$0.5 million and \$1.1 million, respectively, which includes approximately \$57,000 and \$115,000, respectively, in interest expense.

The weighted average remaining lease term for the finance lease is 9.5 years as of October 31, 2025. A discount rate of 6.9% was deemed appropriate as an incremental borrowing rate for a 10-year term.

The following table is a summary of future minimum rentals on the lease at October 31, 2025 (amounts in thousands):

<u>Years Ended January 31,</u>	<u>Minimum Rentals</u>
Remainder of 2026	\$ 117
2027	469
2028	469
2029	469
2030	469
Thereafter	2,463
Total	<u>4,456</u>
Less: present value discount	1,194
Finance lease liabilities	<u>\$ 3,262</u>

Note 5. Fair Value

The Company applies ASC 820, which provides a framework for measuring fair value under accounting principles generally accepted in the United States of America. This accounting standard defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The Company determines the fair market values of its financial instruments based on the fair value hierarchy established by ASC 820 which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair values which are provided below. The Company carries certain cash equivalents, investments, and derivative instruments at fair value.

The fair values of derivative assets and liabilities traded in the over-the-counter market are determined using quantitative models that require the use of multiple market inputs including interest rates, prices and indices to generate pricing and volatility factors, which are used to value the position. The predominance of market inputs are actively quoted and can be validated through external sources, including brokers, market transactions and third-party pricing services. Estimation risk is greater for derivative asset and liability positions that are either option-based or have longer maturity dates where observable market inputs are less readily available or are unobservable, in which case interest rate, price or index scenarios are extrapolated in order to determine the fair value. The fair values of derivative assets and liabilities include adjustments for market liquidity, counterparty credit quality, the Company's own credit standing and other specific factors, where appropriate.

To ensure the prudent application of estimates and management judgment in determining the fair value of derivative assets and liabilities, investments and property and equipment, various processes and controls have been adopted, which include: (i) model validation that requires a review and approval for pricing, financial statement fair value determination and risk quantification; and (ii) periodic review and substantiation of profit and loss reporting for all derivative instruments.

Financial assets and liabilities measured at fair value on a recurring basis at October 31, 2025 are summarized below (amounts in thousands):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Forward purchase contracts asset (1)	\$ -	\$ 517	\$ -	\$ 517
Commodity futures asset (2)	(372)	-	-	(372)
Total assets	<u>\$ (372)</u>	<u>\$ 517</u>	<u>\$ -</u>	<u>\$ 145</u>
Forward purchase contracts liability (3)	<u>\$ -</u>	<u>\$ 615</u>	<u>\$ -</u>	<u>\$ 615</u>

Financial assets and liabilities measured at fair value on a recurring basis at January 31, 2025 are summarized below (amounts in thousands):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Forward purchase contracts asset (1)	\$ -	\$ 1,253	\$ -	\$ 1,253
Commodity futures (2)	(1,291)	-	-	(1,291)
Total assets	<u>\$ (1,291)</u>	<u>\$ 1,253</u>	<u>\$ -</u>	<u>\$ (38)</u>
Forward purchase contracts liability (3)	<u>\$ -</u>	<u>\$ 378</u>	<u>\$ -</u>	<u>\$ 378</u>

- (1) The forward purchase contracts asset is included in "Prepaid expenses and other" on the accompanying Consolidated Balance Sheets.
- (2) The commodity futures assets and liabilities are netted with cash collateral due from broker and included in "Prepaid expenses and other" on the accompanying Consolidated Balance Sheets.
- (3) The forward purchase contracts liability is included in "Accrued expenses and other current liabilities" on the accompanying Consolidated Balance Sheets.

Note 6. Property and Equipment

The components of property and equipment are as follows for the periods presented (amounts in thousands):

	<u>October 31,</u> <u>2025</u>	<u>January 31,</u> <u>2025</u>
Land and improvements	\$ 42,512	\$ 34,112
Buildings and improvements	25,580	24,026
Machinery, equipment, and fixtures	340,418	318,399
Construction in progress	121,645	94,010
Total property and equipment	<u>530,155</u>	<u>470,547</u>
Less: Accumulated depreciation	<u>(269,982)</u>	<u>(259,864)</u>
Total	<u>\$ 260,173</u>	<u>\$ 210,683</u>

Note 7. Other Assets

The components of other assets are as follows for the periods presented (amounts in thousands):

	October 31, 2025	January 31, 2025
Prepaid utility lease	\$ -	\$ 15,600
Other	1,321	1,121
Total	\$ 1,321	\$ 16,721

Note 8. Accrued Expenses and Other Current Liabilities

The components of accrued expenses and other current liabilities are as follows for the periods presented (amounts in thousands):

	October 31, 2025	January 31, 2025
Accrued payroll and related items	\$ 9,186	\$ 8,961
Accrued utility charges	2,561	3,085
Accrued transportation related items	71	555
Accrued real estate taxes	1,236	1,746
Forward purchase contracts	615	378
Other	2,868	1,635
Total	\$ 16,537	\$ 16,360

Note 9. Derivative Financial Instruments

The Company is exposed to various market risks, including changes in commodity prices (raw materials and finished goods). To manage risks associated with the volatility of these natural business exposures, the Company enters into commodity agreements (exchange-traded futures contracts and swaps) and forward purchase (corn) and sale (ethanol, distillers grains and distillers corn oil) contracts. The Company does not purchase or sell derivative financial instruments for trading or speculative purposes. The Company does not purchase or sell derivative financial instruments for which a lack of marketplace quotations would require the use of fair value estimation techniques. The changes in fair value of these derivative financial instruments are recognized in current period earnings as the Company does not use hedge accounting.

The following table provides information about the fair values of the Company's derivative financial instruments (that are not accounted for under the "normal purchases and normal sales" scope exemption of ASC 815) and the line items on the Consolidated Balance Sheets in which the fair values are reflected (in thousands):

	Asset Derivatives Fair Value		Liability Derivatives Fair Value	
	October 31, 2025	January 31, 2025	October 31, 2025	January 31, 2025
Forward purchase contracts (1)	\$ 517	\$ 1,253	\$ 615	\$ 378
Cash collateral balance (2)	\$ 1,114	\$ 2,523	\$ -	\$ -
Commodity futures (3)	(372)	(1,291)	-	-
Net position with broker	<u>\$ 742</u>	<u>\$ 1,232</u>	<u>\$ -</u>	<u>\$ -</u>
Total	<u><u>\$ 1,259</u></u>	<u><u>\$ 2,485</u></u>	<u><u>\$ 615</u></u>	<u><u>\$ 378</u></u>

(1) Forward purchase contracts assets are included in "Prepaid expenses and other" on the accompanying Consolidated Balance Sheets. These contracts are for purchases of approximately 8.6 million bushels and 16.8 million bushels of corn at October 31, 2025 and January 31, 2025, respectively.

Forward purchase contracts liabilities are included in "Accrued expenses and other current liabilities" on the accompanying Consolidated Balance Sheets. These contracts are for purchases of approximately 5.7 million bushels and 7.6 million bushels of corn at October 31, 2025 and January 31, 2025, respectively.

(2) As of October 31, 2025 and January 31, 2025, all of the derivative financial instruments held by the Company were subject to enforceable master netting arrangements. The Company's accounting policy is to offset position amounts owed or owing with the same counterparty. Depending on the amount of unrealized gains and losses on derivative contracts held by the Company, the counterparty may require collateral to secure the Company's derivative contract positions. As of October 31, 2025 and January 31, 2025, the Company recorded this collateral balance within "Prepaid expenses and other" on the accompanying Consolidated Balance Sheets.

(3) Commodity futures assets and liabilities are included in "Prepaid expenses and other" on the accompanying Consolidated Balance Sheets. These contracts included short/sell positions and long-buy positions for approximately 185,000 and 5.3 million bushels of corn, respectively at October 31, 2025. These contracts included short/sell positions and long/buy positions for approximately 6.3 million and 575,000 bushels of corn, respectively, at January 31, 2025. These contracts also included short/sell positions for approximately 4.2 million gallons of ethanol at January 31, 2025.

See Note 5 which contains fair value information related to derivative financial instruments.

The following table provides information about (losses) gains recognized in income from the Company's derivative financial instruments and the line items on the accompanying Consolidated Statements of Operations in which the fair values are reflected for the three- and nine-month periods ended October 31, 2025 and 2024 (amounts in thousands):

	Three Months Ended October 31,		Nine Months Ended October 31,	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Net sales	\$ (328)	\$ 300	\$ (110)	\$ 737
Cost of sales	\$ 1,878	\$ 3,753	\$ 4,163	\$ (2,362)

Note 10. Investments

Equity Method Investment in Big River

The following table summarizes the Company's equity method investment at October 31, 2025 and January 31, 2025 (dollars in thousands):

<u>Entity</u>	<u>Ownership Percentage</u>	<u>Carrying Amount</u>	
		<u>October 31, 2025</u>	<u>January 31, 2025</u>
Big River	10.3%	\$39,579	\$35,800

Undistributed earnings of the Company's equity method investee totaled approximately \$20.1 million and approximately \$15.8 million at October 31, 2025 and January 31, 2025, respectively. The Company received dividends from its equity method investee of approximately \$2.5 million and \$3.0 million in the first nine months of 2025 and 2024, respectively.

Summarized financial information for the Company's equity method investee is presented in the following table for the periods presented (amounts in thousands):

	Three Months Ended October 31,		Nine Months Ended October 31,	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Net sales and revenue	\$ 293,088	\$ 275,586	\$ 795,267	\$ 808,774
Gross profit	\$ 57,842	\$ 46,996	\$ 85,330	\$ 88,110
Depreciation expense	\$ 3,495	\$ 3,433	\$ 11,263	\$ 16,639
Net income	\$ 54,389	\$ 44,901	\$ 75,445	\$ 84,127
Net income attributable to members	\$ 47,783	\$ 38,708	\$ 63,560	\$ 72,311

Short-term Investments

At October 31, 2025, the Company owned United States Treasury Bills (classified as short-term investments) that had an amortized cost, or carrying value, of approximately \$63.5 million. The contractual maturity of these investments was less than one year. The yield to maturity rate was approximately 4.3%. Unrecognized holding losses at October 31, 2025 were approximately \$9,000.

At January 31, 2025, the Company owned United States Treasury Bills (classified as short-term investments) that had an amortized cost, or carrying value, of approximately \$162.8 million. The contractual maturity of these investments was less than one year. The yield to maturity rate was approximately 4.4%. Unrecognized holding losses at January 31, 2025 were approximately \$19,000.

11. Employee Benefits

Until its expiration on June 1, 2025, the Company maintained the REX 2015 Incentive Plan, approved by its shareholders, which reserved a total of 3,300,000 split-adjusted shares of common stock for issuance pursuant to its terms. The plan provided for the granting of shares of stock, including options to purchase shares of common stock, stock appreciation rights tied to the value of common stock, restricted stock, and restricted stock unit awards to eligible employees, non-employee directors and consultants. Until 2022, the Company had only granted restricted stock awards. In May 2022, the Company issued restricted stock units to certain officers of the Company which vested based on the Company's TSR compared to the TSRs of companies that comprise the Russell 2000 Index over a three-year performance period (see below). The Company measures share-based compensation grants at fair value on the grant date, adjusted for estimated forfeitures. The Company records non-cash compensation expense related to liability and equity awards in its consolidated financial statements over the requisite service period on a straight-line basis. At its time of expiration, 1,065,809 shares (pre-2025 split) remained available for issuance under the plan.

An immaterial error was identified and corrected during the three-month period ended October 31, 2025, related to restricted stock awards that were reported as granted in June 2025 but were no longer available for grant as the plan had recently expired. The Board of Directors has acknowledged that the purported June restricted stock awards were not validly granted. The correcting entry reversed 119,856 shares granted and the related expense of approximately \$0.3 million and reestablished an incentive compensation accrual of approximately \$2.0 million. The Company anticipates that it will request its shareholders to approve a replacement equity plan at its Annual Meeting in 2026.

Restricted Stock Awards

As a component of their compensation, restricted stock has been granted in the past to directors and certain employees at the closing market price of REX common stock on the grant date. In addition, one quarter of executives' incentive compensation is payable by an award of restricted stock based on the then closing market price of REX common stock on the grant date. The Company's board of directors has determined that the grant date will be June 15th, or the next business day if June 15th is not a business day, for all grants of restricted stock.

Based on retirement eligibility provisions, a portion of restricted stock grants were expensed at grant date, based on grant date fair value, thus considered vested for accounting purposes. At October 31, 2025, 20,964 shares were unvested for accounting purposes and unrecognized compensation cost related to

these nonvested restricted stock awards was approximately \$317,000, to be recognized over a weighted average vesting term of 1.3 years.

The following tables summarize legally unvested restricted stock award activity for the periods presented:

Nine Months Ended October 31, 2025

	<u>Shares</u>	<u>Weighted Average Grant Date Fair Value (000's)</u>	<u>Weighted Average Remaining Vesting Term (in years)</u>
Unvested at January 31, 2025	324,784	\$ 6,190	2
Granted	-	-	
Forfeited	-	-	
Vested	<u>164,420</u>	<u>2,946</u>	
Unvested at October 31, 2025	<u>160,364</u>	<u>\$ 3,244</u>	1

Nine Months Ended October 31, 2024

	<u>Shares</u>	<u>Weighted Average Grant Date Fair Value (000's)</u>	<u>Weighted Average Remaining Vesting Term (in years)</u>
Unvested at January 31, 2024	325,710	\$ 5,369	2
Granted	126,814	2,894	
Forfeited	-	-	
Vested	<u>127,740</u>	<u>2,073</u>	
Unvested at October 31, 2024	<u>324,784</u>	<u>\$ 6,190</u>	2

Restricted Stock Units

In May 2022, the Company issued a total of 135,000 RSUs to certain officers with a performance period that ended on December 31, 2024. The number of RSUs eligible to vest ranged from zero percent to two-hundred percent and was determined based on how the Company's TSR compared to the TSR of companies that comprised the Russell 2000 Index during the performance period. The calculated payout of the RSUs that vested was 148%, or 199,800 shares of REX common stock, and the shares were issued on February 26, 2025.

The Company did not recognize any compensation cost related to RSUs in the three- or nine-month periods ended October 31, 2025. The Company recognized compensation cost related to RSUs of approximately \$0.3 million and \$0.8 million in the three- and nine-month periods ended October 31, 2024, respectively.

For the three- and nine-month periods ended October 31, 2024, we calculated the diluted weighted average shares as follows (amounts in thousands):

	Three Months Ended October 31, 2024	Nine Months Ended October 31, 2024
Weighted average shares – basic	35,189	35,100
Dilutive effect of RSUs	256	246
Weighted average shares – diluted	<u>35,445</u>	<u>35,346</u>

Note 12. Income Taxes

The Company's income tax provision was approximately \$8.0 million and \$9.4 million for the three months ended October 31, 2025 and 2024, respectively. The Company's income tax provision was approximately \$13.7 million and \$17.6 million for the nine months ended October 31, 2025 and 2024, respectively.

The Company assessed all available positive and negative evidence to determine whether it expects sufficient future taxable income will be generated to allow for the realization of existing federal deferred tax assets. There is sufficient objectively verifiable income for management to conclude that it is more likely than not that the Company will utilize available federal deferred tax assets prior to their expiration.

On July 4, 2025, the OBBBA was signed into law. The OBBBA contains various tax reform provisions affecting businesses. We are still evaluating any impact this may have on our effective tax rate in the current year. In addition, we do anticipate that certain tax provisions in the OBBBA, such as the extension of bonus depreciation for assets placed in service after January 19, 2025, to result in current deductions that will lower cash paid for income taxes for 2025. The OBBBA made changes to the 45Z and 45Q tax credits that the Company intends to take advantage of which could materially impact our effective tax rate. We continue to evaluate the tax and other provisions of the OBBBA and the potential effects on financial position, results of operations, and cash flows.

The Company files a U.S. federal income tax return and various state income tax returns. In general, the Company is no longer subject to U.S. federal, state or local income tax examinations by tax authorities for years ended January 31, 2014 and prior. The Company is currently undergoing a federal

income tax examination for the years ended January 31, 2015 through January 31, 2022 related to refined coal production tax credits pursuant to IRC Section 45 and research and experimentation credits pursuant to IRC Section 41 claimed during those years. The IRS has given us notice they plan to deny these credits. We plan to vigorously defend these credits.

On a quarterly and annual basis, the Company accrues for the effects of open uncertain tax positions and the related potential penalties and interest. It is reasonably possible that the amount of the unrecognized tax benefit with respect to certain unrecognized tax positions will increase or decrease during the next 12 months.

A reconciliation of the beginning and ending amount of unrecognized tax benefits, including interest and penalties, for the nine-month periods ended October 31, 2025 and 2024, is as follows (amounts in thousands):

	Nine Months Ended	
	October 31,	
	<u>2025</u>	<u>2024</u>
Unrecognized tax benefits, beginning of period	\$ 18,978	\$ 18,965
Changes for prior years' tax positions	20	21
Changes for current year tax positions	-	-
Unrecognized tax benefits, end of period	<u>\$ 18,998</u>	<u>\$ 18,986</u>

At October 31, 2025 and January 31, 2025 the unrecognized tax benefits were included within the following lines on the accompanying Consolidated Balance Sheets (amounts in thousands):

	October 31,	January 31,
	<u>2025</u>	<u>2025</u>
Refundable income taxes	\$ 2,002	\$ 2,002
Deferred taxes	8,583	12,037
Long-term taxes payable	7,788	4,334
Other long-term liabilities	<u>625</u>	<u>605</u>
Unrecognized tax benefits, end of period	<u>\$ 18,998</u>	<u>\$ 18,978</u>

Note 13. Commitments and Contingencies

The Company may be involved in various legal actions arising in the normal course of business, from time to time. After taking into consideration legal counsel's evaluations of any such action(s), management is of the opinion that their outcome will not have a material adverse effect on the Company's Consolidated Financial Statements. There were no material liabilities recorded for legal actions at October 31, 2025 and January 31, 2025, as the Company did not believe that there was a probable and reasonably estimable significant loss associated with any legal contingencies.

At October 31, 2025, One Earth and NuGen had combined forward purchase contracts for approximately 14.3 million bushels of corn, the principal raw material for their ethanol plants, and they had combined forward purchase contracts for approximately 1.7 million MmBtu (million British thermal unit) of natural gas.

At October 31, 2025, One Earth and NuGen had combined sales commitments for approximately 81.7 million gallons of ethanol, approximately 97,800 tons of distillers grains and approximately 11.0 million pounds of distillers corn oil.

One Earth entered into a 15-year agreement, effective February 1, 2019, with an unrelated party for the use of a portion of that party's natural gas pipeline, with monthly payments of \$29,250. One Earth paid approximately \$88,000 in the three-month periods ended October 31, 2025 and 2024 and \$263,000 in the nine-month periods ended October 31, 2025 and 2024, pursuant to the agreement.

At October 31, 2025, One Earth and NuGen had combined signed non-cancelable contracts for capital projects with approximately \$17.4 million remaining in future payments.

Note 14. Related-Party Transactions

During the third quarters of fiscal years 2025 and 2024, One Earth and NuGen purchased approximately \$19.4 million and \$22.7 million, respectively, of corn (and other supplies) from minority equity investors and board members of those affiliates. Such purchases totaled approximately \$73.3 million and \$81.7 million for the nine months ended October 31, 2025 and 2024, respectively. The Company had amounts payable to related parties of approximately \$0.6 million and \$1.4 million at October 31, 2025 and January 31, 2025, respectively.

During the nine months ended October 31, 2024, \$1.5 million was paid to landowners who are minority equity investors of One Earth Energy, for land easements related to the carbon sequestration project. There were no amounts paid to related parties for land easements in the three-month period ended October 31, 2024 or during fiscal year 2025.

Note 15. Segment Reporting

The Company has one reportable segment, ethanol and by-products. Within the ethanol and by-products segment, the Company has equity investments in three ethanol limited liability companies, two of which are majority ownership interests and are consolidated in the financial statements presented. Prior period amounts have been reclassified to conform to current segment reporting.

The members of the Executive Committee, consisting of the Executive Chairman of the Board and the Chief Executive Officer, are the Company's chief operating decision maker. The chief operating decision maker uses net income generated from operating segments in determining the allocation of resources and making assessment of Company performance.

In applying the criteria set forth in ASC 280, the Company determined that based on the nature of the products and production process and the expected financial results, the Company's operations at its ethanol plants are aggregated into one reporting segment, each of which is reviewed in the same manner by

the chief operating decision maker. Aggregation into one reporting segment is appropriate based upon the similarity of economic characteristics of the operating segments, including the markets for identical revenue sources and the primary input, corn. The plants in all locations operate in a similar manner to produce ethanol and by-products. The types of customers and how the products are distributed to the customers are similar across each operating entity, consisting of a combination of rail and truck shipments. Finally, the regulatory environment is largely impacted by guidance from the federal level, impacting each operating segment the same.

The measure of segment assets is reported on the balance sheet as total consolidated assets.

The following tables set forth certain financial data for the Company's reportable segment for the three- and nine-month periods ended October 31, 2025 and 2024 (in thousands):

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2025	2024	2025	2024
Net sales and revenue				
Ethanol and by-products	\$ 468,713	\$ 450,463	\$ 1,287,795	\$ 1,293,037
Reconciling Item: Equity method ethanol investment	<u>(293,088)</u>	<u>(275,586)</u>	<u>(795,267)</u>	<u>(808,774)</u>
Total consolidated net sales and revenue	<u>\$ 175,625</u>	<u>\$ 174,877</u>	<u>\$ 492,528</u>	<u>\$ 484,263</u>
Cost of sales				
Ethanol and by-products:				
Cost of corn	\$ 264,974	\$ 257,612	\$ 798,721	\$ 817,005
Other cost of sales (1)	109,765	106,174	338,951	314,017
Reconciling Item: Equity method ethanol investment	<u>(235,246)</u>	<u>(228,590)</u>	<u>(709,937)</u>	<u>(720,664)</u>
Total cost of sales	<u>\$ 139,493</u>	<u>\$ 135,196</u>	<u>\$ 427,735</u>	<u>\$ 410,358</u>
Gross profit				
Ethanol and by-products	\$ 93,974	\$ 86,677	\$ 150,123	\$ 162,015
Reconciling Item: Equity method ethanol investment	<u>(57,842)</u>	<u>(46,996)</u>	<u>(85,330)</u>	<u>(88,110)</u>
Total consolidated gross profit	<u>\$ 36,132</u>	<u>\$ 39,681</u>	<u>\$ 64,793</u>	<u>\$ 73,905</u>
Depreciation and amortization expense				
Ethanol and by-products	\$ 11,633	\$ 9,883	\$ 33,596	\$ 39,393
Reconciling Item: Equity method ethanol investment	<u>(5,591)</u>	<u>(5,235)</u>	<u>(16,781)</u>	<u>(22,768)</u>
Total consolidated depreciation and amortization expense	<u>\$ 6,042</u>	<u>\$ 4,648</u>	<u>\$ 16,815</u>	<u>\$ 16,625</u>
Income before taxes				
Ethanol and by-products	\$ 89,846	\$ 84,406	\$ 136,625	\$ 159,091
Reconciling Item: Equity method ethanol investment	<u>(54,389)</u>	<u>(44,901)</u>	<u>(75,445)</u>	<u>(84,127)</u>
Total consolidated income before income taxes	35,457	39,505	61,180	74,964
Provision for income taxes	<u>(7,988)</u>	<u>(9,402)</u>	<u>(13,711)</u>	<u>(17,581)</u>
Total consolidated net income	<u>\$ 27,469</u>	<u>\$ 30,103</u>	<u>\$ 47,469</u>	<u>\$ 57,383</u>

(1) Expenses within "Other cost of sales" consist primarily of depreciation, other raw materials, third-party freight charges, purchasing and receiving costs, inspection costs, other distribution expenses, warehousing costs, plant repair and maintenance costs, production labor and related payroll costs, and general facility overhead charges.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Ethanol and By-Products

At October 31, 2025, we had investments in three ethanol limited liability companies, in two of which we have a majority ownership interest. The following table is a summary of ethanol entity ownership interests at October 31, 2025:

Entity	Location	REX's Current Ownership Interest
One Earth Energy, LLC	Gibson City, IL	76.1%
NuGen Energy, LLC	Marion, SD	99.7%
Big River Resources, LLC:		
Big River Resources W Burlington, LLC	W. Burlington, IA	10.3%
Big River Resources Galva, LLC	Galva, IL	10.3%
Big River United Energy, LLC	Dyersville, IA	5.7%
Big River Resources Boyceville, LLC	Boyceville, WI	10.3%

Our ethanol operations are highly dependent on commodity prices, especially prices for corn, ethanol, distillers grains, distillers corn oil and natural gas, and availability of corn. As a result of price volatility for these commodities, our operating results can fluctuate substantially. The price and availability of corn is subject to significant fluctuations depending upon several factors that affect commodity prices in general, including crop conditions, the amount of corn stored on farms, weather, federal policy, foreign trade, tariffs, and international disruptions caused by wars or conflicts. Because the market prices of ethanol and distillers grains are not always directly related to corn prices (for example, demand for crude and other energy and related prices, the export market demand for ethanol and distillers grains, soybean meal prices, and the results of federal policy decisions and trade negotiations can impact ethanol and distillers grains prices), at times ethanol and distillers grains prices may not follow movements in corn prices and, in an environment of higher corn prices or lower ethanol or distillers grains prices, reduce the overall margin structure at the plants. As a result, at times, we may operate our plants at negative or minimally positive operating margins.

We expect our ethanol plants to produce approximately 2.9 gallons of denatured ethanol for each bushel of corn processed in the production cycle. We refer to the actual gallons of denatured ethanol produced per bushel of corn processed as the realized yield. We refer to the difference between the price per gallon of ethanol and the price per bushel of corn (divided by the realized yield) as the "crush spread". Should the crush spread decline, it is possible that our ethanol plants will generate operating results that do not provide adequate cash flows for sustained periods of time. In such cases, production at the ethanol plants may be reduced or stopped altogether in order to minimize variable costs at individual plants.

We attempt to manage the risk related to the volatility of commodity prices by utilizing forward corn and natural gas purchase contracts, forward ethanol, distillers grains and distillers corn oil sale contracts, and commodity futures agreements, as management deems appropriate. We attempt to match quantities of these sales contracts with an appropriate quantity of corn purchase contracts over a given period of time when we can obtain an adequate gross margin resulting from the crush spread inherent in the contracts we have executed. However, the market for future ethanol sales contracts generally lags the spot

market with respect to ethanol prices. Consequently, we generally execute fixed price contracts for no more than four months into the future at any given time and we may lock in our corn or ethanol price without having a corresponding locked in ethanol or corn price for short durations of time. As a result of the relatively short period of time our fixed price contracts cover, we generally cannot predict the future movements in our realized crush spread for more than four months; thus, we are unable to predict the likelihood or amounts of future income or loss from the operations of our ethanol facilities.

One Earth Energy, LLC Carbon Sequestration and Plant Expansion

One Earth Sequestration, LLC, a wholly owned subsidiary of One Earth Energy, LLC, is in the developmental stage of a carbon sequestration project near the One Earth ethanol plant. In October 2022, we applied to the EPA for a Class VI injection well permit for three wells, and we continue to provide information to the EPA upon request during the technical review of our application. We currently expect the EPA to prepare a draft permit by February 2026 and make a final permit decision by June 2026, according to the EPA's Class VI Permit Tracker Dashboard on their website. We also must obtain certain state and county permits for the sequestration site and pipeline. We have completed the construction of the capture and compression facility to capture, dehydrate, and compress carbon dioxide from the One Earth ethanol plant to a state suitable for sequestration. Testing has not yet been completed and we cannot begin construction of the CO₂ pipeline between the One Earth ethanol plant and the sequestration site or a sequestration well until further permits and approvals are received.

We have secured land easements from all necessary landowners to allow the construction of the CO₂ pipeline on their land from the ethanol plant to the first two injection wells. We also have landowner subsurface easements for the first injection well with capacity sufficient to allow for carbon sequestration for our One Earth plant for an estimated 15 years. The Illinois General Assembly passed the Safety and Aid for the Environment in Carbon Capture and Sequestration Act (SB 1289), which was signed by the Governor in July 2024. The legislation imposes additional safety, environmental and other requirements on obtaining permits and approvals for carbon capture and sequestration facilities in Illinois, including CO₂ pipelines. Further, the legislation imposes a moratorium on the issuance of new certificates of authority for the construction of CO₂ pipelines until the earlier of the date new federal CO₂ pipeline safety standards are finalized by the federal PHMSA or, subject to certain other conditions, July 1, 2026.

Illinois Senate Bill 1723 was signed into law by the Governor on August 1, 2025. SB 1723 prohibits carbon sequestration activities over, under, or through the aquifer as defined by the EPA. The proposed injection wells for our carbon sequestration project are located outside of these areas.

Although we have made meaningful progress and significant investments in the carbon sequestration project at One Earth, we continue to work with the various government agencies involved to obtain all required permits and approvals, with no assurance of the ultimate success or timing of the project. Also see the discussion under "Trends and Uncertainties" of certain recently proposed legislation that, if enacted, could impact our carbon sequestration project.

We are also expanding the One Earth ethanol plant. We received a construction permit from the EPA to increase production from 150 million gallons of ethanol per year to 175 million gallons of ethanol per year. Once we achieve that level of production, we intend to apply for another permit to increase production to 200 million gallons per year.

We continue to work to identify ways to reduce our CI score at the One Earth plant with the intention of maximizing tax credits available under the IRA. The IRA created a new Clean Fuel Production Credit under Section 45Z, originally available for calendar years 2025 – 2027 which, based on proposed rulemaking by the United States Department of Treasury, will establish a tax credit that utilizes a sliding scale where credits can be earned incrementally between \$0.02 and \$0.20, or \$0.10 and \$1.00 if prevailing wage requirements are met, per gallon of non-SAF fuels based on an ethanol plant's GHG reduction below a 50 CI score threshold, with the first two or ten cents earned upon achieving a CI score below 47.5, to incentivize further increases in plant efficiencies within the industry. In July 2025, Congress passed the OBBBA, which was subsequently signed into law by the President. The law extended the time period which 45Z credits can be claimed by two years, through December 31, 2029. The U.S. Department of the Treasury has not yet issued final rules on qualification for 45Z tax credits.

We currently budget capital expenditures for both the expansion and sequestration projects at One Earth to be approximately \$220 million to \$230 million, subject to further refinement as we move forward. We plan to pay for all expenditures from available cash. As of October 31, 2025, we had spent \$58.1 million since inception toward the carbon sequestration project. If the carbon sequestration project is successful, we believe we will qualify for tax credits under section 45Q, based on tons of carbon sequestered, and section 45Z, based on gallons of ethanol produced, as outlined in the IRA and OBBBA. Companies may elect either the 45Q credit or the 45Z credit in periods in which both tax credits are available. As of October 31, 2025, we had spent \$97.7 million since inception and were contractually committed to spend an additional \$17.0 million toward plant capacity expansion and ongoing efforts to reduce our CI scoring at One Earth.

In May 2023, NuGen, our majority owned ethanol plant in Marion, South Dakota, signed an agreement to be part of Summit Carbon Solutions' carbon capture and storage pipeline. Should Summit Carbon Solutions be able to obtain all necessary permits and approvals, the agreement would allow NuGen to share in the economic benefits of tax credits through the sale of the CO₂ output of its ethanol production facility for sequestration, as well as to reduce its net carbon emissions. In March 2025, South Dakota signed a bill into law that bans the use of eminent domain in connection with CO₂ pipelines. This act could make the sequestration project for the NuGen facility more difficult to complete.

We plan to seek and evaluate various investment opportunities, including ethanol and/or energy related, carbon sequestration, agricultural or other ventures we believe fit our investment criteria. We can make no assurances that we will be successful in our efforts to find such opportunities.

Refined Coal

On August 10, 2017, we purchased, through a 95.35% owned subsidiary, the entire ownership interest of an entity that owned a refined coal facility. We began operating the refined coal facility immediately after the acquisition. Using licensed technology, our plant applied two separate chemicals to convert feedstock coal into refined coal, which was sold to the end user of the refined coal. The refined coal operating results were subsidized by federal production tax credits through November 18, 2021, subject to meeting qualified emissions reductions as governed by Section 45 of the IRC. We ceased operating the facility on November 18, 2021 and subsequently sold the facility. The approximately \$58.2 million in federal production tax credits received through the ownership of this facility remain under IRS audit. We have received a Notice of Proposed Adjustments from the IRS that they intend to deny these tax

credits. We intend to vigorously defend these credits.

Critical Accounting Policies and Estimates

During the nine months ended October 31, 2025, we did not change any of our critical accounting policies as disclosed in our 2024 Annual Report on Form 10-K as filed with the Securities and Exchange Commission on March 28, 2025.

Fiscal Year

All references in this report to a particular fiscal year are to REX's fiscal year ended January 31. The Company refers to its fiscal year by reference to the year immediately preceding the January 31 fiscal year end date. For example, "fiscal year 2025" means the period February 1, 2025 to January 31, 2026. The Company includes the results of operations of One Earth in its Consolidated Statements of Operations on a delayed basis of one month as One Earth has a fiscal year end of December 31.

Results of Operations

Trends and Uncertainties

Renewable Fuel Standard II, established in October 2010, has been an important factor in the growth of ethanol usage in the United States. There has been much uncertainty in the enforcement of RFS II. When it was originally established, RFS II required the volume of "conventional" or corn derived ethanol to be blended with gasoline to increase each year until it reached 15.0 billion gallons in 2015 and required that it remain at that level through 2022. There are no established congressional target volumes beginning in 2023. The EPA has the authority to waive the biofuel mandate, in whole or in part, if there is inadequate domestic renewable fuel supply or the requirement severely harms the domestic economy or environment. In addition, under RFS II, a small refiner that processes fewer than 75,000 barrels of oil per day can petition the EPA for a waiver of their requirement to submit RINs. The EPA, through consultation with the United States Department of Energy and the USDA, can grant the refiner a full or partial waiver, or deny the waiver. The EPA issued 88 refinery exemptions for 2016-2018 compliance years, undercutting the statutory renewable fuel volumes by a total of 4.3 billion gallons. The EPA did not grant any small refinery waivers for 2019-2022. There have been multiple ongoing legal challenges to how the EPA has handled the small refinery waivers. In July 2024, the U.S. Court of Appeals for the District of Columbia Circuit vacated many of the EPA's 2022 SRE denials. As a result of this Court ruling, the EPA voluntarily moved to rescind the agency's 2023 denial of 26 SREs. On August 22, 2025, the EPA ruled on much of the backlog of SREs, issuing 63 full exemptions, 77 partial exemptions of 50%, 28 denials and 7 ruled as ineligible. On November 7, 2025 the EPA issued two 100% waivers and 12 50% waivers. These and additional SREs could lead to decreased RIN values and ethanol pricing. As of November 20, 2025, there were 17 SRE petitions pending from compliance years 2023 - 2025. The total exemptions amount to approximately 2.2 billion gallon credits from compliance years 2023 - 2025. The EPA is currently working on determining how to possibly reallocate credits exempted for 2023 and later years. In addition, the EPA laid out its new approach to ruling on SRE petitions. The agency said it would utilize the Department of Energy's matrix for determining disproportionate harm unless the EPA's "consideration of other economic factors, including refinery-specific information, compels the Agency to depart from that rebuttable presumption." It also stated if the small refiner has already demonstrated compliance by retiring RINs it

would return those RINs.

The EPA has issued RVOs for calendar years 2023-2025. The volumes from conventional biofuels (which includes corn-based ethanol) were 15.0 billion gallons for 2023 through 2025. Additionally, in 2023, the EPA restored 250 million gallons previously waived. In June 2025, the EPA issued proposed total RVOs for 2026 and 2027 of 15.0 billion gallons of conventional ethanol for each year.

The EPA issued emergency waivers allowing the sale of E-15 gasoline for the 2025 summer months. This is the fourth consecutive year for these emergency waivers. The EPA has not granted E-15 the same Reid vapor pressure waiver as E-10, so absent the emergency waivers, E-15 may not be sold in most states from June 1 to September 15.

The IRA, signed into law on August 16, 2022, created a new Clean Fuel Production Credit, section 45Z, originally available for years 2025 to 2027. Based on proposed rulemaking by the United States Department of Treasury, the Clean Fuel Production Credit will be established utilizing a sliding scale where tax credits may be earned incrementally between \$0.02 and \$0.20, or \$0.10 and \$1.00 if prevailing wage requirements are met, per gallon of non-SAF fuels based on a plant's GHG reduction below a 50 CI score threshold, with the first two or ten cents earned upon achieving a CI score below 47.5. The IRA also raises the carbon capture tax credit from \$50 per metric ton to \$85 per metric ton, under section 45Q. Companies may elect either the 45Q credit or the 45Z credit in periods in which both tax credits are available.

The OBBBA introduced major revisions to clean energy tax credits. Key provisions include extending the 45Z credit through 2029, removing the indirect land-use change penalty for crop-based feedstocks, limiting eligibility to feedstocks under the USMCA, imposing FEOC restrictions, and prohibiting negative emissions rates except from animal manure. It also modified the language for 45Q tax credits for facilities placed in service after the bill enactment but maintained the \$85 per ton tax credit if the prevailing wage and apprenticeship requirements are met. 45Q credits are available for 12 years from the time CO₂ injection begins.

Additionally, see "One Earth Energy, LLC Carbon Sequestration and Plant Expansion" above for a discussion of certain uncertainties associated with our Illinois carbon sequestration and plant expansion projects.

On August 10, 2017, we purchased, through a 95.35% owned subsidiary, the entire ownership interest of an entity that owned a refined coal facility. We began operating the refined coal facility immediately after the acquisition. As the plant was no longer eligible to receive federal production tax credits beginning on November 18, 2021, we ceased operations on that date and subsequently sold the facility. The approximately \$58.2 million in federal production tax credits received through ownership of this facility remain under IRS audit. We have received a Notice of Proposed Adjustments from the IRS that they have denied these tax credits. We intend to vigorously defend these credits.

The Company claimed research and experimentation tax credits for tax years 2014 – 2022 totaling \$24.5 million. These credits have been a focus of the ongoing IRS audit, in which the IRS has notified the Company the credits will be denied at audit. We plan to continue vigorously defending these credits in appeals.

The United States exported an estimated 1.9 billion gallons of ethanol in 2024, up from approximately 1.4 and 1.3 billion gallons in 2023 and 2022, respectively. Through August 2025, the United States exports increased approximately 14% compared to 2024. In 2024 and 2023, an estimated 12.2 and 10.8 million metric tons, respectively, of distillers grains were exported from the United States, which represented approximately 37% and 34% in 2024 and 2023, respectively, of U.S production. Through August 2025, distiller grain exports declined by approximately 4% on the calendar year. There has been much discussion around proposed and recently enacted tariffs by the United States and counter-tariffs and other trade restrictions involving countries which have been large purchasers from our industry in the United States, which could affect future demand for these products.

Based on the November 14, 2025 report from the USDA, corn production is forecasted to be 16.75 billion bushels in 2025, up 12% from 2024. The average corn yield is forecasted to be a record high of 186 bushels per acre, an increase of 6.7 bushels from 2024.

The trends and uncertainties mentioned above could impact our future operating results in both positive and negative ways.

Comparison of Three and Nine Months Ended October 31, 2025 and 2024

The following table summarizes our results from operations (amounts in thousands):

	Three Months Ended October 31,		Nine Months Ended October 31,	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Net sales and revenue	\$ 175,625	\$ 174,877	\$ 492,528	\$ 484,263
Cost of sales	<u>139,493</u>	<u>135,196</u>	<u>427,735</u>	<u>410,358</u>
Gross profit	<u>\$ 36,132</u>	<u>\$ 39,681</u>	<u>\$ 64,793</u>	<u>\$ 73,905</u>
Income before income taxes	<u>\$ 35,457</u>	<u>\$ 39,505</u>	<u>\$ 61,180</u>	<u>\$ 74,964</u>
Provision for income taxes	<u>\$ (7,988)</u>	<u>\$ (9,402)</u>	<u>\$ (13,711)</u>	<u>\$ (17,581)</u>
Net income attributable to REX common shareholders	<u>\$ 23,413</u>	<u>\$ 24,500</u>	<u>\$ 39,202</u>	<u>\$ 47,069</u>

The following table summarizes net sales and revenue by product group (amounts in thousands):

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2025	2024	2025	2024
Ethanol	\$ 136,031	\$ 138,107	\$ 383,739	\$ 373,634
Dried distillers grains	22,357	25,032	65,903	77,564
Distillers corn oil	16,353	10,249	38,741	28,633
Modified distillers grains	1,180	1,159	4,053	3,479
Derivative financial instruments (losses) gains	(328)	300	(110)	737
Other	32	30	202	216
Total	\$ 175,625	\$ 174,877	\$ 492,528	\$ 484,263

The following table summarizes selected operating data:

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2025	2024	2025	2024
Average selling price per gallon of ethanol (net of hedging)	\$ 1.73	\$ 1.83	\$ 1.74	\$ 1.74
Gallons of ethanol sold (in millions)	78.4	75.5	219.9	215.1
Average selling price per ton of dried distillers grains	\$ 139.93	\$ 147.14	\$ 143.02	\$ 166.27
Tons of dried distillers grains sold	159,781	170,116	460,808	466,497
Average selling price per pound of distillers corn oil	\$ 0.60	\$ 0.44	\$ 0.54	\$ 0.44
Pounds of distillers corn oil sold (in millions)	27.4	23.4	71.9	64.6
Average selling price per ton of modified distillers grains	\$ 57.03	\$ 63.00	\$ 65.16	\$ 68.81
Tons of modified distillers grains sold	20,691	18,392	62,206	50,555

Net sales and revenue in the quarter ended October 31, 2025 increased an insignificant amount compared to the prior year third quarter. Net sales and revenue in the first nine months ended October 31, 2025 increased approximately 2% compared to the first nine months of 2024.

Ethanol revenue decreased 2% in the third quarter of fiscal year 2025 compared to the third quarter of fiscal year 2024 as the selling price per gallon decreased 5%, offset partially by a 4% increase in the number of gallons sold during the quarter. Ethanol revenue increased 3% in the first nine months of fiscal year 2025 compared to the first nine months of fiscal year 2024 due to a 2% increase in gallons sold during first nine months of 2025 compared to the prior year comparable period with prices remaining consistent year-over-year. Ethanol pricing is affected by many factors, including overall market supply and demand, as well as corn and gasoline pricing.

Dried distillers grains revenue decreased 11% in the third quarter of fiscal year 2025 compared to the third quarter of fiscal year 2024 as there was a 6% decrease in tons sold, coupled with a 5% decrease in the average price per ton sold. Dried distillers grains revenue decreased 15% in the first nine months of fiscal year 2025 compared to the first nine months of fiscal year 2024 as the average price per ton sold decreased 14%, coupled with a 1% decrease in tons sold. The decrease in the dried distillers grains selling price is consistent with recent quarters and reflects an extended period of lower corn pricing as dried distillers grains prices often correlate with corn pricing. The decrease in tons sold was impacted by increased production levels of other ethanol by-products.

Distillers corn oil revenue increased approximately 60% in the third quarter of fiscal year 2025 compared to the third quarter of fiscal year 2024 as the selling price per pound increased 36% and the amount of pounds sold increased 17%. Distillers corn oil revenue increased approximately 35% in the first nine months of 2025 compared to the first nine months of fiscal year 2024 as the selling price per pound increased 23% and the amount of pounds sold increased 11%. The corn oil yield per bushel ground improved at our consolidated ethanol plants in both the three- and nine-month periods ended October 31, 2025, relative to the comparable period in fiscal 2024. The increase in the distillers corn oil selling price resulted primarily from fluctuations in demand in the renewable biodiesel market.

Modified distillers grains revenue increased 2% in the third quarter of fiscal year 2025 compared to the third quarter of fiscal year 2024 as the amount of tons sold increased by 13%, offset partially with a 9% decrease in the average selling price per ton sold. Modified distillers grains revenue increased 16% in the first nine months of fiscal year 2025 compared to the first nine months of fiscal year 2024 as the amount of tons sold increased by 23%, offset partially by a 5% decrease in the average selling price per ton sold. The decrease in the modified distillers grains selling price in the three- and nine-month periods resulted primarily from an extended period of lower corn prices, as prices tend to move in the same direction but are also impacted by changes in local market demand. Our consolidated plants' decisions to sell modified or dried distillers grains fluctuate from time to time based upon market conditions.

Cost of sales increased 3% in the quarter ended October 31, 2025, compared to the prior year third quarter. Corn accounted for approximately 75% (\$104.2 million) of our cost of sales during the third quarter of fiscal year 2025 compared to approximately 76% (\$102.6 million) during the third quarter of fiscal year 2024. Natural gas accounted for approximately 4% (\$6.2 million) of our cost of sales during the third quarter of fiscal year 2025 and 3% (\$4.6 million) in the third quarter of fiscal year 2024. Cost of sales increased 4% in the first nine months of fiscal year 2025, compared to the first nine months of fiscal year 2024. Corn accounted for approximately 74% (\$317.1 million) of our cost of sales during the first nine months of fiscal year 2025 compared to approximately 76% (\$312.2 million) during the first nine months of fiscal year 2024. Natural gas accounted for approximately 5% (\$20.0 million) of our cost of sales during the first nine months of fiscal year 2025 and 4% (\$15.6 million) in the first nine months of fiscal year 2024.

As a result of the foregoing, gross profit for the third quarter of fiscal year 2025 decreased approximately \$3.5 million compared to the prior year third quarter. Gross profit for the first nine months of fiscal year 2025 decreased approximately \$9.1 million compared to the first nine months of fiscal year 2024.

We attempt to match quantities of ethanol, distillers grains and distillers corn oil sales contracts with an appropriate quantity of corn purchase contracts over a given time period when we can obtain a

satisfactory margin resulting from the crush spread inherent in the contracts we have executed. However, the market for future ethanol sales contracts generally lags the spot market with respect to ethanol price. Consequently, we generally execute fixed price sales contracts for no more than four months into the future at any given time and we may lock in our corn or ethanol price without having a corresponding locked in ethanol or corn price for short durations of time. As a result of the relatively short period of time our contracts cover, we generally cannot predict the future movements in our realized crush spread for more than four months. We utilize derivative financial instruments, primarily exchange traded commodity future contracts and swap contracts, in conjunction with certain of our corn procurement activities and commodity marketing activities.

SG&A expenses were approximately \$8.2 million for the third quarter of fiscal year 2025, compared to approximately \$8.4 million of expenses for the third quarter of fiscal year 2024. SG&A expenses were approximately \$20.4 million for the first nine months of fiscal year 2025, compared to approximately \$21.0 million for the first nine months of fiscal year 2024. The decreases compared to the prior year were due primarily to a decrease in performance bonus expense of \$0.3 million and \$1.3 million in the third quarter of fiscal year 2025 and the first nine months of fiscal year 2025, respectively, from the comparable periods of fiscal year 2024. Additionally, there was a decrease in stock compensation expense of approximately \$0.6 million and \$1.1 million in the third quarter of fiscal year 2025 and the first nine months of fiscal year 2025, respectively, from the comparable periods of fiscal year 2024 subsequent to the completion of the restricted stock units performance period on December 31, 2024. These decreases were partially offset by an increase in rail car lease payments due to higher rates realized upon lease renewals.

During the third quarter of fiscal year 2025, we recognized income from our equity investment in Big River of approximately \$4.4 million compared to income of approximately \$3.6 million for the third quarter of fiscal year 2024. During the first nine months of fiscal year 2025, we recognized income from our equity investment in Big River of approximately \$6.3 million compared to income of approximately \$7.1 million during the first nine months of fiscal year 2024. Our investment in Big River, which has interests in four ethanol production plants, represents an effective ownership of approximately 39.0 million gallons of ethanol shipped in the trailing twelve months ended October 31, 2025. Due to the inherent volatility of commodity prices within the ethanol industry, we cannot predict the likelihood of future operating results from Big River being similar to historical results.

Interest and other income was approximately \$3.2 million for the third quarter of fiscal year 2025 versus approximately \$4.6 million for the third quarter of fiscal year 2024. Interest and other income was approximately \$10.5 million for the first nine months of 2025 versus approximately \$15.0 million for the first nine months of fiscal year 2024. The decrease is primarily related to decreased interest income of \$1.4 million and \$3.8 million in the third quarter and first nine months of fiscal year 2025, respectively, based upon lower balances and yields on our excess cash and short-term investments in fiscal year 2025, compared to 2024. One of our consolidated ethanol plants recognized \$0.5 million less in patronage income from an investment in a cooperative in the first nine months of 2025 (\$0.7 million) compared to the first nine months of 2024 (\$1.2 million). We do not expect patronage income from this investment in a cooperative to be significant in future periods.

As a result of the foregoing, income before income taxes was approximately \$35.5 million and \$39.5 million for the third quarters of fiscal year 2025 and 2024, respectively. Income before income taxes was approximately \$61.2 million and \$75.0 million for the first nine months of fiscal year 2025 and 2024, respectively.

The Company applies an effective tax rate to interim periods that is consistent with the Company's estimated annual tax rate as adjusted for discrete items impacting the interim periods. Our income tax provision was approximately \$8.0 million and \$9.4 million for the three months ended October 31, 2025 and 2024, respectively. Our income tax provision was approximately \$13.7 million and \$17.6 million for the first nine months of fiscal year 2025 and 2024, respectively.

As a result of the foregoing, net income was approximately \$27.5 million for the third quarter of fiscal year 2025 compared to approximately \$30.1 million for the third quarter of fiscal year 2024. Net income was approximately \$47.5 million for the first nine months of fiscal year 2025 compared to approximately \$57.4 million for the first nine months of fiscal year 2024.

Net income attributable to noncontrolling interests was approximately \$4.1 million for the third quarter of fiscal year 2025 and \$5.6 million for the third quarter of 2024. Net income attributable to noncontrolling interests was approximately \$8.3 million for the first nine months of fiscal year 2025 and \$10.3 million for the first nine months of fiscal year 2024. These amounts represent the other owners' share of the income of NuGen and One Earth.

As a result of the foregoing, net income attributable to REX common shareholders for the third quarter of fiscal year 2025 was approximately \$23.4 million, compared to net income attributable to REX common shareholders of approximately \$24.5 million for the third quarter of fiscal year 2024. Net income attributable to REX common shareholders from the first nine months of fiscal year 2025 was approximately \$39.2 million, compared to net income attributable to REX common shareholders of approximately \$47.1 million for the first nine months of fiscal year 2024.

Liquidity and Capital Resources

Summary of Cash Flows and Working Capital (in thousands)

	Nine Months Ended	
	October 31,	
	2025	2024
Net cash provided by operating activities	\$ 64,047	\$ 39,106
Net cash provided by investing activities	\$ 47,455	\$ 37,630
Net cash used in financing activities	\$(35,753)	\$ (1,884)

	October 31,	January 31,
	2025	2025
Working capital	\$ 354,182	\$ 385,376
Current ratio	7.2x	8.6x

Operating Activities

Net cash provided by operating activities was \$64.0 million for the first nine months of fiscal 2025, compared to \$39.1 million for the prior year period.

Operating cash flows for the nine-month period ended October 31, 2025 reflected net income of \$47.5 million and non-cash adjustments of \$17.2 million, consisted of depreciation, amortization of right-of-use assets, income from equity method investments, interest income from short-term investments, the deferred income tax provision, stock-based compensation expense, and loss on disposal of property and equipment. Additionally, Big River paid dividends of approximately \$2.5 million during the first nine months of fiscal year 2025. These inflows were partially offset by various changes to working capital of \$3.2 million during the first nine months of 2025, most significantly including:

- Use of cash of approximately \$9.0 million from the decrease in other liabilities as a result a reduction in the lease liability of \$4.6 million from payments made during the year, a decrease in accrued payroll of approximately \$3.2 million primarily related to the payment of the cash portion of the 2024 incentive bonuses, offset partially by the accrual of the 2025 incentive bonuses to be paid in 2026, and a decrease in both accrued utilities and accrued real estate taxes of approximately \$0.5 million each
- Use of cash of \$5.9 million from the increase in accounts receivable as a result of the timing of products shipping and the receipt of customer payments at our consolidated ethanol plants
- Cash provided of approximately \$4.0 million from the decrease of inventory balances during the period
- Cash provided of approximately \$3.5 million to reflect the amount the recorded uncertain tax positions exceeded the remaining unused credits they are recorded against
- Cash provided of \$3.0 million due to a increase in accounts payable, primarily related to the timing of inventory receipts and vendor payments

In fiscal 2024, operating cash flow reflected net income of \$57.4 million and non-cash adjustments of \$20.3 million. Additionally, Big River paid dividends of approximately \$3.0 million during the first nine months of fiscal year 2024. These inflows were partially offset by various changes to working capital of approximately \$41.6 million, most significantly caused by:

- Use of cash of approximately \$21.6 million due to a decrease in accounts payable, primarily related to the timing of inventory receipts and vendor payments
- Use of cash of approximately \$12.6 million due to the increase in the balance of other assets primarily related to prepayments on certain executed lease agreements, offset by changes in the carrying value of forward purchase contracts and commodity futures positions recorded at fair value, decreases to spare parts inventory, and decreases to prepaid insurance balances
- Use of cash of approximately \$6.2 million from the decrease in other liabilities as a result a reduction in the lease liability of \$4.0 million from payments made during the year, a decrease in accrued payroll of approximately \$0.6 million primarily related to the payment of the 2023 incentive bonuses, offset partially by the accrual of the 2024 incentive bonuses to be paid in 2025, and a decrease in accrued utilities of approximately \$1.3 million
- Use of cash of approximately \$2.1 million from the increase of inventory balances during the period

Investing Activities

Net cash provided by investing activities was \$47.5 million in the first nine months of fiscal 2025 versus \$37.6 million in the first nine months of fiscal 2024. In fiscal 2025, capital expenditures totaled \$55.7 million, primarily at One Earth, which includes plant expansion and CI reduction projects (\$33.2 million) and carbon sequestration (\$2.8 million). Treasury activity provided net cash, as \$129.0 million of purchases were more than offset by \$232.0 million of maturities.

In the first nine months of fiscal 2024, capital expenditures were \$55.4 million, primarily at One Earth, which includes plant expansion and CI reduction projects (\$24.5 million) and carbon sequestration (\$22.4 million). Treasury activity also provided net cash, as \$210.3 million of purchases were offset by \$303.0 million of maturities.

Financing Activities

Net cash used in financing activities was \$35.8 million in the first nine months of fiscal 2025, including \$33.4 million for stock repurchases, \$2.3 million for payments to noncontrolling interests and \$0.1 million in finance lease payments. In fiscal 2024, financing outflows were \$1.9 million, solely for payments to noncontrolling interests.

Capital Resources

At October 31, 2025, working capital was \$354.2 million with a current ratio of 7.2x. The Company continues to investigate various uses for our excess cash and short-term investments, including stock repurchases and potential investments in ethanol, energy, carbon sequestration, and agriculture-related ventures.

We expect total capital expenditures related to the construction at the One Earth facilities to approximate \$220 million to \$230 million, inclusive of the carbon sequestration project and plant capacity expansion and ongoing efforts to reduce CI scoring, which we currently plan to pay from our available cash. This estimate is subject to further refinement as the projects progress. As of October 31, 2025, we had spent \$58.1 million since inception and were contractually committed to spend an additional \$0.1 million toward the carbon sequestration project. As of October 31, 2025, we had spent \$97.7 million since inception and were contractually committed to spend an additional \$17.0 million toward plant capacity expansion and CI scoring reduction efforts. For all projects, we plan to spend \$25 million to \$35 million during the remainder of fiscal year 2025.

At October 31, 2025, 2,357,186 shares remained authorized for repurchase under the Company's buyback program. Repurchases are generally made when management deems the shares to trade at a discount to intrinsic value.

Forward-Looking Statements

This Form 10-Q contains or may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Such statements can be identified by use of forward-looking terminology such as “may,” “expect,” “believe,” “estimate,” “anticipate” or “continue” or the negative thereof or other variations thereon or comparable terminology. Readers are cautioned that there are risks and uncertainties that could cause actual events or results to differ materially from those referred to in such forward-looking statements. These risks and uncertainties include the risk factors set forth from time to time in the Company’s filings with the Securities and Exchange Commission and include among other things: the impact of legislative and regulatory changes, the price volatility and availability of corn, distillers grains, ethanol, distillers corn oil, gasoline and natural gas, commodity market risk, ethanol plants operating efficiently and according to forecasts and projections, logistical interruptions, success in permitting and developing the planned carbon sequestration facility near the One Earth Energy ethanol plant, changes in the international, national or regional economies, the impact of inflation, the ability to attract employees, weather, results of income tax audits, changes in income tax laws or regulations, the impact of U.S. foreign trade policy and tariffs, changes in foreign currency exchange rates, the effects of terrorism or acts of war and the effect of pandemics on the Company’s business operations, including impacts on supplies, demand, personnel and other factors. The Company does not intend to update publicly any forward-looking statements except as required by law. Other factors that could cause actual results to differ materially from those in the forward-looking statements are set forth in Item 1A of the Company’s Annual Report on Form 10-K for the fiscal year ended January 31, 2025 (File No. 001-09097).

Item 3. *Quantitative and Qualitative Disclosures About Market Risk*

We are exposed to the impact of market fluctuations associated with commodity prices as discussed below.

We manage a portion of our risk with respect to the volatility of commodity prices inherent in the ethanol industry by using forward fixed-price purchase and fixed-price sale contracts and exchange traded commodity futures contracts. Our remaining exposure to market risk, which includes the impact of our risk management activities resulting from our fixed-price purchase and sale contracts and derivatives, is based on the estimated effect on pre-tax income for the twelve months following October 31, 2025 is as follows, assuming normal operating capacity (amounts in thousands):

<u>Commodity</u>	<u>Estimated Total Volume for 12 Months</u>	<u>Unit of Measure</u>	<u>Decrease in Pre-tax Income From a 10% Adverse Change in Price</u>
Ethanol	308,000	Gallons	\$ 47,058
Corn	106,600	Bushels	\$ 39,978
Distillers Grains	732	Tons	\$ 8,393
Distillers Corn Oil	100,000	Pounds	\$ 5,131
Natural Gas	7,400	MmBtu	\$ 2,340

Item 4. *Controls and Procedures*

Our management evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures, as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. *Legal Proceedings*

We are, from time to time, involved in various legal proceedings incidental to the conduct of our business. We believe that any current proceedings will not have a material adverse effect on our financial condition or results of operations.

Item 1A. *Risk Factors*

There have been no material changes to the risk factors discussed in our Annual Report on Form 10-K for the year ended January 31, 2025.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

On March 25, 2025, the Board of Directors authorized the repurchase from time to time of up to an additional 3,000,000 shares through open market transactions, privately negotiated transactions, or transactions by other means in accordance with applicable securities laws. At October 31, 2025, a total of 2,357,186 shares remained available to purchase under this authorization.

There were no share repurchases by the Company in the third quarter of fiscal year 2025.

Item 3. *Defaults upon Senior Securities*

Not Applicable

Item 4. Mine Safety Disclosures

Not Applicable

Item 5. Other Information

Not Applicable

Item 6. Exhibits

The following exhibits are filed with this report:

31 [Section 1350 Certifications](#)

32 [Section 1350 Certifications](#)

101 The following information from REX American Resources Corporation Quarterly Report on Form 10-Q for the quarter ended October 31, 2025, formatted in iXBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Equity, (iv) Consolidated Statements of Cash Flows and (v) Notes to Consolidated Financial Statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

REX American Resources Corporation
Registrant

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Zafar A. Rizvi</u> (Zafar A. Rizvi)	Chief Executive Officer and President (Chief Executive Officer)	December 4, 2025
<u>/s/ Douglas L. Bruggeman</u> (Douglas L. Bruggeman))	Vice President, Finance and Treasurer (Chief Financial Officer)	December 4, 2025

CERTIFICATIONS

I, Zafar A. Rizvi, certify that:

1. I have reviewed this quarterly report on Form 10-Q of REX American Resources Corporation;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
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5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 4, 2025

/s/ Zafar A. Rizvi

Zafar A. Rizvi

Chief Executive Officer and President

CERTIFICATIONS

I, Douglas L. Bruggeman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of REX American Resources Corporation;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
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5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 4, 2025

/s/ Douglas L. Bruggeman
Douglas L. Bruggeman
*Vice President, Finance, Treasurer and
Chief Financial Officer*

REX American Resources Corporation
CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED BY SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

The undersigned officers of REX American Resources Corporation (the “Company”) hereby certify, to their knowledge, that the Company’s Quarterly Report on Form 10-Q for the period ended October 31, 2025 which this certificate accompanies, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained therein fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Zafar A. Rizvi
Zafar A. Rizvi
Chief Executive Officer and President

/s/ Douglas L. Bruggeman
Douglas L. Bruggeman
*Vice President, Finance, Treasurer and
Chief Financial Officer*

Date: December 4, 2025
