

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 September 30, 2024

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: 0-52577



(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

20-3340900
(IRS Employer Identification No.)

8235 Forsyth Blvd, Suite 400, St Louis, Missouri
(Address of Principal Executive Offices)

63105
(Zip Code)

(314) 854-8352
(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 | FF | NYSE |

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 (§232.405 of this chapter) 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 the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer
Non-accelerated filer

Accelerated filer
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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of November 8, 2024: 43,763,243

PART I FINANCIAL INFORMATION

Item 1. Financial Statements.

FutureFuel Corp.
Consolidated Balance Sheets
(Dollars in thousands)

| | (Unaudited) September 30, 2024 | December 31, 2023 |
|--|-----------------------------------|-------------------|
| Assets | | |
| Cash and cash equivalents | \$ 133,398 | \$ 219,444 |
| Accounts receivable, inclusive of the blenders' tax credit of \$3,964 and \$11,381, respectively, and net of allowances for expected credit losses of \$136 and \$55, respectively | 15,967 | 28,406 |
| Accounts receivable – related parties | - | 1 |
| Inventory, net | 24,878 | 32,978 |
| Income tax receivable | - | 1,940 |
| Prepaid expenses | 964 | 4,346 |
| Prepaid expenses – related parties | 12 | 12 |
| Other current assets | 1,018 | 3,419 |
| Total current assets | 176,237 | 290,546 |
| Property, plant and equipment, net | 76,815 | 72,711 |
| Other assets | 3,414 | 3,824 |
| Total noncurrent assets | 80,229 | 76,535 |
| Total Assets | \$ 256,466 | \$ 367,081 |
| Liabilities and Stockholders' Equity | | |
| Accounts payable, inclusive of the blenders' tax credit rebates due customers of \$890 and \$890, respectively | \$ 11,587 | \$ 22,178 |
| Accounts payable – related parties | 124 | 42 |
| Income tax payable | 359 | - |
| Deferred revenue – current | 4,135 | 3,863 |
| Dividends payable | 2,626 | 10,503 |
| Accrued expenses and other current liabilities | 10,820 | 4,758 |
| Total current liabilities | 29,651 | 41,344 |
| Deferred revenue – non-current | 9,593 | 12,570 |
| Noncurrent deferred income taxes | 618 | - |
| Other noncurrent liabilities | 3,313 | 3,287 |
| Total noncurrent liabilities | 13,524 | 15,857 |
| Total liabilities | 43,175 | 57,201 |
| Commitments and contingencies (See Note 13) | | |
| Preferred stock, \$0.0001 par value, 5,000,000 shares authorized, none issued and outstanding | - | - |
| Common stock, \$0.0001 par value, 75,000,000 shares authorized, 43,763,243 shares issued and outstanding as of September 30, 2024 and December 31, 2023 | 4 | 4 |
| Additional paid in capital | 204,911 | 282,489 |
| Retained earnings | 8,376 | 27,387 |
| Total stockholders' equity | 213,291 | 309,880 |
| Total Liabilities and Stockholders' Equity | \$ 256,466 | \$ 367,081 |

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

FutureFuel Corp.
Consolidated Statements of Operations and Comprehensive Income
(Dollars in thousands, except per share amounts)
(Unaudited)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|-----------------|------------------------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Revenue | \$ 51,140 | \$ 116,752 | \$ 181,830 | \$ 276,221 |
| Revenue – related parties | - | - | - | 20 |
| Cost of goods sold | 50,152 | 113,328 | 165,644 | 257,890 |
| Cost of goods sold – related parties | 36 | (728) | 63 | (700) |
| Distribution | 532 | 244 | 1,939 | 2,018 |
| Distribution – related parties | 37 | 38 | 137 | 132 |
| Gross profit | <u>383</u> | <u>3,870</u> | <u>14,047</u> | <u>16,901</u> |
| Selling, general, and administrative expenses | | | | |
| Compensation expense | 1,140 | 1,010 | 3,188 | 3,102 |
| Other expense | 994 | 1,247 | 2,833 | 3,130 |
| Related party expense | 156 | 153 | 462 | 462 |
| Research and development expenses | 981 | 1,163 | 2,803 | 3,242 |
| Total operating expenses | <u>3,271</u> | <u>3,573</u> | <u>9,286</u> | <u>9,936</u> |
| (Loss) income from operations | <u>(2,888)</u> | <u>297</u> | <u>4,761</u> | <u>6,965</u> |
| Interest and dividend income | 1,830 | 2,527 | 6,151 | 6,595 |
| Interest expense | (35) | (36) | (104) | (103) |
| Gain on marketable securities | - | - | - | 575 |
| Other (expense) income | (105) | - | 2,533 | - |
| Other income, net | <u>1,690</u> | <u>2,491</u> | <u>8,580</u> | <u>7,067</u> |
| (Loss) income before taxes | (1,198) | 2,788 | 13,341 | 14,032 |
| Income tax (benefit) provision | (3) | 12 | 635 | 34 |
| Net (loss) income | <u>\$ (1,195)</u> | <u>\$ 2,776</u> | <u>\$ 12,706</u> | <u>\$ 13,998</u> |
| (Loss) earnings per common share | | | | |
| Basic | \$ (0.03) | \$ 0.06 | \$ 0.29 | \$ 0.32 |
| Diluted | \$ (0.03) | \$ 0.06 | \$ 0.29 | \$ 0.32 |
| Weighted average shares outstanding | | | | |
| Basic | 43,763,243 | 43,763,243 | 43,763,243 | 43,763,243 |
| Diluted | 43,763,243 | 43,765,709 | 43,763,243 | 43,765,163 |
| Comprehensive (loss) income | | | | |
| Net (loss) income | \$ (1,195) | \$ 2,776 | \$ 12,706 | \$ 13,998 |
| Other comprehensive income from unrealized net gains on available-for-sale debt securities | - | - | - | 2 |
| Income tax effect | - | - | - | (1) |
| Total other comprehensive income, net of tax | <u>-</u> | <u>-</u> | <u>-</u> | <u>1</u> |
| Comprehensive (loss) income | <u>\$ (1,195)</u> | <u>\$ 2,776</u> | <u>\$ 12,706</u> | <u>\$ 13,999</u> |

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

FutureFuel Corp.
Consolidated Statements of Stockholders' Equity
(Dollars in thousands)
(Unaudited)

For the Nine Months Ended September 30, 2024

| | Common Stock | | Other Comprehensive Income (Loss) | Additional paid-in Capital | Retained Earnings | Total Stockholders' Equity |
|--|--------------|--------|-----------------------------------|----------------------------|-------------------|----------------------------|
| | Shares | Amount | | | | |
| Balance - December 31, 2023 | 43,763,243 | \$ 4 | \$ - | \$ 282,489 | \$ 27,387 | \$ 309,880 |
| Cash dividends declared, \$2.50 per common share | - | - | - | (77,691) | (31,717) | (109,408) |
| Stock based compensation | - | - | - | 22 | - | 22 |
| Net income | - | - | - | - | 4,330 | 4,330 |
| Balance - March 31, 2024 | 43,763,243 | \$ 4 | \$ - | \$ 204,820 | \$ - | \$ 204,824 |
| Net income | - | - | - | - | 9,571 | 9,571 |
| Balance - June 30, 2024 | 43,763,243 | \$ 4 | \$ - | \$ 204,820 | \$ 9,571 | \$ 214,395 |
| Stock based compensation | - | \$ - | \$ - | 91 | - | 91 |
| Net loss | - | - | - | - | (1,195) | (1,195) |
| Balance - September 30, 2024 | 43,763,243 | \$ 4 | \$ - | \$ 204,911 | \$ 8,376 | \$ 213,291 |

For the Nine Months Ended September 30, 2023

| | Common Stock | | Other Comprehensive (Loss) Income | Additional paid-in Capital | Retained Earnings | Total Stockholders' Equity |
|------------------------------|--------------|--------|-----------------------------------|----------------------------|-------------------|----------------------------|
| | Shares | Amount | | | | |
| Balance - December 31, 2022 | 43,763,243 | \$ 4 | \$ (1) | \$ 282,489 | \$ 508 | \$ 283,000 |
| Other comprehensive income | - | - | 17 | - | - | 17 |
| Net income | - | - | - | - | 21,081 | 21,081 |
| Balance - March 31, 2023 | 43,763,243 | \$ 4 | \$ 16 | \$ 282,489 | \$ 21,589 | \$ 304,098 |
| Other comprehensive loss | - | - | (16) | - | - | (16) |
| Net loss | - | - | - | - | (9,859) | (9,859) |
| Balance - June 30, 2023 | 43,763,243 | \$ 4 | \$ - | \$ 282,489 | \$ 11,730 | \$ 294,223 |
| Net income | - | - | - | - | 2,776 | 2,776 |
| Balance - September 30, 2023 | 43,763,243 | \$ 4 | \$ - | \$ 282,489 | \$ 14,506 | \$ 296,999 |

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

FutureFuel Corp.
Consolidated Statements of Cash Flows
(Dollars in thousands)
(Unaudited)

| | Nine Months Ended September 30, | |
|---|--|-------------------|
| | 2024 | 2023 |
| Cash flows from operating activities | | |
| Net income | \$ 12,706 | \$ 13,998 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation | 6,923 | 7,736 |
| Amortization of deferred financing costs | 77 | 75 |
| Provision for deferred income taxes | 618 | - |
| Change in fair value of equity securities | - | (3,117) |
| Change in fair value of derivative instruments | 1,439 | 3,523 |
| Loss on the sale of investments | - | 2,543 |
| Stock based compensation | 113 | - |
| Loss on disposal of property and equipment | 24 | 8 |
| Noncash interest expense | 26 | 26 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 12,439 | (3,295) |
| Accounts receivable – related parties | 1 | 6 |
| Inventory | 8,100 | (149) |
| Income tax receivable | 1,940 | 32 |
| Prepaid expenses | 3,382 | 2,700 |
| Other assets | 872 | 963 |
| Accounts payable | (11,043) | (14,910) |
| Accounts payable – related parties | 82 | (800) |
| Income tax payable | 359 | - |
| Accrued expenses and other current liabilities | 6,062 | (404) |
| Deferred revenue | (2,705) | (2,030) |
| Other noncurrent liabilities | - | 1,553 |
| Net cash provided by operating activities | 41,415 | 8,458 |
| Cash flows from investing activities | | |
| Collateralization of derivative instruments | 423 | (2,991) |
| Proceeds from the sale of marketable securities | - | 37,701 |
| Proceeds from the sale of property and equipment | 6 | - |
| Capital expenditures | (10,605) | (4,994) |
| Net cash (used in) provided by investing activities | (10,176) | 29,716 |
| Cash flows from financing activities | | |
| Payment of dividends | (117,285) | (7,877) |
| Deferred financing costs | - | (14) |
| Net cash used in financing activities | (117,285) | (7,891) |
| Net change in cash and cash equivalents | (86,046) | 30,283 |
| Cash and cash equivalents at beginning of period | 219,444 | 175,640 |
| Cash and cash equivalents at end of period | \$ 133,398 | \$ 205,923 |
| Noncash capital expenditures | \$ 452 | \$ 518 |

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

Notes to Consolidated Financial Statements of FutureFuel Corp.
(Dollars in thousands, except per share and per gallon amounts)
(Unaudited)

1) SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared by FutureFuel Corp. ("FutureFuel" or "the Company") in accordance and consistent with the accounting policies stated in the Company's 2023 Annual Report on Form 10-K, as amended, inclusive of the audited consolidated financial statements, and should be read in conjunction with these consolidated financial statements.

In the opinion of FutureFuel, all normal recurring adjustments necessary for a fair presentation have been included in the unaudited consolidated financial statements. The unaudited consolidated financial statements have been prepared in compliance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") accounting principles generally accepted in the United States ("GAAP") for interim financial information and with instructions to Form 10-Q adopted by the Securities and Exchange Commission ("SEC"). Accordingly, the unaudited consolidated financial statements do not include all the information and footnotes required by GAAP for complete financial statements and do include amounts that are based upon management estimates and judgments. Future actual results could differ from such current estimates. The unaudited consolidated financial statements include assets, liabilities, revenues, and expenses of FutureFuel and its direct and indirect wholly owned subsidiaries; namely, FutureFuel Chemical Company; FFC Grain, L.L.C.; FutureFuel Warehouse Company, L.L.C.; and Legacy Regional Transport, L.L.C. The majority of FFC Grain, L.L.C.'s assets were disposed of during the current three-month period as the idle subsidiary is being dissolved. Intercompany transactions and balances have been eliminated in consolidation.

Recently Adopted Accounting Standards

The Company had no recently adopted accounting standards updates ("ASU").

Accounting Standards Issued Not Yet Adopted as of September 30, 2024

ASU No. 2023-07 Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures: The FASB issued this update in November 2023 which aims to improve disclosures about a public entity's reportable segments. These changes will affect the Company's segment reporting beginning with its Annual Report for the year ended December 31, 2024, and will be applied retrospectively to all prior periods presented. The amendments in this ASU require public business entities to disclose, on an annual and interim basis, significant segment expenses that are regularly provided to the chief operating decision maker and are included within each reported measure of segment profit or loss. This update does not change how an entity identifies or aggregates its reportable segments or how it applies the quantitative thresholds to determine them. Management believes the adoption of this ASU will have a minimal impact on the Company's financial statements and related disclosures.

ASU No. 2023-09 Income Taxes (Topic 740): Improvements to Income Tax Disclosures: The FASB issued this update in December 2023 which aims to address requests for improved income tax disclosures from investors that use the financial statements to make capital allocation decisions. The amendments in this ASU address the investor requests for more transparency of income tax information and apply to all entities that are subject to income taxes. The ASU is effective for years beginning after December 15, 2024, but early adoption is permitted. This ASU should be applied on a prospective basis, although retrospective application is permitted. The Company will adopt the new standard effective for the year ended December 31, 2025, and does not expect the adoption to have a material impact on its financial statements and disclosures.

ASU No. 2024-03 Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses: The FASB issued this update in November 2024 which aims to provide investors with more useful information about an entity's expenses by improving disclosures on income statement expenses. The amendments in this ASU require all public business entities to disclose disaggregated information about specific categories underlying certain income statement expense line items. The amendments in this ASU are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is evaluating this accounting standard and does not expect the adoption to have a material impact on its financial statements and disclosures.

2) GOVERNMENT TAX CREDITS

BIODIESEL BLENDEES' TAX CREDIT, SMALL AGRI-BIODIESEL PRODUCER TAX CREDIT, and CLEAN FUEL PRODUCTION TAX CREDIT

The biodiesel Blenders' Tax Credit ("BTC") provides a one dollar per gallon tax credit to the blender of biomass-based diesel with at least 0.1% petroleum-based diesel fuel. The Company records this credit as a reduction to cost of goods sold as applicable sales are made.

The Further Consolidated Appropriations Act of 2020 was passed by Congress and signed into law on December 20, 2019, retroactively reinstating the BTC for 2018 and 2019 and extending it through December 31, 2022. The Inflation Reduction Act ("IRA") extended the BTC through December 31, 2024.

As part of each law from which the BTC was reinstated, small agri-biodiesel producers with production capacity not in excess of 60 million gallons were eligible for an additional income tax credit of \$0.10 per gallon on the first 15 million gallons of agri-biodiesel sold (the "Small Agri-biodiesel Producer Tax Credit"). The Company is eligible for this credit and recognizes the credit in the same accounting period as the benefit from the BTC. The benefit of this credit is recognized as a component of income tax (benefit) provision.

The IRA created the clean fuel production credit ("CFPC") for qualifying transportation fuel produced after 2024 and sold on or before December 31, 2027. The CFPC consolidates and replaces several fuel related credits set to expire December 31, 2024, including the BTC and the Small Agri-biodiesel Producer Tax Credit.

The CFPC is an income tax credit structured on a sliding scale so that producers become eligible for larger credits as the greenhouse gas ("GHG") emissions of the fuels they produce approach zero. For producers meeting the prevailing wage and registered apprenticeship requirements, the maximum credit is \$1.00 per gallon of nonaviation fuel. For producers not meeting the prevailing wage and registered apprenticeship requirements, the maximum credit is 20 cents per nonaviation fuel gallon. In June 2024, when the Internal Revenue Service gave notice of the requirement, the Company applied for registration as a producer that meets the wage and registered apprenticeship requirements to receive the credit applicable to the level of GHG emissions for the fuel the Company produces.

CARES ACT – EMPLOYEE RETENTION TAX CREDIT

The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), was enacted on March 27, 2020, to encourage eligible employers to retain employees on their payroll through, among other things, an available employee retention tax credit. The Consolidated Appropriations Act, effective January 1, 2021, broadened the eligibility of the credit. FutureFuel has applied for this credit and will recognize the benefit of the credit once reasonable assurance can be made as to the receipt of the credit.

3) REVENUE RECOGNITION

The majority of revenue is from short-term contracts with revenue recognized when a single performance obligation to transfer product under the terms of a contract with a customer is satisfied.

Certain of the Company's custom chemical contracts within the chemical segment contain a material right as defined by ASC Topic 606, Revenue from Contracts with Customers, from the provision of a customer option to purchase future goods or services at a discounted price as a result of upfront payments provided by customers. Each contract also has a performance obligation to transfer products with 30-day payment terms. The Company recognizes revenue when the customer takes control of the inventory, either upon shipment or when the material is made available for pick up. If the customer is deemed to take control of the inventory prior to pick up, the Company recognizes the revenue as a bill-and-hold transaction in accordance with ASC Topic 606. The Company applies the renewal option approach in allocating the transaction price to these material rights and transfer of product. As a basis for allocating the transaction price to the material right and transfer of product, the Company estimates the expected life of the contract, the expected contractual volumes to be sold over that life, and the most likely expected sales price. Each estimate is updated quarterly on a prospective basis.

Contract Assets and Liabilities:

Contract assets consist of unbilled amounts typically resulting from revenue recognized through bill-and-hold arrangements. The contract assets at September 30, 2024 and December 31, 2023 consist of unbilled revenue from one customer and unbilled capital reimbursement from another customer and are recorded as accounts receivable in the consolidated balance sheets. Contract liabilities consist of advance payment arrangements related to material rights recorded as deferred revenue in the consolidated balance sheets. Increases to contract liabilities from cash received or due for a performance obligation of chemical segment plant expansions were \$0 and \$506 for the three months and \$0 and \$538 for the nine months ended September 30, 2024 and 2023, respectively. Contract liabilities are reduced as the Company transfers product to the customer under the renewal option approach. Revenue recognized in the chemical segment from the contract liability reductions was \$936 and \$444 for the three months and \$2,539 and \$2,402 for the nine months ended September 30, 2024 and 2023, respectively. These contract asset and liability balances are reported on the consolidated balance sheets on a contract-by-contract basis at the end of each reporting period.

The following table provides the balance of receivables, contract assets, and contract liabilities from contracts with customers.

| Contract Assets and Liability Balances | September 30, 2024 | December 31, 2023 |
|---|---------------------------|--------------------------|
| Trade receivables, included in accounts receivable* | \$ 11,753 | \$ 15,897 |
| Contract assets, included in accounts receivable | 250 | 1,128 |
| Contract liabilities, included in deferred revenue - short-term | 3,928 | 3,656 |
| Contract liabilities, included in deferred revenue - long-term | 6,506 | 9,318 |

*Exclusive of the BTC of \$3,964 and \$11,381, respectively, and net of allowances for expected credit losses of \$136 and \$55, respectively, as of the dates noted.

Transaction price allocated to the remaining performance obligations:

At September 30, 2024, approximately \$10,434 of revenue is expected to be recognized from the remaining performance obligations. FutureFuel expects to recognize this revenue ratably over the expected sales over the expected term of its long-term contracts ranging from two to six years. Approximately 38% of this revenue is expected to be recognized over the next 12 months, and 62% is expected to be recognized over the subsequent 63 months. These amounts are subject to change based upon changes in the estimated contract life and estimated quantities to be sold over the contract life.

The Company applies the practical expedient in ASC 606-10-50-14 and excludes the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less; and (ii) contracts for which the Company recognizes revenue at the amount to which it has the right to invoice for services performed.

Notes to Consolidated Financial Statements of FutureFuel Corp.
(Dollars in thousands, except per share and per gallon amounts)
(Unaudited)

The following tables provide revenue from customers disaggregated by the type of arrangement and by the timing of the recognized revenue.

Disaggregation of revenue - contractual and non-contractual:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|---|-------------------|--|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Contract revenue from customers with > one-year arrangements | \$ 8,966 | \$ 8,291 | \$ 26,941 | \$ 28,318 |
| Contract revenue from customers with < one-year arrangements | 42,119 | 108,406 | 154,723 | 247,757 |
| Revenue from non-contractual arrangements | 55 | 55 | 166 | 166 |
| Total revenue | \$ 51,140 | \$ 116,752 | \$ 181,830 | \$ 276,241 |

Timing of revenue:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---------------------------|---|-------------------|--|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Bill-and-hold revenue | \$ 10,211 | \$ 10,149 | \$ 32,875 | \$ 31,504 |
| Non-bill-and-hold revenue | 40,929 | 106,603 | 148,955 | 244,737 |
| Total revenue | \$ 51,140 | \$ 116,752 | \$ 181,830 | \$ 276,241 |

As of September 30, 2024 and December 31, 2023, \$4,482 and \$4,317 of bill-and-hold revenue had not shipped, respectively.

4) INVENTORY

The carrying values of inventory were as follows as of:

| | September 30, 2024 | December 31, 2023 |
|---|---------------------------|--------------------------|
| At average cost (approximates current cost) | | |
| Finished goods | \$ 7,914 | \$ 16,235 |
| Work in process | 748 | 611 |
| Raw materials and supplies | 22,732 | 25,532 |
| | 31,394 | 42,378 |
| LIFO reserve | (6,516) | (9,400) |
| Total inventory | \$ 24,878 | \$ 32,978 |

A Last In First Out ("LIFO") liquidation of \$935 occurred in the nine months ended September 30, 2024. There was no liquidation in the twelve months ended December 31, 2023.

Notes to Consolidated Financial Statements of FutureFuel Corp.
(Dollars in thousands, except per share and per gallon amounts)
(Unaudited)

5) DERIVATIVE INSTRUMENTS

The Company records all derivative instruments at fair value. Fair value is determined by using the closing prices of the derivative instruments on the New York Mercantile Exchange at the end of an accounting period. Changes in the fair value of derivative instruments are recognized at the end of each accounting period and recorded in the statements of operations and comprehensive income as a component of cost of goods sold. These instruments use inputs considered Level 1 holdings.

Fair value accounting pronouncements include a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs market participants would use in valuing the asset or liability developed based on market data obtained from sources independent of FutureFuel. Unobservable inputs are inputs that reflect FutureFuel's assumptions about the factors market participants would use in valuing the asset or liability developed based upon the best information available in the circumstances. The hierarchy is broken down into three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs (other than quoted prices) that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. Categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

In order to manage commodity price risk caused by market fluctuations in biofuel prices, future purchases of feedstock used in biodiesel production, physical feedstock, finished product inventories attributed to the process, and other petroleum products purchased or sold, the Company may enter into exchange-traded commodity futures and options contracts. The Company accounts for these derivative instruments in accordance with ASC 815-20-25, Derivatives and Hedging. Under this standard, the accounting for changes in the fair value of a derivative instrument depends upon whether it has been designated as an accounting hedging relationship and, further, on the type of hedging relationship. To qualify for designation as an accounting hedging relationship, specific criteria must be met and appropriate documentation maintained. The Company had no derivative instruments that qualified under these rules as designated accounting hedges in 2024 or 2023. The Company has elected the normal purchase and normal sales exception for certain feedstock purchase contracts and supply agreements.

Total gains and losses on derivative instruments and changes in fair value of the derivative instruments are recorded in the consolidated statements of operations as a component of cost of goods sold and amounted to a net gain of \$1,947 (including settlements of \$1,691) and a net loss of \$102 (including settlement gains of \$1,337) for the three and nine months ended September 30, 2024, and a net loss of \$14,068 (including settlements of \$7,286) and \$1,373 (including settlement gains of \$2,150) for the three and nine months ended September 30, 2023.

The volumes and carrying values of FutureFuel's derivative instruments were as follows at:

| | Asset (Liability) | | | |
|--|--------------------|------------|-------------------|------------|
| | September 30, 2024 | | December 31, 2023 | |
| | Contract Quantity | Fair Value | Contract Quantity | Fair Value |
| Regulated fixed price future commitments, included in other current assets (in thousand barrels) | 105 | \$ 297 | 354 | \$ 1,736 |

The margin account maintained with a broker to collateralize these derivative instruments carried an account balance of \$322 and \$745 at September 30, 2024 and December 31, 2023, respectively, and was classified as other current assets in the consolidated balance sheets. The carrying values of the margin account and of the derivative instruments are included net, in other current assets.

Notes to Consolidated Financial Statements of FutureFuel Corp.
(Dollars in thousands, except per share and per gallon amounts)
(Unaudited)

6) MARKETABLE SECURITIES

At September 30, 2024 and December 31, 2023, FutureFuel held no marketable equity and trust preferred (debt) securities.

During the three months ended June 30, 2023, FutureFuel exited its position in marketable equity and trust preferred (debt) securities. The sale of these securities was recorded as a component of net income with gains of \$575 in the nine months ended September 30, 2023.

7) ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consisted of the following at:

| | <u>September 30, 2024</u> | <u>December 31, 2023</u> |
|---|---------------------------|--------------------------|
| Refundable deposit | \$ 6,500 | \$ - |
| Accrued employee liabilities | 2,724 | 2,179 |
| Accrued property, franchise, motor fuel and other taxes | 1,378 | 1,346 |
| Lease liability, current | 93 | 389 |
| Other | 125 | 844 |
| Total | <u>\$ 10,820</u> | <u>\$ 4,758</u> |

Notes to Consolidated Financial Statements of FutureFuel Corp.
(Dollars in thousands, except per share and per gallon amounts)
(Unaudited)

8) BORROWINGS

On March 30, 2020, the Company, with FutureFuel Chemical Company as the borrower and certain of the Company's other subsidiaries as guarantors, amended and restated its credit agreement (the "Credit Agreement") originally entered into on April 16, 2015 (as amended, the "Prior Credit Agreement") with the lenders party thereto, Regions Bank as administrative agent and collateral agent, and PNC Bank, N.A., as syndication agent. The Credit Agreement consists of a five-year revolving credit facility in a dollar amount of up to \$100,000 which includes a sublimit of \$30,000 for letters of credit and \$15,000 for swingline loans (collectively, the "Credit Facility"). The Credit Facility expires on March 30, 2025.

On March 1, 2023, the Company entered into a First Amendment to the Credit Agreement (the "First Amendment"). The First Amendment primarily amends the Credit Agreement to transition the Credit Facility from the London Interbank Offered Rate to the Secured Overnight Financing Rate ("SOFR") and other conforming changes, in each case as more specifically set forth in the First Amendment. The First Amendment does not modify the aggregate amount, or expiration date, of the Credit Facility. Pursuant to the First Amendment, the interest rate floats at the following margins over SOFR, or base rate based upon our leverage ratio.

| Consolidated Leverage Ratio | Adjusted SOFR Rate Loans and Letter of Credit Fee | Base Rate Loans | Commitment Fee |
|------------------------------------|--|------------------------|-----------------------|
| < 1.00:1.0 | 1.00% | 0.00% | 0.15% |
| ≥ 1.00:1.0 And < 1.50:1.0 | 1.25% | 0.25% | 0.15% |
| ≥ 1.50:1.0 And < 2.00:1.0 | 1.50% | 0.50% | 0.20% |
| ≥ 2.00:1.0 And < 2.50:1.0 | 1.75% | 0.75% | 0.20% |
| ≥ 2.50:1.0 | 2.00% | 1.00% | 0.25% |

The terms of the Credit Facility contain certain negative covenants and conditions including a maximum consolidated leverage ratio and a consolidated minimum interest coverage ratio.

There were no borrowings under the Credit Agreement at September 30, 2024 or December 31, 2023.

Notes to Consolidated Financial Statements of FutureFuel Corp.
(Dollars in thousands, except per share and per gallon amounts)
(Unaudited)

9) INCOME TAX PROVISION

The following table summarizes the income tax provision.

| | <u>Three Months Ended September 30,</u> | | <u>Nine Months Ended September 30,</u> | |
|--------------------------------|---|-------------|--|-------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Income tax (benefit) provision | \$ (3) | \$ 12 | \$ 635 | \$ 34 |
| Effective tax rate | 0.3% | 0.4% | 4.8% | 0.2% |

The Company's income tax benefit was insignificant in the three months ended September 30, 2024. In the nine months ended September 30, 2024, the provision was comprised primarily of an increase in the valuation allowance against net deferred assets, plus immaterial state taxes and miscellaneous items. No deferred tax benefits on ongoing tax losses or other deferred tax assets have been recognized, reflecting management's determination that none of the net deferred tax assets are more likely than not to be realized. The three- and nine-month periods in 2023 reflected immaterial state taxes and miscellaneous items.

The Company evaluates its deferred tax assets quarterly and records a valuation allowance to reduce these assets to the amount that is more likely than not to be realized.

10) EARNINGS PER SHARE

In the three and nine months ended September 30, 2024 and 2023, FutureFuel used the treasury method in computing earnings per share.

Basic and diluted earnings per common share were computed as follows:

| | <u>Three Months Ended September 30,</u> | | <u>Nine Months Ended September 30,</u> | |
|---|---|----------------|--|----------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Numerator: | | | | |
| Net (loss) income | \$ (1,195) | \$ 2,776 | \$ 12,706 | \$ 13,998 |
| Denominator: | | | | |
| Weighted average shares outstanding – basic | 43,763,243 | 43,763,243 | 43,763,243 | 43,763,243 |
| Effect of dilutive securities: | | | | |
| Stock options and other awards | - | 2,466 | - | 1,920 |
| Weighted average shares outstanding – diluted | 43,763,243 | 43,765,709 | 43,763,243 | 43,765,163 |
| Basic (loss) earnings per share | \$ (0.03) | \$ 0.06 | \$ 0.29 | \$ 0.32 |
| Diluted (loss) earnings per share | \$ (0.03) | \$ 0.06 | \$ 0.29 | \$ 0.32 |

For each of the three and nine months ended September 30, 2024, 44,000 options to purchase FutureFuel's common stock were excluded in the computation of diluted earnings per share as all were anti-dilutive. In the three and nine months ended September 30, 2023, 41,534 and 42,080 options, respectively, were excluded as all were anti-dilutive.

11) RELATED PARTY TRANSACTIONS

FutureFuel enters into transactions with companies affiliated with or controlled by a director and significant shareholder. Revenues, expenses, prepaid amounts, and unpaid amounts related to these transactions are captured in the accompanying consolidated financial statements as related party line items.

Related party revenues are the result of sales of biodiesel, petrodiesel, blends, other petroleum products, and other similar or related products to these related parties.

Related party cost of goods sold and distribution are the result of sales and purchases of biodiesel, petrodiesel, blends, and other petroleum products with these related parties along with the associated expense from storage and terminalling services provided by these related parties.

Notes to Consolidated Financial Statements of FutureFuel Corp.
(Dollars in thousands, except per share and per gallon amounts)
(Unaudited)

12) SEGMENT INFORMATION

FutureFuel has two reportable segments organized along similar product groups – chemicals and biofuels.

Chemicals

FutureFuel's chemical segment manufactures diversified chemical products that are sold externally to third party customers. This segment is composed of two components: "custom manufacturing" (manufacturing chemicals for specific customers) and "performance chemicals" (multi-customer specialty chemicals).

Biofuels

FutureFuel's biofuel segment primarily manufactures and markets biodiesel. Biodiesel revenues are generated through the sale of biodiesel to customers through FutureFuel's distribution network at its Batesville Plant, through distribution facilities available at leased oil storage facilities, and through a network of remotely located tanks. Biofuel revenues also include the sale of biodiesel blends with petrodiesel; petrodiesel with no biodiesel added; internally generated, separated Renewable Identification Numbers ("RINs"); and biodiesel production byproducts. Biodiesel selling prices and profitability can at times fluctuate based on the timing of unsold, internally generated RINs. FutureFuel does not allocate production costs to internally generated RINs, and from time to time, can enter into sales of biodiesel on a "RINs-free" basis, resulting in FutureFuel maintaining possession of the applicable RINs from the sale. The benefit derived from the eventual sale of the RINs is not reflected in results of operations until such time as the RINs sale has been completed, which may lead to variability in reported operating results.

As of September 30, 2024, FutureFuel held 5.0 million RINs with a fair market value of \$2,556 and no cost. Comparatively, at September 30, 2023, FutureFuel held 4.2 million RINs with a fair market value of \$6,971 and no cost and at December 31, 2023 4.3 million RINs were held with a fair market value of \$6,567 and no cost. These fair values are considered Level 1 inputs.

Summary of business by segment

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|------------------------------------|---|-------------------|--|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Revenue | | | | |
| Custom chemicals | \$ 15,323 | \$ 14,454 | \$ 46,333 | \$ 46,650 |
| Performance chemicals | 2,605 | 3,393 | 8,890 | 11,834 |
| Chemical revenue | 17,928 | 17,847 | 55,223 | 58,484 |
| Biofuel revenue | 33,212 | 98,905 | 126,607 | 217,757 |
| Total Revenue | \$ 51,140 | \$ 116,752 | \$ 181,830 | \$ 276,241 |
| Segment gross profit (loss) | | | | |
| Chemical | \$ 3,407 | \$ 6,878 | \$ 12,105 | \$ 21,917 |
| Biofuel | (3,024) | (3,008) | 1,942 | (5,016) |
| Total gross profit | \$ 383 | \$ 3,870 | \$ 14,047 | \$ 16,901 |
| Operating expenses | \$ 3,271 | \$ 3,573 | \$ 9,286 | \$ 9,936 |
| (Loss) income from operations | (2,888) | 297 | 4,761 | 6,965 |
| Other income, net | 1,690 | 2,491 | 8,580 | 7,067 |
| (Loss) income before taxes | \$ (1,198) | \$ 2,788 | \$ 13,341 | \$ 14,032 |

Depreciation is allocated to segment cost of goods sold based on plant usage. The total assets and capital expenditures of FutureFuel have not been allocated to individual segments as large portions of these assets are shared to varying degrees by each segment, causing such an allocation to be of little value.

Notes to Consolidated Financial Statements of FutureFuel Corp.
(Dollars in thousands, except per share and per gallon amounts)
(Unaudited)

13) LEGAL MATTERS

From time to time, FutureFuel and its subsidiaries are parties to, or targets of, lawsuits, claims, investigations, regulatory matters, and proceedings, which are being handled and defended in the ordinary course of business. While FutureFuel is unable to predict the outcomes of these matters, it does not believe, based upon currently available facts, that the ultimate resolution of any such pending matters will have a material adverse effect on its overall financial condition, results of operations, or cash flows.

During the three months ended June 30, 2024, the Company resolved a prior-year legal dispute which resulted in a cash payment of \$2,750 to FutureFuel which is reflected in Other (expense) income in the Consolidated Statements of Operations and Comprehensive Income in the nine months ended September 30, 2024.

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

The following Management's Discussion and Analysis of Financial Condition and Results of Operations of FutureFuel Corp. ("FutureFuel", "the Company", "we", or "our") should be read together with our consolidated financial statements, including the notes thereto, set forth herein. This discussion contains forward-looking statements that reflect our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements. See "Forward-Looking Information" below for additional discussion regarding risks associated with forward-looking statements.

Unless otherwise stated, all dollar amounts are in thousands.

Overview

Our Company is managed and reported in two reporting segments: chemicals and biofuels. Within the chemical segment are two product groupings: custom chemicals and performance chemicals. The custom product group is composed of specialty chemicals manufactured for a single customer whereas the performance product group is composed of chemicals manufactured for multiple customers. The biofuel segment is composed of one product group. Management believes that the diversity of each segment strengthens the company in the ability to utilize resources and is committed to growing each segment.

Within the United States Environmental Protection Agency ("EPA") Renewable Fuel Standard ("RFS"), we generate 1.5 Renewable Identification Numbers ("RINs") for each gallon of biodiesel sold in the United States with a classification of a D4 or D6 RIN. RINs are used to monitor the level of renewable fuel traded in a given year in accordance with RFS 2 within the EPA moderated transaction system. We do not assign cost of goods sold to the generation of RINs as the physical fuel generates the full cost. As of September 30, 2024, we held 5.0 million D4 and D6 RINs with a fair market value of \$2,556. Comparatively, as of September 30, 2023, FutureFuel held 4.2 million RINs with a fair market value of \$6,971, and at December 31, 2023, 4.3 million RINs were held with a fair market value of \$6,567.

Summary of Financial Results

Set forth below is a summary of certain consolidated financial information for the periods indicated.

| | Three Months Ended September 30, | | | |
|-----------------------------------|----------------------------------|------------|------------------|-------------|
| | 2024 | 2023 | Dollar Change | % Change |
| Revenue | \$ 51,140 | \$ 116,752 | \$ (65,612) | (56)% |
| (Loss) income from operations | \$ (2,888) | \$ 297 | \$ (3,185) | na |
| Net (loss) income | \$ (1,195) | \$ 2,776 | \$ (3,971) | na |
| (Loss) earnings per common share: | | | | |
| Basic | \$ (0.03) | \$ 0.06 | \$ (0.09) | na |
| Diluted | \$ (0.03) | \$ 0.06 | \$ (0.09) | na |
| Adjusted EBITDA | \$ (973) | \$ 9,659 | \$ (10,632) | na |

| | Nine Months Ended September 30, | | | |
|----------------------------|---------------------------------|------------|------------------|-------------|
| | 2024 | 2023 | Dollar Change | % Change |
| Revenue | \$ 181,830 | \$ 276,241 | \$ (94,411) | (34)% |
| Income from operations | \$ 4,761 | \$ 6,965 | \$ (2,204) | (32)% |
| Net income | \$ 12,706 | \$ 13,998 | \$ (1,292) | (9)% |
| Earnings per common share: | | | | |
| Basic | \$ 0.29 | \$ 0.32 | \$ (0.03) | (9)% |
| Diluted | \$ 0.29 | \$ 0.32 | \$ (0.03) | (9)% |
| Adjusted EBITDA | \$ 13,042 | \$ 18,230 | \$ (5,188) | (28)% |

We use adjusted EBITDA as a key operating metric to measure both performance and liquidity. Adjusted EBITDA is a non-GAAP financial measure. Adjusted EBITDA is not a substitute for operating income, net income, or cash flow from operating activities (each as determined in accordance with GAAP) as a measure of performance or liquidity. Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of results as reported under GAAP. We define adjusted EBITDA as net income before interest, income taxes, depreciation, and amortization expenses, excluding, when applicable, non-cash stock-based compensation expenses, public offering expenses, acquisition-related transaction costs, purchase accounting adjustments, losses on disposal of property and equipment, non-cash gains or losses on derivative instruments, and other non-operating income or expenses. Information relating to adjusted EBITDA is provided so that investors have the same data that we employ in assessing the overall operation and liquidity of our business. Our calculation of adjusted EBITDA may be different from similarly titled measures used by other companies; therefore, the results of our calculation are not necessarily comparable to the results of other companies.

Adjusted EBITDA allows our chief operating decision makers to assess the performance and liquidity of our business on a consolidated basis to assess the ability of our operating segments to produce operating cash flow to fund working capital needs, to fund capital expenditures, and to pay dividends. In particular, our management believes that adjusted EBITDA permits a comparative assessment of our operating performance and liquidity, relative to performance and liquidity based on GAAP results. This measure isolates the effects of certain items, including depreciation and amortization (which may vary among our operating segments without any correlation to their underlying operating performance), non-cash stock-based compensation expense (which is a non-cash expense that varies widely among similar companies), and non-cash gains and losses on derivative instruments (which can cause net income to appear volatile from period to period relative to the sale of the underlying physical product).

We utilize commodity derivative instruments primarily to attempt to mitigate the effect of commodity price volatility and to provide greater certainty of cash flows associated with sales of our commodities. We utilize mark-to-market accounting to account for these instruments. Thus, our results in any given period can be impacted, sometimes significantly, by changes in market prices relative to our contract price along with the timing of the valuation change in the derivative instruments relative to the sale of biofuel. We include the mark-to-market or non-cash portion of this item as an adjustment to adjusted EBITDA as we believe it provides a relevant indicator of the underlying performance of our business in a given period.

Additionally, we held marketable securities of certain debt securities (trust preferred stock) and in preferred stock and other equity instruments during the nine months ended September 30, 2023, but sold all marketable security investments during the three months ended June 30, 2023. The realized and unrealized gains and losses on these marketable securities fluctuated from period to period. We included this item as an adjustment to adjusted EBITDA in the prior year period as we believed it provided a relevant indicator of the underlying performance of our business.

The following table reconciles net income, the most directly comparable GAAP performance financial measure, with adjusted EBITDA.

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|----------------------------------|----------|---------------------------------|-----------|
| | 2024 | 2023 | 2024 | 2023 |
| Net (loss) income | \$ (1,195) | \$ 2,776 | \$ 12,706 | \$ 13,998 |
| Depreciation | 2,163 | 2,581 | 6,923 | 7,736 |
| Non-cash stock-based compensation | 91 | - | 113 | - |
| Interest and dividend income | (1,830) | (2,527) | (6,151) | (6,595) |
| Non-cash interest expense and amortization of deferred financing costs | 34 | 35 | 103 | 102 |
| Loss on disposal of property and equipment | 24 | - | 24 | 8 |
| Unrealized (gain) loss on derivative instruments | (257) | 6,782 | 1,439 | 3,523 |
| Gain on marketable securities | - | - | - | (575) |
| Other income | - | - | (2,750) | (1) |
| Income tax (benefit) provision | (3) | 12 | 635 | 34 |
| Adjusted EBITDA | \$ (973) | \$ 9,659 | \$ 13,042 | \$ 18,230 |

The following table reconciles cash flows from operations, the most directly comparable GAAP liquidity financial measure, with adjusted EBITDA.

| | Nine Months Ended September 30, | |
|---|---------------------------------|-----------|
| | 2024 | 2023 |
| Net cash provided by operating activities | \$ 41,415 | \$ 8,458 |
| Deferred income taxes, net | (618) | - |
| Interest and dividend income | (6,151) | (6,595) |
| Income tax provision | 635 | 34 |
| Change in operating assets and liabilities, net | (19,489) | 16,334 |
| Other income | (2,750) | (1) |
| Adjusted EBITDA | \$ 13,042 | \$ 18,230 |

Results of Operations

Consolidated

| | Three Months Ended September 30, | | | | Nine Months Ended September 30, | | | |
|--------------------------------|----------------------------------|------------|-------------|---------|---------------------------------|------------|-------------|---------|
| | 2024 | 2023 | Change | | 2024 | 2023 | Change | |
| | | | Amount | % | | | Amount | % |
| Revenues | \$ 51,140 | \$ 116,752 | \$ (65,612) | (56.2)% | \$ 181,830 | \$ 276,241 | \$ (94,411) | (34.2)% |
| Volume/product mix effect | | | (39,558) | (33.9)% | | | \$ (46,469) | (16.8)% |
| Price effect | | | (26,054) | (22.3)% | | | \$ (47,942) | (17.4)% |
| Gross profit | 383 | 3,870 | (3,487) | (90.1)% | \$ 14,047 | \$ 16,901 | \$ (2,854) | (16.9)% |
| Operating expenses | (3,271) | (3,573) | 302 | 8.5% | (9,286) | (9,936) | 650 | 6.5% |
| Other income, net | 1,690 | 2,491 | (801) | (32.2)% | 8,580 | 7,067 | 1,513 | 21.4% |
| Income tax (benefit) provision | (3) | 12 | (15) | na | 635 | 34 | 601 | 1767.6% |
| Net (loss) income | \$ (1,195) | \$ 2,776 | \$ (3,971) | na | \$ 12,706 | \$ 13,998 | \$ (1,292) | (9.2)% |

Consolidated revenue in the three months ended September 30, 2024, decreased \$65,612 compared to the three months ended September 30, 2023. This decline was driven mostly by lower sales volumes in the biofuel segment of \$41,015. Production issues, primarily stemming from delays by equipment suppliers that created an extended service utility downtime, which prevented us from building the biodiesel inventories we would typically have available to sell in the three months ended September 30, 2024. Also reducing sales revenue in the three-month period, were lower prices in the biofuel segment of \$24,678 due to a decline in renewable fuel and RIN prices with market supply in excess of the EPA RIN mandate. In our chemical segment, sales revenue increased \$81 for the three months ended September 30, 2024, compared to the prior-year period, due primarily to stronger sales volumes in the coatings market of \$1,457, but was mostly offset by reduced chemical sales prices, \$1,376, from chemicals sold into the agricultural and energy markets.

Consolidated revenue in the nine months ended September 30, 2024, decreased \$94,411 compared to the nine months ended September 30, 2023. As noted above, this decline was driven mostly by lower sales volumes in the biofuel segment of \$48,590 as production issues in the first three months of the year related to harsh winter weather and the production issues noted above in the three months ended September 30, 2024, prevented us from building the biodiesel inventories we would typically have available to sell during the current period. Also reducing sales revenue in the nine-month period, were lower prices in the biofuel segment of \$42,560 due to a decline in renewable fuel and RIN prices with market supply in excess of the EPA RIN mandate. In our chemical segment, sales revenue declined a net \$3,261 (\$5,382 on reduced prices on chemicals sold into the agricultural and energy markets partially offset by increased volumes in the energy market, \$2,121), compared to the prior-year period.

Gross profit in the three months ended September 30, 2024, decreased \$3,487 as compared to the same period of 2023, due primarily to: (i) lower sales prices in the chemical agricultural and energy markets and (ii) reduced throughput of biofuel segment volumes primarily due to the issues noted above.

Gross profit in the nine months ended September 30, 2024 decreased \$2,854 as compared to the same period of 2023, primarily due to: (i) a reduction of RIN sales in the current nine-month period and (ii) the change in the adjustment in the carrying value of our inventory as determined utilizing the Last In First Out ("LIFO") method of inventory accounting. This adjustment increased gross profit \$2,885 in the nine months ended September 30, 2024, as compared to an increase of \$6,023 in the same period of 2023. Gross profit was negatively impacted by the change in the activity of derivative instruments with a realized loss of \$354 and unrealized loss of \$1,696 in the nine months ended September 30, 2024, as compared to a realized gain of \$9,437 and unrealized gain of \$3,259 in the same period of 2023. Gross profit was also negatively impacted in the nine-month period ended September 30, 2024, by higher costs resulting from the impact of extreme winter weather and the production issues noted above.

Operating expenses

Operating expenses decreased \$302 in the three months ended September 30, 2024, as compared to the three months ended September 30, 2023. The decrease was from lower administrative and research and development expenses. Operating expenses decreased \$650 in the nine months ended September 30, 2024, as compared to the same period of 2023. This decrease also resulted from lower research and development and administrative expenses.

Other income, net

Other income decreased a net \$801 in the three months ended September 30, 2024, as compared to the same period of 2023 from lower interest income of \$1,830 compared to \$2,527 in the prior period. Other income increased a net \$1,513 in the nine months ended September 30, 2024, from the receipt of a legal settlement of \$2,750. Partially offsetting this increase was lower interest income of \$6,151 compared to dividend and interest income of \$6,595 and a gain of \$575 on marketable securities in the same period of 2023.

Income tax (benefit) provision

The Company's income tax benefit was insignificant in the three months ended September 30, 2024. In the nine months ended September 30, 2024, the provision was comprised primarily of an increase in the valuation allowance against net deferred assets, plus immaterial state taxes and miscellaneous items. No deferred tax benefits on ongoing tax losses or other deferred tax assets have been recognized, reflecting management's determination that none of the net deferred tax assets are more likely than not to be realized. The three-month period in 2023 similarly reflected immaterial state taxes and miscellaneous items.

The Company evaluates its deferred tax assets quarterly and records a valuation allowance to reduce these assets to the amount that is more likely than not to be realized.

Chemical Segment

| | Three Months Ended September 30, | | | | Nine Months Ended September 30, | | | |
|---------------------------|----------------------------------|-----------|------------|---------|---------------------------------|-----------|------------|---------|
| | 2024 | 2023 | Change | | 2024 | 2023 | Change | |
| | | | Amount | % | | | Amount | % |
| Revenues | \$ 17,928 | \$ 17,847 | \$ 81 | 0.5% | \$ 55,223 | \$ 58,484 | \$ (3,261) | (5.6)% |
| Volume/product mix effect | | | 1,457 | 8.2% | | | \$ 2,121 | 3.6% |
| Price effect | | | (1,376) | (7.7)% | | | \$ (5,382) | (9.2)% |
| Gross profit | \$ 3,407 | \$ 6,878 | \$ (3,471) | (50.5)% | \$ 12,105 | \$ 21,917 | \$ (9,812) | (44.8)% |

Chemical revenue in the three months ended September 30, 2024, increased 0.5% or \$81 compared to the three months ended September 30, 2023. Revenue from custom chemicals for the three months ended September 30, 2024 totaled \$15,323, a net increase of \$869 from the same period in 2023, resulting from higher sales volumes of \$1,791 from products sold in the agricultural and energy markets, which were partially offset by lower prices of \$1,204. Performance chemicals revenue was \$2,605, a decrease of \$788 from the three months ended September 30, 2023. This decrease was mostly from lower sales volumes of glycerin due to reduced production resulting from the extended service utility downtime caused by equipment suppliers.

Chemical revenue in the nine months ended September 30, 2024, decreased 5.6% or \$3,261 compared to the nine months ended September 30, 2023. Revenue from custom chemicals for the nine months ended September 30, 2024, totaled \$46,333, a decrease of \$317 from the same period in 2023. The sales revenue decline was from reduced sales prices of chemicals sold in the agricultural and energy markets. Partially offsetting these reductions were sales from increased volumes of chemicals sold into the automotive coatings market as well as sales of one new product into the coatings market. Performance chemicals revenue was \$8,890, a decrease of \$2,944 from the nine months ended September 30, 2023. The decrease was mostly from lower sales volumes and price of glycerin from reduced production.

Gross profit for the chemical segment for the three and nine months ended September 30, 2024, decreased \$3,471 and \$9,812 when compared to the same periods of 2023. This decrease was primarily from: (i) reduced chemical sales prices in the agricultural and energy markets, (ii) reduced throughput as described above, and (iii) the change in the adjustment in the carrying value of our inventory as determined utilizing the LIFO method of inventory accounting. This adjustment decreased gross profit \$418 in the current three-month period as compared to an increase in gross profit of \$234 in the same period of the prior year. For the nine months, this adjustment increased gross profit \$623 in the current period as compared to \$1,105 in the same period of the prior year.

| | Three Months Ended September 30, | | | | Nine Months Ended September 30, | | | |
|---------------------------|----------------------------------|------------|-------------|---------|---------------------------------|------------|-------------|---------|
| | 2024 | 2023 | Change | | 2024 | 2023 | Change | |
| | | | Amount | % | | | Amount | % |
| Revenues | \$ 33,212 | \$ 98,905 | \$ (65,693) | (66.4)% | \$ 126,607 | \$ 217,757 | \$ (91,150) | (41.9)% |
| Volume/product mix effect | | | (41,015) | (41.5)% | | | \$ (48,590) | (22.3)% |
| Price effect | | | (24,678) | (25.0)% | | | \$ (42,560) | (19.5)% |
| Gross (loss) profit | \$ (3,024) | \$ (3,008) | \$ (16) | (0.5)% | \$ 1,942 | \$ (5,016) | \$ 6,958 | na |

Biofuels revenue in the three months ended September 30, 2024, decreased \$65,693 as compared to the same period of 2023. This decrease resulted from a 42% or \$41,015 reduction in sales volume and a 25% or \$24,678 reduction in the average price of fuel sold. The lower prices were driven in part by the reduction in D4 RIN prices as a result of the excess of D4 RINs of the EPA's mandated volumes. The volume reduction resulted from production issues, primarily stemming from delays by equipment suppliers that created an extended service utility downtime, which prevented us from building the biodiesel inventories we would typically have available to sell in the three months ended September 30, 2024.

Biofuels revenue in the nine months ended September 30, 2024, decreased \$91,150 as compared to the same period of 2023. The decrease was primarily from a 22% or \$48,590 reduction in sales volume and a 20% or \$42,560 reduction in the average price of fuel sold. Additionally, production and sales volumes for the nine months ended September 30, 2024, were impacted by the extreme winter weather experienced in the first quarter of 2024.

A significant portion of our biodiesel sold was to two and three major refiners/blenders in the three and nine months ended September 30, 2024, respectively, as compared to four and two in the three and nine months ended September 30, 2023, respectively. No assurances can be given that we will continue to sell to such major refiners, or, if we do sell, the volume we will sell or the profit margin we will realize. We do not believe that the loss of these customers would have a material adverse effect on our biofuels segment or on us as a whole because: (i) we believe that we could readily sell our biodiesel to other customers on equivalent terms as potential demand from other customers for biodiesel exceeds our production capacity; (ii) our sales to these customers are not under fixed terms and the customers have no fixed obligation to purchase any minimum quantities except as stipulated by short-term purchase orders; and (iii) the prices we receive from these customers are based upon then-market rates, as would be the case with sales of this commodity to other customers.

Biofuel gross loss was \$3,024 in the three months ended September 30, 2024, a decrease in gross profit of \$16 from the comparative period in 2023. This decrease primarily resulted from reduced sales volumes, primarily stemming from delays by equipment suppliers that created an extended service utility downtime, which prevented us from building the biodiesel inventories we would typically have available to sell in the three months ended September 30, 2024. Also reducing gross profit was the change in the adjustment in the carrying value of our inventory as determined utilizing the LIFO method of inventory accounting. This adjustment decreased gross profit \$1,038 in the current three-month period as compared to an increase in gross profit of \$2,294 in the same period of the prior year. Partially increasing gross profit was: (i) the change in the activity of derivative instruments with a realized gain of \$1,691 and an unrealized gain of \$256 in the current three-month period as compared to a realized loss of \$7,286 and an unrealized loss of \$6,782 in the same period of the prior year, and (ii) the change in the number of separated RINs held in inventory at September 30, 2024 with a fair market value of \$2,556 as compared to \$6,971 at September 30, 2023.

Biofuel gross profit was \$1,942 in the nine months ended September 30, 2024, an increase of \$6,958 from the comparative period of 2023. This increase resulted from the change in the number of separated RINs held in inventory at September 30, for each year as noted above and the change in the activity of derivative instruments with an unrealized loss of \$1,439 in the current nine-month period as compared to an unrealized loss of \$3,523 in the same period of the prior year. Partially reducing gross profit was the change in the adjustment in the carrying value of our inventory as determined utilizing the LIFO method of accounting. This adjustment increased gross profit \$2,262 in the current nine-month period as compared to an increase in gross profit of \$4,918 in the same period of the prior year, and the change in the activity of derivative instruments with a realized gain of \$1,337 in the current nine-month period as compared to a realized gain of \$2,150 in the same nine months of the prior year. In addition, gross profit was negatively impacted by lower RIN prices and in the nine-month period ended September 30, 2024, from higher costs resulting from extreme winter weather in the first quarter of 2024.

For our derivative activity, we recognize all derivative instruments as either assets or liabilities at fair value in our consolidated balance sheets. The realized and unrealized derivative gains and losses are recorded as cost of goods sold. Our derivative instruments do not qualify for hedge accounting under the specific guidelines of ASC Topic 815, Derivatives and Hedging. None of the derivative instruments are designated and accounted for as hedges.

The volumes and carrying values of our derivative instruments included in other current assets were as follows:

| | Asset (Liability) | | | |
|--|--------------------|------------|-------------------|------------|
| | September 30, 2024 | | December 31, 2023 | |
| | Contract Quantity | Fair Value | Contract Quantity | Fair Value |
| Regulated fixed price future commitments (in thousand barrels) | 105 | \$ 297 | 354 | \$ 1,736 |

*All derivative instruments are entered into with the standard contract terms and conditions in accordance with major trading authorities of the New York Mercantile Exchange.

Critical Accounting Estimates

Revenue Recognition

The Company recognizes revenue under ASC Topic 606, Revenue from Contracts with Customers. Certain long-term contracts had upfront non-cancellable payments considered material rights. The Company applied the renewal option approach in allocating the transaction price to the material rights. For each of these contracts, the Company estimated the expected contractual volumes to be sold at the most likely expected sales price as a basis for allocating the transaction price to the material right. Estimated amortization is updated quarterly on a prospective basis. These custom chemical contracts have payment terms of 30 days. See Note 3 to our consolidated financial statements for additional information.

For most product sales, revenue is recognized when product is shipped from our facilities and risk of loss and title have passed to the customer, which is in accordance with our customer contracts and the stated shipping terms. Nearly all custom manufactured products are manufactured under written master service agreements. Performance chemicals and biodiesel are generally sold pursuant to the terms of written purchase orders. In general, customers do not have any rights of return, except for quality disputes. All of our products are tested for quality before shipment, and historically returns have been inconsequential and we typically do not offer rebates.

Biodiesel selling prices can at times fluctuate based on the timing of unsold, internally generated RINs. From time to time, sales of biodiesel are on a "RINs-free" basis. Such method of selling results in applicable RINs being held. The value of the RINs is not reflected in revenue until such time as the RIN sale has been completed.

Revenue from bill-and-hold transactions in which a performance obligation exists is recognized when the total performance obligation has been met and control of the product has transferred. Bill-and-hold transactions for the three and nine months ended September 30, 2024 and 2023 were related to custom chemicals customers whereby revenue was recognized in accordance with contractual agreements based upon product being produced and ready for use by the customer. These sales were subject to written monthly purchase orders. The product was custom manufactured and stored at the customer's request and could not be sold to another buyer. Credit and payment terms for bill-and-hold customers are similar to other custom chemicals customers. Revenues under bill-and-hold arrangements were \$10,211 and \$32,875 for the three and nine months ended September 30, 2024, respectively. As of September 30, 2024 and December 31, 2023, \$4,482 and \$4,317 of bill-and-hold revenue had not shipped, respectively.

Liquidity and Capital Resources

Our net cash from operating activities, investing activities, and financing activities for the nine months ended September 30, 2024 and 2023 is set forth in the following table.

| | Nine Months Ended September 30, | | | |
|---|---------------------------------|-----------|------|---------|
| | 2024 | | 2023 | |
| Net cash provided by operating activities | \$ | 41,415 | \$ | 8,458 |
| Net cash (used in) provided by investing activities | | (10,176) | | 29,716 |
| Net cash used in financing activities | | (117,285) | | (7,891) |

We believe that existing cash balances and cash flow to be generated from operating activities and borrowing capacity under the amended and restated credit agreement will be sufficient to fund operations, product development, cash dividends, and capital requirements for the foreseeable future.

Operating Activities

Cash provided by operating activities was \$41,415 in the nine months ended September 30, 2024, as compared to \$8,458 in the same period of 2023. This increase in cash was primarily attributable to the change in accounts receivable, including accounts receivable - related parties, demonstrating a cash inflow of \$15,729. Also contributing to the current period increase in cash was the change in inventory of \$8,249, the change in accrued expenses and other current liabilities of \$6,466, and the change in accounts payable, including accounts payable - related parties, of \$4,749. Partially offsetting these cash inflows was the change in the fair value of derivative instruments of \$2,084, and the change in net income of \$1,292.

Investing Activities

Cash used in investing activities was \$10,176 in the nine months ended September 30, 2024, as compared to cash provided by investing activities of \$29,716 in the nine months ended September 30, 2023. This \$39,892 decrease in cash was primarily due to the change in proceeds from the sale of marketable securities of \$37,701 and included an increase in capital expenditure of \$5,611. Partially offsetting these reductions in cash was the change in the collateralization of derivative instruments of \$3,414.

Financing Activities

Cash used in financing activities was \$117,285 and \$7,891 in the nine months ended September 30, 2024 and 2023, respectively, primarily for payments of dividends on our common stock inclusive of a special dividend of \$109,408 paid in the current nine-month period.

Credit Facility

We have a credit agreement, as amended on March 30, 2020, with a syndicated group of commercial banks for \$100,000. The loan is a revolving facility, the proceeds of which may be used for our working capital, capital expenditures, and general corporate purposes. The facility terminates on March 30, 2025. See Note 8 to our consolidated financial statements for additional information regarding our credit agreement.

We intend to fund future capital requirements for our businesses from cash flow as well as from existing cash, cash investments, and, if the need should arise, borrowings under our credit facility. We do not believe there will be a need to issue any securities to fund such capital requirements.

Dividends

On April 9, 2024, we paid a special dividend of \$2.50 per share on our common stock which amounted to \$109,408. The declaration of this special dividend was made in the first quarter of 2024. Regular cash dividends of \$0.06 per share were paid on our common stock in each quarter of 2024 and 2023. The regular cash dividend amounted to \$2,626 in each of the quarters of 2024 and 2023. The declaration of these regular quarterly cash dividends was made in the three months ended December 31, 2023, and December 31, 2022, respectively.

Capital Management

As a result of our initial equity offering, our subsequent positive operating results, the exercise of warrants, and the issuance of shares in our at-the-market offering, we accumulated excess working capital. Some of this excess working capital has been paid out as special and regular cash dividends. Third parties have not placed significant restrictions on our working capital management decisions.

A significant portion of these funds were held in cash or cash equivalents at multiple financial institutions such as depository accounts, money market accounts, and other similar accounts at selected financial institutions.

Off-Balance Sheet Arrangements

We engage in two types of transactions to mitigate the impacts of changes in prices for both commodity sales and purchases. First, for our biofuel sales, we enter into the purchase and sale of futures contracts and options on futures contracts of energy commodities. This activity was captured in our consolidated balance sheets at September 30, 2024, and December 31, 2023 as derivative instruments recorded in accordance with ASC Topic 815, Derivatives and Hedging ("ASC 815"). Second, for our biofuel feedstocks, we execute purchase contracts and supply agreements with certain vendors that may meet the normal purchase and normal sales exception of ASC 815. These transactions are recognized in earnings and were not recorded in our consolidated balance sheets at September 30, 2024, or December 31, 2023 to the extent that we are able to apply the normal purchase and normal sales exception of ASC 815. The purchase of biofuels feedstock generally involves two risk components: basis and price. Basis covers any refining or processing required as well as transportation. Price covers the purchases of the actual agricultural commodity. Both basis and price fluctuate over time. A supply agreement with a vendor constitutes a hedge when we have committed to a certain volume of feedstock in a future period and have fixed the basis for that volume.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

All dollar amounts expressed as numbers in these Market Risk Disclosures are in thousands (except per share amounts).

In recent years, general economic inflation has not had a material adverse impact on our profit, as we have passed some price increases along to our customers. However, we are subject to certain market risks as described below.

Market risk represents the potential loss arising from adverse changes in market rates and prices. Commodity price risk is inherent in the chemicals and biofuels business both with respect to inputs (electricity, coal, raw materials, biofuel feedstock, etc.) and outputs (manufactured chemicals and biofuels).

We seek to mitigate our market risks associated with the manufacturing and sale of chemicals by entering into long-term sales contracts that include contractual market price adjustment protections to allow changes in market prices of key raw materials to be passed on to the customer. Such price protections are not always obtained, however, and some raw material price risk remains significant.

In order to manage price risk caused by market fluctuations in biofuel prices, we may enter into exchange-traded commodity futures and options contracts. We account for these derivative instruments in accordance with ASC 815. Under this standard, the accounting for changes in the fair value of a derivative instrument depends upon whether it has been designated as an accounting hedging relationship and, further, on the type of hedging relationship. To qualify for designation as an accounting hedging relationship, specific criteria must be met and appropriate documentation maintained. We had no derivative instruments that qualified under these rules as designated accounting hedges in the first nine months of 2024 or 2023. Changes in the fair value of our derivative instruments are recognized at the end of each accounting period and recorded in the consolidated statement of operations as a component of the cost of goods sold within the biodiesel segment.

Our immediate recognition of derivative instrument gains and losses can cause net income to be volatile from period to period due to the timing of the change in value of the derivative instruments relative to the volume of biofuel being sold. At September 30, 2024 and December 31, 2023, the fair value of our derivative instruments was a net asset of \$297 and \$1,736, respectively.

Our gross profit will be impacted by the prices we pay for raw materials and conversion costs (costs incurred in the production of chemicals and biofuels) for which we do not possess contractual market price adjustment protection. These items are principally composed of yellow grease, used cooking oil, and cottonseed oil. The availability and price of these items are subject to fluctuations due to unpredictable factors such as weather conditions, overall economic conditions, governmental policies, commodity markets, and global supply and demand.

We prepared a sensitivity analysis of our exposure to market risk with respect to key raw materials and conversion costs for which we do not possess contractual market price adjustment protections, based on average prices for the first nine months of 2024. We included only those raw materials and conversion costs for which a hypothetical adverse change in price would result in a 1% or greater decrease in gross profit. Assuming that the prices of the associated finished goods could not be increased and assuming no change in quantities sold, a hypothetical 10% change in the average price of the commodity listed below would result in the following change in gross profit.

(Volume and dollars in thousands)

| Item | Volume Requirements (a) | Units | Hypothetical Adverse Change in Price | Decrease in Gross Profit | Percentage Decrease in Gross Profit |
|----------------------|------------------------------------|--------------|---|-------------------------------------|--|
| Biodiesel feedstocks | 226,617 | LB | 10% | \$ 9,664 | 68.8% |
| Methanol | 38,379 | LB | 10% | 603 | 4.3% |
| Electricity | 79 | MWH | 10% | 432 | 3.1% |
| Sodium Methylate | 7,842 | LB | 10% | 375 | 2.7% |
| Coal | 24 | TON | 10% | 259 | 1.8% |
| Natural Gas | 827 | MCF | 10% | 211 | 1.5% |

(a) Volume requirements and average price information are based upon volumes used and prices obtained for the nine months ended September 30, 2024. Volume requirements may differ materially from these quantities in future years as our business evolves.

We had no borrowings at September 30, 2024, or December 31, 2023, and as such, we were not exposed to interest rate risk for those periods. Due to the relative insignificance of transactions denominated in foreign currency, we consider our foreign currency risk to be immaterial.

Item 4. Controls and Procedures.

Management's Evaluation of our Disclosure Controls and Procedures

Under the supervision and with the participation of our chief executive officer and our principal financial officer and other senior management personnel, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15(d)-15(e)) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of the end of the period covered by this report. Based on that evaluation, our chief executive officer and our principal financial officer have concluded that these disclosure controls and procedures, at September 30, 2024, were effective to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act are recorded, processed, summarized, and reported accurately and within the time periods specified in the SEC's rules and forms.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the quarter ended September 30, 2024, 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 not a party to, nor is any of our property subject to, any material pending legal proceedings, other than ordinary routine litigation incidental to our business. However, from time to time, we may be a party to, or a target of, lawsuits, claims, investigations, and proceedings, including product liability, personal injury, asbestos, patent and intellectual property, commercial, contract, environmental, antitrust, health and safety, and employment matters, which we expect to be handled and defended in the ordinary course of business. While we are unable to predict the outcome of any matters currently pending, we do not believe that the ultimate resolution of any such pending matters will have a material adverse effect on our overall financial condition, results of operations, or cash flows. However, adverse developments could negatively impact earnings or cash flows in future periods.

Item 1A. Risk Factors.

There have been no material changes to the risk factors we previously disclosed in Item 1A of our Annual Report on Form 10-K, as amended, for the year ended December 31, 2023.

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

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

Insider Trading Arrangements

There have been no adoptions or terminations of Rule 10b5-1 plan or non-Rule 10b5-1 trading arrangements by any Section 16 officer or director of the Company during the quarter ended September 30, 2024.

Item 6. Exhibits.

| Exhibit | Description |
|----------------|---|
| 3.1 | Fourth Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit No. 3.3.f to Amendment No. 2 to Form 10 filed February 29, 2008) |
| 3.2 | FutureFuel Corp.'s Bylaws (incorporated by reference to Exhibit No. 3.2.a to Form 10 filed April 24, 2007) |
| 4.1 | Registrations Rights Agreement dated July 12, 2006 among FutureFuel Corp., St. Albans Global Management, Limited Partnership, LLLP, Lee E. Mikles as Trustee of the Lee E. Mikles Gift Trust dated October 6, 1999, Lee E. Mikles as Trustee of the Lee E. Mikles Revocable Trust dated March 26, 1996 Douglas D. Hommert as Trustee of the Douglas D. Hommert Revocable Trust, Edwin A. Levy, Joe C. Leach, Mark R. Miller, RAS LLC, Edwin L. Wahl, Jeffery H. Call and Ken Fenton (incorporated by reference to Exhibit No. 4.5 to Form 10 filed April, 24, 2007) |
| 4.2 | Description of common stock (incorporated by reference to Exhibit No. 4.2 to Form 10-K filed March 16, 2021). |
| 10.1 | Employment Agreement, dated August 16, 2024, by and between Roeland Polet and FutureFuel Corp. (incorporated by reference to Exhibit 10.1 to Form 8-K filed August 20, 2024). |
| 31.1 | Certification by the Chief Executive Officer of FutureFuel Corp. as required by Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification by the Chief Financial Officer of FutureFuel Corp. as required by Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | Certification by the Chief Executive Officer and Chief Financial Officer of FutureFuel Corp. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 101 | Interactive Data Files** |
| 101.INS | Inline XBRL Instance |
| 101.SCH | Inline XBRL Taxonomy Extension Schema |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation |
| 101.DEF | Inline XBRL Taxonomy Extension Definition |
| 101.LAB | Inline XBRL Taxonomy Extension Labels |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101) |
| ** | Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files in Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Section 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections. |

Special Note Regarding Forward-Looking Information

This report, and the documents incorporated by reference into this report contain forward-looking statements. Forward-looking statements deal with our current plans, intentions, beliefs, and expectations, and statements of future economic performance. Statements containing such terms as "believe," "do not believe," "plan," "expect," "intend," "estimate," "anticipate," and other phrases of similar meaning are considered to contain uncertainty and are forward-looking statements. In addition, from time to time we or our representatives have made or will make forward-looking statements orally or in writing. Furthermore, such forward-looking statements may be included in various filings that we make with the SEC, or in press releases, or in oral statements made by or with the approval of one of our authorized executive officers.

These forward-looking statements are subject to certain known and unknown risks and uncertainties, as well as assumptions that could cause actual results to differ materially from those reflected in these forward-looking statements. Factors that might cause actual results to differ include, but are not limited to, those set forth under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in FutureFuel's Annual Report on Form 10-K, as amended, for the year ended December 31, 2023 and in our future filings made with the SEC. You should not place undue reliance on any forward-looking statements contained in this report which reflect our management's opinions only as of their respective dates. Except as required by law, we undertake no obligation to revise or publicly release the results of any revisions to forward-looking statements. The risks and uncertainties described in this report and in subsequent filings with the SEC are not the only ones we face. New factors emerge from time to time, and it is not possible for us to predict which will arise. There may be additional risks not presently known to us or that we currently believe are immaterial to our business. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. If any such risks occur, our business, operating results, liquidity, and financial condition could be materially affected in an adverse manner. You should consult any additional disclosures we have made or will make in our reports to the SEC on Forms 10-K, 10-Q, and 8-K, and any amendments thereto. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained in this report.

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.

FUTUREFUEL CORP.

By: /s/ Roeland Polet

Roeland Polet, Chief Executive Officer

Date: November 8, 2024

By: /s/ Rose M. Sparks

Rose M. Sparks, Chief Financial Officer
and Principal Financial Officer

Date: November 8, 2024

Exhibit 31.1

Certification

I, Roeland Polet, certify that:

1. I have reviewed this report on Form 10-Q of FutureFuel Corp. (the "registrant").
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 the 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 officers 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 Rules 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 my 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 that has materially affected, or is reasonably likely to materially effect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officers 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:
 - (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: November 8, 2024

/s/ Roeland Polet
Roeland Polet, Chief Executive Officer

Exhibit 31.2

Certification

I, Rose M. Sparks, certify that:

1. I have reviewed this report on Form 10-Q of FutureFuel Corp. (the "registrant").
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 the 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 officers 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 Rules 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 my 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 that has materially affected, or is reasonably likely to materially effect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officers 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:
 - (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: November 8, 2024

/s/ Rose M. Sparks
Rose M. Sparks, Chief Financial Officer
and Principal Financial Officer

Exhibit 32.1
Certification Pursuant to 18
U.S.C. §1350, As Adopted
Pursuant to
§906 of the Sarbanes -Oxley Act of 2002

In connection with the Quarterly Report of FutureFuel Corp. (the "**Company**") on Form 10-Q for the period ended September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "**Report**"), the undersigned hereby certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of §13(a) of the Securities Exchange Act of 1934, as amended.
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Roeland Polet
Roeland Polet,
Chief Executive Officer

/s/ Rose M. Sparks
Rose M. Sparks, Chief Financial Officer
and Principal Financial Officer

November 8, 2024