



LSB Industries
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VP of Clean Energy

April 3, 2024

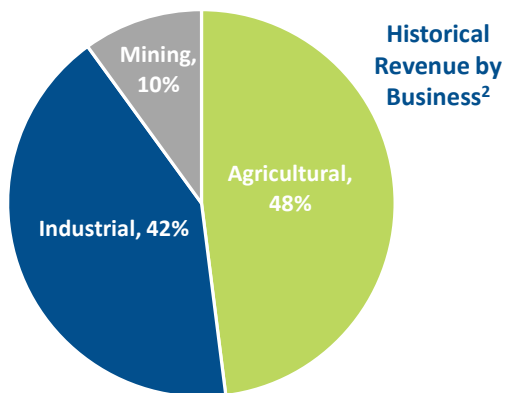
Forward-looking statements

- Statements in this presentation that are not historical are forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements, which are subject to known and unknown risks, uncertainties and assumptions about us, may include projections of our future financial performance including the effects of the COVID-19 pandemic and anticipated performance based on our growth and other strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or actual achievements to differ materially from the results, level of activity, performance or anticipated achievements expressed or implied by the forward-looking statements. Significant risks and uncertainties may relate to, but are not limited to, business and market disruptions related to the COVID-19 pandemic, market conditions and price volatility for our products and feedstocks, as well as global and regional economic downturns, including as a result of the COVID-19 pandemic, that adversely affect the demand for our end-use products; disruptions in production at our manufacturing facilities; and other financial, economic, competitive, environmental, political, legal and regulatory factors. These and other risk factors are discussed in the Company's filings with the Securities and Exchange Commission (SEC).
- Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for our management to predict all risks and uncertainties, nor can management assess the impact of all factors 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. Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Neither we nor any other person assumes responsibility for the accuracy or completeness of any of these forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. Unless otherwise required by applicable laws, we undertake no obligation to update or revise any forward-looking statements, whether because of new information or future developments.

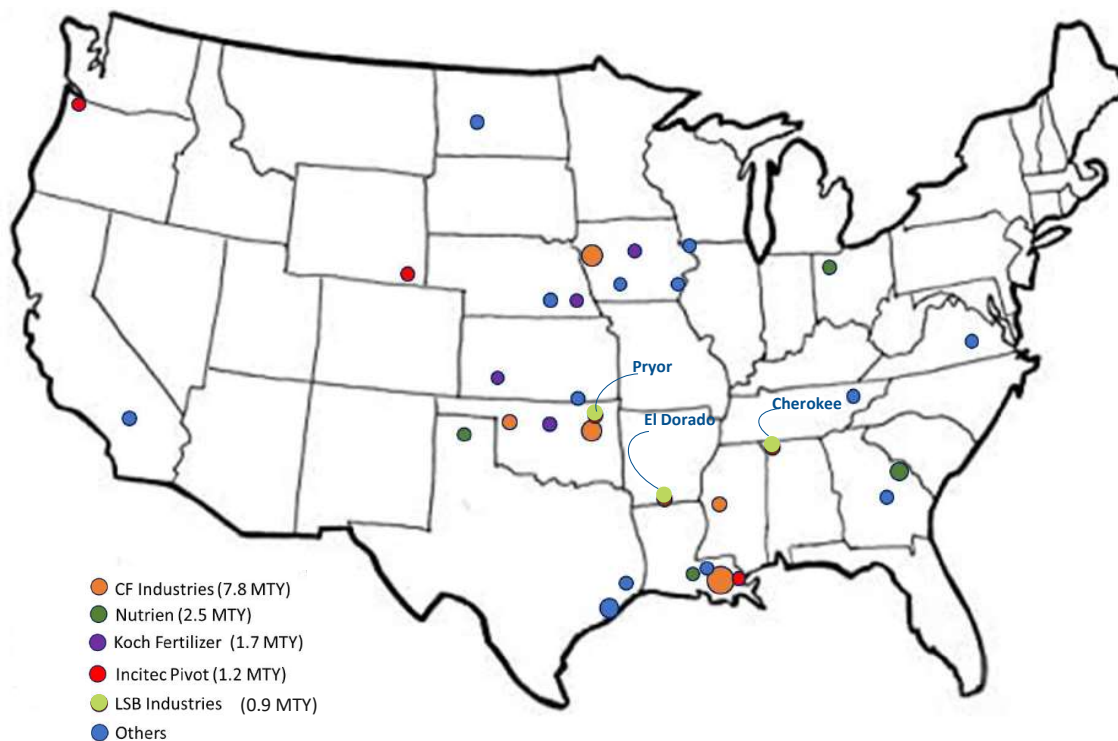
LSB Industries at a glance

Business Overview

- LSB Industries, founded in 1968 and headquartered in Oklahoma City, OK, is a publicly traded company that manufactures and sells chemical products for the agricultural, mining and industrial markets
- Three production facilities strategically located near customer demand areas
 - El Dorado, AR: Manufactures ammonia, ammonium nitrate, nitric acid, sulfuric acid, CO₂ and AN solution
 - Cherokee, AL: Manufactures UAN, ammonia, AN solution, nitric acid, CO₂ and diesel exhaust fluid
 - Pryor, OK: Manufactures UAN, ammonia and CO₂

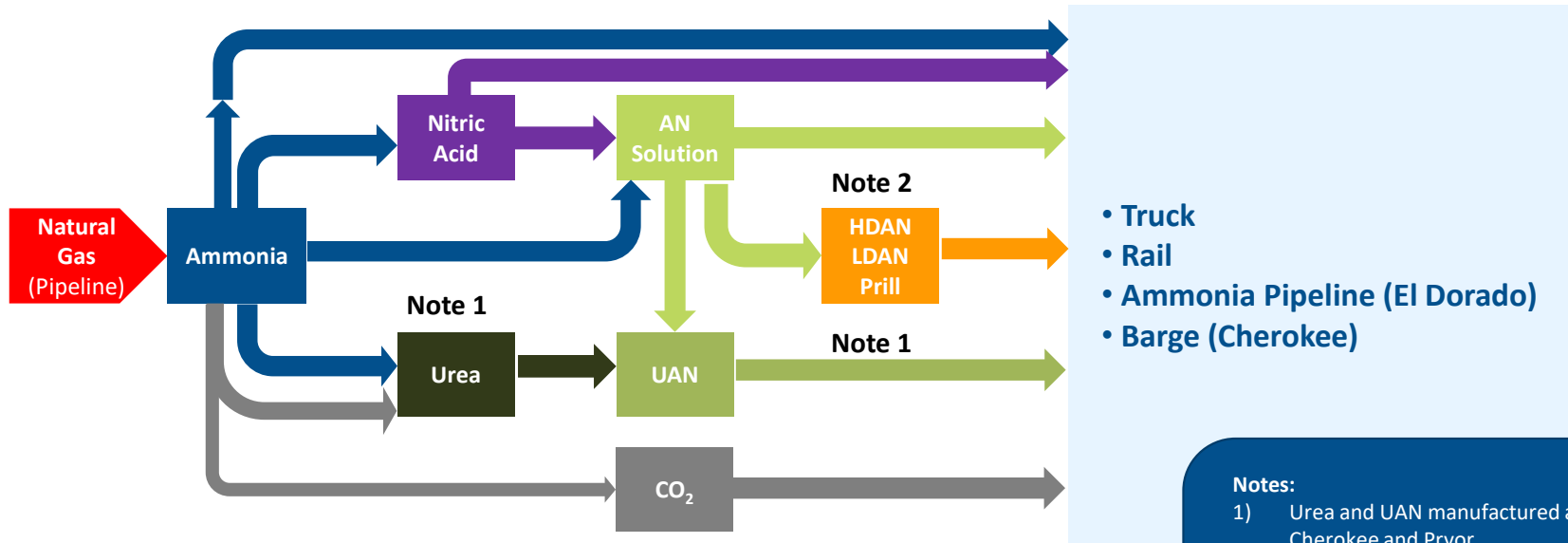


LSB is the fifth largest ammonia producer in the U.S.¹



Notes: 1. Companies 10K financial reports
2. Based on the past 5 years data

The core manufacturing process



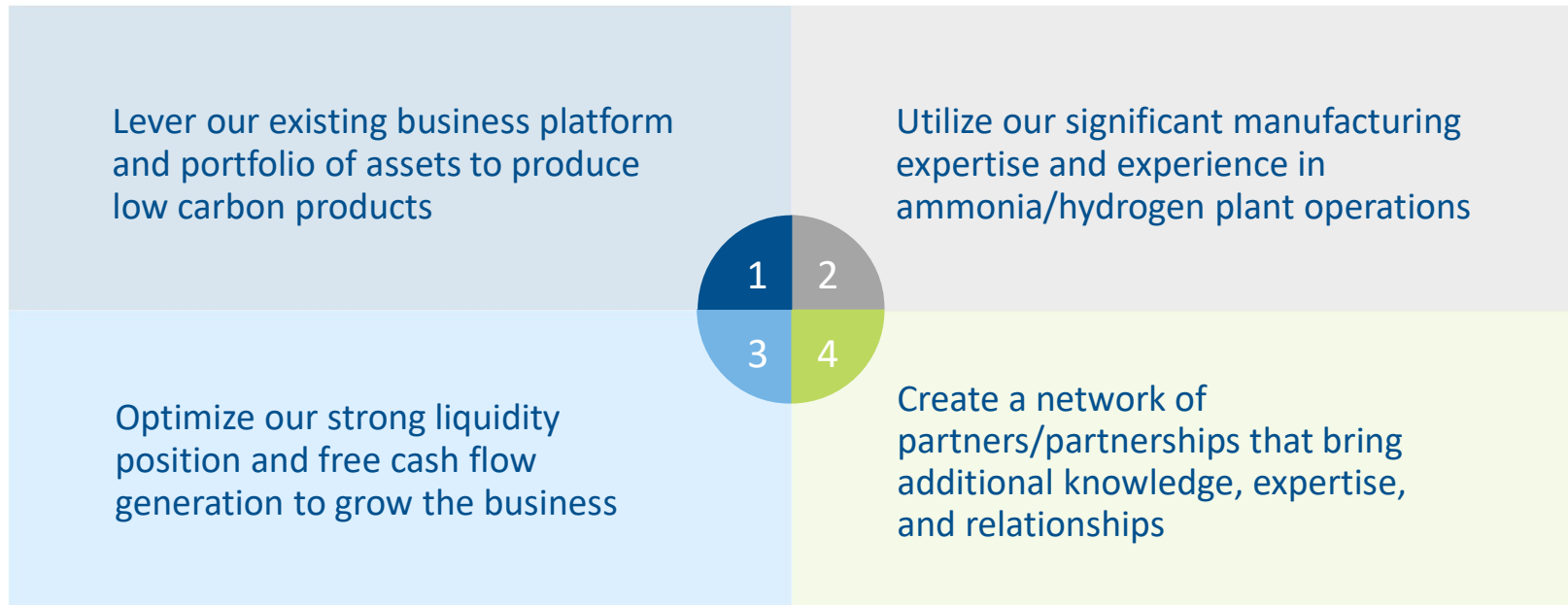
Notes:

- 1) Urea and UAN manufactured at Cherokee and Pryor
- 2) HDAN and LDAN prill products manufactured at El Dorado

Other product streams are manufactured at the 3 sites that are not depicted in this diagram

Company Vision

To be a leader in the energy transition in the chemical industry through the production of low and no carbon products that build, feed and power the world

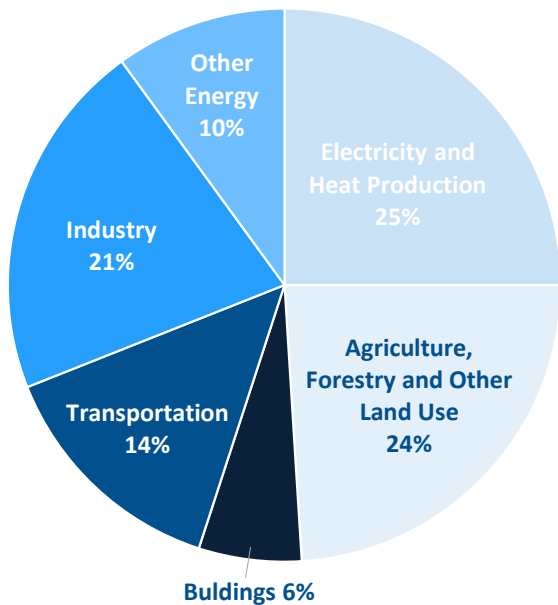




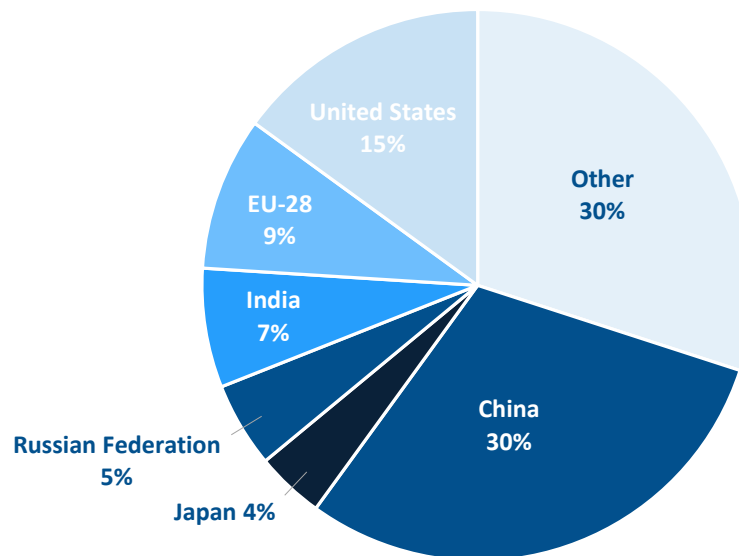
Clean Energy

Globally a net of 40 Gt of CO₂e greenhouse gas emissions are released into the atmosphere annually

Global greenhouse gas emissions by sector



Global greenhouse gas emissions by country



Source: IPCC (Intergovernmental Panel on climate Change), EPA (Environmental Protection Agency)
 Buildings - include onsite energy generation and burning fuels for heat in buildings or cooking in homes
 Other Energy - include indirect emissions from the energy sector, such as fuel extraction, refining, processing, and transportation

The main future carbon-free energy sources are expected to be hydrogen and ammonia

TRANSITION TO CLEAN ENERGY

ENERGY	TODAY	TOMORROW
Heating	<ul style="list-style-type: none"> • NG • Electricity • Heating oil • Propane 	<ul style="list-style-type: none"> • Renewable Electricity • RNG
Power & Light	<ul style="list-style-type: none"> • NG • Coal • Nuclear 	<ul style="list-style-type: none"> • Renewable Electricity • Biomass • RNG
Mobility	<ul style="list-style-type: none"> • Gasoline • Diesel • Bunker • Jet Fuel • Electricity 	<ul style="list-style-type: none"> • Biofuels • Renewable Electricity

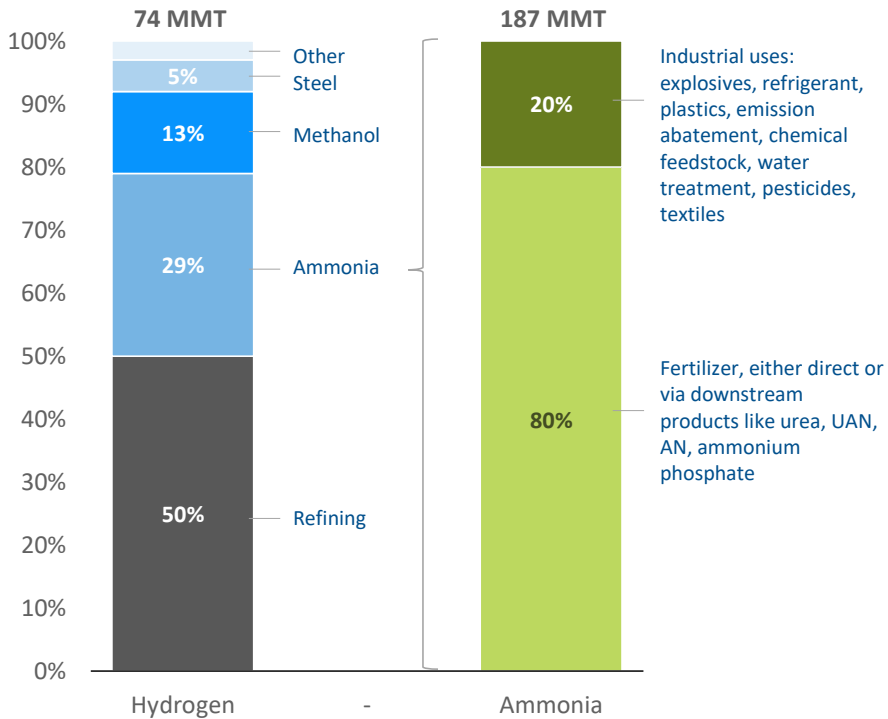
- Renewable Electricity
- RNG
- Hydrogen
- Ammonia

- Renewable Electricity
- Biomass & RNG
- Nuclear
- Hydrogen
- Ammonia

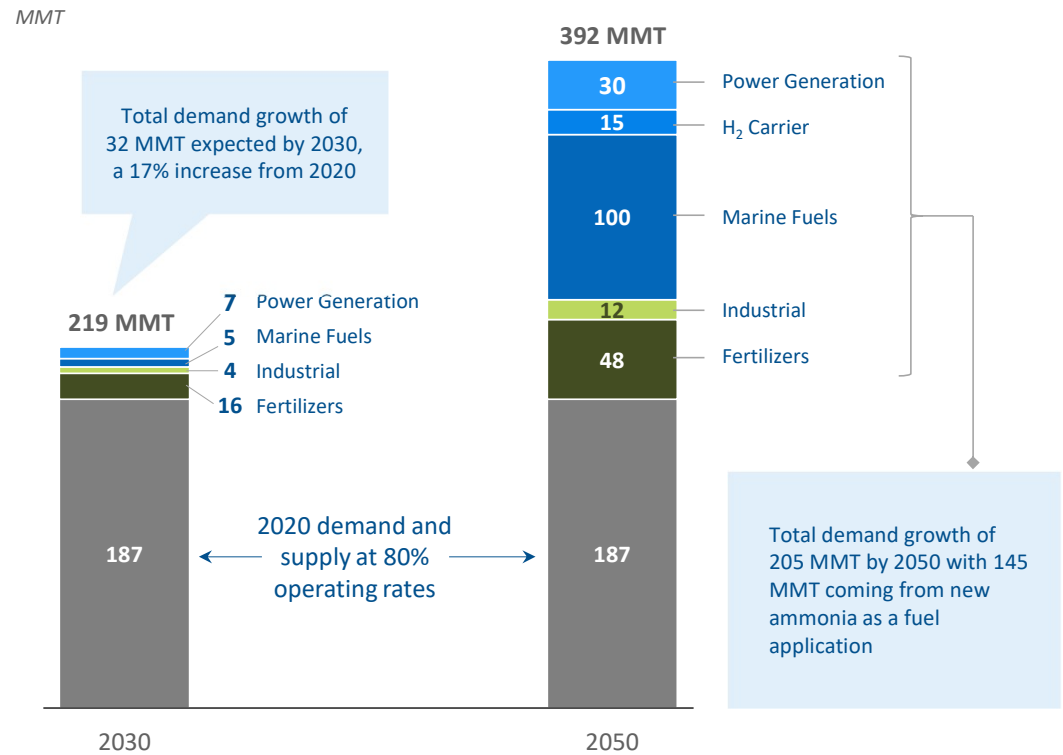
- Renewable Electricity
- Biofuels
- Hydrogen
- Ammonia

New ammonia demand expected to add 12 MMT by 2030, driven by new uses like power generation and marine fuels

2020 annual consumption of hydrogen and ammonia



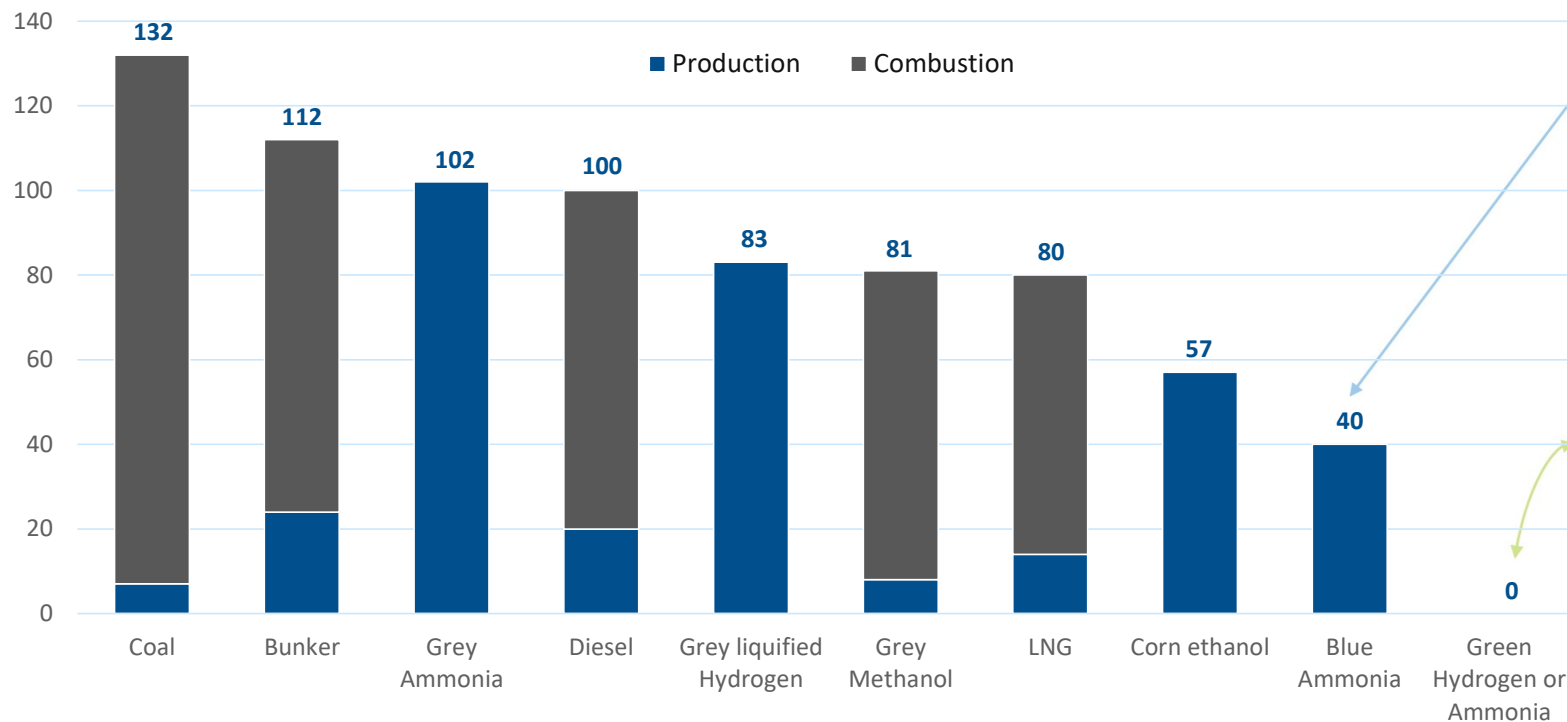
Global ammonia demand forecast



Why is low carbon ammonia an essential fuel to decarbonize societies in the future?

Levelized CO₂e emissions from the life cycle of various fuels

Grams of CO₂e per MJ of fuel



With all process CO₂ captured (~60% of total)

H ₂	NH ₃	
Energy Density (MJ/Gal)	11.0	26.9
Boiling point (F)	-423	-27
Non-Toxic	Highly flammable	Toxic
Highly flammable	Not highly flammable	

The clean energy transition has begun

First Bunkering and Tests of Ammonia as Marine Fuel Completed in Singapore



Fortescue Green Pioneer successfully bunkered with ammonia and began engine tests (MPA)

PUBLISHED MAR 15, 2024 6:24 PM BY THE MARITIME EXECUTIVE

JERA to conduct trial of co-firing ammonia at coal power plant from March to June

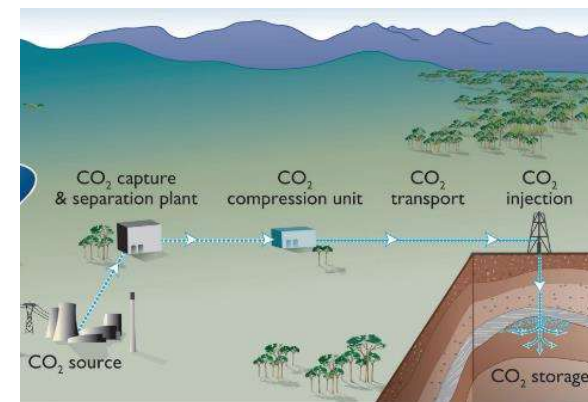
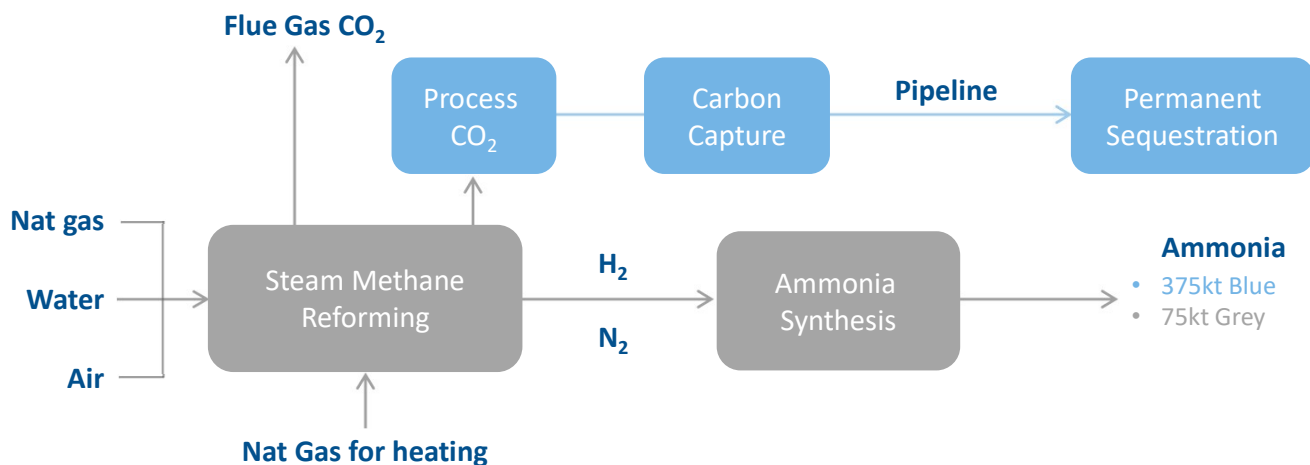
By Yuka Obayashi

March 13, 2024 7:25 AM CDT · Updated 5 days ago



A general view of Japan's biggest power generator JERA's thermal power station, as it prepares to start operation of a new 1.07 gigawatts (GW) coal-fired power plant to help alleviate the electricity crunch in the summer, in Taketoyo, Aichi Prefecture, July 14, 2022. Picture taken July 14, 2022. REUTERS/Yuka Obayashi/File Photo [Purchase Licensing Rights](#) ↗

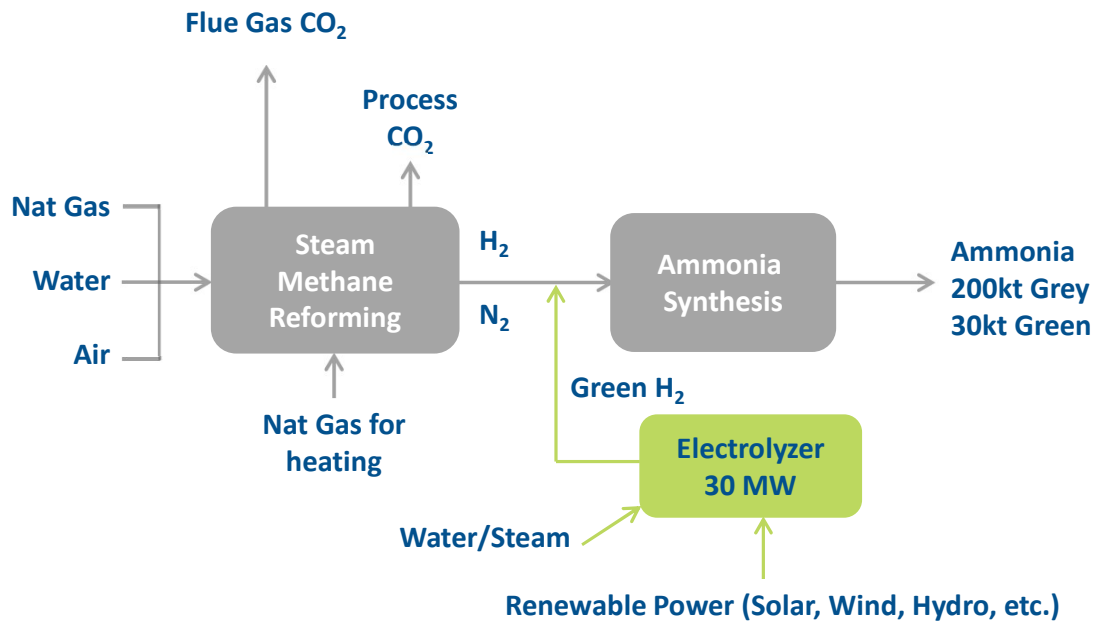
Producing low carbon ammonia at El Dorado, AR



- Lapis Energy to develop and construct CO₂ capture and sequestration project at LSB's El Dorado facility
- Capital investment for LSB is minimal
- Lapis will capture and sequester >450,000 metric tons of CO₂ produced annually in the course of El Dorado's ammonia production
- Lapis to receive 45Q federal tax credit of \$85 per metric ton of CO₂ sequestered and pay a fee to LSB for each ton
- The carbon sequestration will result in >375,000 tons of low-carbon ammonia that LSB can potentially sell at a premium
- Once in operation, the project is expected to reduce LSB's Scope 1 CO₂ emissions by ~25% and result in an estimated \$15 - \$20 million of incremental EBITDA for the company.



Zero carbon ammonia project at Pryor, OK



- May 2022 agreements with Bloom Energy and thyssenkrupp Uhde to develop a project to produce zero-carbon ammonia from green hydrogen produced using electrolyzers operating on renewable power at Pryor facility
- Given the 45V tax credit guidance from IRS around hourly renewable power matching, the project is currently on hold as we are back to the drawing board on how to move forward
- Should we move forward with this project, expect production of ~30,000 MT of green ammonia per year while reducing Pryor's CO₂ emissions by ~36,000 MT per year
- We continue to work on developing customer demand/offtake

Houston Ship Channel Ammonia Project

Project Highlights

- New 1.1 million TPA ammonia plant at an attractive site in Deer Park, on the Houston Ship Channel – access to low-cost natural gas, key pipelines, and deepwater logistics
- Focused on the export market, particularly power generation demand from Japan and Korea – seizing government incentives at both production and consumption
- INPEX relationship with Japanese utilities provides strong potential to be highly-contracted with creditworthy counterparties, enabling predictable cash flows and non-recourse project financing

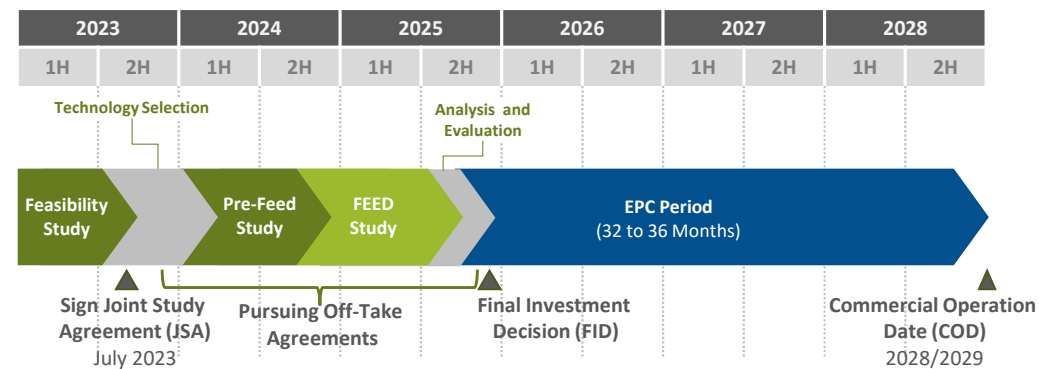
Location



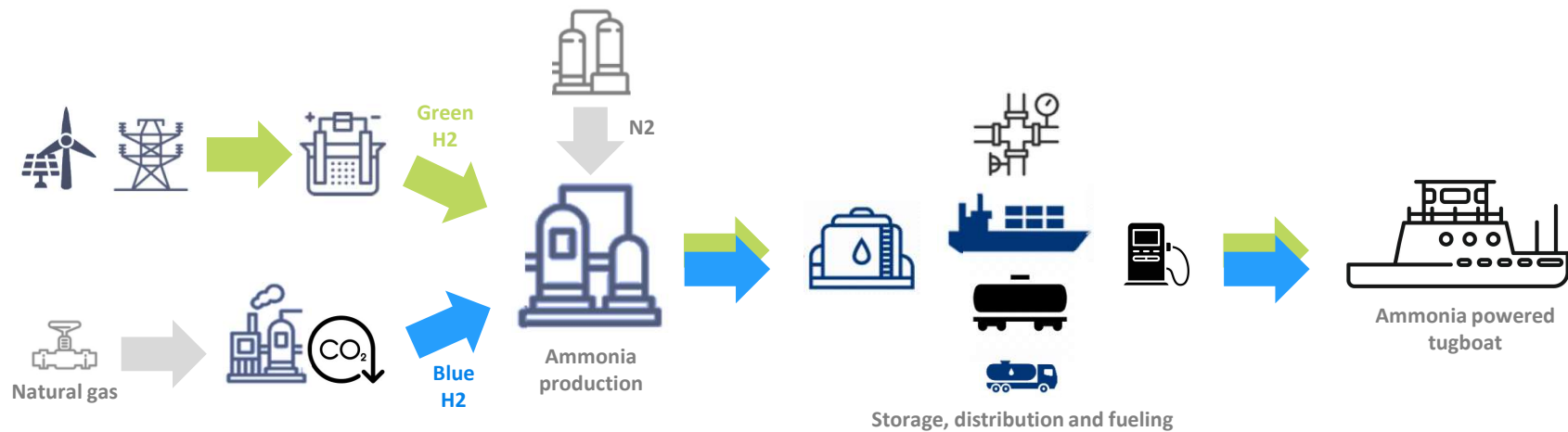
Roles

Air Liquide	Hydrogen and nitrogen feedstock supplier	<ul style="list-style-type: none"> ▪ #2 supplier of industrial gases with \$100 billion of EV ▪ To build and operate ASU and ATR for project
INPEX	Equity partner and developer delivering Asian offtakers	<ul style="list-style-type: none"> ▪ #1 E&P company in Japan with \$25 billion of EV ▪ Equity partner to Air Liquide for ASU and ATR; equity partner to LSB for the ammonia loop
Vopak exolum	Terminaling and logistics services	<ul style="list-style-type: none"> ▪ JV between major terminaling and storage firms ▪ To provide site and services to the project
LSB INDUSTRIES	Ammonia loop equity partner and operator	<ul style="list-style-type: none"> ▪ #5 ammonia producer in North America ▪ To own (> 51%) and operate the ammonia loop

Illustrative Timeline



End-to-end supply chain of low-carbon ammonia as marine fuel



Amogy and LSB are starting a consortium of industry participants to advocate for low-carbon ammonia as marine fuel and educate policy makers on the safe use of ammonia to power tugboats. This will help with the creation of safe and sound policy to decarbonize the marine transportation sector

The Ag Sector will need to decarbonize by 2050



ANNOUNCED

In 2021, our ambition to achieve **net-zero GHG emissions**, including Scopes 1, 2 and 3 emissions, by 2050



Pledge to Achieve Net Zero Emissions by 2050

Climate science has progressed since we first set our targets in 2018, and we are raising our ambition to meet current recommendations and guidance from the SBTi. In 2021, we joined the United Nations Race to Zero campaign, pledging to put McDonald's on the path to net zero emissions by 2050.



Reduce absolute emissions by **25% by 2030** against a 2015 baseline

Ambition to achieve **net zero emissions by 2050**



- 1 Reduce the carbon intensity of bioethanol by 70% compared to traditional gasoline by 2030.
- 2 Continue to invest in technology to advance the development of low-carbon bioproducts that can displace more fossil-based fuel products.
- 3 Transition POET's bioprocessing facilities to carbon neutrality by 2050.



Working Toward Net Zero

For the past few years we have been on a path to reduce our carbon emissions and in 2021 we took an important step forward – aiming toward a long-term goal of net zero GHG emissions across our full value chain by 2050.



Our climate commitment

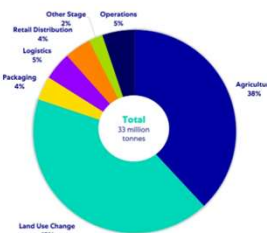
- 30%** reduction in GHG emissions across the value chain by 2030
- NET ZERO** greenhouse gas emissions by 2050



Reach net zero carbon

- Reach net zero in scope 1 and 2 by 2030
- Reduce scope 3 emissions by 21% by 2030
- Reduce emissions across our value chain (scope 1, 2 and 3) by 30% by 2030
- Reach net zero across our value chain by 2040
- 100% sustainably sourced ingredients (hops, barley) by 2030

MARS 2015 VALUE CHAIN GREENHOUSE GAS EMISSIONS
Measured in million tonnes carbon dioxide equivalent (MtCO₂e)



100%
New Goal: net zero GHG emissions by 2050 and 50% reduction by 2030 across all three scopes with a 2021 base year



SDG 13 CLIMATE ACTION

by contributing to the fight against climate change notably by committing to achieve net zero emissions along our entire value chain by 2050



Our Net Zero Roadmap to reduce Nestlé's in scope emissions:

- by 20% by 2025 compared to 2018 baseline
- by 50% by 2030 compared to 2018 baseline
- to be net zero by 2050



Appendix

GHG Protocol across the value chain

