



Q4'24 Earnings Presentation

February 27, 2025

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, but are not limited to, statements regarding: our business strategy; anticipated future operating results and operating expenses, cash flows, capital resources and liquidity; trends, opportunities and risks affecting our business, industry and financial results; our ability to successfully leverage our existing business platform and portfolio of assets to produce low carbon products and execute our strategy to become a leader in the energy transition in the chemical industry; the availability of raw materials; production volumes at our production facilities; and the anticipated cost and timing of our capital projects, including turnarounds. Forward-looking statements can generally be identified by words or phrases such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “may,” “plan,” “potential,” “should,” “will,” “would,” and similar words or phrases, as well as by discussions of strategy, plans or intentions. 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, market conditions and price volatility for our products and feedstocks, global and regional economic downturns, 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, including but not limited to our most recent Annual Report on Form 10-K.

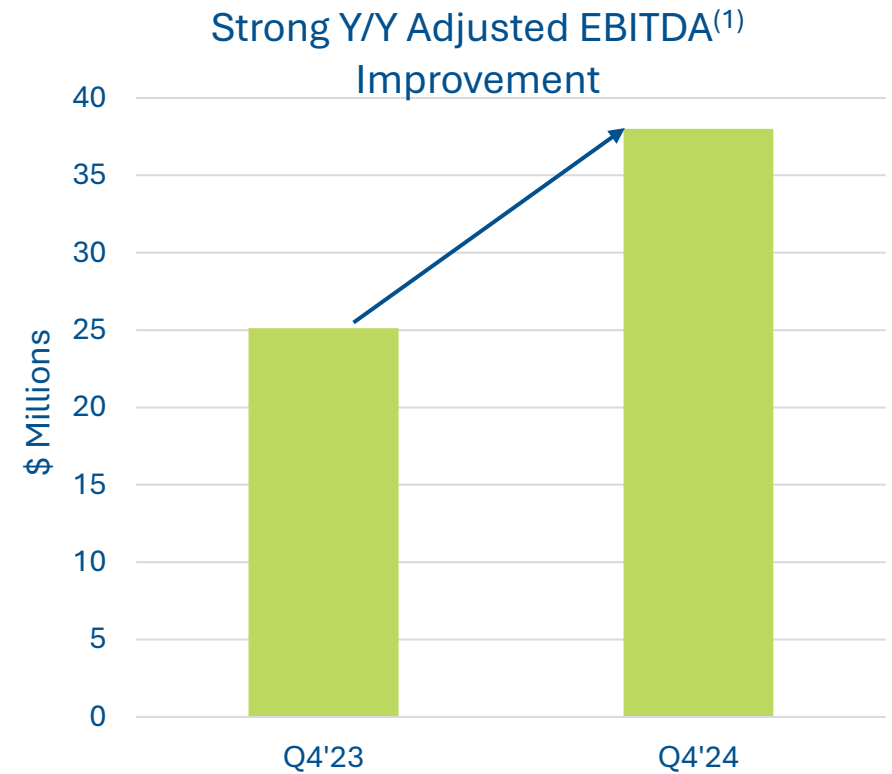
Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for our management to predict all risks and uncertainties, nor can management assess the impact of all factors on our business or the extent to which 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.

Stockholder Rights Plan in Place to Preserve Substantial NOL's

- Our Section 382 Stockholder Rights Plan as amended and restated (the “Rights Plan”), is intended to protect our substantial net operating losses (“NOLs”), carryforwards and other tax attributes.
- We can generally use our NOLs and other tax attributes to reduce federal and state income tax that would be paid in the future.
- Our ability to use our NOLs could be substantially limited if we experience an “ownership change,” as defined under Section 382 of the Internal Revenue Code of 1986, as amended (the “Code”), and the Rights Plan has been designed to help prevent such an “ownership change.”
- The Rights Plan provides that if any person becomes the beneficial owner (as defined in the Code) of 4.9% or more of our common stock, stockholders other than the triggering stockholder will be entitled to acquire shares of common stock at a 50% discount or LSB may exchange each right held by such holders for one share of common stock.
- Under the Rights Plan, any person which currently owns 4.9% or more of LSB’s common stock may continue to own its shares of common stock but may not acquire any additional shares without triggering the Rights Plan.
- Our Board of Directors has the discretion to exempt any person or group from the provisions of the Rights Plan.
- The Rights Plan is in effect until August 22, 2026, unless terminated earlier in accordance with its terms.

Q4' 24 Overview

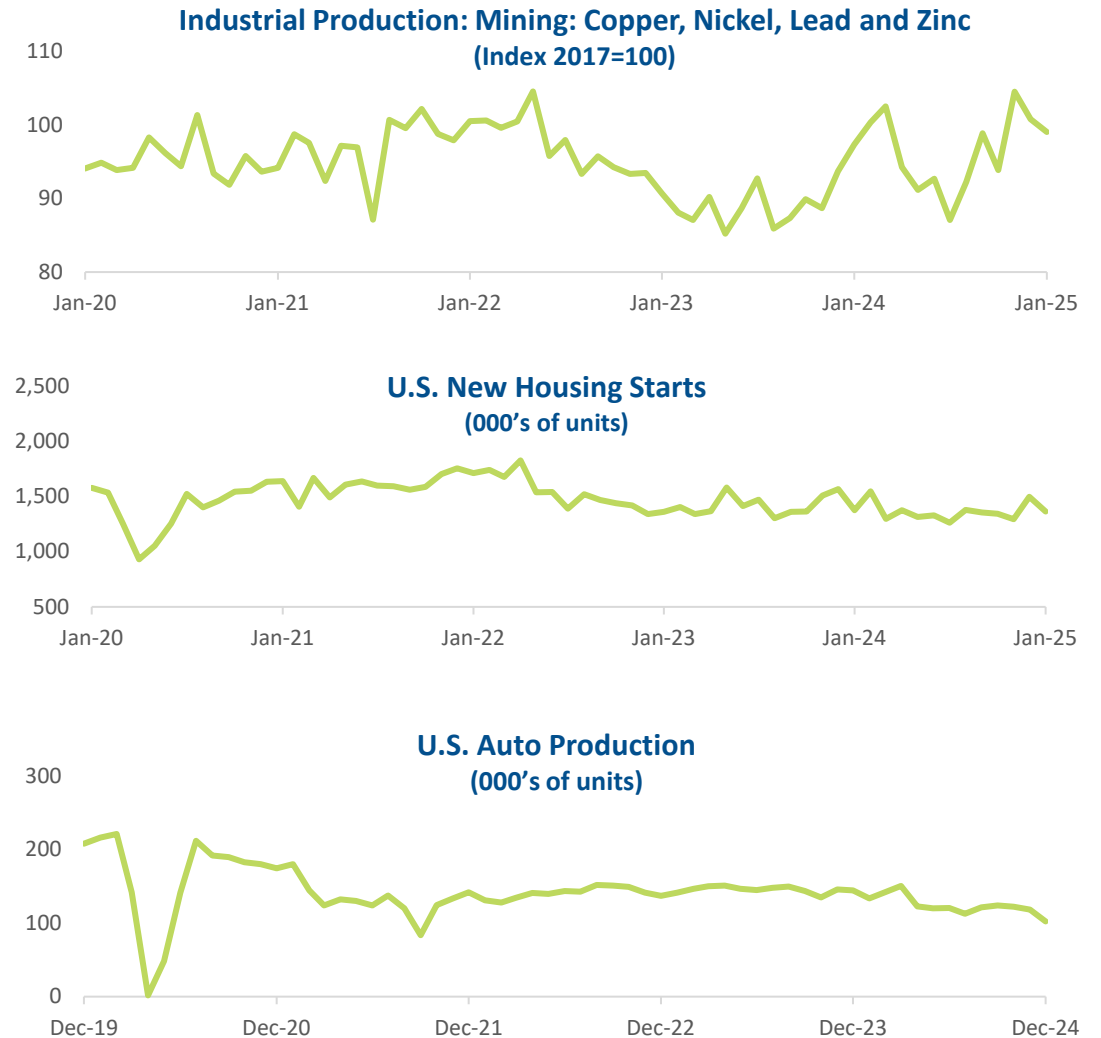
- Solid year-over-year increases in nitric acid and AN sales volumes
- Completed injury-free turnaround of Cherokee ammonia plant
- UAN volumes benefitted from Q3'24 Pryor urea capacity expansion
- Outlook for nitrogen demand and pricing remains favorable
- Low carbon ammonia projects progressing



(1) Adjusted EBITDA is a non-GAAP financial measure. See the discussion and reconciliation in the appendix.

Industrial Market Overview⁽¹⁾

- **Demand for ammonium nitrate (AN) bolstered by U.S. mining of metals, including copper for data centers and technology infrastructure, as well as quarrying/aggregate production for infrastructure upgrade and expansion**
 - Copper prices surged over the past year and currently sit above multi-year averages and exceed our estimate for cash production costs
 - Improvement in new housing starts would drive U.S. aggregate production further strengthening AN demand
- **Industrial business stable with potentially improving outlook**
 - Steady demand for nitric acid supported by the strength of the U.S. economy and robust consumer spending levels
 - U.S. new housing starts and auto production relatively steady for past two years; both poised to increase to the extent U.S. interest rates decrease

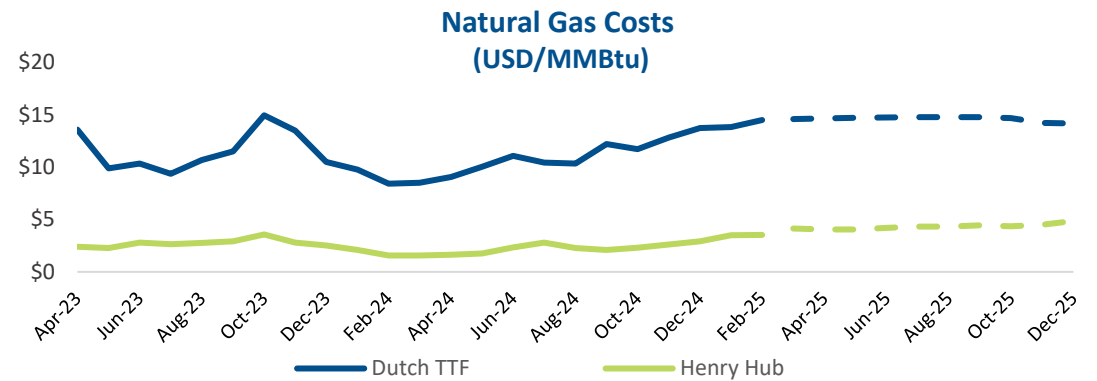
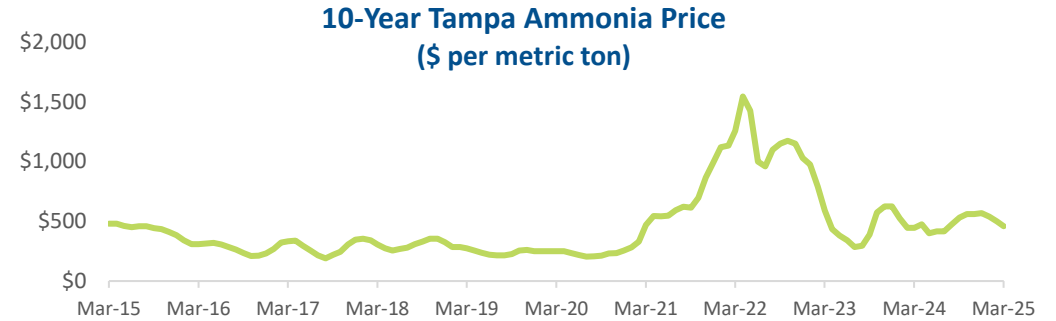


(1) Sources: Federal Reserve Economic Data

Nitrogen Product Pricing and Input Costs⁽¹⁾

- **Nitrogen product prices holding up well**
 - UAN prices supported by global urea price strength; US becoming a net exporter amidst historically low imports
 - Urea prices benefiting from sustained global demand, particularly from India and ongoing Chinese export bans
 - Well balanced ammonia distribution channel inventories heading into Spring planting season

- **U.S. gas prices projected to remain a cost advantage** for domestic nitrogen producers relative to European producers as global LNG demand grows

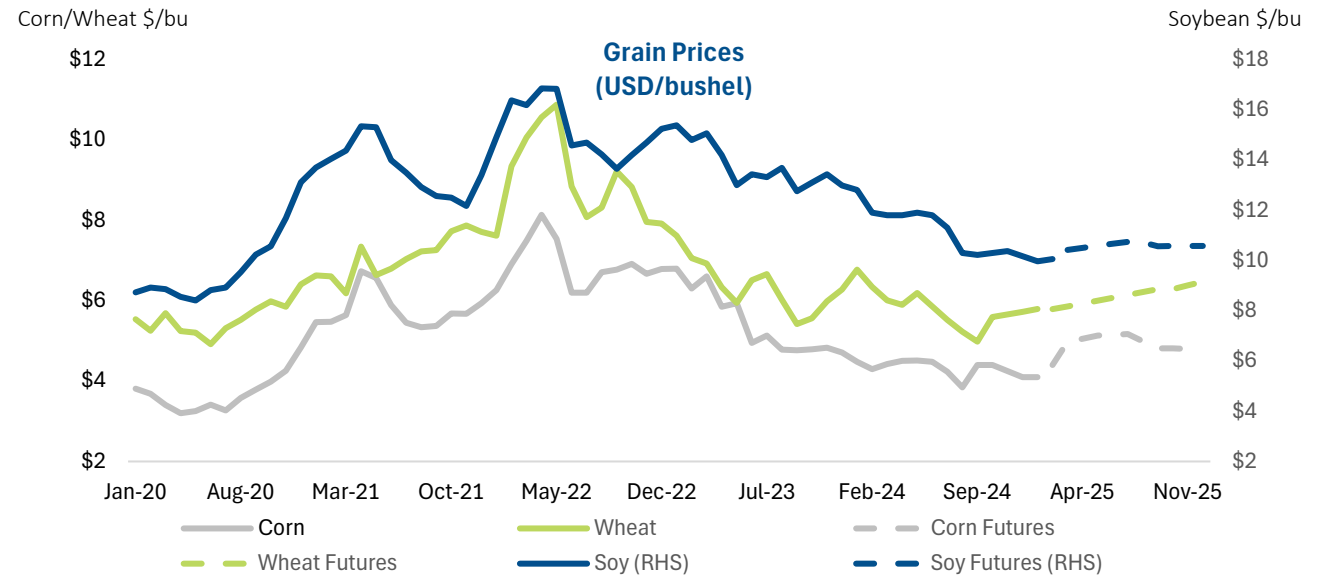
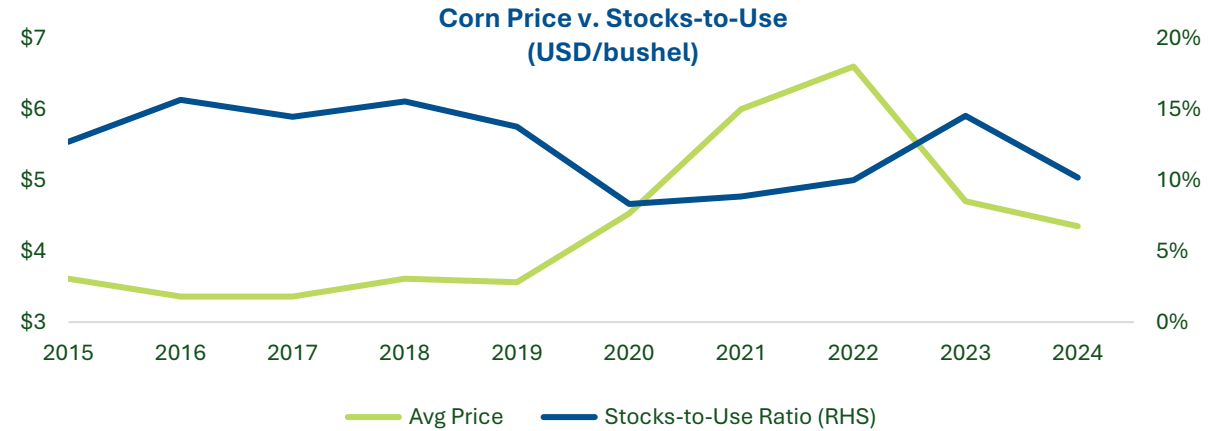


Spot Prices	February 26, 2025	February 26, 2024
Tampa Ammonia	\$460 / MT	\$445 / MT
UAN (NOLA)	\$290 / ST	\$245 / ST
Natural Gas (NYMEX Spot Price)	\$3.86 / MMBtu	\$1.66 / MMBtu

(1) Sources: USDA, Green Markets® A Bloomberg Company, Barcharts.com, eia.gov, Federal Reserve Economic Data; Natural Gas Costs derived from forward strips as of 2/21/25

Grain Price Trends⁽¹⁾

- **U.S. corn prices projected to rally into 2025**
 - Corn futures prices have risen from Q3'24 lows reflecting USDA outlook for smaller supplies and decline in ending stocks relative to previous expectations
 - USDA forecasts for 2025 stocks-to-use ratio (STU) expected lower than 10-year average
- **Increases in U.S. exports** with production challenges in international growing regions potentially supportive of corn prices
- **Grain prices projected to remain at attractive levels** relative to overall nitrogen costs



(1) Sources: USDA, Argus, Bloomberg, EIA, Management Estimates, Barcharts.com

Q4'24 Financial Results

\$ in millions except EPS

	<u>Q4'24</u>	<u>Q4'23</u>
Net Sales	\$135 M	\$133 M
Adjusted EBITDA ¹	\$38 M	\$25 M
Adjusted EBITDA Margin ²	28%	19%
Diluted EPS	(\$0.13)	(\$0.07)

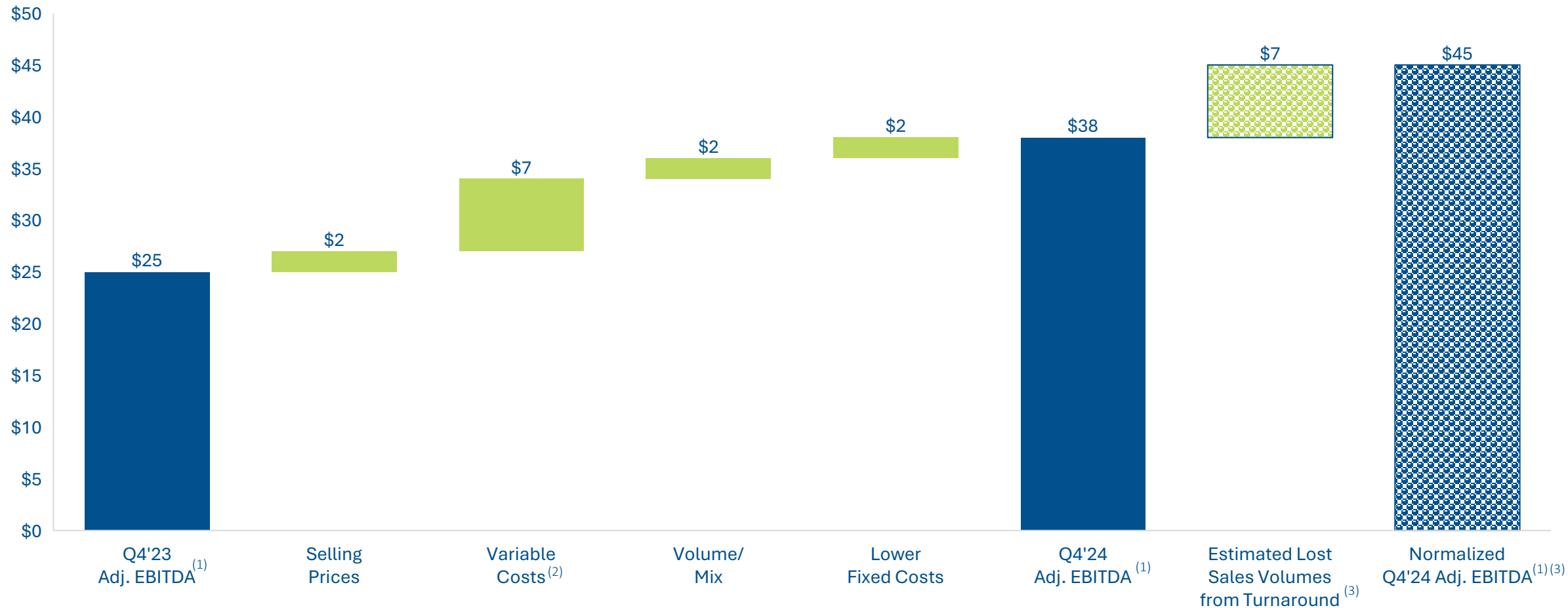
- Net sales up year-over-year reflecting production improvements, despite turnaround at Cherokee facility in Q4'24
- Increase in adjusted EBITDA and adjusted EBITDA Margin driven by higher selling prices along with higher nitric acid and AN sales volumes coupled with lower natural gas costs

(1) Adjusted EBITDA is a non-GAAP financial measure. See the discussion and reconciliation in the appendix.

(2) Adjusted EBITDA margin is a non-GAAP financial measure and is calculated as adjusted EBITDA divided by net sales. See the discussion and reconciliation in the appendix.

Q4'24 Growth Despite Turnaround

\$ in millions



(1) Adjusted EBITDA is a non-GAAP financial measure. See the discussion and reconciliation in the appendix.

(2) Variable costs comprised predominantly of natural gas and electricity costs.

(3) We present lost sales volumes and normalized adjusted EBITDA to facilitate comparison of results across periods, given the absence of turnaround activity in Q4 '23.

Solid Balance Sheet with Returns-Focused Capital Allocation

\$ in millions

	<u>12/31/24</u>	<u>12/31/23</u>
Cash & ST Inv.	\$184 M	\$306 M
Total Debt	\$485 M	\$582 M
Net Debt ⁽¹⁾ / TTM Adj. EBITDA ⁽²⁾	2.3X	2.1X
TTM Op. Cash Flow	\$87 M	\$138 M
Sustaining CAPEX	\$67 M	\$63 M
Growth CAPEX	\$25 M	\$5 M

- Increased capex reflects investments in:
 - Turnaround of Cherokee facility ammonia plant in Q4'24
 - Full turnaround of Pryor facility in Q3'24
 - Expansion of urea/UAN production capacity
 - Increase in nitric acid storage
 - Expansion of ANS loading and storage
- Repurchased approximately \$222 million in principal amount of Senior Secured Notes and 4.6 million shares of common stock over the 24-months ended 12/31/24
- Net debt/TTM Adjusted EBITDA of 2.3X

(1) Net debt calculated as total long-term debt including current minus cash and cash equivalents and short-term investments.

(2) Adjusted EBITDA is a non-GAAP financial measure. See the discussion and reconciliation in the appendix.

2025 Outlook

Production & Sales Volume		
	2025E	2024A
Ammonia Production (tons):	790,000 – 820,000	757,000
Sales Volume (tons):		
AN & Nitric Acid	590,000 – 620,000	554,000
UAN	620,000 – 650,000	483,000
Ammonia	250,000 – 280,000	321,000

2025E Variable Plant Expenses	
Natural Gas Feedstock	~34 MMBtu/ton of ammonia
Freight ⁽¹⁾	12% – 14% of sales
Electricity	6% – 7% of sales
Catalyst Expense	2% – 3% of sales
Purchased Products/Ag. Retail	1% – 2% of sales

2025E Costs and Expenses	
Fixed Costs:	
Fixed Plant Expenses (ex-depr.)	\$140M – \$145M
Depreciation Expense	\$80M – \$85M
Logistics/Railcar Lease Expense	\$20M – \$25M
Turnaround Expense	\$20M – \$25M
Other:	
SG&A	\$35M – \$40M
Interest Expense	\$30M – \$35M
Non-Recurring ⁽²⁾	\$3M – \$5M
Effective Tax Rate	~25%

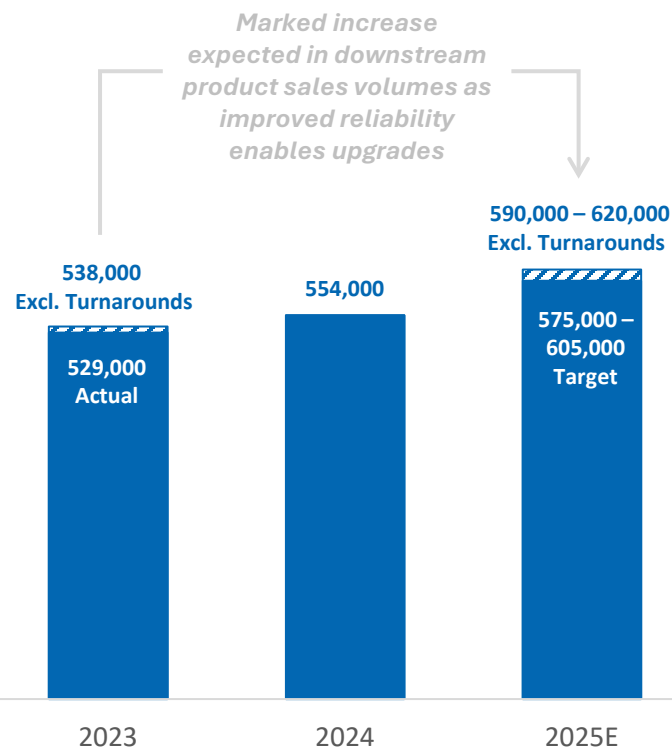
Capital Expenditures		
	2025E	2024A
Sustaining	\$60M – \$65M	\$67M
Investment/Growth	\$20M – \$25M	\$25M

(1) The majority of freight costs are passed through to customers and are included in gross revenue.

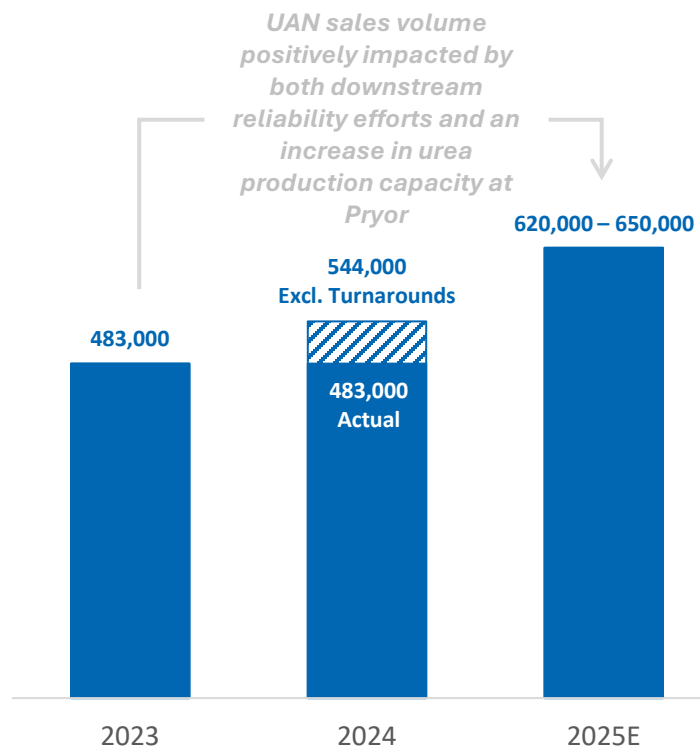
(2) Leidos trial

Driving Downstream Volume Increases to Enhance Profitability

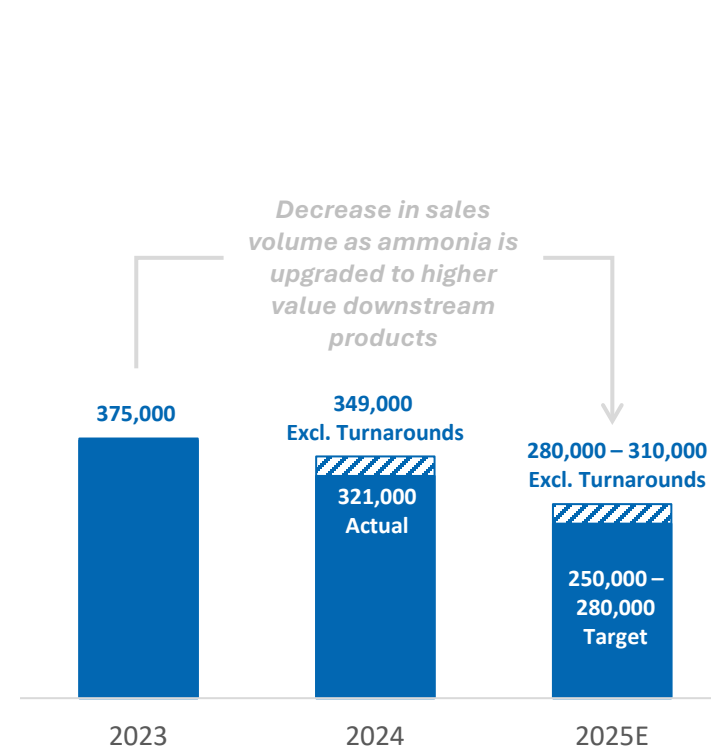
AN and Nitric Acid Sales Volume (ST)





UAN Sales Volume (ST)



Ammonia Sales Volume (ST)



 Adjustment for turnaround activity⁽¹⁾
 Actual sales volumes/target volumes

We continue to make progress in maximizing downstream production and sales volumes to capture higher profit margins

(1) The impact of turnaround activity varies from period to period depending on the timing and scope of turnarounds. We present adjusted sales volume figures to (i) illustrate the impact of turnaround activity on capacity and (ii) facilitate comparison of results across periods.

Incremental Earnings Opportunity Independent of Pricing Environment

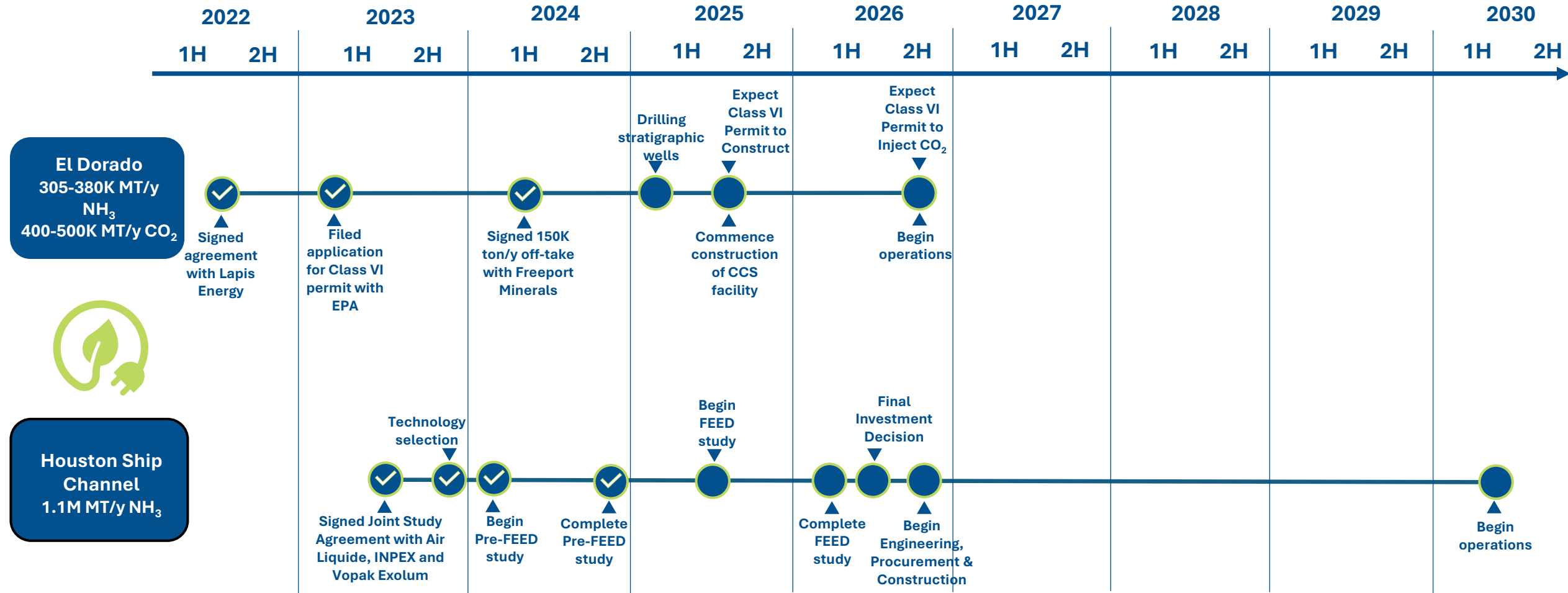
EBITDA Levers	Incremental EBITDA Opportunity ⁽¹⁾	Percentage of Opportunity Captured To-Date ⁽¹⁾	Key Actions
Margin Enhancement Projects	\$5 to \$10 Million		<ul style="list-style-type: none"> Key margin enhancement projects, including urea expansion at Pryor, completed in 2024, additional nitric acid storage capacity and expansion of ANS loading capability and storage capacity
Increase in Ammonia Production Volumes	\$20 to \$25 Million		<ul style="list-style-type: none"> Recent and upcoming turnarounds driving increased ammonia production tons
Downstream Production Volume Improvement	\$20 to \$25 Million		<ul style="list-style-type: none"> Implementing operational improvement measures at downstream plants to upgrade additional ammonia
Profit Optimization	\$15 to \$20 Million		<ul style="list-style-type: none"> Profit optimization focused on more efficient operations and processes, as well as cost rationalization

■ % of EBITDA opportunity captured
 ■ % of opportunity remaining

(1) Illustrative range of run-rate EBITDA based on annualized impact of production improvements made in 2024; pricing assumptions are as follows:

- Low end of range based on \$400 Tampa Ammonia, \$210 NOLA UAN, and \$4.00 NYMEX Henry Hub
- High end of range based on \$500 Tampa Ammonia, \$260 NOLA UAN, and \$3.00 NYMEX Henry Hub

Our Low Carbon Ammonia Energy Transition Projects*



Appendix



EBITDA and Adjusted EBITDA Reconciliation

LSB Consolidated (\$ In Thousands)	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Net (loss) income	\$ (9,149)	\$ (5,347)	\$ (19,353)	\$ 27,923
Plus:				
Interest expense and interest income, net	6,106	6,237	23,087	26,500
Gain on extinguishment of debt	—	—	(3,013)	(8,644)
Depreciation and amortization	21,853	18,667	74,478	68,922
(Benefit) provision for income taxes	(4,055)	2,351	(6,684)	5,973
EBITDA⁽¹⁾	\$ 14,755	\$ 21,908	\$ 68,515	\$ 120,674
Stock-based compensation	1,565	1,389	6,607	5,353
Legal Fees & Settlements - Specific Matters	545	119	3,536	594
Loss on write down of assets	3,122	977	11,703	3,613
Turnaround costs	17,143	734	37,781	2,430
Growth Initiatives	436		1,378	
Adjusted EBITDA⁽²⁾	\$ 37,566	\$ 25,127	\$ 129,520	\$ 132,664

(1) EBITDA is defined as net income (loss) plus interest expense and interest income net, plus loss (or less gain) on extinguishment of debt, plus depreciation and amortization (D&A) (which includes D&A of property, plant and equipment and amortization of intangible and other assets), plus provision (or less benefit) for income taxes. We believe that certain investors consider EBITDA a useful means of measuring our ability to meet our debt service obligations and evaluating our financial performance. EBITDA has limitations and should not be considered in isolation or as a substitute for net income (loss), operating income (loss), cash flow from operations or other consolidated income or cash flow data prepared in accordance with GAAP. Because not all companies use identical calculations, this presentation of EBITDA may not be comparable to a similarly titled measure of other companies. The above table provides a reconciliation of net income (loss) to EBITDA for the periods indicated.

(2) Adjusted EBITDA is reported to show the impact of non-cash stock-based compensation, one time/non-cash or non-operating items-such as, one-time income or fees, loss (gain) on sale of a business and/or other property and equipment, certain fair market value (FMV) adjustments, and consulting costs associated with reliability and purchasing initiatives (Initiatives). We historically have performed Turnaround activities on an annual basis, however we are moving towards extending Turnarounds to a two or three-year cycle. Rather than being capitalized and amortized over the period of benefit, our accounting policy is to recognize the costs as incurred. Given these Turnarounds are essentially investments that provide benefits over multiple years, they are not reflective of our operating performance in a given year. As a result, we believe it is more meaningful for investors to exclude them from our calculation of adjusted EBITDA used to assess our performance. We believe that the inclusion of supplementary adjustments to EBITDA is appropriate to provide additional information to investors about certain items. The above table provides reconciliations of EBITDA excluding the impact of the supplementary adjustments.

Trailing Twelve Month EBITDA and Adjusted EBITDA*

	TTM 12/31/2024	12/31/2024	9/30/2024	6/30/2024	3/31/2024
Net income (loss)	(19.4)	(9.1)	(25.4)	9.6	5.6
Plus:					
Interest expense, net	23.1	6.1	5.4	5.4	6.1
Gain on extinguishment of debt	(3.0)	-	-	(1.9)	(1.1)
Depreciation and amortization	74.5	21.9	16.7	18.8	17.1
(Benefit) provision for income taxes	(6.7)	(4.1)	(4.5)	1.3	0.6
Income from discontinued operations	-	-	-	-	-
EBITDA ⁽¹⁾	68.5	14.8	(7.8)	33.2	28.4
Stock-based compensation	6.6	1.6	1.5	2.1	1.4
Legal Fees & Settlements - Specific Matters	3.5	0.5	1.4	1.2	0.4
Loss on write down of assets	11.7	3.1	5.6	1.5	1.5
Turnaround costs	37.8	17.1	16.3	3.4	0.9
Growth Initiatives	1.4	0.4	0.4	0.5	0.1
Adjusted EBITDA ⁽²⁾	129.5	37.6	17.5	41.9	32.6
Adjusted EBITDA Margin	25%	28%	16%	30%	24%
Net Sales	\$522.4	\$134.9	\$109.2	\$140.1	\$138.2
	TTM 12/31/2023	12/31/2023	9/30/2023	6/30/2023	3/31/2023
Net income (loss)	27.9	(5.3)	(7.7)	25.1	15.9
Plus:					
Interest expense, net	26.5	6.2	3.5	8.1	8.7
Gain on extinguishment of debt	(8.6)	-	-	(8.6)	-
Depreciation and amortization	68.9	18.7	15.5	17.1	17.6
Benefit (provision) for income taxes	6.0	2.4	(5.3)	3.0	5.9
EBITDA ⁽¹⁾	120.7	21.9	6.0	44.6	48.1
Stock-based compensation	5.4	1.4	1.3	1.9	0.7
Legal Fees & Settlements - Specific Matters	0.6	0.1	0.1	0.1	0.3
Loss on write down of assets	3.6	1.0	(0.0)	0.6	1.9
Turnaround costs	2.4	0.7	1.7	(0.0)	(0.0)
Growth Initiatives	-	-	-	-	-
Adjusted EBITDA ⁽²⁾	132.7	25.1	9.2	47.1	51.0
Adjusted EBITDA Margin	22%	19%	8%	28%	28%
Net Sales	\$593.7	\$132.6	\$114.3	\$165.8	\$181.0

(1) See definition of EBITDA on previous page (2) See definition of adjusted EBITDA on previous page *Columns and rows may not foot due to rounding

El Dorado Low Carbon Ammonia Project

Project Highlights

- Capital investment for LSB is minimal
- Lapis will capture and sequester between 400,000 and 500,000 metric tons of CO₂ produced annually in the course of El Dorado's ammonia production
- We expect 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 is expected to result in between 305,000 and 380,000 metric 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

Roles



Ammonia production at El Dorado, AR facility

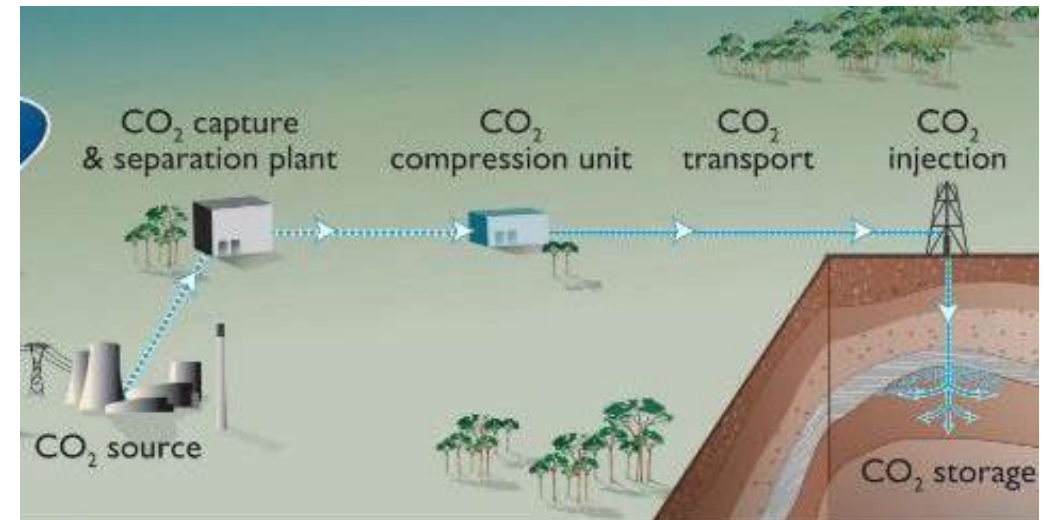
- 100% owner of ammonia production facility



Develop and construct CO₂ capture and sequestration capabilities

- Full-service CCS developer and operator
- Experienced team of energy industry professionals with expertise in engineering, construction, geology, site selection and project management

Illustrative Process Flow



Houston Ship Channel Ammonia Project

Project Highlights

- New 1.1 million TPA low carbon 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 domestic and export markets, particularly power generation demand from Japan and Korea and low carbon ammonia demand from the U.S. and Europe – seizing government incentives at both production and consumption
- INPEX relationship with Japanese utilities provides potential to be highly-contracted with creditworthy counterparties, enabling predictable cash flows and non-recourse project financing

Roles



Ammonia loop equity partner and operator

- Experienced North American ammonia producer
- To own (~ 50%) and operate the ammonia loop



Hydrogen and nitrogen feedstock supplier

- #2 supplier of industrial gases with \$100 billion of EV
- To build and operate ASU and ATR for project



Equity partner and developer delivering Asian off-takers

- #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



Terminaling and logistics services

- JV between major terminaling and storage firms
- To provide site and services to the project

Location

