



LSB Provides Update on NYSE Trading Halt and Stock Dividend Impact

October 13, 2021

OKLAHOMA CITY--(BUSINESS WIRE)--Oct. 13, 2021-- As LSB Industries, Inc. ("LSB" or "the Company"), (NYSE: LXU), previously announced, the New York Stock Exchange ("NYSE") halted trading on LSB's common stock on October 12, 2021 in order to address the impact on the stock price of the dividend paid by the Company on October 8, 2021 to shareholders of record on September 24, 2021 of 0.30 shares of LSB common stock for every share owned.

Before trading began on the October 12, 2021 ex-dividend date, the NYSE communicated, via an NYSE Group Info Notice, that LSB's 0.3:1 common stock dividend applied to ALL approximately 79.4 million of the Company's shares of common stock that were outstanding prior to the dividend payment date. That was incorrect. In actuality, the stock dividend was paid on only approximately 30.4 million of LSB's outstanding shares of common stock. The other approximately 49.1 million shares of the total outstanding common shares were issued to LSB Funding LLC, an affiliate of Eldridge, in the exchange transaction that closed on September 27, 2021 and since they were not issued prior to the September 24, 2021 record date, were not eligible to receive the stock dividend. The Company believes the distribution of the incorrect information in the NYSE's Group Info Notice led to a 30% downward adjustment to its closing stock price on October 11, 2021.

In addition to halting the trading of LSB's common stock the morning of October 12, 2021 during the trading day on October 12th, the NYSE issued an update to its prior Group Info Notice regarding the Company's stock dividend that (1) rescinded their prior Group Info Notice; (2) correctly stated that the approximately 49.1 million shares of common stock issued to LSB Funding LLC in the exchange transaction did not receive the stock dividend that was paid on October 8, 2021 and (3) that stated, "the price adjustment should be reflective of shares outstanding prior to the exchange offer." Thus, confirming that the stock dividend only resulted in an approximate 11.5% increase in the number of shares of the Company's common stock outstanding on the dividend payment date of October 8, 2021.

The Company believes that the most accurate way to assess the impact of the stock dividend on its common stock price on October 12, 2021 would be to divide the number of shares issued for the special stock dividend of approximately 9.2 million shares by the approximately 79.4 million shares outstanding prior to the issuance of the Company's stock dividend, which equates to an estimated 11.5% impact on the Company's stock price, or a reduction of the stock's October 11, 2021 closing price of \$12.83 to approximately \$11.35. As of October 12, 2021, after giving effect to the consummation of the exchange transaction and the issuance of shares in the common stock dividend, the Company had approximately 88.6 million shares of common stock outstanding, consistent with the level projected in the Company's September 27, 2021 press release announcing the closing of the exchange transaction.

About LSB Industries, Inc.

LSB Industries, Inc., headquartered in Oklahoma City, Oklahoma, manufactures and sells chemical products for the agricultural, mining, and industrial markets. The Company owns and operates facilities in Cherokee, Alabama, El Dorado, Arkansas and Pryor, Oklahoma, and operates a facility for a global chemical company in Baytown, Texas. LSB's products are sold through distributors and directly to end customers primarily throughout the United States. Additional information about the Company can be found on its website at www.lsbindustries.com.

About Eldridge

Eldridge invests in businesses across the Insurance, Asset Management, Technology, Mobility, Sports & Gaming, Media & Music, Real Estate, and Consumer landscapes. The firm seeks to build and grow businesses led by proven management teams that have demonstrated leadership and experience to scale an enterprise. Eldridge is headquartered in Greenwich, Connecticut, with additional offices in Beverly Hills, New York, and London. Additional information about Eldridge can be found on its website at www.eldridge.com.

Forward-Looking Statements

Statements in this release 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 stock price and financial performance including the effects of the previously announced stock dividend, 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, the trading price for our common stock following the ex-dividend date of our previously announced stock dividend that was paid on October 8, 2021, 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"), including its Annual Report on Form 10-K for the year ended December 31, 2020.

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.

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