Risk Factors Comparison 2024-02-21 to 2023-02-22 Form: 10-K

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The following risks should be considered together with the other information contained in this Report and all of the information set forth in our filings with the SEC. If any of the following risks or uncertainties develops into actual events, our business, financial condition or results of operations could be materially adversely affected. References to " CVR Partners ", the " Partnership ", " we ", " us ", and " our " may refer to consolidated subsidiaries of CVR Partners or one or both of the facilities, as the context may require. Risks Related to Our Business Our business is, and nitrogen fertilizer **and feedstock** prices are, cyclical and highly volatile, which could have a material adverse effect on our results of operations, financial condition and cash flows. Demand for nitrogen fertilizer products is dependent on fluctuating demand for crop nutrients by the global agricultural industry. These fluctuations historically have had and could in the future have significant effects on prices across all nitrogen fertilizer products and, in turn, our results of operations, financial condition and cash flows. Nitrogen fertilizer products are commodities, the price of which can be highly volatile. The prices of nitrogen fertilizer products depend on a number of factors, including general economic conditions, cyclical trends in end- user markets, supply and demand imbalances, governmental policies, and weather conditions, which have a greater relevance because of the seasonal nature of fertilizer application. If seasonal demand exceeds the projections on which we base our production levels, customers may acquire nitrogen fertilizer products from competitors, and our profitability may be negatively impacted. If seasonal demand is less than expected, we may be left with excess inventory that will have to be stored or liquidated. The international market for nitrogen fertilizers is influenced by such factors as the relative value of the U. S. dollar and its impact upon the cost of importing nitrogen fertilizers, foreign agricultural policies, the existence of, or changes in, import or foreign currency exchange barriers in certain foreign markets, changes in the hard currency demands of certain countries and other regulatory policies of foreign governments, as well as the laws and policies of the U. S. affecting foreign trade and investment. Supply is affected by available capacity and operating rates, raw material costs, government policies and global trade. A decrease in nitrogen fertilizer prices would have a material adverse effect on our business, cash flow and ability to make distributions. Nitrogen fertilizer products and our business face intense competition. Our business is subject to intense price competition from both U. S. and foreign sources. With little or no product differentiation, customers make their purchasing decisions principally on the basis of delivered price and availability of the product. Increased global supply or decreases in transportation costs for foreign sources of fertilizer may put downward pressure on fertilizer prices. We compete with a number of U. S. producers and producers in other countries, including state- owned and government- subsidized entities that may have greater total resources and are less dependent on earnings from fertilizer sales, which make them less vulnerable to industry downturns and better positioned to pursue new expansion and development opportunities. In addition, imports of fertilizer from other countries may be unfairly subsidized, as **determined by** ~~was found to be~~ the ~~case~~ **U. S. Department of Commerce** on ~~November 30~~ **June 24** , ~~2021~~ **2022** ~~by the U. S. Department of Commerce (the " USDOC ")~~ with respect to UAN imports from Russia and Trinidad **and Tobago. On July 18, 2022, the U. S. International Trade Commission ultimately voted against imposing import tariffs on UAN from Russia and Trinidad and Tobago and, accordingly, the U. S. Department of Commerce will not issue countervailing duty orders and anti-dumping duty orders on UAN imports from the same countries** . An inability to compete successfully could result in a loss of customers, which could adversely affect our sales, profitability, and cash flows and, therefore, have a material adverse effect on our results of operations and financial condition. The dynamic pricing environment for nitrogen fertilizer products, as well as any changes to government policy regarding fertilizer pricing in response thereto, could negatively affect our results of operations. In light of the recent strong pricing environment, farmers may shift preference to other types of fertilizer products or shift crop rotation to minimize purchases of nitrogen fertilizer, both of which would negatively affect our sales volumes and revenue. Recent calls for governmental action related to fertilizer pricing conditions, including related to an investigation of market manipulation and proposals to limit price increases or place a maximum price ceiling or cap on fertilizer product pricing, would add complexity to the already dynamic global market for nitrogen fertilizer, and if such initiatives were adopted, our product sales, business and results of operations may be negatively impacted. December 31, ~~2022~~ **2023** | 16Our business is geographically concentrated and is therefore subject to regional economic downturns and seasonal variations **for us or our customers** , which may affect our production levels, transportation costs and inventory and working capital levels. Our sales to agricultural customers are concentrated in the Great Plains and Midwest states, and nitrogen fertilizer demand is seasonal. Our quarterly results may vary significantly from one year to the next due to weather- related shifts in planting schedules and purchase patterns. Because we build inventory during low demand periods, the accumulation of inventory to be available for seasonal sales creates significant seasonal working capital and storage capacity requirements. The degree of seasonality can change significantly from year- to- year due to conditions in the agricultural industry and other factors. As a consequence of this seasonality, distributions of available cash, if any, may be volatile and may vary quarterly and annually. Our sales volumes depend on significant customers, and the loss of several significant customers may have a material adverse impact on our results of operations, financial condition and cash flows. We have a significant concentration of customers. Our two largest customers represented approximately ~~30~~ **25** % of net sales for the year ended December 31, ~~2022~~ **2023** . Given the nature of our business, and consistent with industry practice, we do not have long- term minimum purchase contracts with our customers. The loss of several of these significant customers, or a significant reduction in purchase volume by several of them, could have a material adverse effect on our results of operations, financial condition ~~,~~ and cash flows. Any decline in U. S. agricultural production or limitations on the use of nitrogen fertilizer for agricultural purposes could have a material adverse effect on the sales of nitrogen fertilizer, and on our results of operations, financial condition and cash flows. Conditions in the U. S. agricultural industry significantly impact our operating results. The U. S. agricultural industry can be affected by a number of factors, including weather patterns and field conditions, current and projected grain inventories and prices, domestic and international population changes, demand for U. S. agricultural products, U. S., state and foreign policies regarding trade in agricultural products, and changes in governmental regulations and incentives for corn- based ethanol production that could affect future ethanol demand and production. State and federal governmental policies, including farm and biofuel subsidies and commodity support programs, as well as the prices of fertilizer products, may also directly or indirectly influence the number of acres planted, the mix of crops planted and the use of fertilizers for particular agricultural applications. Developments in crop technology could also reduce the use of chemical fertilizers and adversely affect the demand for nitrogen fertilizer. Unfavorable state and federal governmental policies could negatively affect nitrogen fertilizer prices and therefore have a material adverse effect on our results of operations, financial condition and cash flows. **new** environmental laws and regulations,new interpretations of existing laws and regulations,or increased governmental enforcement of laws and regulations could require us to make additional unforeseen expenditures.It is unclear the impact **of** the ~~Biden~~ **new federal** ~~Administration~~ **administration** will have on the laws and regulations applicable to us,however,measures to address climate change and reduce GHG emissions (including carbon dioxide,methane and nitrous oxides) are in various phases of discussion or implementation and could affect our operations by requiring increased operating and capital costs and / or increasing taxes on GHG emissions. ~~On January 26,2024,EPA issued a proposed rule to implement the methane emissions reduction program.Public comments on the proposal are due March 11,2024.~~ If we are unable to maintain sales of our products ~~December 31,2023 | 17~~ at a price that reflects such increased costs or have to increase the prices of our products because of such increased costs,there could be a material adverse effect on our business,financial condition,results of operations and cash flows.End user demand for our products may also be adversely impacted by climate change legislation and other changes to or new interpretations of environmental laws,due to increased costs or **application restrictions.From time to time,various state legislatures have proposed bans or other limitations on fertilizer products.Decreased demand for our products may have a material adverse effect on our** Public health crises such as the COVID- 19 pandemic have had, and may continue to have, adverse impacts on our business, financial condition, results of operations ~~,~~ and liquidity. The economic effects from **public health crises such as** the COVID- 19 pandemic on our business were and may again be significant. Although our business has recovered since the onset of the pandemic in March 2020, there continues to be uncertainty and unpredictability about the lingering impacts to the worldwide economy that could negatively affect our business, financial condition, results of operations, and liquidity in future periods. The extent to which the pandemic and its **ongoing** effects may adversely impact our future business, financial, and operating results, and for what duration and magnitude, depends on factors that are continuing to evolve, are difficult to predict and, in many instances, are beyond our control. The ultimate outcome of these and other factors may result in many adverse consequences including, but not limited to, ~~reduced availability of critical staff,~~ disruption or delays to supply chains for critical equipment or feedstock, inflation, increased interest rates ~~, reduced economic activity that negatively impacts demand for our products~~ , and increased administrative, compliance, and operational costs. In addition, future public health crises could also result in significant economic disruption and other effects that adversely impact our business, financial condition, results of operations ~~,~~ and liquidity in future periods in ways similar to the COVID- 19 pandemic and its effects. The adverse impacts of the COVID- 19 pandemic had, and may continue to have, the effect of precipitating or heightening many of the other risks described in this section. ~~December 31, 2022 | 17 Any previous or future pandemic, and actions taken in response thereto, could materially adversely affect our business, operations, financial condition, liquidity, and results of operations. The COVID- 19 pandemic and actions of governments and others in response thereto continues to negatively impact worldwide economic and commercial activity and financial markets. The COVID- 19 pandemic has also resulted in significant business and operational disruptions, including closures, supply chain disruptions, travel restrictions, stay- at- home orders, and limitations on the availability and effectiveness of the workforce. Further, if general economic conditions continue to remain uncertain for an extended period of time, our liquidity and ability to repay our outstanding debt may be harmed. The full impact of the COVID- 19 pandemic is unknown and is continuously evolving. The extent to which the COVID- 19 pandemic negatively impacts our business and operations, including the availability and pricing of feedstocks, will depend on the severity, location, and duration of the effects and spread of COVID- 19 and variants thereof, the actions undertaken by national, regional, and local governments and health officials to contain such virus or remedy its effects, and if, how quickly and to what extent economic conditions recover and normal business and operating conditions resume.~~ We are subject to cybersecurity risks and ~~other~~ **may experience** cyber incidents resulting in disruption **or harm** to our business. We depend on internal, related- party, and third- party information technology systems to manage and support our operations, and we collect, process, and retain sensitive and confidential customer information in the normal course of business. To protect our facilities and systems against and mitigate cyber risk, we have implemented several programs, including externally performed cyber risk monitoring, audits and penetration testing and an information security training program, and we **completed** ~~are actively engaged in evaluating~~ the implementation of applicable Cybersecurity and Infrastructure Security Agency security standard guidelines **in 2023** . On an as needed basis, but no less than quarterly, we brief the Audit Committee of the **board of directors of the Partnership' s general partner " (** Board **")** on information security matters. Despite these measures (or those we may implement in the future), our facilities and these systems could be vulnerable to security breaches, computer viruses, lost or misplaced data, programming errors, human errors, acts of vandalism, or other events **. Moreover, cyberattacks are expected to accelerate on a global basis in both frequency and magnitude as threat actors are becoming increasingly sophisticated in using techniques and tools (including artificial intelligence) that circumvent controls, evade detection and even remove forensic evidence of the infiltration** . A breach could also originate from or compromise our customers', vendors', suppliers', or other third- party networks outside of our control that could impact our business and operations **, and there can be no assurance that the systems of third parties have been designed to**

prevent or limit the effects of cyber incidents or attacks, will be sufficient to prevent or detect material consequences arising from such incidents or attacks, or to avoid a material adverse impact . Although we implement controls on third-party connectivity to our systems, we have limited control in ensuring their systems consistently enforce strong cybersecurity controls. Any disruption of these systems or security breach or event resulting in the misappropriation, loss or other unauthorized disclosure of confidential information, whether by us directly or our third- party service providers, could damage our reputation, expose us to the risks of litigation and liability, disrupt our business, or otherwise affect our results of operations. **Our business is subject to complex and evolving laws, regulations and security standards regarding privacy, cybersecurity and data protection (" data protection laws "). Many of these data protection laws are subject to change and uncertain interpretation, and could result in claims, increased costs of operations, or other harm to our business. The constantly evolving regulatory and legislative environment surrounding data privacy and protection poses increasingly complex compliance challenges, and complying with such data protection laws could increase the costs and complexity of compliance. While we do not collect significant amounts of personal information from consumers, we do have personal information from our employees, job applicants and some third parties, such as contractors and distributors. Any failure, whether real or perceived, by us to comply with applicable data protection laws could result in proceedings or actions against us by governmental entities or others, subject us to significant fines, penalties, judgments, and negative publicity, require us to December 31, 2023 | 18 change our business practices, increase the costs and complexity of compliance, and adversely affect our business. Our compliance with emerging privacy / security laws, as well as any associated inquiries or investigations or any other government actions related to these laws, may increase our operating costs.** An increase in inflation could have adverse effects on our results of operations. Inflation in the United States increased beginning in the second half of 2021 and ~~has~~ continued into **the beginning of** 2023, due to a substantial increase in money supply, a stimulative fiscal policy, a significant rebound in consumer demand as COVID- 19 restrictions were relaxed, the Russia- Ukraine **war** ~~conflict,~~ and worldwide supply chain disruptions resulting from the economic contraction caused by COVID- 19 and lockdowns followed by a rapid recovery. **According to the Consumer Price Index,** ~~Inflation~~ **inflation** rose from 5. 4 % in June 2021 to 7. 0 % in December 2021 to 8. 2 % in September 2022. As of December ~~31,~~ 2022 **and December 2023** , inflation was at 6. 5 % **and 3. 4 %, respectively** . An increase in inflation rates could negatively affect our profitability and cash flows, due to higher wages, higher operating costs, higher financing costs ~~,~~ and / or higher supplier prices. We may be unable to pass along such higher costs to our customers. In addition, inflation may adversely affect our customers' financing costs, cash flows ~~,~~ and profitability, which could adversely impact their operations and our ability to offer credit and collect receivables. Risks Related to Our Plant Operations Failure by CVR Energy' s Coffeyville refinery **or other third parties** to continue to supply us with pet coke could negatively impact our results of operations. Unlike our competitors, whose primary costs are related to the purchase of natural gas and whose costs are therefore largely variable, our Coffeyville Facility uses a pet coke gasification process to produce nitrogen fertilizer. Our profitability is directly affected by the price and availability of pet coke obtained from CVR Energy' s Coffeyville refinery pursuant to a long- term agreement. Our Coffeyville Facility has historically obtained a majority of its pet coke from CVR Energy' s Coffeyville refinery over the past five years, although this percentage has decreased to ~~47~~ **43** % in ~~2022~~ **2023** . However, should CVR Energy' s Coffeyville refinery fail to perform in accordance with the existing agreement or to the extent pet coke from CVR Energy' s Coffeyville refinery is insufficient, we would need to purchase pet coke from third parties on the open market, which could negatively ~~December 31, 2022 | 18~~ impact our results of operations to the extent third- party pet coke is unavailable or available only at higher prices. Currently, we purchase 100 % of the pet coke CVR Energy' s Coffeyville refinery produces. However, we are still required to procure additional pet coke from third parties to maintain our production rates. We are currently party to pet coke supply agreements with multiple third- party refineries to provide a significant amount of pet coke at fixed prices. The terms of these agreements currently end in December ~~2023~~ **2024** ~~. The market for natural gas has been volatile, and fluctuations in natural gas prices could affect our competitive position. Low natural gas prices benefit our competitors that rely on natural gas as their primary feedstock and disproportionately impact our operations at our Coffeyville Facility by making us less competitive with natural gas- based nitrogen fertilizer manufacturers. Low natural gas prices could result in nitrogen fertilizer pricing reductions and impair the ability of the Coffeyville Facility to compete with other nitrogen fertilizer producers who use natural gas as their primary feedstock, which, therefore, would have a material adverse impact on our results of operations, financial condition and ability to make cash distributions. The East Dubuque Facility uses natural gas as its primary feedstock, and as such, the profitability of operating the East Dubuque Facility is significantly dependent on the cost of natural gas. An increase in natural gas prices could make it less competitive with producers who do not use natural gas as their primary feedstock. In addition, an increase in natural gas prices in the United States relative to prices of natural gas paid by foreign nitrogen fertilizer producers may negatively affect our competitive position in the corn belt, and such changes could have a material adverse effect on our results of operations, financial condition and cash flows. We expect to purchase a portion of our natural gas for use in the East Dubuque Facility on the spot market. As a result, we remain susceptible to fluctuations in the price of natural gas in general and in local markets in particular. We may use fixed supply, fixed price forward purchase contracts to lock in pricing for a portion of its natural gas requirements, but we may not be able to enter into such agreements on acceptable terms or at all. Without forward purchase contracts for the supply of natural gas, we would need to purchase natural gas on the spot market, which would impair its ability to hedge exposure to risk from fluctuations in natural gas prices. If we enter into forward purchase contracts for natural gas, and natural gas prices decrease, then its cost of sales could be higher than it would have been in the absence of the forward purchase contracts~~ . Any interruption in the supply of natural gas to our East Dubuque Facility could have a material adverse effect on our results of operations and financial condition. Our East Dubuque Facility depends on the availability of natural gas. We have two agreements for pipeline transportation of natural gas with expiration dates in ~~2023 and~~ 2025. We typically purchase natural gas from third parties on a spot basis and, from time to time, may enter into fixed- price forward purchase contracts. Upon expiration of the agreements, we may be unable to extend the service under the terms of the existing agreements or renew the agreements on satisfactory terms, or at all, necessitating construction of a new connection that could be costly and disruptive. Any disruption in the supply of natural gas to our East Dubuque Facility could restrict our ability to continue to make products at the facility and have a material adverse effect on our results of operations and financial condition. If licensed technology were no longer available **or able to be licensed economically or at all** , our business may be adversely affected. We have licensed ~~, and may in the future license,~~ a combination of patent, trade secret, and other intellectual property rights of third parties for use in our plant operations. If our use of technology on which our operations rely were to be terminated or face infringement claims, licenses to alternative technology may not be available, or may only be available on terms that are not commercially reasonable or acceptable, or in the case of infringement, may result in substantial costs, all of which could have a material adverse effect on our results of operations, financial condition and cash flows. Compliance with and changes in environmental laws...... permits issued thereunder, can result in December 31, ~~2022~~ **2023** | 19 **In addition, we may identify in the future additional third-party intellectual property that we believe is necessary to our operations. The licensing or acquisition of third- party intellectual property rights is a competitive area, and several companies may pursue strategies to license or acquire third- party intellectual property rights that we may consider attractive or necessary, with the result that such intellectual property may not be available on economic terms or at all. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. Even if such licenses are available, we may be required to pay the licensor** substantial **royalties based on sales** ~~penalties, injunctive orders compelling installation~~ of ~~additional controls, civil and criminal sanctions, operating restrictions, injunctive relief, permit revocations and / or~~ **our** ~~facility shutdowns~~ **products, and such licenses may be non- exclusive** , which ~~may~~ **could give our competitors access to the same intellectual property licensed to us. Any of the foregoing could** have a material adverse effect on our **competitive position** ~~ability to operate our facilities and accordingly our financial performance. In addition~~ , new environmental laws and regulations, new...... have a material adverse effect on our results of operations, financial condition and cash flows. Our operations are dependent on third- party suppliers, which could have a material adverse effect on our results of operations, financial condition and cash flows. Operations of our Coffeyville Facility depend in large part on the performance of third- party suppliers, including the adjacent third- party air separation plant under a contract through ~~2035~~ **2039** and a third- party electric service provider under a contract through June 30, 2029. Our East Dubuque Facility operations also depend in large part on the performance of third-party suppliers, including for the purchase of electricity, which we purchase under a utility service agreement that terminates on June 1, 2025 and will continue thereafter unless either party provides 30 days advance written notice of termination. Should these, or any of our other third- party suppliers fail to perform in accordance with existing contractual arrangements, or should we otherwise lose the service of any third- party suppliers, our operations (or a portion thereof) could be forced to shutdown or suspend operations. Alternative sources of supply could be difficult to obtain. Any shutdown of our operations (or a portion thereof), even for a limited period, could have a material adverse effect on our results of operations, financial condition and ability to make cash distributions. We rely on third- party providers of transportation services and equipment, which subjects us to risks and uncertainties beyond our control and that may have a material adverse effect on our results of operations, financial condition and ability to make distributions. Our business also relies on third- party railroad, trucking, and barge companies to ship finished products to customers. These transportation services are subject to various hazards, including extreme weather conditions, work stoppages, delays, spills, derailments and other accidents, and other operating hazards. Further, the limited number of towing companies and barges available for ammonia transport may also impact the availability of transportation for our products. These transportation operations, equipment and services are also subject to environmental, safety and other regulatory oversight. Due to concerns related to terrorism or accidents, local, state and federal governments could implement new regulations affecting the transportation of our finished products. In addition, new regulations could be implemented affecting the equipment used to ship our finished products. Any delay in our ability to ship our finished products as a result of these transportation companies' failure to operate properly, the implementation of new and more stringent regulatory requirements affecting transportation operations or equipment, or significant increases in the cost of these services or equipment could have a material adverse effect on our results of operations, financial condition and ability to make cash distributions. Any liability for accidents involving ammonia or other products we produce or transport that cause severe damage to property or injury to the environment and human health could have a material adverse effect on our results of operations, financial condition and ability to make cash distributions. Our business manufactures, processes, stores, handles, distributes and transports ammonia, which can be very volatile and extremely hazardous. Major accidents or releases involving ammonia could cause severe damage or injury to property, the environment and human health, as well as a possible disruption of supplies and markets. Such an event could result in civil lawsuits, fines, penalties and regulatory enforcement proceedings, all of which could lead to significant liabilities. Any damage ~~December 31, 2022 | 20~~ or injury to persons, equipment, or property or other disruption of our ability to produce or distribute products could result in a significant decrease in operating revenues and significant additional costs to replace or repair and insure our assets, which could have a material adverse effect on our results of operations, financial condition and ability to make cash distributions. Our facilities periodically experience minor releases of ammonia related to leaks from our facilities' equipment. Similar events may occur in the future. In addition, we may incur significant losses or increased costs relating to the operation of railcars used for the purpose of carrying various products, including ammonia. Due to the dangerous and potentially hazardous nature of the cargo we carry, in particular ammonia, a railcar accident may result in fires, explosions, and releases of material which could lead to sudden, **December 31, 2023 | 20** severe damage or injury to property, the environment, and human health. In the event of contamination, under environmental law, we may be held responsible even if we are not at fault, and we complied with the laws and regulations in effect at the time of the accident. Litigation arising from accidents involving ammonia and other products we produce or transport may result in us being named as a defendant in lawsuits asserting claims for substantial damages, which could have a material adverse effect on our results of operations, financial condition and ability to make cash distributions. We could incur significant costs in cleaning up contamination. We handle hazardous substances which may result in spills, discharges or other releases of hazardous substances into the environment. Past or future spills related to or migrating from any of our current or former operations and solid or hazardous waste disposal, may give rise to liability (including for personal injury, property damage, penalties, strict liability, and potential cleanup responsibility) to governmental entities or private parties under federal, state or local environmental laws, as well as under common law. For example, we could be held strictly liable under CERCLA, and similar state statutes, for past or future spills without regard to fault or whether our actions were in compliance with the law at the time of the spills, including in connection with contamination associated with our current and former facilities, and facilities to which we transported or arranged for the transportation of wastes or byproducts containing hazardous substances for treatment, storage, or disposal. Such liability could have a material adverse effect on our results of operations, financial condition and cash flows and may not be covered by insurance. The Coffeyville Facility has entered into an agreement with the Kansas Department of Health and Environment (" KDHE ") to address certain historical releases of UAN located on our property and comingled with legacy groundwater contamination from CVR Energy' s adjacent Coffeyville refinery. The cleanup provisions of our agreement with KDHE are held in abeyance so long as the Coffeyville refinery conducts corrective action for these comingled historical releases in accordance with its RCRA Permit. There is no assurance that the Coffeyville refinery will comply with its Permit conditions in the future, which may trigger enforcement of the cleanup provisions of our agreement with KDHE. We may be unable to obtain or renew permits or approvals necessary for our operations, which could inhibit our ability to do business. Our business holds numerous environmental and other governmental permits and approvals authorizing operations at our facilities and future expansion of our operations is predicated upon the ability to secure approvals therefore. A decision by a government agency to deny or delay issuing a new or renewed material permit or approval, or to revoke or substantially modify an existing permit or approval, could have a material adverse effect on our ability to continue operations and on our financial condition, results of operations and cash flows. ~~Regulations concerning the transportation~~ **Acts of terror or sabotage** , ~~storage~~ **threats of war, armed conflict, or war may have** ~~and~~ - **an adverse impact on** ~~handling of hazardous chemicals, materials or~~ **our** ~~substances~~ **business** , **our future results of operations and our overall financial performance. Acts of sabotage or terrorist attacks (including cyberattacks), threats of war, armed conflict, or war, as well as events occurring in response to or in connection with such events may harm our business or have an adverse impact on our future results of operations and financial condition. For example, the conflict between Israel and Hamas, which began in October 2023, and the ongoing Russia- Ukraine war, pose significant geopolitical** risks ~~of terrorism,~~ **to global fertilizer** and **agriculture markets** ~~the security of chemical manufacturing facilities could result in higher operating and / or capital costs~~ . Critical infrastructure such as chemical manufacturing facilities may be at greater risk of terrorist attacks than other businesses in the United States. As a result, the chemical industry is subject to security regulations relating to physical and cyber security. The costs of compliance therewith may have a material adverse effect on our financial condition. **Further, uncertainty surrounding new or continued global hostilities or other sustained military campaigns, sanctions brought by the U. S. and other countries, and the possibility that infrastructure facilities could be direct targets of, or indirect casualties of, an act of terror, armed conflict or war may affect our operations in unpredictable ways, including disruptions of chemical supplies and markets for fertilizer products. The long- term impacts of terrorist attacks and the threat of future terrorist attacks on the chemical industry in general, and on us in particular, are unknown. Increased security measures taken by us as a precaution against possible terrorist attacks or vandalism could result in increased costs to our business. In addition, disruption or significant increases in chemical prices could result in government- imposed price controls. Further, changes in the insurance markets attributable to terrorist attacks, acts of sabotage or cyberattacks could make certain types of insurance more difficult for us to obtain. Moreover, the insurance that may be available to us may be December 31, 2023 | 21 significantly more expensive than our existing insurance coverage. Instability in the financial markets as a result of war, terrorism, sabotage or cyberattack could also affect our ability to raise capital, including our ability to repay or refinance debt.** Adverse weather conditions or other unforeseen developments could damage our facilities or logistics assets and impair our ability to produce and deliver our nitrogen fertilizer products. The regions in which our facilities are located and in which our customers operate are susceptible to severe storms, including hurricanes, thunderstorms, tornadoes, floods, extended periods of rain, ice storms and snow, some of which we or our ~~December 31, 2022 | 21~~ customers have experienced in recent years. Such inclement weather conditions or other unforeseen developments could damage our facilities or logistics assets. If such weather conditions prevail near our facilities or logistics assets, they could interrupt or undermine our ability to produce and transport products or to manage our business. **If events such as storms, including hurricanes, thunderstorms, tornadoes, floods, extended periods of rain, ice storms and snow become more frequent, they could have an adverse effect on our operations, as well as the operations of our suppliers and customers.** Regional occurrences, such as energy shortages or increases in commodity prices, **geological hazards** and natural disasters, could also have a material adverse effect on our business, financial condition and results of operations. The physical effects of adverse weather conditions have the potential to directly affect our operations and result in increased costs related to our operations. Since climate change may change weather patterns and the severity of weather events, any such changes could consequently materially adversely affect our revenues and cash flows and the demand for our products by our customers. However, because the nature and timing of changes in extreme weather events (such as increased frequency, duration, and severity) are uncertain, it is not possible for us to estimate reliably the future financial risk to our operations caused by these potential physical risks. Our facilities face significant risks due to physical damage hazards, environmental liability risk exposure, and unplanned or emergency partial or total plant shutdowns which could cause property damage and a material decline in production which are not fully insured. If any of our plants, logistics assets, or key suppliers sustain a catastrophic loss and operations are shutdown or significantly impaired, it would have a material adverse impact on our operations, financial condition and cash flows. Operations at our plant could be curtailed, limited or completely shut down for an extended period of time as the result of one or more unforeseen events and circumstances, which may not be within our control, including: major unplanned maintenance requirements; catastrophic events caused by mechanical breakdown, electrical injury, pressure vessel rupture, explosion, contamination, fire, or natural disasters, including floods, windstorms, and other similar events; labor supply shortages or labor difficulties that result in a work stoppage or slowdown; cessation or suspension of a plant or specific operations dictated by environmental authorities; acts of terrorism **, cyberattacks** or other deliberate malicious acts; and an event or incident involving a large clean- up, decontamination, or the imposition of laws and ordinances regulating the cost and schedule of demolition or reconstruction, which can cause significant delays in restoring property to its pre- event condition. We are insured under casualty, environmental, property and business interruption insurance policies. The property and business interruption policies insure our real and personal property. These policies are subject to limits, sub- limits, retention (financial and time- based), and deductibles. The application of these and other policy conditions could materially impact insurance recoveries and potentially cause us to assume losses which could impair earnings. There is potential for a common occurrence to impact both our Coffeyville Facility and CVR Energy' s Coffeyville refinery in which case the insurance limits and applicable sub- limits would apply to all damages combined. There is finite capacity in the commercial insurance industry engaged in underwriting chemical industry risk, and factors impacting cost and availability include: (i) losses in our industries, (ii) natural disasters, (iii) specific losses incurred by us, and (iv) inadequate investment returns earned by the insurance industry. **In the future, certain insurance could become unavailable or available only for reduced amounts of coverage or at exorbitant costs.** If the supply of commercial insurance is curtailed, we may not be able to continue our present limits of insurance coverage or obtain sufficient insurance capacity to adequately insure our risks **or we may determine that premium costs, in our judgement, do not justify such expenditures and instead increase our self- insurance** . We are subject to strict laws and regulations regarding employee and process safety, and failure to comply with these laws and regulations could have a material adverse effect on our results of operations, financial condition and profitability. **December 31, 2023 | 22** We are subject to the requirements of OSHA and comparable state statutes that regulate the protection of the health and safety of workers, the proper design, operation, and maintenance of our equipment, and require us to provide information about hazardous materials used in our operations. Failure to comply with these requirements may result in significant fines or compliance costs, which could have a material adverse effect on our results of operations, financial condition and cash flows. **Our business may suffer due to the departure of any of our key senior executives or other key employees. Furthermore, a shortage of skilled labor may make it difficult for us to maintain labor productivity. Our future performance depends to a significant degree upon our management team and key technical personnel. The loss or unavailability to us of any member of our management team or a key technical employee could significantly harm us. We face competition for these professionals from our competitors, our customers and other companies operating in our industry. To the extent that the services of members of our management team and key technical personnel would be unavailable to us for any reason, we may be required to hire other personnel to manage and operate our business. We may not be able to locate or employ such qualified personnel on acceptable terms, or at all. Furthermore, our operations require skilled and experienced laborers with proficiency in multiple tasks. A shortage of trained workers due to retirements or otherwise could have an adverse impact on productivity and costs and our ability to expand production in the event there is an increase in the demand for our products and services, which could adversely affect our operations.** A portion of our workforce is unionized, and we are subject to the risk of labor disputes, slowdowns or strikes, which may disrupt our business and increase our costs. As of December 31, ~~2022~~ **2023** , approximately ~~29~~ **31** % of our employees were represented by labor unions under collective bargaining agreements. We may not be able to renegotiate our collective bargaining agreements when they expire on satisfactory terms or at all. A failure to do so may increase our costs. **For example, a labor union representing approximately 90 employees at our East Dubuque Facility went on strike in October 2023, after its collective bargaining agreement expired. While our East Dubuque Facility has been operating during the strike, in the event that the strike continues for a long duration, our operations could be negatively affected. See Part II, Item 7, " Partnership Overview — Other Events " for more information.** In addition, our existing labor agreements may not prevent a strike or work stoppage at any of our facilities in the future, and any work stoppage could negatively affect our results of operations, financial condition and cash flows. ~~December 31, 2022 | 22~~ In addition, there continues to be a tight labor market. Increases in remote work opportunities have also amplified the competition for employees and contractors. An inability to recruit, train, and retain adequate personnel, or the loss or departure of personnel with key skills or deep institutional knowledge for whom we are unable to find adequate replacements, may negatively impact our business. Inflation has also caused and may in the future cause increases in employee- related costs, both due to higher wages and other compensation. Risks Related to Our Capital Structure Instability and volatility in the capital, credit, and commodity markets in the global economy could negatively impact our business, financial condition, results of operations and cash flows. Our business, financial condition, and results of operations could be negatively impacted by difficult conditions and volatility in the capital, credit, and commodities markets and in the global economy. For example: there can be no assurance that funds under our credit facilities will be available or sufficient, and in such a case, we may not be able to successfully obtain additional financing on favorable terms, or at all; market volatility could exert downward pressure on our common units, which may make it more difficult for us to raise additional capital and thereby limit our ability to grow, which could in turn cause our unit price to drop; or customers experiencing financial difficulties may fail to meet their financial obligations when due because of bankruptcy, lack of liquidity, operational failure or other reasons could result in decreased sales and earnings for us. Our level of indebtedness may affect our ability to operate our business and may have a material adverse effect on our financial condition and results of operations. We have incurred significant indebtedness, and we may be able to incur significant additional indebtedness in the future. If new indebtedness is added to our current indebtedness, the risks described below could increase. Our level of indebtedness **December 31, 2023 | 23** could have important consequences, such as: (i) limiting our ability to obtain additional financing to fund our working capital needs, capital expenditures, debt service requirements, acquisitions, or other purposes; (ii) requiring us to utilize a significant portion of our cash flows to service our indebtedness, thereby reducing available cash and our ability to make distributions on our common units; (iii) limiting our ability to use operating cash flow in other areas of the business because we must dedicate a substantial portion of additional funds to service debt; (iv) limiting our ability to compete with other companies who are not as highly leveraged, as we may be less capable of responding to adverse economic and industry conditions; (v) limiting our ability to make certain payments on debt that is subordinated or secured on a junior basis; (vi) restricting the way in which we conduct business because of financial and operating covenants, including regarding borrowing additional funds, disposing of assets, and the ability of subsidiaries to pay dividends or make other distributions; (vii) limiting our ability to enter into certain transactions with our affiliates; (viii) limiting our ability to designate our subsidiaries as unrestricted subsidiaries; (ix) exposing us to potential events of default (if not cured or waived) under financial and operating covenants contained in our or our respective subsidiaries' debt instruments; and (x) limiting our ability to react to changing market conditions. Covenants in our debt agreements could limit our ability to incur additional indebtedness and engage in certain transactions, as well as limit operational flexibility, which could adversely affect our liquidity and ability to pursue our business strategies. Our debt facilities and instruments contain, and any instruments governing future indebtedness would likely contain, a number of covenants that impose significant operating and financial restrictions on us and our subsidiaries and may limit our ability to engage in acts that may be in our long- term best interest, including restrictions on the ability, among other things, to: incur, assume, or guarantee additional indebtedness or issue redeemable or preferred stock; pay dividends or distributions in respect of equity securities or make other restricted payments; prepay, redeem, or repurchase certain debt; enter into agreements that restrict distributions from restricted subsidiaries; make certain payments on debt that is subordinated or secured on a junior basis; make certain investments; sell or otherwise dispose of assets, including capital stock of subsidiaries; create liens on certain assets; consolidate, merge, sell, or otherwise dispose of all or substantially all assets; enter into certain transactions with affiliates; and designate subsidiaries as unrestricted subsidiaries. Any of these restrictions could limit our ability to plan for or react to market conditions and could otherwise restrict operating activities. Any failure to comply with these covenants could result in a default under existing debt facilities and instruments. Upon a default, unless waived, the lenders under such debt facilities and instruments would have all remedies available to a secured lender and could elect to terminate their commitments, cease making further loans, institute foreclosure proceedings against assets, and force bankruptcy or liquidation, subject to any applicable intercreditor agreements. In addition, ~~December 31, 2022 | 23~~ a default under existing debt facilities and instruments could trigger a cross default under other agreements and could trigger a cross default under the agreements governing future indebtedness. Our operating segments' results may not be sufficient to service existing indebtedness or to fund other expenditures, and we may not be able to obtain financing to meet these requirements. We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our debt obligations that may not be successful. Our ability to satisfy debt obligations will depend upon, among other things, our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory, and other factors, many of which are beyond our control; future ability to borrow under our ABL Credit Facility, the availability of which depends on, among other things, complying with the covenants in the facility; and our future ability to obtain other financing. We cannot offer any assurance that our business will generate sufficient cash flow from operations or that we will be able to draw funds under our ABL Credit Facility or from other sources of financing, in an amount sufficient to fund our liquidity needs. If cash flows and capital resources are insufficient to service our indebtedness, we could face substantial liquidity problems and may be forced to reduce or delay capital expenditures, sell assets, seek additional capital, restructure or refinance indebtedness, or seek bankruptcy protection. These alternative measures may not be successful and may not permit us to meet scheduled debt service and other obligations. Our ability to restructure or refinance debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict business operations, and the terms of existing or future debt agreements may restrict us from adopting some of these alternatives. Further, our ABL Credit Facility bears interest at variable rates and other debt we incur could likewise be variable- rate debt. If market interest rates increase, variable- rate debt will create higher debt service requirements, which could adversely **December 31, 2023 | 24** affect our ability to fund our liquidity needs, capital investments, and distributions to our unitholders. We may enter into agreements limiting our exposure to higher interest rates, but any such agreements may not offer complete protection from this risk. Mr. Carl C. Icahn exerts significant influence over the Partnership through his controlling ownership of CVR Energy, and his interests **or those of CVR Energy** may conflict with the interests of the Partnership and our unitholders. Mr. Carl C. Icahn indirectly controls approximately ~~71~~ **66** % of the voting power of CVR Energy' s common stock and, by virtue of such ownership, is able to control the Partnership through CVR Energy' s ownership of our general partner and its sole member, including: the election and appointment of directors; business strategy and policies; mergers or other business combinations; acquisition or disposition of assets; future issuances of common stock, common units, or other securities; incurrence of debt or obtaining other sources of financing; and the payment of distributions on our common units. The existence of a controlling stockholder may have the effect of making it difficult for, or may discourage or delay, a third- party from seeking to acquire a majority of our common units, which may adversely affect the market price of such common units. Further, Mr. Icahn' s interests may not always be consistent with the Partnership' s interests or with the interests of our common unitholders. Mr. Icahn and entities controlled by him may also pursue acquisitions or business opportunities in industries in which we compete, and there is no requirement that any additional business opportunities be presented to us. We also have and may in the future enter into transactions to purchase goods or services with affiliates of Mr. Icahn. To the extent that conflicts of interest may arise between us and Mr. Icahn and his affiliates, those conflicts may be resolved in a manner adverse to us and our common unitholders. In addition, in the event of a sale or transfer of some or all of Mr. Icahn' s interests in CVR Energy to an unrelated party or group, a change of control could be deemed to have occurred under the terms of the indenture governing our 6. 125 % Senior Secured Notes, **due 2028** which could require us to offer to repurchase all outstanding notes at 101 % of their principal amount plus accrued interest to the date of repurchase, and an event of default could be deemed to have occurred under our ABL Credit Facility, which could allow lenders to accelerate indebtedness owed to them. If such an event were to occur, it is possible that we will not have sufficient funds at the time of the change of control to make the required repurchase of notes or repay amounts outstanding under our ABL Credit Facility, if any. ~~December 31, 2022 | 24~~ An increase in interest rates will cause our debt service obligations to increase. Since March 2022, the Federal Reserve has raised its target range for the federal funds rate ~~seven times, including~~ by ~~25~~ **525** basis points ~~in March~~ **through January 31,** ~~2022~~ **2024** ~~, by 50 basis points in May 2022, by 75 basis points in each of June 2022, July 2022, September 2022 and November 2022 and by 50 basis points in December 2022. Furthermore, the Federal Reserve has signaled that additional rate increases are likely to occur for the foreseeable future~~ . An increase in the interest rates associated with our floating rate debt would increase our debt service costs and affect our results of operations and cash flow available for payments of our debt obligations. In addition, an increase in interest rates could adversely affect our future ability to obtain financing or materially increase the cost of any additional financing ~~. The potential spin- off of CVR Energy' s nitrogen fertilizer business may result in disruptions to, and negatively impact our relationships with, our customers and other business partners. On November 21, 2022, CVR Energy announced that its board of directors had authorized its management to explore a plan to spin- off its interest in our nitrogen fertilizer business, which includes all of our general partner and approximately 37 % of our limited partnership interests. Such a transaction would likely involve creating an independent publicly traded company which would hold such interests following the potential spin- off. Uncertainty related to the proposed spin- off may lead customers, vendors and other parties with which we currently do business or may do business in the future to attempt to negotiate changes in existing business relationships with us, or consider entering into business relationships with parties other than us. In addition, the potential spin could significantly increase our costs. These disruptions and other potential impacts could have a material and adverse effect on our business. The effect of such disruptions could be exacerbated by any delays in the completion of the potential spin- off. There can be no assurance that the potential spin- off transaction will be completed, and CVR Energy has not set a timetable for approval or completion of any such transaction~~ . Risks Related to Our Limited Partnership Structure We may not have sufficient " available cash " to pay any quarterly distribution on common units **,** or the **board of directors of the Partnership' s general partner (the "** Board **")** may elect to **take reserves or** distribute less than all of our available cash. The current policy of the ~~board of directors of our general partner ("~~ Board ~~")~~ is to distribute an amount equal to the available cash generated by our business each quarter to our common unitholders. As a result of its cash distribution policy, we will likely need to rely primarily upon external financing sources, including commercial bank borrowings and the issuance of debt and equity securities, to fund acquisitions and expansion capital expenditures, and our growth, if any, may not be as robust as that of businesses that reinvest available cash to expand ongoing operations. We may not have sufficient available cash each quarter to enable the payment of distributions to common unitholders. Furthermore, the partnership agreement does not require us to pay distributions on a quarterly basis or otherwise. As such, the Board may modify or revoke its cash distribution policy at any time at its discretion, including in such a manner that would result in an elimination of cash distributions regardless of the amount of available cash our business generates. To the extent we issue additional units in connection with any acquisitions or expansion capital expenditures or as in- kind distributions, current unitholders would experience dilution and the payment of distributions on those additional units may decrease the amount we distribute in respect of its outstanding units. Under our partnership agreement, we are authorized to **December 31, 2023 | 25** issue an unlimited number of additional interests without a vote of the common unitholders. The issuance by us of additional common units or other equity interests of equal or senior rank would reduce the proportionate ownership interest of common unitholders immediately prior to the issuance. As a result of the issuance of common units, the following may occur: the amount of cash distributions on each common unit may decrease; the ratio of our taxable income to distributions may increase; the relative voting strength of each previously outstanding common unit will be diminished; and the market price of the common units may decline. In addition, our partnership agreement does not prohibit the issuance by our subsidiaries of equity interests, which may effectively rank senior to the common units. The incurrence of additional commercial borrowings or other debt to finance its growth strategy would result in increased interest expense, which, in turn, would reduce the available cash we have to distribute to unitholders. Our partnership agreement has limited our general partner' s liability, replaces default fiduciary duties, and restricts the remedies available to common unitholders for actions that, without these limitations and reductions, might otherwise constitute breaches of fiduciary duty. ~~December 31, 2022 | 25~~ As permitted under Delaware law, our partnership agreement, which applies to and binds common unitholders, limits the liability and replaces the fiduciary duties of our general partner, while also restricting the remedies available to our common unitholders for actions that, without these limitations and reductions, might constitute breaches of fiduciary duty. Our partnership agreement contains provisions that replace the standards to which our general partner would otherwise be held by state fiduciary duty law. For example: our partnership agreement (i) permits our general partner to make a number of decisions in its individual capacity, as opposed to its capacity as general partner, which entitles our general partner to consider only the interests and factors that it desires and means that it has no duty or obligation to give any consideration to any interest of, or factors affecting, any limited partner; (ii) provides that our general partner will not have any liability to unitholders for decisions made in its capacity as general partner so long as it acted in good faith, meaning it believed the decision was in our best interest; (iii) provides that our general partner and the officers and directors of its general partner will not be liable for monetary damages to common unitholders, including us, for any acts or omissions unless there has been a final and non- appealable judgment entered by a court of competent jurisdiction determining that the general partner or its officers or directors acted in bad faith or engaged in fraud or willful misconduct, or in the case of a criminal matter, acted with knowledge that the conduct was criminal; (iv) generally provides that affiliated transactions and resolutions of conflicts of interest not approved by the conflicts committee of the board of directors of its general partner and not involving a vote of unitholders must be on terms no less favorable to us than those generally being provided to or available from unrelated third parties or be “ fair and reasonable ” to us, as determined by its general partner in good faith, and that, in determining whether a transaction or resolution is “ fair and reasonable ~~,~~” **,** the general partner may consider the totality of the relationships between the parties involved, including other transactions that may be particularly advantageous or beneficial to affiliated parties, including us; and (v) provides that in resolving conflicts of interest, it will be presumed that in making its decision, the general partner or its conflicts committee acted in good faith, and in any proceeding brought by or on behalf of any holder of common units, the person bringing or prosecuting such proceeding will have the burden of overcoming such presumption. Our general partner, an indirect wholly- owned subsidiary of CVR Energy, has fiduciary duties to CVR Energy and its stockholders, and the interests of CVR Energy and its stockholders may differ significantly from, or conflict with, the interests of our public common unitholders. Our general partner is responsible for managing us. Although our general partner has fiduciary duties to manage us in a manner that is in our best interests, the fiduciary duties are specifically limited by the express terms of our partnership agreement, and the directors and officers of our general partner also have fiduciary duties to manage our general partner in a manner beneficial to CVR Energy and its stockholders. The interests of CVR Energy and its stockholders may conflict with the interests of our public common unitholders. In resolving these conflicts, our general partner may favor its own interests, the interests of CVR Services, its sole member, or the interests of CVR Energy and holders of CVR Energy’ s common stock, including its majority stockholder, an affiliate of Icahn Enterprises L. P., over our interests and those of our common unitholders. The potential conflicts of interest include, among others, the following: (i) neither our partnership agreement nor any other agreement requires the owners of our general partner, including CVR Energy, to pursue a business strategy that favors us and the affiliates of our general partner, including CVR Energy, have fiduciary duties to make decisions in their own best interests and in the best interest of holders of CVR Energy’ s common stock, which may be contrary to our interests (ii) our general partner is allowed to take into account the interests of parties other than us or our common unitholders, such as its owners or CVR Energy, in resolving conflicts of interest, which has the effect of limiting its fiduciary duty to our common unitholders; **December 31, 2023 | 26** (iii) our general partner has limited its liability and reduced its fiduciary duties under our partnership agreement and has also restricted the remedies available to our common unitholders for actions that, without the limitations, might constitute breaches of fiduciary duty; (iv) the Board determines the amount and timing of asset purchases and sales, capital expenditures, borrowings, repayment of indebtedness, and issuances of additional partnership interests, each of which can affect the amount of cash that is available for distribution to our common unitholders; (v) our partnership agreement does not restrict our general partner from causing us to pay it or its affiliates for any services rendered to us or entering into additional contractual arrangements with any of these entities on our behalf and there is no limitation on the amounts that can be paid; (vi) our general partner controls the enforcement of obligations owed to us by it and its affiliates, and decides whether to retain separate counsel or others to perform services for us; (vii) our general partner determines which costs incurred by it and its affiliates are reimbursable by us; and (viii) certain of the executive officers of our general partner also serve as executive officers of CVR Energy, including our executive chairman, who will face conflicts of interest when making decisions which may benefit either us or CVR Energy. Additionally, the compensation of such executive officers is set by CVR Energy, and we have no control over the amount paid to such officers. ~~December 31, 2022 | 26~~ CVR Energy has the power to elect all of the members of the Board. Our general partner has control over all decisions related to our operations. Our public common unitholders do not have an ability to influence any operating decisions and will not be able to prevent us from entering into any transactions. Certain subsidiaries of CVR Energy perform certain corporate services for us, including finance, accounting, legal, information technology, auditing, and cash management activities, and we could be impacted by any failure of those entities to adequately perform these services. If at any time our general partner and its affiliates own more than 80 % of the common units, our general partner will have the right, which it may assign to any of its affiliates or to us, but not the obligation, to acquire all, but not less than all, of the common units held by public common unitholders at a price not less than their then- current market price, as calculated pursuant to the terms of our partnership agreement. As a result, each holder of our common units may be required to sell such holder’ s common units at an undesirable time or price and may not receive any return on investment, and may also incur a tax liability upon a sale of its common units. Our general partner is not obligated to obtain a fairness opinion regarding the value of the common units to be repurchased by it upon exercise of the call right. There is no restriction in our partnership agreement that prevents our general partner from issuing additional common units and then exercising its call right. Our general partner may use its own discretion, free of fiduciary duty restrictions, in determining whether to exercise this right. Our general partner may transfer its general partner interest in us to a third- party, including in a merger or in a sale of all or substantially all of its assets without the consent of our common unitholders. The new equity owner of our general partner would then be in a position to replace the board of directors and the officers of our general partner with its own choices and to influence their decisions. If control of our general partner were transferred to an unrelated third- party, the new owner would have no interest in CVR Energy and CVR Energy could, upon 90 days’ notice, terminate the services agreement pursuant to which it provides us with the services of its senior management team. As a publicly traded partnership we qualify for **and rely upon** certain exemptions from many of the NYSE’ s corporate governance requirements. As a publicly traded partnership, we qualify for certain exemptions from the NYSE’ s corporate governance requirements, which include the requirements that (i) a majority of the Board consist of independent directors and (ii) the Board have a nominating / corporate governance committee and compensation committee that are composed entirely of independent directors. Our general partner’ s board of directors has not and does not currently intend to establish a nominating / corporate governance committee and we could avail ourselves of the additional exemptions available to publicly traded partnerships at any time in the future. Accordingly, common unitholders do not have the same protections afforded to equity holders of companies that are subject to all of the corporate governance requirements of the NYSE. Our public common unitholders have limited voting rights and are not entitled to elect our general partner or our general partner’ s directors and do not have sufficient voting power to remove our general partner without CVR Energy' s consent. Unlike the holders of common stock in a corporation, our common unitholders have only limited voting rights on matters affecting our business and, therefore, limited ability to influence management' s decisions. Our common unit holders do not choose the Member (s) of the general partner **,** nor do they elect directors of the Board or participate in other matters routinely conducted at annual meetings of stockholders, and have no practical ability to remove our general partner without the consent of CVR Energy. As a result of these limitations, the price at which the common units will trade could be diminished. Our **December 31, 2023 | 27** partnership agreement restricts common unitholders' voting rights by providing that any units held by a person that owns 20 % or more of any class of units then outstanding, other than our general partner, its affiliates, their transferees, and persons who acquired such units with the prior approval of the Board, may not vote on any matter. Our partnership agreement also contains provisions limiting the ability of common unitholders to call meetings or to acquire information about our operations, and to influence the manner or direction of management. Common unitholders may have liability to repay distributions. In the event that: (i) we make distributions to our common unitholders when our nonrecourse liabilities exceed the sum of (a) the fair market value of our assets not subject to recourse liability and (b) the excess of the fair market value of our assets subject to recourse liability over such liability, or a distribution causes such a result, and (ii) a common unitholder knows at the time of the distribution of such circumstances, such common unitholder will be liable for a period of three years from the time of the impermissible distribution to repay the distribution under Section 17-607 of the Delaware Act. Likewise, upon the winding up of the partnership, in the event that (i) we do not distribute assets in the following order: (a) to creditors in ~~December 31, 2022 | 27~~ satisfaction of their liabilities; (b) to partners and former partners in satisfaction of liabilities for distributions owed under our partnership agreement; (c) to partners for the return of their contribution; and finally (d) to the partners in the proportions in which the partners share in distributions; and (ii) a common unitholder knows at the time of such circumstances, then such common unitholder will be liable for a period of three years from the impermissible distribution to repay the distribution under Section 17- 807 of the Delaware Act. Tax Risks Related to Common Unitholders If the IRS were to treat us as a corporation for U. S. federal income tax purposes or we become subject to entity- level taxation for state tax purposes, our cash available for distribution to our common unitholders would be substantially reduced, likely causing a substantial reduction in the value of our common units. The anticipated after- tax economic benefit of an investment in our common units depends largely on our being treated as a partnership for U. S. federal income tax purposes. Despite the fact that we are organized as a limited partnership under Delaware law, we would be treated as a corporation for U. S. federal income tax purposes unless we satisfy a " qualifying income " requirement. Based upon our current operations, we believe we satisfy the qualifying income requirement. Although we have received favorable private letter rulings from the IRS with respect to certain of our operations, no ruling has been or will be requested regarding our treatment as a partnership for U. S. federal income tax purposes. Failing to meet the qualifying income requirement or a change in current law (which could be retroactive) could cause us to be treated as a corporation for U. S. federal income tax purposes or otherwise subject us to taxation at the corporate tax rate and distributions to our common unitholders would generally be taxed again as corporate distributions, and no income, gains, losses, or deductions would flow through to our common unitholders. Because a tax would be imposed upon us as a corporation, our cash available for distribution to our common unitholders would be substantially reduced and result in a material reduction in the anticipated cash flow and after- tax return to our common unitholders, likely causing a substantial reduction in the value of our common units. At the state level, several states have been evaluating ways to subject partnerships to entity- level taxation through the imposition of state income, franchise, or other forms of taxation. We currently own assets and conduct business in several states, many of which impose a margin or franchise tax. In the future, we may expand our operations. Imposition of a similar tax on us in other jurisdictions that we may expand could substantially reduce our cash available for distribution to our common unitholders. If the IRS makes audit adjustments to our income tax returns, it may assess and collect any taxes (including any applicable penalties and interest) resulting from such audit adjustments directly from us, in which case our cash available for distribution to our common unitholders might be substantially reduced and our current and former common unitholders may be required to indemnify us for any taxes (including any applicable penalties and interest) resulting from such audit adjustments that were paid on such common unitholders' behalf. The IRS (and some states) may assess and collect from us taxes (including any applicable penalties and interest) resulting from audit adjustments to our income tax returns. Our general partner may elect to either pay the taxes (including any applicable penalties and interest) directly to the IRS or, if we are eligible, issue a revised information statement to each common unitholder and former common unitholder with respect to an audited and adjusted return. There can be no assurance that such an election to allocate the audit adjustment and tax payment obligation to our current and former common unitholders will be practical, permissible, or effective in all circumstances. As a result, our current common unitholders may bear some or all of the tax liability resulting from such audit adjustment, even if they did not own common units in us during the tax year under audit. **December 31, 2023 | 28** If, as a result of any such audit adjustment, we are required to make payments of taxes, penalties, and interest, our cash available for distribution to our common unitholders might be substantially reduced and our current and former unitholders may be required to indemnify us for any taxes (including any applicable penalties and interest) resulting from such audit adjustments that were paid on such unitholders behalf. Our unitholders are required to pay income taxes on their share of our taxable income even if they do not receive any cash distributions from us. A unitholder' s allocable share of our taxable income will be taxable to it, which may require the unitholder to pay U. S. federal income taxes and, in some cases, state and local income taxes, even if the unitholder receives no cash distributions or cash distributions from us that are less than the actual tax liability that results from that income. For example, if we sell assets and use the proceeds to repay existing debt or fund capital expenditures, you may be allocated taxable income and gain resulting from the sale, and our cash available for distribution would not increase. Similarly, taking advantage of opportunities to reduce our existing debt, such as debt exchanges, debt repurchases, or modifications of our existing debt could result in ~~December 31, 2022 | 28~~ " cancellation of indebtedness income " being allocated to our common unitholders as taxable income without any increase in our cash available for distribution. Common unitholders may be subject to limitation on their ability to deduct interest expense incurred by us. In general, we are entitled to a deduction for interest paid or accrued on indebtedness properly allocable to our trade or business during our taxable year. However, our deduction for “ business interest ” is limited to the sum of our business interest income and 30 % of our “ adjusted taxable income ~~.~~” **.** For the purposes of this limitation, our adjusted taxable income is computed without regard to any business interest expense or business interest income. In the case of taxable years beginning on or after January 1, 2022, our adjusted taxable income is computed by taking into account any deduction allowable for depreciation, amortization, or depletion. Non- U. S. common unitholders will be subject to U. S. taxes and withholding with respect to their income and gain from owning our common units. Non- U. S. common unitholders are generally taxed and subject to income tax filing requirements by the United States on income effectively connected with a U. S. trade or business (“ effectively connected income ”). Income allocated to our common unitholders and any gain from the sale of our common units will generally be considered to be “ effectively connected ” with a U. S. trade or business. As a result, distributions to a Non- U. S. common unitholder will be subject to withholding at the highest applicable effective tax rate, and a Non- U. S. common unitholder who sells or otherwise disposes of a common unit will also be subject to U. S. federal income tax on the gain realized from the sale or disposition of that common unit. In addition to the withholding tax imposed on distributions of effectively connected income, distributions to a Non- U. S. common unitholder will also be subject to a 10 % withholding tax on the amount realized with respect to any distribution. In the case of a distribution made through a broker, the amount realized is the amount of any distribution in excess of our cumulative net income. As we do not compute our cumulative net income for such purposes due to the complexity of the calculation and lack of clarity in how it would apply to us, we intend to treat all of our distributions as being in excess of our cumulative net income for such purposes and subject to such 10 % withholding tax. Accordingly, distributions to a Non- U. S. common unitholder that are made through a broker will be subject to a combined withholding tax rate equal to the sum of the highest applicable effective tax rate and 10 %. **Additionally, if a common unitholder sells or otherwise disposes of a unit, the transferee is required to withhold 10 % of the amount realized by the transferor unless the transferor certifies that it is not a foreign person, and we are required to deduct and withhold from the transferee amounts that should have been withheld by the transferee but were not withheld. Under the Treasury Regulations, such withholding will be required on open market transactions, but in the case of a transfer made through a broker, a partner’ s share of liabilities will be excluded from the amount realized. In addition, the obligation to withhold will be imposed on the broker instead of the transferee (and we will generally not be required to withhold from the transferee amounts that should have been withheld by the transferee but were not withheld).** These withholding obligations will apply to transfers of our common units occurring on or after January 1, 2023. Current and prospective Non- U. S. common unitholders should consult their tax advisors regarding the impact of these rules on an investment in our common units. **December 31, 2023 | 29** Tax- exempt entities face unique tax issues from owning our common units that may result in adverse tax consequences. Investment in our common units by tax- exempt entities, such as employee benefit plans and individual retirement accounts, raises unique issues. For example, virtually all of our income allocated to organizations that are exempt from U. S. federal income tax will be unrelated business taxable income and will be taxable. Further, a tax- exempt entity with more than one unrelated trade or business (including by attribution from investment in a partnership such as ours that is engaged in one or more unrelated trade or business) is required to compute the unrelated business taxable income of such tax- exempt entity separately with respect to each such trade or business (including for purposes of determining any net operating loss deduction). As a result, it may not be possible for tax- exempt entities to utilize losses from an investment in our partnership to offset unrelated business taxable income from another unrelated trade or business and vice versa. The IRS may challenge our treatment of each purchaser of our common units as having the same tax benefits without regard to the common units actually purchased, which could adversely affect the value of our common units. Because we cannot match transferors and transferees of common units, we have adopted certain methods for allocating depreciation and amortization deductions that may not conform to all aspects of existing Treasury Regulations. A successful IRS challenge to the use of these methods could adversely affect the amount of tax benefits available to our common unitholders. It also could affect the timing of these tax benefits or the amount of gain from any sale of common units and could have a negative impact on the value of our common units or result in audit adjustments to a common unitholder’ s tax returns. ~~December 31, 2022 | 29~~ Our proration methods may be challenged by the IRS, which could change the allocation of items of income, gain, loss, and deduction among our common unitholders. We generally (i) prorate our items of income, gain, loss, and deduction between transferors and transferees of our common units; and (ii) allocate certain deductions for depreciation of capital additions, gain or loss realized on a sale or other disposition of our assets, and, in the discretion of the general partner, any other extraordinary item of income, gain, loss, or deduction, each month based upon the ownership of our units on the first day of each month (the “ Allocation Date ”), instead of on the basis of the date a particular common unit is transferred. Treasury Regulations allow a similar monthly simplifying convention, but such regulations do not specifically authorize all aspects of our proration method. If the IRS were to challenge our proration method, we may be required to change the allocation of items of income, gain, loss, and deduction among our common unitholders. IRS challenge of certain valuation methodologies we have adopted to determine a unitholder’ s allocations of income, gain, loss, and deduction, could adversely affect the value of our common units. In determining the items of income, gain, loss, and deduction allocable to our unitholders, we must routinely determine the fair market value of our assets and allocate any unrealized gain or loss attributable to our assets to the capital accounts of our unitholders. The IRS may challenge our valuation methods and allocations. A successful IRS challenge to these methods or allocations could adversely affect the amount of taxable income or loss being allocated to our unitholders, the amount of taxable gain from our unitholders’ sale of common units, and the value of the common units or result in audit adjustments to our unitholders’ tax returns without the benefit of additional deductions. Our common unitholders will likely be subject to state and local taxes, as well as income tax return filing requirements, in jurisdictions where they do not live as a result of investing in our common units. In addition to U. S. federal income taxes, our common unitholders may be subject to other taxes, including foreign, state, and local taxes, unincorporated business taxes, and estate, inheritance, or intangible taxes that are imposed by the various jurisdictions in which we conduct business or own property now or in the future, even if they do not live in any of those jurisdictions, will likely be required to file foreign, state, and local income tax returns and pay state and local income taxes in some or all of these various jurisdictions, and may be subject to penalties for failure to comply with those requirements. **December 31, 2023 | 30** General Risks Related to the Partnership The acquisition and expansion strategy of our business involves significant risks that could have a material adverse effect on our results of operations, financial condition and cash flows. From time to time, we may consider pursuing acquisitions **of businesses or assets** and expansion projects (" Expansion Projects ") to continue to grow and increase profitability. However, we may not be able to consummate such Expansion Projects due to intense competition for suitable acquisition targets; the potential unavailability of necessary financial resources; difficulties in identifying suitable Expansion Projects or in completing them on sufficiently favorable terms; and the failure to obtain requisite regulatory approvals. In addition, any Expansion Projects may entail significant transaction costs and risks associated with entry into new markets and lines of business, including but not limited to, new regulatory obligations and risks. In the case of an acquisition, integration of acquired entities can involve significant difficulties, such as: disruption of the ongoing operations; failure to achieve cost savings or other financial or operating objectives contributing to the accretive nature of an acquisition; strain on operational and managerial controls, procedures and management; difficulties in the integration and retention of customers or personnel; assumption of unknown material liabilities or regulatory non- compliance issues; and amortization of acquired assets, which would reduce future reported earnings; and possible adverse short- term effects on our cash flows or operating results. When considering potential Expansion Projects, will also consider impact on our tax treatment as a partnership for U. S. federal income tax purposes. If we are unable to conclude that the activities of the Expansion Project would not affect our treatment as a partnership for U. S. federal income tax purposes, we may elect to seek a ruling from the IRS. Seeking such a ruling could be costly or, in the case of competitive acquisitions, place the business in a competitive disadvantage compared to other potential acquirers who do not seek such a ruling. If we are unable to conclude that an activity would not affect our treatment as a partnership for U. S. federal income tax purposes and are unable or unwilling to obtain an IRS ruling, we may choose to acquire such business or develop such expansion project in a corporate subsidiary, which would subject the income ~~December 31, 2022 | 30~~ related to such activity to entity- level taxation, which would reduce the amount of cash available for distribution to our common unitholders and could likely cause a substantial reduction in the value of our common units. Internally generated cash flows and other sources of liquidity may not be adequate for our capital needs. Our business is capital intensive and working capital needs may vary significantly over relatively short periods of time. For instance, nitrogen fertilizer demand volatility can significantly impact working capital on a week- to- week and month- to- month basis. If we cannot generate adequate cash flow or otherwise secure sufficient liquidity to meet our working capital needs or support our short- term and long- term capital requirements, we may be unable to meet our debt obligations, pursue our business strategies, or comply with certain environmental standards, which would have a material adverse effect on our business and results of operations.