UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to .

Commission file number: 001-35120

CVR PARTNERS, LP

(Exact name of registrant as specified in its charter)

Delaware	**56-2677689**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

2277 Plaza Drive, Suite 500, Sugar Land, Texas 77479
(Address of principal executive offices) (Zip Code)
(281) 207-3200
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common units representing limited partner interests	UAN	The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☑	Non-accelerated filer	☐
Smaller reporting company	☐	Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

There were 10,569,637 common units representing limited partner interests of CVR Partners, LP ("common units") outstanding at July 28, 2023.

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CVR PARTNERS, LP - Quarterly Report on Form 10-Q
June 30, 2023

This Quarterly Report on Form 10-Q (including documents incorporated by reference herein) contains statements with respect to our expectations or beliefs as to future events. These types of statements are "forward-looking" and subject to uncertainties. See "Important Information Regarding Forward-Looking Statements" section of this filing.

Important Information Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q (this "Report") contains forward-looking statements including, but not limited to, those under Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control. All statements other than statements of historical fact, including without limitation, statements regarding future operations, financial position, estimated revenues and losses, growth, capital projects, unit repurchases, impacts of legal proceedings, projected costs, prospects, plans, and objectives of management are forward-looking statements. The words "could," "believe," "anticipate," "intend," "estimate," "expect," "may," "continue," "predict," "potential," "project," and similar terms and phrases are intended to identify forward-looking statements.

Although we believe our assumptions concerning future events are reasonable, a number of risks, uncertainties and other factors could cause actual results and trends to differ materially from those projected or forward-looking. Forward-looking statements, as well as certain risks, contingencies, or uncertainties that may impact our forward-looking statements, include, but are not limited to, the following:

- our ability to generate distributable cash or make cash distributions on our common units, including reserves and future uses of cash;
- the ability of our general partner to modify or revoke our distribution policy at any time;
- the volatile nature of our business and the variable nature of our distributions;
- the effects of changes in market conditions and market volatility, fertilizer, natural gas, and other commodity prices, including inflation, and the impact of such changes on our operating results and financial condition;
- the cyclical and seasonal nature of our business;
- the impact of weather on our business, including our ability to produce, market, sell, transport or deliver fertilizer products profitably or at all, and on commodity supply and/or pricing;
- the dependence of our operations on a few third-party suppliers, including providers of feedstocks, transportation services, and equipment;
- our reliance on, or our ability to procure economically or at all, petroleum coke ("pet coke") we purchase from CVR Energy, Inc. (together with its subsidiaries, but excluding the Partnership and its subsidiaries, "CVR Energy") and other third-party suppliers;
- our reliance on the natural gas, electricity, oxygen, nitrogen, sulfur processing, compressed dry air and other products that we purchase from third parties;
- the supply, availability, and prices of essential raw materials and the effects of inflation thereupon;
- our production levels, including the risk of a material decline in those levels, including our ability to upgrade ammonia to UAN;
- product pricing, including contracted sales, the timing thereof, and our ability to realize market prices, in full or at all;
- accidents or other unscheduled shutdowns or interruptions affecting our facilities, machinery, or equipment, or those of our suppliers or customers;
- potential operating hazards from accidents, fire, severe weather, tornadoes, floods or other natural disasters;
- operational upsets or changes in laws that could impact the amount and receipt of credits (if any) under Section 45Q of the Internal Revenue Code of 1986, as amended;
- ability to meet certain carbon oxide capture and sequestration milestones;
- our ability to obtain, retain, or renew permits, licenses and authorizations to operate our business;
- competition in the nitrogen fertilizer business and foreign wheat and coarse grain production, including impacts thereof as a result of farm planting acreage, domestic and global supply and demand, and domestic or international duties tariffs or similar costs;
- capital expenditures;
- changes in our credit profile and the effects of higher interest rates;
- existing and future laws, rulings and regulations, including but not limited to those relating to the environment, climate change, and/or the transportation or production of hazardous chemicals, materials, or substances, like ammonia, including potential liabilities or capital requirements arising from such laws, rulings, or regulations;
- erosion of demand for our products due to increasing focus on climate change and environmental, social and governance ("ESG") initiatives;
- ESG including but not limited to compliance with ESG-related recommendations or directives and risks or impacts relating thereto, whether from regulators, rating agencies, lenders, investors, litigants, customers, vendors, the public or others;
- alternative energy or fuel sources and impacts on corn prices (ethanol), and the end-use and application of fertilizers;
- risks of terrorism, cybersecurity attacks, the security of chemical manufacturing facilities and other matters beyond our control;

- political disturbances, geopolitical instability and tensions, and associated changes in global trade policies and economic sanctions, including, but not limited to, in connection with Russia's invasion of Ukraine in February 2022 and any ongoing conflicts in the region;
- our lack of asset diversification;
- our dependence on significant customers and the creditworthiness and performance by counterparties;
- our potential loss of transportation cost advantage over our competitors;
- risks associated with third party operation of or control over important facilities necessary for operation of our nitrogen fertilizer facilities;
- the volatile nature of ammonia, potential liability for accidents involving ammonia including damage or injury to persons, property, the environment or human health and increased costs related to the transport or production of ammonia;
- our potential inability to successfully implement our business strategies, including the completion of significant capital programs or projects;
- our reliance on CVR Energy's management team and conflicts of interest they may face operating each of CVR Partners and CVR Energy;
- control of our general partner by CVR Energy and control of CVR Energy by its controlling shareholder;
- our ability to continue to license the technology used in our operations;
- the potential inability to successfully implement our business strategies at all or on time and within our anticipated budgets, including significant capital programs or projects and turnarounds at our fertilizer facilities;
- restrictions in our debt agreements;
- asset useful lives and impairments and impacts thereof;
- realizable inventory value;
- the number of investors willing to hold or acquire our common units;
- our ability to issue securities or obtain financing at favorable rates or at all;
- bank failures or other events affecting financial institutions;
- changes in tax and other law, regulations and policies;
- ability to qualify for and receive the benefit of 45Q tax credits;
- changes in our treatment as a partnership for U.S. federal income or state tax purposes;
- rulings, judgments or settlements in litigation, tax or other legal or regulatory matters;
- instability and volatility in the capital, credit and commodities markets and in the global economy, including due to the ongoing Russia-Ukraine conflict;
- risks related to the conclusion of a potential spin-off of the general and limited partner interests in the Partnership owned by CVR Energy or potential future reconsideration thereof;
- competition, transactions, and/or conflicts with CVR Energy and its affiliates, including CVR Energy's controlling shareholder;
- the value of payouts under our equity and non-equity incentive plans; and
- the cost and/or availability of insurance and our ability to recover under our insurance policies for damages or losses in full or at all; and
- the factors described in greater detail under "Risk Factors" in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2022 and our other filings with the U.S. Securities and Exchange Commission (the "SEC").

All forward-looking statements included in this Report are based on information available to us on the date of this Report. Except as required by law, we undertake no obligation to revise or update any forward-looking statements as a result of new information, future events or otherwise.

Information About Us

Investors should note that we make available, free of charge on our website at www.CVRPartners.com, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. We also post announcements, updates, events, investor information and presentations on our website in addition to copies of all recent news releases. We may use the Investor Relations section of our website to communicate with investors. It is possible that the financial and other information posted there could be deemed to be material information. Documents and information on our website are not incorporated by reference herein.

The SEC maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers, including us, that file electronically with the SEC.

PART I. FINANCIAL INFORMATION

Item 1. ***Financial Statements***

CVR PARTNERS, LP AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)

(in thousands)	June 30, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 68,699**	$ 86,339
Accounts receivable	**33,925**	90,448
Inventories	**78,874**	77,518
Prepaid expenses and other current assets	**6,825**	11,399
Total current assets	**188,323**	265,704
Property, plant, and equipment, net	**783,561**	810,994
Other long-term assets	**47,106**	23,704
Total assets	**$ 1,018,990**	$ 1,100,402
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable	**$ 28,069**	$ 45,522
Accounts payable to affiliates	**5,896**	5,302
Deferred revenue	**6,666**	47,516
Other current liabilities	**27,683**	27,717
Total current liabilities	**68,314**	126,057
Long-term liabilities:		
Long-term debt, net	**547,050**	546,800
Long-term deferred revenue	**36,483**	—
Other long-term liabilities	**14,827**	15,734
Total long-term liabilities	**598,360**	562,534
Commitments and contingencies (See Note 11)		
Partners' capital:		
Common unitholders, 10,569,637 and 10,569,637 units issued and outstanding at June 30, 2023 and December 31, 2022, respectively	**352,315**	411,810
General partner interest	**1**	1
Total partners' capital	**352,316**	411,811
Total liabilities and partners' capital	**$ 1,018,990**	$ 1,100,402

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

CVR PARTNERS, LP AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

(in thousands, except per unit data)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Net sales	**$ 183,005**	$ 244,000	**$ 409,266**	$ 466,874
Operating costs and expenses:				
Cost of materials and other	**33,410**	40,984	**69,989**	71,230
Direct operating expenses (exclusive of depreciation and amortization)	**55,759**	48,767	**113,303**	109,084
Depreciation and amortization	**19,755**	21,220	**34,965**	40,686
Cost of sales	**108,924**	110,971	**218,257**	221,000
Selling, general and administrative expenses	**7,291**	7,008	**14,675**	15,752
Loss on asset disposal	**64**	93	**256**	267
Operating income	**66,726**	125,928	**176,078**	229,855
Other (expense) income:				
Interest expense, net	**(6,919)**	(8,308)	**(14,093)**	(18,343)
Other income (expense), net	**52**	81	**(212)**	108
Income before income tax expense	**59,859**	117,701	**161,773**	211,620
Income tax expense	**2**	119	**46**	377
Net income	**$ 59,857**	$ 117,582	**$ 161,727**	$ 211,243
Basic and diluted earnings per common unit	**$ 5.66**	$ 11.12	**$ 15.30**	$ 19.90
Weighted-average common units outstanding:				
Basic and Diluted	**10,570**	10,570	**10,570**	10,617

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

CVR PARTNERS, LP AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL
(unaudited)

(in thousands, except unit data)	Common Units Issued	Common Units Amount	General Partner Interest	Total Partners' Capital
Balance at December 31, 2022	10,569,637	$ 411,810	$ 1	$ 411,811
Net income	—	101,870	—	101,870
Cash distributions to common unitholders - Affiliates	—	(40,866)	—	(40,866)
Cash distributions to common unitholders - Non-affiliates	—	(70,115)	—	(70,115)
Balance at March 31, 2023	10,569,637	402,699	1	402,700
Net income	**—**	**59,857**	**—**	**59,857**
Cash distributions to common unitholders - Affiliates	**—**	**(40,594)**	**—**	**(40,594)**
Cash distributions to common unitholders - Non-affiliates	**—**	**(69,647)**	**—**	**(69,647)**
Balance at June 30, 2023	**10,569,637**	**$ 352,315**	**$ 1**	**$ 352,316**

(in thousands, except unit data)	Common Units Issued	Common Units Amount	General Partner Interest	Total Partners' Capital
Balance at December 31, 2021	10,681,332	$ 342,197	$ 1	$ 342,198
Net income	—	93,661	—	93,661
Repurchase of common units	(111,695)	(12,398)	—	(12,398)
Cash distributions to common unitholders - Affiliates	—	(20,394)	—	(20,394)
Cash distributions to common unitholders - Non-affiliates	—	(35,576)	—	(35,576)
Balance at March 31, 2022	10,569,637	367,490	1	367,491
Net income	—	117,582	—	117,582
Cash distributions to common unitholders - Affiliates	—	(8,796)	—	(8,796)
Cash distributions to common unitholders - Non-affiliates	—	(15,091)	—	(15,091)
Balance at June 30, 2022	10,569,637	$ 461,185	$ 1	$ 461,186

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

CVR PARTNERS, LP AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Six Months Ended June 30,	
(in thousands)	**2023**	**2022**
Cash flows from operating activities:		
Net income	**$ 161,727**	$ 211,243
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**34,965**	40,686
Share-based compensation	**4,136**	11,353
Loss on extinguishment of debt	**—**	628
Other adjustments	**752**	958
Change in assets and liabilities:		
Current assets and liabilities	**(10,704)**	(48,892)
Non-current assets and liabilities	**411**	(365)
Net cash provided by operating activities	**191,287**	215,611
Cash flows from investing activities:		
Capital expenditures	**(7,591)**	(13,771)
Proceeds from sale of assets	**—**	41
Return of equity method investment	**19,885**	—
Net cash provided by (used in) investing activities	**12,294**	(13,730)
Cash flows from financing activities:		
Repurchase of common units	**—**	(12,398)
Principal payments on senior secured notes	**—**	(65,000)
Cash distributions to common unitholders - Affiliates	**(81,460)**	(29,190)
Cash distributions to common unitholders - Non-affiliates	**(139,762)**	(50,667)
Payment of deferred financing costs	**—**	(830)
Other financing activities	**1**	—
Net cash used in financing activities	**(221,221)**	(158,085)
Net (decrease) increase in cash and cash equivalents	**(17,640)**	43,796
Cash and cash equivalents, beginning of period	**86,339**	112,516
Cash and cash equivalents, end of period	**$ 68,699**	$ 156,312

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

(1) Organization and Nature of Business

CVR Partners, LP ("CVR Partners" or the "Partnership") is a Delaware limited partnership formed by CVR Energy, Inc. (together with its subsidiaries, but excluding the Partnership and its subsidiaries, "CVR Energy") to own, operate and grow its nitrogen fertilizer business. The Partnership produces nitrogen fertilizer products at two manufacturing facilities, one located in Coffeyville, Kansas operated by our wholly owned subsidiary, Coffeyville Resources Nitrogen Fertilizers, LLC ("CRNF") (the "Coffeyville Facility") and one located in East Dubuque, Illinois operated by our wholly owned subsidiary, East Dubuque Nitrogen Fertilizers, LLC ("EDNF") (the "East Dubuque Facility"). Both facilities manufacture ammonia and are able to further upgrade such ammonia to other nitrogen fertilizer products, principally urea ammonium nitrate ("UAN"). Nitrogen fertilizer is used by farmers to improve the yield and quality of their crops, primarily corn and wheat. The Partnership's products are sold on a wholesale basis in the United States of America. As used in these financial statements, 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.

Interest Holders

As of June 30, 2023, public common unitholders held approximately 63% of the Partnership's outstanding limited partner interests; CVR Services, LLC ("CVR Services"), a wholly-owned subsidiary of CVR Energy, held the remaining approximately 37% of the Partnership's outstanding limited partner interests; and CVR GP, LLC ("CVR GP" or the "general partner"), a wholly-owned subsidiary of CVR Energy, held 100% of the Partnership's general partner interest. As of June 30, 2023, Icahn Enterprises L.P. ("IEP") and its affiliates owned approximately 71% of the common stock of CVR Energy.

Unit Repurchase Program

On May 6, 2020, the board of directors of the Partnership's general partner (the "Board"), on behalf of the Partnership, authorized a unit repurchase program (the "Unit Repurchase Program"), which was increased on February 22, 2021. The Unit Repurchase Program, as increased, authorized the Partnership to repurchase up to $20 million of the Partnership's common units. During the three and six months ended June 30, 2023 and the three months ended June 30, 2022, the Partnership did not repurchase any common units. During the six months ended June 30, 2022, the Partnership repurchased 111,695 common units on the open market in accordance with a repurchase agreement under Rules 10b5-1 and 10b-18 of the Securities Exchange Act of 1934, as amended, at a cost of $12.4 million, exclusive of transaction costs, or an average price of $110.98 per common unit. As of June 30, 2023, the Partnership, considering all repurchases made since inception of the Unit Repurchase Program, had a nominal amount in authority remaining under the Unit Repurchase Program. This Unit Repurchase Program does not obligate the Partnership to purchase any common units and may be cancelled, modified, or terminated by the Board at any time.

Management and Operations

The Partnership, including CVR GP, is managed by a combination of the Board, the general partner's executive officers, CVR Services (as sole member of the general partner), and certain officers of CVR Energy and its subsidiaries, pursuant to the Partnership Agreement, as well as a number of agreements among the Partnership, CVR GP, CVR Energy, and certain of their respective subsidiaries, including a services agreement. See Part II, Item 8 of CVR Partners' Annual Report on Form 10-K for the year ended December 31, 2022 (the "2022 Form 10-K") for further discussion. Common unitholders have limited voting rights on matters affecting the Partnership and have no right to elect the general partner's directors or officers, whether on an annual or continuing basis or otherwise.

Section 45Q Transaction

Certain carbon oxide capture and sequestration activities conducted at or in connection with the Coffeyville Facility qualify under the Internal Revenue Service ("IRS") safe harbor described in Revenue Procedure 2020-12 for certain tax credits available to joint ventures under Section 45Q of the Internal Revenue Code of 1986, as amended ("Section 45Q Credits"). In January 2023, CVR Partners and its subsidiary, CRNF, entered into a series of agreements with CapturePoint LLC, an unaffiliated Texas limited liability company, and certain unaffiliated third-party investors intended to qualify under the IRS safe harbor, described in Revenue Procedure 2020-12, for certain joint ventures that are eligible to claim Section 45Q Credits and allow us to monetize Section 45Q Credits we expect to generate from January 6, 2023 until March 31, 2030 (the "45Q Transaction"). Among other items, the 45Q Transaction resulted in the creation of CVR-CapturePoint Parent LLC ("CVRP

JV"), which was accounted for by the Partnership as an equity-method investment. See Note 5 ("Equity Method Investment") for further discussion. In January 2023, we received an initial distribution, net of expenses, of approximately $18.1 million and could receive up to an additional $60.0 million in payments through March 31, 2030, if certain carbon oxide capture and sequestration milestones are met, subject to the terms of the applicable agreements. The foregoing description of the applicable agreements does not purport to be complete and is qualified in its entirety by the terms of the relevant agreements, which were filed with the Partnership's quarterly report on Form 10-Q for the period ended March 31, 2023.

(2) Basis of Presentation

The accompanying condensed consolidated financial statements, prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"), include the accounts of CVR Partners and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated. Certain notes and other information have been condensed or omitted from these condensed consolidated financial statements. Therefore, these condensed consolidated financial statements should be read in conjunction with the December 31, 2022 audited consolidated financial statements and notes thereto included in the 2022 Form 10-K.

In the opinion of the Partnership's management, the accompanying condensed consolidated financial statements reflect all adjustments that are necessary for fair presentation of the financial position and results of operations of the Partnership for the periods presented. Such adjustments are of a normal recurring nature, unless otherwise disclosed.

The condensed consolidated financial statements are prepared in conformity with GAAP, which requires management to make certain estimates and assumptions that affect the reported amounts and disclosure of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Results of operations and cash flows for the interim periods presented are not necessarily indicative of the results that will be realized for the year ending December 31, 2023 or any other interim or annual period.

(3) Inventories

Inventories consisted of the following:

(in thousands)	June 30, 2023	December 31, 2022
Finished goods	**$ 29,511**	$ 28,630
Raw materials	**2,025**	3,116
Parts, supplies and other	**47,338**	45,772
Total inventories	**$ 78,874**	$ 77,518

(4) Property, Plant and Equipment

Property, plant and equipment consisted of the following:

(in thousands)	June 30, 2023	December 31, 2022
Machinery and equipment	**$ 1,449,208**	$ 1,432,875
Buildings and improvements	**18,021**	17,461
Automotive equipment	**16,377**	16,377
Land and improvements	**14,736**	14,604
Construction in progress	**11,870**	7,858
Other	**2,799**	3,035
	1,513,011	1,492,210
Less: Accumulated depreciation and amortization	**(729,450)**	(681,216)
Total property, plant and equipment, net	**$ 783,561**	$ 810,994

During the six months ended June 30, 2023, the Partnership did not identify the existence of an impairment indicator for our long-lived asset groups as outlined under the FASB Accounting Standards Codification ("ASC") Topic 360, *Property,* *Plant, and Equipment*. Depreciation and amortization expense related to property, plant and equipment was $19.6 million and $34.6 million for the three and six months ended June 30, 2023, respectively, and $21.0 million and $40.3 million for the three and six months ended June 30, 2022, respectively.

(5) Equity Method Investment

As part of the 45Q Transaction, the Partnership received a 50% ownership interest in CVRP JV in connection with a modification to a carbon oxide contract ("CO Contract") with a customer. The Partnership applied the variable interest entity ("VIE") model under FASB ASC Topic 810, *Consolidation*, to its variable interest in CVRP JV and determined that CVRP JV is a VIE. While the Partnership concluded it is not the primary beneficiary of CVRP JV, it does have significant influence over CVRP JV's operating and financial policies and, therefore, applied the equity method of accounting for its investment in CVRP JV.

The Partnership valued the equity interest received using a combination of the market approach and the discounted cash flow methodology with key inputs including the discount rate, contractual and expected future cash flows, and market multiples. The Partnership determined the estimated fair value of the consideration received to be $46.0 million, which was a non-recurring Level 3 measurement, as defined by FASB ASC Topic 820, *Fair Value Measurements*, based on the use of the Partnership's own assumptions described above. There were no transfers into or out of Level 3 during the three and six months ended June 30, 2023.

The Partnership deferred the recognition of the noncash consideration received and expects to recognize such revenue as the performance obligation associated with the CO Contract is satisfied. Refer to Note 9 ("Revenue") for further discussion. The Partnership has elected to record its share of the earnings or loss of CVRP JV one quarter in arrears. Distributions received from CVRP JV will reduce the Partnership's equity method investment and will be recorded in the period they are received. The investment in CVRP JV is presented within Other long-term assets on our condensed consolidated financial statements.

(in thousands)	CVRP JV
Balance at inception	$ 46,000
Cash distributions [(1)]	(19,000)
Cash contributions	2
Balance at March 31, 2023	27,002
Cash distributions	**(885)**
Equity loss	**(2)**
Balance at June 30, 2023	**$ 26,115**

(1) Of this amount, approximately $0.9 million related to incremental costs associated with obtaining the CO contract were capitalized and included in Prepaid expenses and other current assets and Other long-term assets in our condensed consolidated financial statements.

(6) Leases

Lease Overview

We lease railcars and certain facilities to support the Partnership's operations. Most of our leases include one or more renewal options to extend the lease term, which can be exercised at our sole discretion. Certain leases also include options to purchase the leased property. Additionally, certain of our lease agreements include rental payments, which are adjusted periodically for factors such as inflation. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants. Furthermore, we do not have any material lessor or sub-leasing arrangements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Balance Sheet Summary as of June 30, 2023 and December 31, 2022

The following table summarizes the right-of-use ("ROU") asset and lease liability balances for the Partnership's operating leases at June 30, 2023 and December 31, 2022. There were no finance lease balances at June 30, 2023 and December 31, 2022.

(in thousands)	June 30, 2023	December 31, 2022
ROU asset, net		
Railcars	**$ 8,915**	$ 10,449
Real estate and other	**2,200**	2,370
Lease liability		
Railcars	**8,915**	10,449
Real estate and other	**373**	456

Lease Expense Summary for the Three and Six Months Ended June 30, 2023 and 2022

We recognize operating lease expense on a straight-line basis over the lease term within Direct operating expenses (exclusive of depreciation and amortization) and Cost of materials and other and finance lease expense on a straight-line basis over the lease term within Depreciation and amortization. For the three and six months ended June 30, 2023 and 2022, we recognized lease expense comprised of the following components:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2023	2022	2023	2022
Operating lease expense	**$ 1,143**	$ 1,098	**$ 2,366**	$ 2,157
Finance lease expense:				
Amortization of ROU asset	**—**	8	**—**	34
Short-term lease expense	**619**	767	**1,269**	1,532

Lease Terms and Discount Rates

The following outlines the remaining lease terms and discount rates used in the measurement of the Partnership's ROU assets and lease liabilities at June 30, 2023 and December 31, 2022:

	June 30, 2023	December 31, 2022
Weighted-average remaining lease term	**3.9 years**	4.3 years
Weighted-average discount rate	**5.9 %**	5.5 %

Maturities of Lease Liabilities

The following summarizes the remaining minimum operating lease payments through maturity of the Partnership's liabilities at June 30, 2023:

(in thousands)	Operating Leases
Remainder of 2023	**$ 1,582**
2024	**2,730**
2025	**2,302**
2026	**2,042**
2027	**1,756**
Thereafter	**—**
Total lease payments	**10,412**
Less: imputed interest	**(1,124)**
Total lease liability	**$ 9,288**

The Partnership has entered into lease commitments that have not yet commenced as follows:

- On February 21, 2022, CRNF entered into the First Amendment to the On-Site Product Supply Agreement with Messer LLC ("Messer"), which amended the July 31, 2020 On-Site Product Supply Agreement (as amended, the "Messer Agreement"). Under the Messer Agreement, among other obligations, Messer is obligated to supply oxygen and make certain capital improvements during the term of the Messer Agreement, and CRNF is obligated to take as available and pay for oxygen from Messer's facility. This arrangement for CRNF's purchase of oxygen from Messer does not meet the definition of a lease under FASB ASC Topic 842, *Leases* ("Topic 842"), as CRNF does not expect to receive substantially all of the output, which includes oxygen, nitrogen, and compressed air, of Messer's on-site production from its air separation unit over the life of the Messer Agreement. The Messer Agreement also obligates Messer to install a new oxygen storage vessel, related equipment and infrastructure ("Oxygen Storage Vessel" or "Vessel") to be used solely by the Coffeyville Facility. The arrangement for the use of the Oxygen Storage Vessel meets the definition of a lease under Topic 842, as CRNF will receive all output associated with the Vessel. Based on terms outlined in the Messer Agreement, the Partnership expects the lease of the Oxygen Storage Vessel to be classified as a financing lease with an estimated amount within the range of $20 million to $25 million being capitalized upon lease commencement when the Vessel is placed in service, which is currently expected to occur within the next 12 months.

(7) Other Current Liabilities

Other current liabilities consisted of the following:

(in thousands)	June 30, 2023	December 31, 2022
Share-based compensation	**$ 10,993**	$ 9,231
Personnel accruals	**5,487**	7,539
Sales incentives	**3,139**	1,772
Operating lease liabilities	**2,519**	2,931
Accrued insurance	**1,626**	2,283
Accrued taxes other than income taxes	**1,437**	1,789
Accrued interest	**1,404**	1,404
Other accrued expenses and liabilities	**1,078**	768
Total other current liabilities	**$ 27,683**	$ 27,717

(8) Long-Term Debt

Long-term debt consists of the following:

(in thousands)	June 30, 2023	December 31, 2022
6.125% Senior Secured Notes, due June 2028 (1)	**$ 550,000**	$ 550,000
Unamortized discount and debt issuance costs	**(2,950)**	(3,200)
Total long-term debt	**$ 547,050**	$ 546,800

(1) The estimated fair value of the 6.125% Senior Secured Notes, due June 2028 (the "2028 Notes") was approximately $478.4 million and $493.3 million as of June 30, 2023 and December 31, 2022, respectively. These estimates of fair value are a Level 2 measurement, as defined by FASB ASC Topic 820, *Fair Value Measurements*, as they were determined by quotations obtained from a broker-dealer who makes a market in these and similar securities.

Credit Agreements

(in thousands)	Total Available Borrowing Capacity	Amount Borrowed as of June 30, 2023	Outstanding Letters of Credit	Available Capacity as of June 30, 2023	Maturity Date
ABL Credit Facility	**$ 35,000**	**$ —**	$ —	**$ 35,000**	September 30, 2024

Covenant Compliance

The Partnership and its subsidiaries were in compliance with all covenants under their respective debt instruments as of June 30, 2023.

(9) Revenue

The following table presents the Partnership's revenue, disaggregated by major products:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2023**	**2022**	**2023**	**2022**
Ammonia	**$ 56,032**	$ 60,942	**$ 93,532**	$ 102,953
UAN	**103,773**	159,399	**268,115**	319,006
Urea products	**7,201**	10,544	**15,371**	19,767
Net sales, exclusive of freight and other	**167,006**	230,885	**377,018**	441,726
Freight revenue (1)	**10,910**	9,856	**21,846**	19,071
Other revenue (2)	**5,089**	3,259	**10,402**	6,077
Total revenue	**$ 183,005**	$ 244,000	**$ 409,266**	$ 466,874

(1) Freight revenue recognized by the Partnership represents the pass-through finished goods delivery costs incurred prior to customer acceptance and is reimbursed by customers. An offsetting expense for freight is included in Cost of materials and other.

(2) Includes revenue from (i) nitric acid sales and (ii) carbon oxide sales, including sales in connection with the 45Q Transaction and the noncash consideration received, which is recognized as the performance obligation associated with the CO Contract is satisfied over its term of seven years, three months. Revenue from the CO Contract is recognized over time based on carbon oxide volumes measured at delivery.

Remaining Performance Obligations

We have spot and term contracts with customers and the transaction prices are either fixed or based on market indices (variable consideration). We do not disclose remaining performance obligations for contracts that have terms of one year or less and for contracts where the variable consideration was entirely allocated to an unsatisfied performance obligation.

As of June 30, 2023, the Partnership had approximately $2.4 million of remaining performance obligations for contracts with an original expected duration of more than one year. The Partnership expects to recognize approximately $2.2 million of these performance obligations as revenue by the end of 2023 and the remaining balance during 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Contract Balances

A summary of the deferred revenue activity for the six months ended June 30, 2023 is presented below:

(in thousands)		
Balance at December 31, 2022	**$**	**47,516**
Add:		
New prepay contracts entered into during the period		**10,221**
Noncash consideration received as part of the 45Q Transaction		**46,000**
Less:		
Revenue recognized that was included in the contract liability balance at the beginning of the period		**(46,215)**
Revenue recognized related to contracts entered into during the period		**(9,991)**
Revenue recognized related to noncash consideration		**(3,172)**
Other changes		**(1,210)**
Total deferred revenue		**43,149**
Less: Current portion of deferred revenue		**(6,666)**
Total long-term deferred revenue	**$**	**36,483**

(10) Share-Based Compensation

A summary of compensation expense for the three and six months ended June 30, 2023 and 2022 is presented below:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2023	2022	2023	2022
Phantom Unit Awards	**$ 1,556**	$ (2,259)	**$ 2,464**	$ 7,653
Other Awards [1]	**647**	1,538	**1,672**	3,700
Total share-based compensation expense	**$ 2,203**	$ (721)	**$ 4,136**	$ 11,353

(1) Other awards include the allocations, pursuant to the Corporate Master Services Agreement effective January 1, 2020, as amended (the "Corporate MSA") and the Partnership's Second Amended and Restated Agreement of Limited Partnership, of compensation expense for certain employees of CVR Energy and its subsidiaries who perform services for the Partnership and participate in equity compensation plans of CVR Energy.

(11) Commitments and Contingencies

There have been no material changes in the Partnership's commitments and contingencies to those disclosed in the 2022 Form 10-K. In the ordinary course of business, the Partnership may become party to lawsuits, administrative proceedings, and governmental investigations, including environmental, regulatory, and other matters. The outcome of these matters cannot always be predicted accurately, but the Partnership accrues liabilities for these matters if the Partnership has determined that it is probable a loss has been incurred and the loss can be reasonably estimated. While it is not possible to predict the outcome of such proceedings, if one or more of them were decided against us, the Partnership believes there would be no material impact to its consolidated financial statements.

The Partnership continues to monitor its contractual arrangements and customer, vendor, and supplier relationships to determine whether and to what extent, if any, the impacts of the Russia-Ukraine conflict, the current global and domestic economic environment, including increasing interest rates and inflation or a potential recession, or ongoing price volatility will impair or excuse the performance of the Partnership or its subsidiaries or their customers, vendors, or suppliers under existing agreements. As of June 30, 2023, the Partnership had not experienced a material financial impact from any actual or threatened impairment of or excuse in its or others' performance under such agreements.

45Q Transaction

Under the agreements entered into in connection with the 45Q Transaction, the Partnership's subsidiary, CRNF, is obligated to meet certain minimum quantities of carbon oxide supply each year during the term of the agreement and is subject to fees of up to $15.0 million per year (reduced pro rata for partial years) to the unaffiliated third-party investors, subject to an overall $45.0 million cap, if these minimum quantities are not delivered. The Partnership issued a guarantee to the unaffiliated third-party investors and certain affiliates involved in the 45Q Transaction of the payment and performance obligations of CRNF and CVRP JV, which include the aforementioned fees. This guarantee has no impacts on the accounting records of the Partnership unless the parties fail to comply with the terms of the 45Q Transaction contracts.

(12) Supplemental Cash Flow Information

Cash flows related to interest, leases, and capital expenditures included in accounts payable are as follows:

	Six Months Ended June 30,	
(in thousands)	**2023**	**2022**
Supplemental disclosures:		
Cash paid for interest	**$ 17,069**	$ 18,113
Cash paid for income taxes, net of refunds	**240**	27
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	**1,918**	1,790
Non-cash investing and financing activities:		
Change in capital expenditures included in accounts payable	**2,223**	(109)

(13) Related Party Transactions

Activity associated with the Partnership's related party arrangements for the three and six months ended June 30, 2023 and 2022 is summarized below:

Related Party Activity

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2023**	**2022**	**2023**	**2022**
Sales to related parties:				
CRRM [1]	**$ 4**	$ 124	**$ 4**	$ 172
CVRP JV [1]	**1,095**	—	**2,347**	—
Purchases from related parties:				
CRRM [2]	**12,383**	14,590	**27,972**	29,122

	June 30, 2023	December 31, 2022
Due to related parties [3]	**$ 5,208**	$ 4,518

(1) Sales to related parties, included in Net sales in our condensed consolidated financial statements, consist of: (a) sales of feedstocks and services to Coffeyville Resources Refining & Marketing, LLC ("CRRM") under the Master Service Agreement with CRNF (the "Coffeyville MSA"), and (b) CO sales to CVRP JV and its subsidiaries.

(2) Purchases from related parties, included in Cost of materials and other, Direct operating expenses (exclusive of depreciation and amortization), and Selling, general and administrative expenses in our condensed consolidated financial statements, consist primarily of pet coke and hydrogen purchased from CRRM under the Coffeyville MSA.

(3) Due to related parties, included in Accounts payable to affiliates, consists primarily of amounts payable for feedstocks and other supplies and services provided by CRRM and CVR Services under the Coffeyville MSA and the Corporate MSA.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Distributions to CVR Partners' Unitholders

Distributions, if any, including the payment, amount, and timing thereof, and the Board's distribution policy, including the definition of Available Cash, are subject to change at the discretion of the Board. The following tables present quarterly distributions paid by the Partnership to CVR Partners' unitholders, including amounts paid to CVR Energy, during 2023 and 2022 (amounts presented in table below may not add to totals presented due to rounding):

			Quarterly Distributions Paid *(in thousands)*		
Related Period	**Date Paid**	**Quarterly Distributions Per Common Unit**	**Public Unitholders**	**CVR Energy**	**Total**
2022 - 4th Quarter	March 13, 2023	$ 10.50	$ 70,115	$ 40,866	$ 110,981
2023 - 1st Quarter	May 22, 2023	10.43	69,647	40,594	110,241
Total 2023 quarterly distributions		$ 20.93	$ 139,762	$ 81,460	$ 221,222

			Quarterly Distributions Paid *(in thousands)*		
Related Period	**Date Paid**	**Quarterly Distributions Per Common Unit**	**Public Unitholders**	**CVR Energy**	**Total**
2021 - 4th Quarter	March 14, 2022	$ 5.24	$ 35,576	$ 20,394	$ 55,970
2022 - 1st Quarter	May 23, 2022	2.26	15,091	8,796	23,887
2022 - 2nd Quarter	August 22, 2022	10.05	67,109	39,115	106,225
2022 - 3rd Quarter	November 21, 2022	1.77	11,819	6,889	18,708
Total 2022 quarterly distributions		$ 19.32	$ 129,597	$ 75,193	$ 204,790

For the second quarter of 2023, the Partnership, upon approval by the Board on July 31, 2023, declared a distribution of $4.14 per common unit, or $43.8 million, which is payable August 21, 2023 to unitholders of record as of August 14, 2023. Of this amount, CVR Energy will receive approximately $16.1 million, with the remaining amount payable to public unitholders.

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

The following discussion and analysis of our financial condition, results of operations, and cash flows should be read in conjunction with our unaudited condensed consolidated financial statements and related notes and with the statistical information and financial data appearing in this Report, as well as our Annual Report on Form 10-K for the year ended December 31, 2022 filed with the U.S. Securities and Exchange Commission ("SEC") on February 22, 2023 (the "2022 Form 10-K"). Results of operations for the three and six months ended June 30, 2023 and cash flows for the six months ended June 30, 2023 are not necessarily indicative of results to be attained for any other period. See "Important Information Regarding Forward-Looking Statements."

Reflected in this discussion and analysis is how management views the Partnership's current financial condition and results of operations along with key external variables and management actions that may impact the Partnership. Understanding significant external variables, such as market conditions, weather, and seasonal trends, among others, and management actions taken to manage the Partnership, address external variables, among others, which will increase users' understanding of the Partnership, its financial condition and results of operations. This discussion may contain forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to those discussed below and elsewhere in this Report.

Partnership Overview

CVR Partners, LP ("CVR Partners" or the "Partnership") is a Delaware limited partnership formed in 2011 by CVR Energy, Inc. ("CVR Energy") to own, operate, and grow its nitrogen fertilizer business. The Partnership produces and distributes nitrogen fertilizer products, which are used by farmers to improve the yield and quality of their crops. The Partnership produces these products at two manufacturing facilities, one located in Coffeyville, Kansas operated by its wholly owned subsidiary, Coffeyville Resources Nitrogen Fertilizers, LLC ("CRNF") (the "Coffeyville Facility") and one located in East Dubuque, Illinois operated by its wholly owned subsidiary, East Dubuque Nitrogen Fertilizers, LLC ("EDNF") (the "East Dubuque Facility"). The principal products we produce include ammonia and urea ammonium nitrate ("UAN"). All of our products are sold on a wholesale basis. 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. Additionally, as the context may require, references to CVR Energy may refer to CVR Energy and its consolidated subsidiaries, excluding the Partnership and its subsidiaries, which include its petroleum and renewables refining, marketing, and logistics operations.

Strategy and Goals

The Partnership has adopted Mission and Values, which articulate the Partnership's expectations for how it and its employees do business each and every day.

Mission and Core Values

Our Mission is to be a top tier North American nitrogen-based fertilizer company as measured by safe and reliable operations, superior performance and profitable growth. The foundation of how we operate is built on five core Values:

- *Safety* - We always put safety first. The protection of our employees, contractors and communities is paramount. We have an unwavering commitment to safety above all else. If it's not safe, then we don't do it.
- *Environment* - We care for our environment. Complying with all regulations and minimizing any environmental impact from our operations is essential. We understand our obligation to the environment and that it's our duty to protect it.
- *Integrity* - We require high business ethics. We comply with the law and practice sound corporate governance. We only conduct business one way—the right way with integrity.
- *Corporate Citizenship* - We are proud members of the communities where we operate. We are good neighbors and know that it's a privilege we can't take for granted. We seek to make a positive economic and social impact through

our financial donations and the contributions of time, knowledge and talent of our employees to the places where we live and work.

- *Continuous Improvement* - We believe in both individual and team success. We foster accountability under a performance-driven culture that supports creative thinking, teamwork, diversity and personal development so that employees can realize their maximum potential. We use defined work practices for consistency, efficiency and to create value across the organization.

Our core Values are driven by our people, inform the way we do business each and every day and enhance our ability to accomplish our mission and related strategic objectives.

Strategic Objectives

We have outlined the following strategic objectives to drive the accomplishment of our mission:

Environmental, Health & Safety ("EH&S") - We aim to achieve continuous improvement in all EH&S areas through ensuring our people's commitment to environmental, health and safety comes first, the refinement of existing policies, continuous training, and enhanced monitoring procedures.

Reliability - Our goal is to achieve industry-leading utilization rates at both of our facilities through safe and reliable operations. We are focusing on improvements in day-to-day plant operations, identifying alternative sources for plant inputs to reduce lost time due to third-party operational constraints, and optimizing our commercial and marketing functions to maintain plant operations at their highest level.

Market Capture - We continuously evaluate opportunities to improve the facilities' realized pricing at the gate and reduce variable costs incurred in production to maximize our capture of market opportunities.

Financial Discipline - We strive to be as efficient as possible by maintaining low operating costs and disciplined deployment of capital.

Achievements

From the beginning of the fiscal year through the date of filing, we successfully executed a number of achievements in support of our strategic objectives shown below:

	EH&S	**Reliability**	**Market Capture**	**Financial Discipline**
Achieved satisfactory Process Safety and Environmental performance	ü			
Continued to operate both facilities safely and at high utilization rates. During the second quarter of 2023, achieved a combined utilization rate of 100%	ü	ü	ü	
Achieved record truck shipments during March 2023 at the Coffeyville Facility		ü	ü	
Achieved record daily ammonia shipments during April 2023 and record quarterly ammonia production during the second quarter of 2023 at the East Dubuque Facility		ü	ü	
Declared a cash distribution of $4.14 per common unit for the second quarter of 2023, bringing cumulative distributions declared to date of $14.57 per common unit related to the first six months of 2023			ü	ü
Closed on a transaction related to carbon capture and sequestration activities at the Coffeyville Facility in January 2023	ü		ü	ü

Industry Factors and Market Indicators

Within the nitrogen fertilizer business, earnings and cash flows from operations are primarily affected by the relationship between nitrogen fertilizer product prices, utilization, and operating costs and expenses, including pet coke and natural gas feedstock costs.

The price at which nitrogen fertilizer products are ultimately sold depends on numerous factors, including the global supply and demand for nitrogen fertilizer products which, in turn, depends on, among other factors, world grain demand and production levels, changes in world population, the cost and availability of fertilizer transportation infrastructure, weather conditions, the availability of imports, the availability and price of feedstocks to produce nitrogen fertilizer, and the extent of government intervention in agriculture markets.

Nitrogen fertilizer prices are also affected by local factors, including local market conditions and the operating levels of competing facilities. An expansion or upgrade of competitors' facilities, new facility development, political and economic developments, and other factors are likely to continue to play an important role in nitrogen fertilizer industry economics. These factors can impact, among other things, the level of inventories in the market, resulting in price volatility and a reduction in product margins. Moreover, the industry typically experiences seasonal fluctuations in demand for nitrogen fertilizer products.

General Business Environment

The Partnership believes the general business environment in which it operates will continue to remain volatile, driven by uncertainty around the availability and prices of its feedstocks, demand for its products, inflation, and global supply disruptions. As a result, future operating results and current and long-term financial conditions could be negatively impacted if economic conditions decline and remain volatile. The Partnership is not able at this time to predict the extent to which these events may have a material, or any, effect on its financial or operational results in future periods.

Regulatory Environment - Certain governmental regulations and incentives associated with the automobile transportation and agricultural industries, including the ones related to corn-based ethanol and sustainable aviation fuel production or consumption can directly impact our business. In August 2022, the Inflation Reduction Act was passed and introduced the Clean Fuel Production Credit incentivizing lower Carbon Intensity feedstocks, including corn oil, which may increase demand for corn planting. In June 2023, the United States Environmental Protection Agency ("EPA") announced the renewable volume obligations for 2023, 2024, and 2025 which maintained the ethanol blending level at 15 billion gallons. These actions lead us to believe that the demand on food, in particular corn, for fuel will remain strong for the foreseeable future and support farmer economics that incentivize the use of nitrogen-based fertilizers.

On the contrary, in April 2023, the EPA announced the proposed federal vehicle emission standards for 2027 through 2032, which will essentially eliminate internal combustion engine vehicles and will reduce the demand for liquid fuels including ethanol. Production today of ethanol consumes approximately 35% of the annual United States corn crop.

Russia-Ukraine Conflict - In February 2022, Russia invaded Ukraine, significantly impacting global fertilizer and agriculture markets. The Black Sea is a major export point for nitrogen fertilizer and grains from Russia and Ukraine. When the invasion began, the Black Sea was largely closed to exports which prompted tightening global supply conditions for nitrogen fertilizer in advance of spring planting and wheat and corn availability, as Russia and Ukraine are major wheat exporters and Ukraine is a major corn exporter from the Black Sea. Export restrictions on grain exports from Russia and Ukraine from the Black Sea were then relaxed and contributed to lower grain prices from the elevated levels in the spring and summer of 2022. However, in July 2023, Russia indicated that it would not extend the initiative to allow Ukraine to export grain, which could create instability in the grain markets. In 2022, grain harvested in Ukraine was approximately 40% lower than in 2021 due to lack of planting inputs, fuel, and workers to complete the planting of crops. Although at a lesser magnitude, the Russia-Ukraine conflict continues to impact the macro-economic environment in 2023 and its ultimate outcome and any associated market disruptions are difficult to predict and may affect our business in unforeseen ways.

Market Indicators

While there is risk of shorter-term volatility given the inherent nature of the commodity cycle, the Partnership believes the long-term fundamentals for the U.S. nitrogen fertilizer industry remain intact. The Partnership views the anticipated combination of (i) increasing global population, (ii) decreasing arable land per capita, (iii) continued evolution to more protein-based diets in developing countries, (iv) sustained use of corn and soybeans as feedstock for the domestic production of ethanol and other renewable fuels, and (v) positioning at the lower end of the global cost curve should provide a solid foundation for nitrogen fertilizer producers in the United States over the longer term.

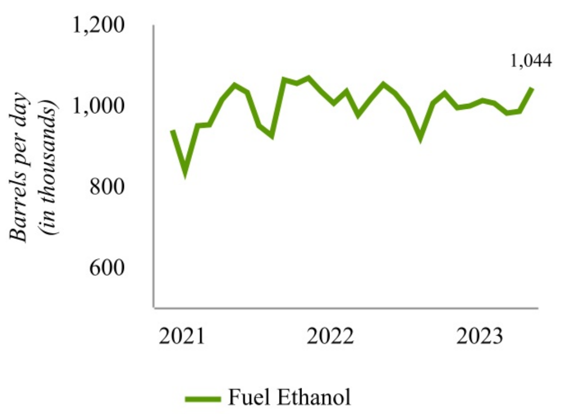
Corn and soybeans are two major crops planted by farmers in North America. Corn crops result in the depletion of the amount of nitrogen within the soil in which it is grown, which in turn, results in the need for this nutrient to be replenished after each growing cycle. Unlike corn, soybeans are able to obtain most of their own nitrogen through a process known as “N fixation.” As such, upon harvesting of soybeans, the soil retains a certain amount of nitrogen which results in lower demand for nitrogen fertilizer for the following corn planting cycle. Due to these factors, nitrogen fertilizer consumers generally operate a balanced corn-soybean rotational planting cycle as shown by the chart presented below as of June 30, 2023.

The relationship between the total acres planted for both corn and soybeans has a direct impact on the overall demand for nitrogen products, as the market and demand for nitrogen increases with increased corn acres and decreases with increased soybean acres. Additionally, an estimated 12.5 billion pounds of soybean oil is expected to be used in producing cleaner renewable fuels in marketing year 2023/2024. Multiple refiners have announced renewable diesel expansion projects for 2023 and beyond, which will only increase the demand for soybeans and potentially for corn and canola.

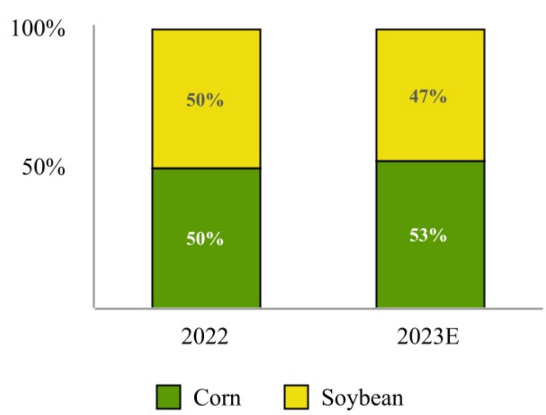
The United States Department of Agriculture (“USDA”) estimates that in spring 2023 farmers planted 94.1 million corn acres, representing an increase of 6.2% as compared to 88.6 million corn acres in 2022. Planted soybean acres are estimated to be 83.5 million, representing a decrease of 4.6% as compared to 87.5 million soybean acres in 2022. The combined corn and soybean planted acres of 177.6 million is an increase of 0.9% compared to the acreage planted in 2022. Due to lower input costs in 2023 for corn planting and the relative grain prices of corn versus soybeans, economics favor planting corn compared to soybeans. Lower inventory levels of corn and soybeans are expected to be supportive of corn prices for the remainder of 2023.

Ethanol is blended with gasoline to meet renewable fuel standard requirements and for its octane value. Ethanol production has historically consumed approximately 36% of the U.S. corn crop, so demand for corn generally rises and falls with ethanol demand, as shown by the charts below, through June 30, 2023.

U.S. Plant Production of Fuel Ethanol (1)



Corn and Soybean Planted Acres (2)



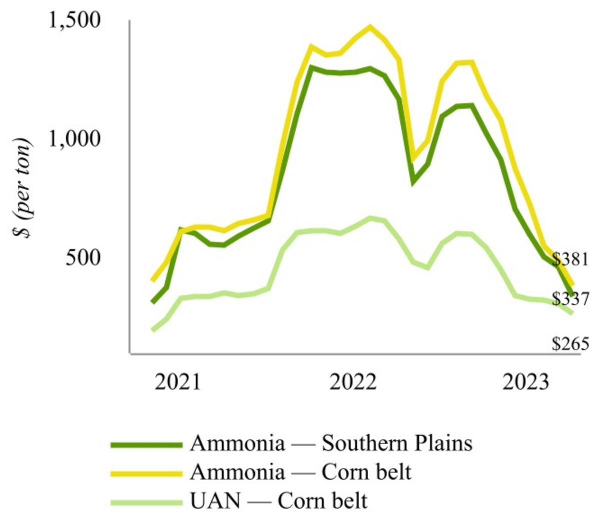
(1) Information used within this chart was obtained from the U.S. Energy Information Administration (“EIA”) through June 30, 2023.
(2) Information used within this chart was obtained from the USDA, National Agricultural Statistics Services as of June 30, 2023.

Weather continues to be a critical variable for crop production. Even with high planted acres and trendline yields per acre in the U.S., inventory levels for corn and soybeans remain below historical levels and prices have remained elevated. With tight grain and fertilizer inventory levels driven by the war in Ukraine, prices for grains remained elevated through the first half of 2023, although below the elevated prices experienced in the spring of 2022. Demand for nitrogen fertilizer, as well as other crop inputs, was strong for the spring 2023 planting season, primarily due to elevated grain prices and favorable weather conditions for planting.

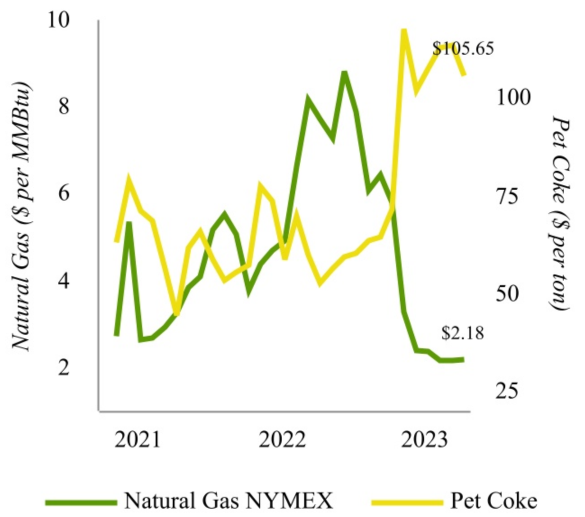
Fertilizer input costs have been volatile since the fall of 2021. Natural gas prices were elevated in the fall of 2022 due to shortages in Europe and demand being driven by building natural gas storage for winter. Winter 2022/2023 weather was warmer than average in Europe and when combined with natural gas conservation measures caused demand and prices for natural gas in Europe to fall significantly in the first quarter of 2023. The decline in natural gas prices has led to a significant reduction in the price for nitrogen fertilizer globally due to lower input costs. While we expect that natural gas prices might remain below the elevated levels experienced in 2022 in the near term, we believe that the structural shortage of natural gas in Europe will continue to be a source of volatility for the rest of 2023. Pet coke prices remain elevated compared to historical levels, but we believe that if natural gas prices remain lower than prices in 2022, pet coke prices will likely decline later in 2023.

The charts below show relevant market indicators by month through June 30, 2023:

Ammonia and UAN Market Pricing [1]



Natural Gas and Pet Coke Market Pricing [1]



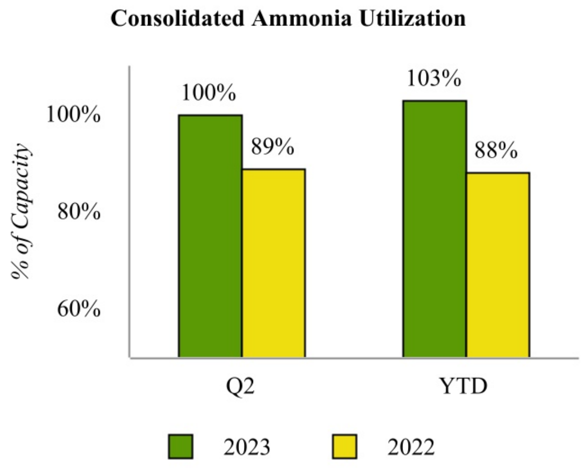
(1) Information used within these charts was obtained from various third-party sources, including Green Markets (a Bloomberg Company), Pace Petroleum Coke Quarterly, and the EIA, amongst others.

Results of Operations

The following should be read in conjunction with the information outlined in the previous sections of this Part I, Item 2 and the financial statements and related notes thereto in Part I, Item 1 of this Report.

The chart presented below summarizes our ammonia utilization rates on a consolidated basis for the three and six months ended June 30, 2023 and 2022. Utilization is an important measure used by management to assess operational output at each of the Partnership's facilities. Utilization is calculated as actual tons of ammonia produced divided by capacity.

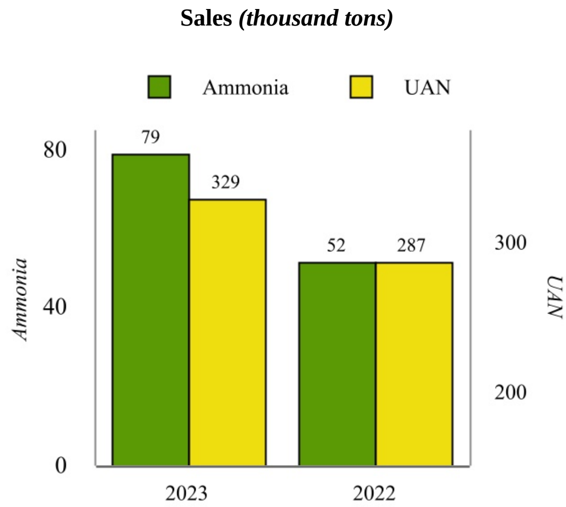
Utilization is presented solely on ammonia production rather than on each nitrogen product as it provides a comparative baseline against industry peers and eliminates the disparity of facility configurations for upgrade of ammonia into other nitrogen products. With production primarily focused on ammonia upgrade capabilities, we believe this measure provides a meaningful view of how we operate.

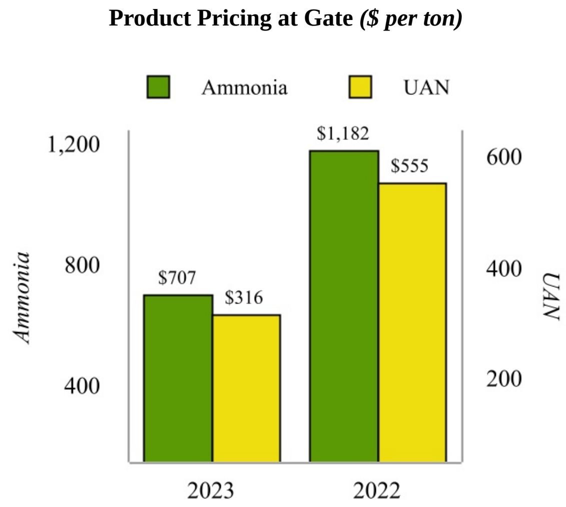


On a consolidated basis for the three and six months ended June 30, 2023, utilization increased to 100% and 103%, respectively, compared to 89% and 88% for the three and six months ended June 30, 2022, respectively. The increases were primarily due to more reliable operations following the completion of planned turnarounds at both facilities in the third quarter of 2022, along with increased unplanned downtime in 2022 associated with the Messer air separation plant (the "Messer Outages") at the Coffeyville Facility and various pieces of equipment at the East Dubuque Facility.

Sales and Pricing per Ton - Two of our key operating metrics are total sales volumes for ammonia and UAN, along with the product pricing per ton realized at the gate. For the three and six months ended June 30, 2023, total product sales volumes were favorable, driven by increased production at both facilities due to operating reliably after the planned turnarounds in the third quarter of 2022, as well as increased downtime from the Messer Outages at the Coffeyville Facility and various pieces of equipment at the East Dubuque Facility in 2022. For the three and six months ended June 30, 2023, total product sales prices were unfavorable for both periods, driven by sales price decreases of 40% and 32%, respectively, for ammonia and 43% and 26%, respectively, for UAN. Ammonia and UAN sales prices were unfavorable primarily due to lower natural gas prices and deferred fertilizer demand at the retail level. Product pricing at the gate represents net sales less freight revenue divided by product sales volume in tons and is shown in order to provide a pricing measure comparable across the fertilizer industry.

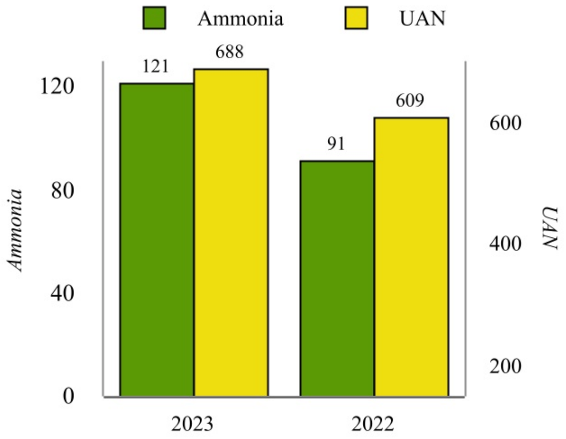
Operating Highlights for the Three Months Ended June 30, 2023 versus June 30, 2022



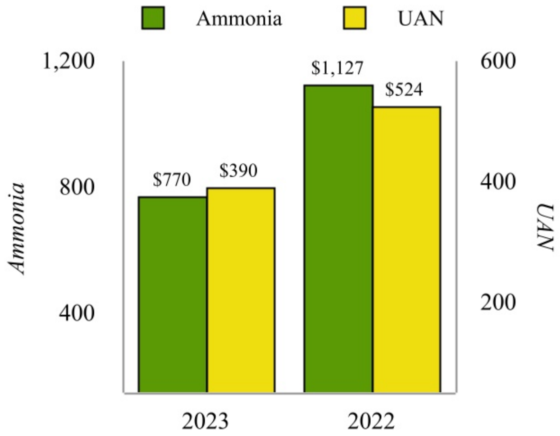


Operating Highlights for the Six Months Ended June 30, 2023 versus June 30, 2022

Sales *(thousand tons)*



Product Pricing at Gate *($ per ton)*



Production Volumes - Gross tons of ammonia represent the total ammonia produced, including ammonia produced that was upgraded into other fertilizer products. Net tons available for sale represents the ammonia available for sale that was not upgraded into other fertilizer products. The table below presents these metrics for the three and six months ended June 30, 2023 and 2022:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands of tons)	**2023**	**2022**	**2023**	**2022**
Ammonia (gross produced)	**219**	193	**442**	380
Ammonia (net available for sale)	**70**	50	**132**	102
UAN	**339**	331	**705**	648

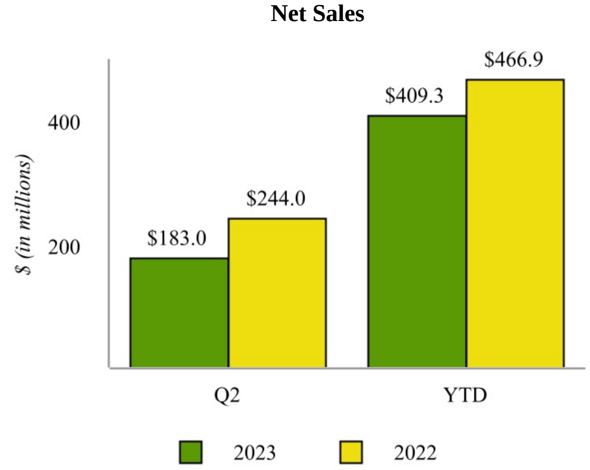
Feedstock - Our Coffeyville Facility utilizes a pet coke gasification process to produce nitrogen fertilizer. Our East Dubuque Facility uses natural gas in its production of ammonia. The table below presents these feedstocks for both facilities for the three and six months ended June 30, 2023 and 2022:

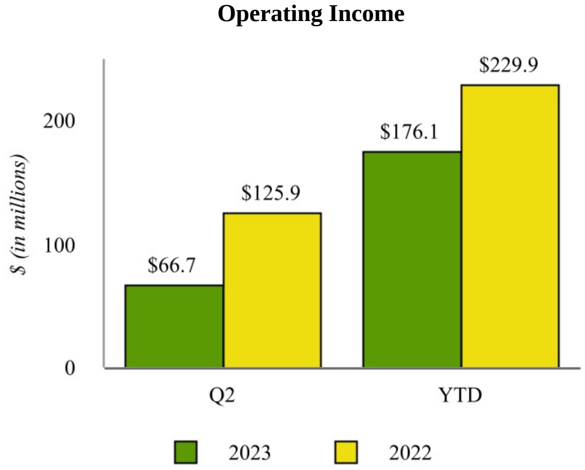
	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	**2022**	**2023**	**2022**
Petroleum coke used in production *(thousands of tons)*	**124**	116	**255**	224
Petroleum coke used in production *(dollars per ton)*	**$ 73.91**	$ 49.91	**$ 75.62**	$ 53.06
Natural gas used in production *(thousands of MMBtu)* [1]	**2,194**	1,936	**4,296**	3,697
Natural gas used in production *(dollars per MMBtu)* [1]	**$ 2.35**	$ 7.34	**$ 4.02**	$ 6.48
Natural gas in cost of materials and other *(thousands of MMBtu)* [1]	**2,403**	1,707	**3,718**	3,235
Natural gas in cost of materials and other *(dollars per MMBtu)* [1]	**$ 4.11**	$ 5.98	**$ 5.41**	$ 5.81

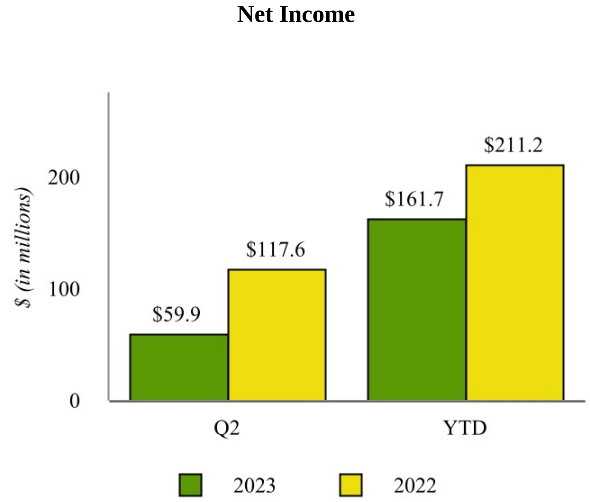
(1) The feedstock natural gas shown above does not include natural gas used for fuel. The cost of fuel natural gas is included in Direct operating expenses (exclusive of depreciation and amortization).

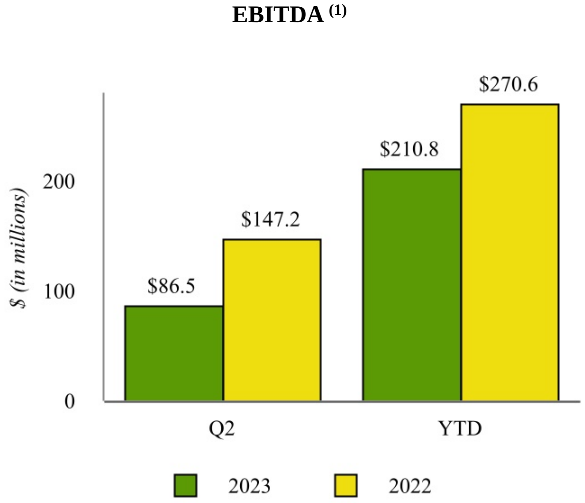
Financial Highlights for the Three and Six Months Ended June 30, 2023 and 2022

For the three months ended June 30, 2023, the Partnership's operating income and net income were $66.7 million and $59.9 million, respectively, representing reductions of $59.2 million and $57.7 million, respectively, compared to the three months ended June 30, 2022. For the six months ended June 30, 2023, the Partnership's operating income and net income were $176.1 million and $161.7 million, respectively, representing decreases of $53.8 million and $49.5 million in operating income and net income, respectively, compared to the six months ended June 30, 2022. These reductions were primarily driven by decreased product sales prices, offset by increased production and sales volumes, compared to the three and six months ended June 30, 2022.









(1) See “Non-GAAP Reconciliations” section below for reconciliations of the non-GAAP measures shown above.

Net Sales - For the three months ended June 30, 2023, net sales decreased by $61.0 million to $183.0 million compared to the three months ended June 30, 2022. The decrease was primarily due to unfavorable UAN and ammonia sales prices which reduced revenues by $116.2 million, offset by favorable UAN and ammonia sales volumes contributing $55.8 million in higher revenues, compared to the three months ended June 30, 2022.

The following table demonstrates the impact of changes in sales volumes and pricing for the primary components of net sales, excluding urea products, freight, and other revenue, for the three months ended June 30, 2023 compared to the three months ended June 30, 2022:

(in thousands)	Price Variance	Volume Variance
UAN	$ (78,577)	$ 23,059
Ammonia	(37,641)	32,750

The $475 and $239 per ton decreases in ammonia and UAN sales pricing, respectively, for the three months ended June 30, 2023 compared to the three months ended June 30, 2022 were primarily attributable to lower natural gas prices and deferred fertilizer demand at the retail level in the current period. The increases in UAN and ammonia sales volumes for the three months ended June 30, 2023 compared to the three months ended June 30, 2022 were primarily attributable to increased production at both facilities due to operating reliably after the planned turnarounds in the third quarter of 2022, as well as increased downtime from the Messer Outages at the Coffeyville Facility and various pieces of equipment at the East Dubuque Facility during the 2022 period.

For the six months ended June 30, 2023, net sales decreased by $57.6 million to $409.3 million compared to the six months ended June 30, 2022. This decrease was primarily due to lower sales prices which reduced revenues by $135.5 million, offset by favorable UAN and ammonia sales volumes which increased revenues by $75.4 million, compared to the six months ended June 30, 2022.

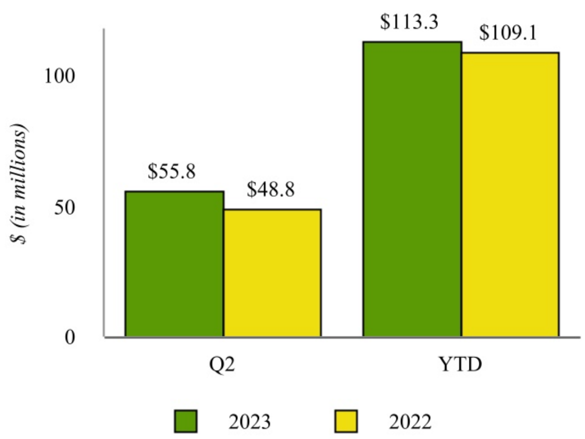
The following table demonstrates the impact of changes in sales volumes and pricing for the primary components of net sales, excluding urea products, freight, and other revenue, for the six months ended June 30, 2023 as compared to the six months ended June 30, 2022:

(*in thousands*)	Price Variance	Volume Variance
UAN	$ (92,107)	$ 41,479
Ammonia	(43,372)	33,957

The $357 and $134 per ton decreases in ammonia and UAN sales pricing, respectively, for the six months ended June 30, 2023 compared to the six months ended June 30, 2022 were primarily attributable to lower natural gas prices and deferred fertilizer demand at the retail level in the current period. The increases in UAN and ammonia sales volumes for the six months ended June 30, 2023 compared to the six months ended June 30, 2022 were primarily attributable to increased production at both facilities due to operating reliably after the planned turnarounds in the third quarter of 2022, as well as increased downtime from the Messer Outages at the Coffeyville Facility and various pieces of equipment at the East Dubuque Facility during the 2022 period.

Cost of Materials and Other

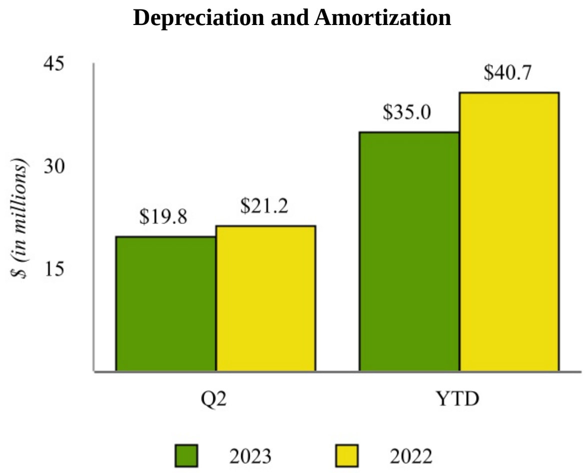
Direct Operating Expenses [(1)]

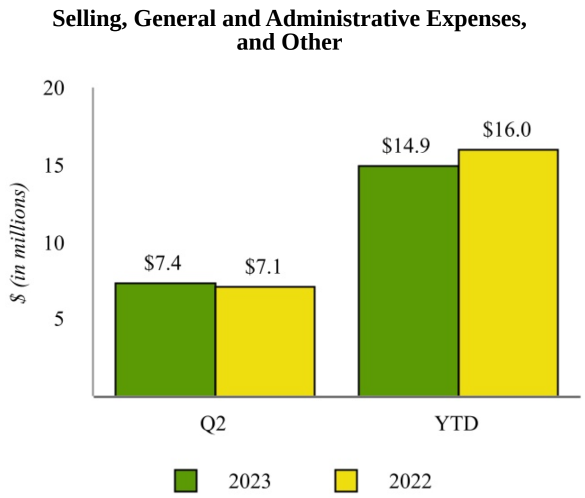


(1) Exclusive of depreciation and amortization expense.

Cost of Materials and Other - For the three and six months ended June 30, 2023, cost of materials and other was $33.4 million and $70.0 million, respectively, compared to $41.0 million and $71.2 million for the three and six months ended June 30, 2022. These decreases were driven primarily by lower purchases of ammonia and UAN in 2023 due to improved plant utilization resulting in higher quantities of product available for sale, as well as lower natural gas costs in the current period.

Direct Operating Expenses (exclusive of depreciation and amortization) - For the three and six months ended June 30, 2023, direct operating expenses (exclusive of depreciation and amortization) were $55.8 million and $113.3 million, respectively, compared to $48.8 million and $109.1 million for the three and six months ended June 30, 2022, respectively. The increases were primarily a result of inventory impacts due to a draw in ammonia inventory, offset by lower utility costs of $6.4 million from lower natural gas and electricity prices in the current period.





Depreciation and Amortization Expense - For the three and six months ended June 30, 2023, depreciation and amortization expense were $19.8 million and $35.0 million, respectively, compared to $21.2 million and $40.7 million for the three and six months ended June 30, 2022, respectively. The decreases were primarily due to various assets fully depreciated prior to the start of the current period.

Selling, General, and Administrative Expenses, and Other - For the three months ended June 30, 2023 and 2022, selling, general and administrative expenses and other were $7.4 million and $7.1 million, respectively. The increase was primarily related to increased outside service and non-personnel costs, partially offset by lower share-based compensation due to a decrease in market prices for CVR Partners' common units during the current period. For the six months ended June 30, 2023 and 2022, selling, general and administrative expenses and other were $14.9 million and $16.0 million, respectively. The decrease was primarily related to lower share-based compensation due to a decrease in market prices for CVR Partners' common units in the current period.

Non-GAAP Measures

Our management uses certain non-GAAP performance measures, and reconciliations to those measures, to evaluate current and past performance and prospects for the future to supplement our financial information presented in accordance with accounting principles generally accepted in the United States ("GAAP"). These non-GAAP financial measures are important factors in assessing our operating results and profitability and include the performance and liquidity measures defined below.

The following are non-GAAP measures we present for the period ended June 30, 2023:

EBITDA - Net income (loss) before (i) interest expense, net, (ii) income tax expense (benefit) and (iii) depreciation and amortization expense.

Adjusted EBITDA - EBITDA adjusted for certain significant non-cash items and items that management believes are not attributable to or indicative of our on-going operations or that may obscure our underlying results and trends.

Reconciliation of Net Cash Provided By Operating Activities to EBITDA - Net cash provided by operating activities reduced by (i) interest expense, net, (ii) income tax expense (benefit), (iii) change in working capital, and (iv) other non-cash adjustments.

Available Cash for Distribution - EBITDA for the quarter excluding non-cash income or expense items (if any), for which adjustment is deemed necessary or appropriate by the board of directors of our general partner (the "Board") in its sole discretion, less (i) reserves for maintenance capital expenditures, debt service and other contractual obligations and (ii) reserves for future operating or capital needs (if any), in each case, that the Board deems necessary or appropriate in its sole discretion. Available cash for distribution may be increased by the release of previously established cash reserves, if any, and other excess cash, at the discretion of the Board.

We present these measures because we believe they may help investors, analysts, lenders, and ratings agencies analyze our results of operations and liquidity in conjunction with our GAAP results, including, but not limited to, our operating performance as compared to other publicly traded companies in the fertilizer industry, without regard to historical cost basis or financing methods, and our ability to incur and service debt and fund capital expenditures. Non-GAAP measures have important limitations as analytical tools because they exclude some, but not all, items that affect net earnings and operating income. These measures should not be considered substitutes for their most directly comparable GAAP financial measures. Refer to the "Non-GAAP Reconciliations" included herein for reconciliation of these amounts. Due to rounding, numbers presented within this section may not add or equal to numbers or totals presented elsewhere within this document.

Non-GAAP Reconciliations

Reconciliation of Net Income to EBITDA and Adjusted EBITDA

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2023**	**2022**	**2023**	**2022**
Net income	**$ 59,857**	$ 117,582	**$ 161,727**	$ 211,243
Interest expense, net	**6,919**	8,308	**14,093**	18,343
Income tax expense	**2**	119	**46**	377
Depreciation and amortization	**19,755**	21,220	**34,965**	40,686
EBITDA and Adjusted EBITDA	**$ 86,533**	$ 147,229	**$ 210,831**	$ 270,649

Reconciliation of Net Cash Provided By Operating Activities to EBITDA and Adjusted EBITDA

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2023**	**2022**	**2023**	**2022**
Net cash provided by operating activities	**$ 60,844**	$ 48,684	**$ 191,287**	$ 215,611
Non-cash items:				
Loss on extinguishment of debt	**—**	—	**—**	(628)
Share-based compensation	**(2,203)**	721	**(4,136)**	(11,353)
Other	**(250)**	(345)	**(752)**	(958)
Adjustments:				
Interest expense, net	**6,919**	8,308	**14,093**	18,343
Income tax expense	**2**	119	**46**	377
Change in assets and liabilities	**21,221**	89,742	**10,293**	49,257
EBITDA and Adjusted EBITDA	**$ 86,533**	$ 147,229	**$ 210,831**	$ 270,649

Reconciliation of EBITDA to Available Cash for Distribution

(in thousands)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
EBITDA	**$ 86,533**	$ 147,229	**$ 210,831**	$ 270,649
Current (reserves) adjustments for amounts related to:				
Net cash interest expense (excluding capitalized interest)	**(8,466)**	(8,466)	**(16,932)**	(17,800)
Debt service	**—**	—	**—**	(65,000)
Financing fees	**—**	—	**—**	(815)
Maintenance capital expenditures	**(5,691)**	(7,981)	**(9,191)**	(13,109)
Utility pass-through	**(675)**	(675)	**(1,350)**	(1,350)
Major scheduled expenditures	**662**	—	**662**	—
Common units repurchased	**—**	—	**—**	(12,397)
Net cash proceeds from the 45Q Transaction	**(701)**	—	**17,351**	—
Other (reserves) releases:				
Future turnaround	**(3,334)**	(9,875)	**(6,500)**	(16,750)
Cash reserves for future operating needs	**(20,000)**	(15,000)	**(20,000)**	(15,000)
Reserve for capital growth expenditures	**(4,550)**	974	**(20,800)**	1,613
Available Cash for distribution (1) (2)	**$ 43,778**	$ 106,206	**$ 154,071**	$ 130,041
Common units outstanding	**10,570**	10,570	**10,570**	10,570

(1) Amount represents the cumulative available cash based on quarter-to-date and year-to-date results. However, available cash for distribution is calculated quarterly, with distributions (if any) being paid in the period following declaration.
(2) The Partnership declared and paid a $10.50 and $10.43 cash distribution related to the fourth quarter of 2022 and first quarter of 2023, respectively, and declared a cash distribution of $4.14 per common unit related to the second quarter of 2023 to be paid in August 2023.

Liquidity and Capital Resources

Our principal source of liquidity has historically been and continues to be cash from operations, which can include cash advances from customers resulting from prepay contracts. Our principal uses of cash are for working capital, capital expenditures, funding our debt service obligations, and paying distributions to our unitholders, as further discussed below.

Fertilizer market conditions were volatile throughout 2022 driven by a combination of increased demand for products amid a series of supply disruptions that led to tight inventories and concerns around the availability of product. The Russian invasion of Ukraine in the first quarter of 2022 added to the supply concerns, which increased further following the shutdown of the Nordstream pipeline in the summer of 2022 and the resulting spike in European natural gas prices that led many European nitrogen fertilizer production facilities to cease or curtail operations. Following a mild winter in the U.S. and Europe, natural gas prices declined significantly in 2023, which in turn drove prices lower for nitrogen fertilizers as supply fears were abated and curtailed European production capacity began to restart. Despite the volatility in recent commodity pricing, nitrogen fertilizer product pricing remains well above the recent 5-year average and has not significantly impacted our primary source of liquidity. While we believe demand for our fertilizer products is stable, there is still uncertainty on the horizon as countries weigh potential impacts of the ongoing Russia-Ukraine conflict.

When considering the market conditions and actions described above, we currently believe that our cash from operations and existing cash and cash equivalents, along with borrowings and reserves, as necessary, will be sufficient to satisfy anticipated cash requirements associated with our existing operations for at least the next 12 months. However, our future capital expenditures and other cash requirements could be higher than we currently expect as a result of various factors including, but not limited to, rising material and labor costs and other inflationary pressures. Additionally, our ability to generate sufficient cash from our operating activities and secure additional financing depends on our future performance, which is subject to general economic, political, financial, competitive, and other factors, some of which may be beyond our control.

Depending on the needs of our business, contractual limitations, and market conditions, we may from time to time seek to issue equity securities, incur additional debt, issue debt securities, or redeem, repurchase, refinance, or retire our outstanding debt through privately negotiated transactions, open market repurchases, redemptions, exchanges, tender offers or otherwise, but we are under no obligation to do so. There can be no assurance that we will seek to do any of the foregoing or that we will be able to do any of the foregoing on terms acceptable to us or at all.

The Partnership and its subsidiaries were in compliance with all covenants under their respective debt instruments as of June 30, 2023, as applicable.

We do not have any "off-balance sheet arrangements" as such term is defined within the rules and regulations of the SEC.

Cash and Other Liquidity

As of June 30, 2023, we had cash and cash equivalents of $68.7 million, including $19.9 million of dividends received from the equity method investment. Combined with $35.0 million available under our ABL Credit Facility, we had total liquidity of $103.7 million. As of December 31, 2022, we had $86.3 million in cash and cash equivalents, including $13.7 million of customer advances. Long-term debt consists of the following:

(in thousands)	June 30, 2023	December 31, 2022
6.125% Senior Secured Notes, due June 2028	**$ 550,000**	$ 550,000
Unamortized discount and debt issuance costs	**(2,950)**	(3,200)
Total long-term debt	**$ 547,050**	$ 546,800

As of June 30, 2023, the Partnership had the 6.125% Senior Secured Notes, due June 2028 (the "2028 Notes") and the ABL Credit Facility, the proceeds of which may be used to fund working capital, capital expenditures, and for other general corporate purposes. Refer to Part II, Item 8, Note 5 ("Long-Term Debt") of our 2022 Form 10-K for further information.

Capital Spending

We divide capital spending needs into two categories: maintenance and growth. Maintenance capital spending includes non-discretionary maintenance projects and projects required to comply with environmental, health, and safety regulations. Growth capital projects generally involve an expansion of existing capacity and/or a reduction in direct operating expenses. We undertake growth capital spending based on the expected return on incremental capital employed.

Our total capital expenditures for the six months ended June 30, 2023, along with our estimated expenditures for 2023 are as follows:

(in thousands)	Six Months Ended June 30, 2023	Estimated full year 2023
Maintenance capital	**$ 9,191**	$31,000 - 32,000
Growth capital	**623**	2,000 - 3,000
Total capital expenditures	**$ 9,814**	$33,000 - 35,000

Our estimated capital expenditures are subject to change due to unanticipated changes in the cost, scope, and completion time for capital projects. For example, we may experience unexpected changes in labor or equipment costs necessary to comply with government regulations or to complete projects that sustain or improve the profitability of the nitrogen fertilizer facilities. We may also accelerate or defer some capital expenditures from time to time. Capital spending for CVR Partners is determined by the Board. We will continue to monitor market conditions and make adjustments, if needed, to our current capital spending or turnaround plans.

The planned turnaround at the Coffeyville Facility commenced in July 2022 and was completed in mid-August 2022. The planned turnaround at the East Dubuque Facility commenced in August 2022 and was completed in mid-September 2022. For the three and six months ended June 30, 2022, we incurred turnaround expense of $0.2 million and $0.3 million, respectively, related to the Coffeyville Facility's turnaround, and $0.8 million and $1.3 million, respectively, related to the East Dubuque Facility's turnaround. The next planned turnarounds are currently scheduled to take place in 2025 and 2026 for the Coffeyville Facility and the East Dubuque Facility, respectively. For the three and six months ended June 30, 2023, we have incurred $0.7 million in turnaround expense for both periods related to planning for the Coffeyville Facility's expected turnaround and a nominal amount in turnaround expense related to planning for the East Dubuque Facility's expected turnaround.

Distributions to Unitholders

The current policy of the Board is to distribute all Available Cash, as determined by the Board in its sole discretion, the Partnership generated on a quarterly basis. Available Cash for each quarter will be determined by the Board following the end of such quarter. Available Cash for each quarter is calculated as EBITDA for the quarter excluding non-cash income or expense items (if any), for which adjustment is deemed necessary or appropriate by the Board in its sole discretion, less (i) reserves for maintenance capital expenditures, debt service and other contractual obligations, and (ii) reserves for future operating or capital needs (if any), in each case, that the Board deems necessary or appropriate in its sole discretion. Available cash for distribution may be increased by the release of previously established cash reserves, if any, and other excess cash, at the discretion of the Board.

Distributions, if any, including the payment, amount, and timing thereof, and the Board's distribution policy, including the definition of Available Cash, are subject to change at the discretion of the Board. The following tables present quarterly distributions paid by the Partnership to CVR Partners' unitholders, including amounts paid to CVR Energy, during 2023 and 2022 (amounts presented in the table below may not add to totals presented due to rounding):

			Quarterly Distributions Paid *(in thousands)*		
Related Period	**Date Paid**	**Quarterly Distributions Per Common Unit**	**Public Unitholders**	**CVR Energy**	**Total**
2022 - 4th Quarter	March 13, 2023	$ 10.50	$ 70,115	$ 40,866	$ 110,981
2023 - 1st Quarter	May 22, 2023	10.43	69,647	40,594	110,241
Total 2023 quarterly distributions		$ 20.93	$ 139,762	$ 81,460	$ 221,222

			Quarterly Distributions Paid *(in thousands)*		
Related Period	**Date Paid**	**Quarterly Distributions Per Common Unit**	**Public Unitholders**	**CVR Energy**	**Total**
2021 - 4th Quarter	March 14, 2022	$ 5.24	$ 35,576	$ 20,394	$ 55,970
2022 - 1st Quarter	May 23, 2022	2.26	15,091	8,796	23,887
2022 - 2nd Quarter	August 22, 2022	10.05	67,109	39,115	106,225
2022 - 3rd Quarter	November 21, 2022	1.77	11,819	6,889	18,708
Total 2022 quarterly distributions		$ 19.32	$ 129,597	$ 75,193	$ 204,790

For the second quarter of 2023, the Partnership, upon approval by the Board on July 31, 2023, declared a distribution of $4.14 per common unit, or $43.8 million, which is payable August 21, 2023 to unitholders of record as of August 14, 2023. Of this amount, CVR Energy will receive approximately $16.1 million, with the remaining amount payable to public unitholders.

Capital Structure

On May 6, 2020, the Board, on behalf of the Partnership, authorized a unit repurchase program (the "Unit Repurchase Program"), which was increased on February 22, 2021. The Unit Repurchase Program, as increased, authorized the Partnership to repurchase up to $20 million of the Partnership's common units. During the three and six months ended June 30, 2023 and the three months ended June 30, 2022, the Partnership did not repurchase any common units. During the six months ended June 30, 2022, the Partnership repurchased 111,695 common units on the open market in accordance with a repurchase agreement under Rules 10b5-1 and 10b-18 of the Securities Exchange Act of 1934, as amended, at a cost of $12.4 million, exclusive of transaction costs, or an average price of $110.98 per common unit. As of June 30, 2023, the Partnership, considering all repurchases made since inception of the Unit Repurchase Program, had a nominal authorized amount remaining under the Unit Repurchase Program. This Unit Repurchase Program does not obligate the Partnership to acquire any common units and may be cancelled or terminated by the Board at any time.

Cash Flows

The following table sets forth our cash flows for the periods indicated below:

(in thousands)	Six Months Ended June 30, 2023	2022	Change
Net cash flow provided by (used in):			
Operating activities	**$ 191,287**	$ 215,611	$ (24,324)
Investing activities	**12,294**	(13,730)	26,024
Financing activities	**(221,221)**	(158,085)	(63,136)
Net (decrease) increase in cash and cash equivalents	**$ (17,640)**	$ 43,796	$ (61,436)

Cash Flows Provided by Operating Activities

The change in net cash flows from operating activities for the six months ended June 30, 2023 compared to the six months ended June 30, 2022 is primarily due to a $49.5 million decrease in net income during 2023 primarily due to lower product sales prices, a $7.2 million decrease in non-cash share-based compensation as a result of lower market prices for CVR Partners' units in 2023 compared to 2022, and a decrease in depreciation and amortization of $5.7 million as a result of various assets being fully depreciated prior to the start of the current period. This is partially offset by an increase in working capital of $38.2 million.

Cash Flows Used in Investing Activities

The change in net cash provided by investing activities for the six months ended June 30, 2023 compared to the six months ended June 30, 2022 was due to distributions received from CVR Partners' equity method investment of $20 million associated with the 45Q Transaction, and a decrease in capital expenditures during 2023 of $6.2 million resulting from fixed asset additions related to both facilities' turnarounds completed in 2022.

Cash Flows Used in Financing Activities

The change in net cash used in financing activities for the six months ended June 30, 2023 compared to the six months ended June 30, 2022 was primarily due to an increase in cash distributions paid of $141.4 million in 2023 compared to 2022, changes of $65.0 million from the redemption of the remaining balance of the 2023 Notes and $12.4 million from unit repurchases of the Partnership's common units in 2022, neither having a corresponding amount in 2023.

Critical Accounting Estimates

Our critical accounting estimates are disclosed in the "Critical Accounting Estimates" section of our 2022 Form 10-K. No modifications have been made during the three and six months ended June 30, 2023 to these estimates.

Item 3. *Quantitative and Qualitative Disclosures About Market Risk*

There have been no material changes to our market risks as of and for the three and six months ended June 30, 2023 as compared to the risks discussed in Part II, Item 7A of our 2022 Form 10-K.

Item 4. *Controls and Procedures*

Evaluation of Disclosure Controls and Procedures

The Partnership has evaluated, under the direction and with the participation of the Executive Chairman, Chief Executive Officer, and Chief Financial Officer, the effectiveness of our disclosure controls and procedures, as defined in Exchange Act Rule 13a-15(e) and 15d-15(e). Based upon this evaluation, the Partnership's Executive Chairman, Chief Executive Officer, and Chief Financial Officer concluded that disclosure controls and procedures were effective as of June 30, 2023.

Changes in Internal Control Over Financial Reporting

There have been no material changes in the Partnership's internal controls over financial reporting required by Rule 13a-15 of the Exchange Act that occurred during the fiscal quarter ended June 30, 2023 that materially affected, or is reasonably likely to materially affect, the Partnership's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. ***Legal Proceedings***

See Part I, Item 1, Note 11 ("Commitments and Contingencies") of this Report, which is incorporated by reference into this Part II, Item 1, for a description of certain litigation, legal, and administrative proceedings and environmental matters.

Item 1A. ***Risk Factors***

There have been no material changes from the risk factors previously disclosed in Part I, Item 1A of our 2022 Form 10-K. Additional risks and uncertainties, including risks and uncertainties not presently known to us, or that we currently deem immaterial, could also have an adverse effect on our business, financial condition, and/or results of operations.

Item 5. ***Other Information***

During the three months ended June 30, 2023, no director or officer of the General Partner adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. ***Exhibits***

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description
31.1*	Rule 13a-14(a)/15d-14(a) Certification of Executive Chairman.
31.2*	Rule 13a-14(a)/15d-14(a) Certification of President and Chief Executive Officer.
31.3*	Rule 13a-14(a)/15d-14(a) Certification of Executive Vice President, Chief Financial Officer, Treasurer and Assistant Secretary.
31.4*	Rule 13a-14(a)/15d-14(a) Certification of Vice President, Chief Accounting Officer and Corporate Controller.
32.1†	Section 1350 Certification of Executive Chairman, President and Chief Executive Officer, Executive Vice President, Chief Financial Officer, Treasurer and Assistant Secretary, and Vice President, Chief Accounting Officer and Corporate Controller.
101*	The following financial information for CVR Partners, LP's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, formatted Inline XBRL ("Extensible Business Reporting Language") includes: (1) Condensed Consolidated Balance Sheets (unaudited), (2) Condensed Consolidated Statements of Operations (unaudited), (3) Condensed Consolidated Statements of Partners' Capital (unaudited), (4) Condensed Consolidated Statements of Cash Flows (unaudited) and (5) the Notes to Condensed Consolidated Financial Statements (unaudited), tagged in detail.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.
† Furnished herewith.

PLEASE NOTE: Pursuant to the rules and regulations of the SEC, we may file or incorporate by reference agreements as exhibits to the reports that we file with or furnish to the SEC. The agreements are filed to provide investors with information regarding their respective terms. The agreements are not intended to provide any other factual information about the Partnership, its business or operations. In particular, the assertions embodied in any representations, warranties and covenants contained in the agreements may be subject to qualifications with respect to knowledge and materiality different from those applicable to investors and may be qualified by information in confidential disclosure schedules not included with the exhibits. These disclosure schedules may contain information that modifies, qualifies and creates exceptions to the representations, warranties and covenants set forth in the agreements. Moreover, certain representations, warranties and covenants in the agreements may have been used for the purpose of allocating risk between the parties, rather than establishing matters as facts. In addition, information concerning the subject matter of the representations, warranties and covenants may have changed after the date of the respective agreement, which subsequent information may or may not be fully reflected in the Partnership's public disclosures. Accordingly, investors should not rely on the representations, warranties and covenants in the agreements as characterizations of the actual state of facts about the Partnership, its business or operations on the date hereof.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

		CVR Partners, LP
	By:	CVR GP, LLC, its general partner
August 1, 2023	By:	/s/ Dane J. Neumann
		Executive Vice President, Chief Financial Officer, Treasurer and Assistant Secretary
		(Principal Financial Officer)
August 1, 2023	By:	/s/ Jeffrey D. Conaway
		Vice President, Chief Accounting Officer and Corporate Controller
		(Principal Accounting Officer)

Exhibit 31.1

Certification of Executive Chairman Pursuant to
Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934,
As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, David L. Lamp, certify that:

1. I have reviewed this report on Form 10-Q of CVR Partners, LP;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ DAVID L. LAMP
David L. Lamp
Executive Chairman
CVR GP, LLC
the general partner of CVR Partners, LP
(Principal Executive Officer)

Date: August 1, 2023

Exhibit 31.2

Certification of President and Chief Executive Officer Pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Mark A. Pytosh, certify that:

1. I have reviewed this report on Form 10-Q of CVR Partners, LP;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ MARK A. PYTOSH
Mark A. Pytosh
President and Chief Executive Officer
CVR GP, LLC
the general partner of CVR Partners, LP
(Principal Executive Officer)

Date: August 1, 2023

Exhibit 31.3

Certification of Executive Vice President, Chief Financial Officer, Treasurer and Assistant Secretary
Pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934,
As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Dane J. Neumann, certify that:

1. I have reviewed this report on Form 10-Q of CVR Partners, LP;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ DANE J. NEUMANN
Dane J. Neumann
Executive Vice President, Chief Financial Officer, Treasurer and Assistant Secretary
CVR GP, LLC
the general partner of CVR Partners, LP
(Principal Financial Officer)

Date: August 1, 2023

Exhibit 31.4

Certification of Vice President, Chief Accounting Officer and Corporate Controller
Pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934,
As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Jeffrey D. Conaway, certify that:

1. I have reviewed this report on Form 10-Q of CVR Partners, LP;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ JEFFREY D. CONAWAY
Jeffrey D. Conaway
Vice President, Chief Accounting Officer and Corporate Controller
CVR GP, LLC
the general partner of CVR Partners, LP
(Principal Accounting Officer)

Date: August 1, 2023

Exhibit 32.1

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

In connection with the filing of the Quarterly Report of CVR Partners, LP, a Delaware limited partnership (the “Partnership”), on Form 10-Q for the fiscal quarter ended June 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), each of the undersigned officers of CVR GP, LLC, the general partner of the Partnership, certifies, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of such officer’s knowledge and belief:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership as of the dates and for the periods expressed in the Report.

By: /s/ DAVID L. LAMP
David L. Lamp
Executive Chairman
CVR GP, LLC
the general partner of CVR Partners, LP
(Principal Executive Officer)

By: /s/ MARK A. PYTOSH
Mark A. Pytosh
President and Chief Executive Officer
CVR GP, LLC
the general partner of CVR Partners, LP
(Principal Executive Officer)

By: /s/ DANE J. NEUMANN
Dane J. Neumann
Executive Vice President, Chief Financial Officer, Treasurer and Assistant Secretary
CVR GP, LLC
the general partner of CVR Partners, LP
(Principal Financial Officer)

By: /s/ JEFFREY D. CONAWAY
Jeffrey D. Conaway
Vice President, Chief Accounting Officer and Corporate Controller
CVR GP, LLC
the general partner of CVR Partners, LP
(Principal Accounting Officer)

Dated: August 1, 2023