

**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, 2024**

OR

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

Commission file number **001-40282**

LanzaTech Global, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

92-2018969

(I.R.S. Employer Identification No.)

**8045 Lamon Avenue, Suite 400
Skokie, IL 60077
(847) 324-2400**

(Registrant's telephone number, including area code)

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common stock	LNZA	Nasdaq Capital Market
Warrants	LNZAW	Nasdaq Capital Market

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 and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes No

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 in Rule 12b-2 of the Act). Yes No

The registrant had outstanding 197,765,067 shares of common stock as of June 30, 2024.



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CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q filed by LanzaTech Global, Inc. together with its consolidated subsidiaries, contains statements that are forward-looking and as such are not historical facts. This includes, without limitation, statements regarding the financial position, business strategy and the plans and objectives of management for future operations. These statements constitute projections, forecasts and forward-looking statements, and are not guarantees of performance. Such statements can be identified by the fact that they do not relate strictly to historical or current facts. When used in this Quarterly Report, words such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “strive,” “would” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. When we discuss our strategies or plans, we are making projections, forecasts or forward-looking statements. Such statements are based on the beliefs of, as well as assumptions made by and information currently available to, LanzaTech’s management.

Forward-looking statements may include, for example, statements about:

- our anticipated growth rate and market opportunities;
- our ability to maintain the listing of our securities on the Nasdaq Stock Market;
- the potential liquidity and trading of our securities;
- our ability to resolve material litigation proceedings in our favor;
 - our ability to raise substantial additional financing in the future to fund our operations and complete the development and commercialization of our process technologies;
- our assessment of the competitive landscape;
- our ability to comply with laws and regulations applicable to our business;
- our ability to enter into, successfully maintain and manage relationships with industry partners;
 - the availability of governmental programs designed to incentivize the production and consumption of low-carbon fuels and carbon capture and utilization;
- our ability to adequately protect our intellectual property rights;
- our ability to attract, retain and motivate qualified personnel and to manage our growth effectively;
 - our future financial performance, growth, costs and expenses, availability of resources and capital requirements;
 - our ability to increase our revenue from engineering services, sales of equipment packages and sales of CarbonSmart products and to improve our operating results;
 - our ability to increase our ownership stake in LanzaJet, Inc. (“LanzaJet”) through the sublicensing of LanzaJet’s technology;
 - our ability to collaborate with our partners and progress projects into the construction phase; and
 - our ability to implement and maintain effective internal controls.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this Quarterly Report.

These forward-looking statements are only predictions based on our current expectations and projections about future events and are subject to a number of risks, uncertainties and assumptions, including the risk factors discussed in Part II, Item 1A of this Quarterly Report and in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023, and in other documents that we file or furnish from time to time with the Securities and Exchange Commission (“SEC”). Moreover, we operate in a competitive industry, and new risks emerge from time to time. It is not possible for the management of LanzaTech to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking

events and circumstances discussed in this Quarterly Report may not occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements in this Quarterly Report.

Any forward-looking statement speaks only as of the date on which it is made, and we do not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

LANZATECH GLOBAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited, in thousands, except share and per share data)

	As of	
	June 30, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 62,186	\$ 75,585
Held-to-maturity investment securities	12,890	45,159
Trade and other receivables, net of allowance	8,162	11,157
Contract assets	27,095	28,238
Other current assets	14,662	12,561
Total current assets	124,995	172,700
Property, plant and equipment, net	23,032	22,823
Right-of-use assets	26,356	18,309
Equity method investment	16,592	7,066
Equity security investment	14,990	14,990
Other non-current assets	5,910	5,736
Total assets	\$ 211,875	\$ 241,624
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 4,010	\$ 4,060
Other accrued liabilities	9,088	7,316
Warrants	3,192	7,614
Contract liabilities	6,012	3,198
Accrued salaries and wages	5,931	5,468
Current lease liabilities	156	126
Total current liabilities	28,389	27,782
Non-current lease liabilities	29,227	19,816
Non-current contract liabilities	8,070	8,233
Fixed Maturity Consideration	8,246	7,228
FPA Put Option liability	60,503	37,523
Brookfield SAFE liability	9,250	25,150
Other long-term liabilities	654	1,421
Total liabilities	144,339	127,153
Shareholders' Equity		
Common stock, \$0.0001 par value; 400,000,000 and 400,000,000 shares authorized, 197,765,067 and 196,642,451 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively	19	19
Additional paid-in capital	950,481	943,960
Accumulated other comprehensive income	2,215	2,364
Accumulated deficit	(885,179)	(831,872)
Total shareholders' equity	\$ 67,536	\$ 114,471
Total liabilities and shareholders' equity	\$ 211,875	\$ 241,624

See the accompanying Notes to the Condensed Consolidated Financial Statements.

LANZATECH GLOBAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND
COMPREHENSIVE LOSS
(Unaudited, in thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue:				
Revenue from contracts with customers and grants	\$ 6,235	\$ 10,372	\$ 12,485	\$ 17,957
Revenue from sales of CarbonSmart products	938	1,007	1,801	1,007
Revenue from collaborative arrangements	1,329	462	3,552	1,550
Revenue from related party transactions	8,873	1,076	9,781	2,049
Total revenue	17,375	12,917	27,619	22,563
Cost and operating expenses:				
Cost of revenue from contracts with customers and grants (exclusive of depreciation shown below)	(4,019)	(9,631)	(9,017)	(16,973)
Cost of revenue from sales of CarbonSmart products (exclusive of depreciation shown below)	(614)	(727)	(1,533)	(727)
Cost of revenue from collaborative arrangements (exclusive of depreciation shown below)	(759)	(419)	(1,555)	(826)
Cost of revenue from related party transactions (exclusive of depreciation shown below)	(99)	(50)	(156)	(91)
Research and development expense	(21,481)	(18,908)	(38,542)	(35,194)
Depreciation expense	(1,458)	(1,348)	(2,988)	(2,605)
Selling, general and administrative expense	(11,747)	(12,452)	(22,784)	(29,287)
Total cost and operating expenses	(40,177)	(43,535)	(76,575)	(85,703)
Loss from operations	(22,802)	(30,618)	(48,956)	(63,140)
Other income (expense):				
Interest income, net	513	1,701	1,661	1,915
Other (expense) income, net	(3,791)	2,001	(3,612)	(28,395)
Total other income (expense), net	(3,278)	3,702	(1,951)	(26,480)
Loss before income taxes	(26,080)	(26,916)	(50,907)	(89,620)
(Loss) gain from equity method investees, net	(1,719)	130	(2,400)	(478)
Net loss	\$ (27,799)	\$ (26,786)	\$ (53,307)	\$ (90,098)
Other comprehensive loss:				
Foreign currency translation adjustments	(191)	96	(150)	47
Comprehensive loss	\$ (27,990)	\$ (26,690)	\$ (53,457)	\$ (90,051)
Unpaid cumulative dividends on preferred stock				
	—	—	—	(4,117)
Net loss allocated to common shareholders	\$ (27,799)	\$ (26,786)	\$ (53,307)	\$ (94,215)
Net loss per common share - basic and diluted	\$ (0.14)	\$ (0.14)	\$ (0.27)	\$ (0.60)
Weighted-average number of common shares outstanding - basic and diluted	197,746,569	195,537,601	197,360,539	156,472,730

See the accompanying Notes to the Condensed Consolidated Financial Statements.

LANZATECH GLOBAL, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN REDEEMABLE CONVERTIBLE PREFERRED STOCK AND
SHAREHOLDERS' EQUITY/ DEFICIT

(Unaudited, in thousands, except share data)

	Common Stock Outstanding		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Shareholders' Equity
	Shares	Amount				
Balance as of December 31, 2023	196,642,451	\$ 19	943,960	(831,872)	2,364	114,471
Stock-based compensation expense	—	—	2,625	—	—	2,625
Net loss	—	—	—	(25,508)	—	(25,508)
Issuance of common stock upon exercise of options and vesting of RSUs	1,083,026	—	234	—	—	234
Repurchase of equity instruments	—	—	(48)	—	—	(48)
Foreign currency translation	—	—	—	—	42	42
Balance as of March 31, 2024	197,725,477	19	946,771	(857,380)	2,406	91,816
Stock-based compensation expense	—	—	3,672	—	—	3,672
Net loss	—	—	—	(27,799)	—	(27,799)
Issuance of common stock upon exercise of options and vesting of RSUs	39,590	—	38	—	—	38
Foreign currency translation	—	—	—	—	(191)	(191)
Balance as of June 30, 2024	197,765,067	\$ 19	\$ 950,481	\$ (885,179)	\$ 2,215	\$ 67,536

See the accompanying Notes to the Condensed Consolidated Financial Statements.

LANZATECH GLOBAL, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN REDEEMABLE CONVERTIBLE PREFERRED STOCK AND SHAREHOLDERS' EQUITY/ DEFICIT

(Unaudited, in thousands, except share data)

	Redeemable Convertible Preferred Stock		Common Stock Outstanding		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Shareholders' Equity
	Shares	Amount	Shares	Amount				
Balance as of December 31, 2022	29,521,810	\$ 480,631	2,382,358	\$ —	\$ 24,783	\$ (456,245)	\$ 2,740	\$ (428,722)
Retroactive application of recapitalization	99,626,583	—	8,039,693	1	(1)	—	—	—
Adjusted balance, beginning of period	129,148,393	480,631	10,422,051	1	24,782	(456,245)	2,740	(428,722)
Stock-based compensation expense	—	—	—	—	3,505	—	—	3,505
RSA vesting	—	—	2,535,825	—	—	—	—	—
Repurchase of equity instruments	—	—	(771,141)	—	(7,650)	—	—	(7,650)
Net loss	—	—	—	—	—	(63,312)	—	(63,312)
Issuance of common stock upon exercise of options	—	—	470,843	—	746	—	—	746
Exercise of a warrant, Series C and D Preferred Stock	594,309	5,890	—	—	—	—	—	—
In-kind payment of preferred dividend	—	241,529	—	—	—	(241,529)	—	(241,529)
Conversion of preferred stock into common stock	(129,742,702)	(728,050)	153,895,644	15	728,035	—	—	728,050
Recapitalization, net of transaction expenses (Note 3)	—	—	28,898,374	3	236,970	—	—	236,973
Forward Purchase Agreement prepayment	—	—	—	—	(60,547)	—	—	(60,547)
Reclassification of warrants to equity	—	—	—	—	1,800	—	—	1,800
Foreign currency translation	—	—	—	—	—	—	(49)	(49)
Balance as of March 31, 2023	—	\$ —	195,451,596	\$ 19	\$ 927,641	\$ (761,086)	\$ 2,691	\$ 169,265
Stock-based compensation expense	—	—	—	—	5,122	—	—	5,122
Net loss	—	—	—	—	—	(26,786)	—	(26,786)
Issuance of common stock upon exercise of options	—	—	222,906	—	331	—	—	331
Reclassification of warrants to equity	—	—	—	—	3,063	—	—	3,063
Foreign currency translation	—	—	—	—	—	—	96	96
Balance as of June 30, 2023	—	\$ —	195,674,502	\$ 19	\$ 936,157	\$ (787,872)	\$ 2,787	\$ 151,091

See the accompanying Notes to the Condensed Consolidated Financial Statements.

LANZATECH GLOBAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, in thousands)

	Six Months Ended June 30,	
	2024	2023
Cash Flows From Operating Activities:		
Net loss	\$ (53,307)	\$ (90,098)
Adjustments to reconcile net loss to net cash used in operating activities:		
Share-based compensation expense	6,231	8,715
Gain on change in fair value of SAFE and warrant liabilities	(20,322)	(4,663)
Loss on change in fair value of the FPA Put Option and the Fixed Maturity Consideration liabilities	23,998	33,029
Recoveries and provision for losses on trade and other receivables	(700)	800
Depreciation of property, plant and equipment	2,988	2,605
Amortization of discount on debt security investment	(501)	(508)
Non-cash lease expense	887	387
Non-cash recognition of licensing revenue	(9,240)	(1,136)
Loss from equity method investees, net	2,400	478
Net foreign exchange gain	(131)	194
Changes in operating assets and liabilities:		
Accounts receivable, net	3,575	3,129
Contract assets	1,034	(3,668)
Accrued interest on debt investment	120	(93)
Other assets	(2,269)	(8,942)
Accounts payable and accrued salaries and wages	458	1,881
Contract liabilities	128	(150)
Operating lease liabilities	507	(19)
Other liabilities	1,202	(1,057)
Net cash used in operating activities	\$ (42,942)	\$ (59,116)
Cash Flows From Investing Activities:		
Purchase of property, plant and equipment	(3,268)	(5,318)
Purchase of debt securities	—	(49,103)
Proceeds from maturity of debt securities	32,770	—
Purchase of additional interest in equity method investment	—	(288)
Origination of related party loan	—	(5,212)
Net cash provided by/ (used in) investing activities	\$ 29,502	\$ (59,921)
Cash Flows From Financing Activities:		
Proceeds from issue of equity instruments of the Company	272	1,077
Proceeds from the Business Combination and PIPE, net of transaction expenses (Note 3)	—	213,381
Forward Purchase Agreement prepayment	—	(60,096)
Repurchase of equity instruments of the Company	(48)	(7,650)
Net cash provided by financing activities	\$ 224	\$ 146,712
Net decrease in cash, cash equivalents and restricted cash	(13,216)	27,675
Cash, cash equivalents and restricted cash at beginning of period	76,284	83,710
Effects of currency translation on cash, cash equivalents and restricted cash	(177)	4
Cash, cash equivalents and restricted cash at end of period	\$ 62,891	\$ 111,389
Supplemental disclosure of non-cash investing and financing activities:		
Acquisition of property, plant and equipment under accounts payable	235	125
Right-of-use asset additions	8,934	—
Reclassification of capitalized costs related to the business combination to equity	—	1,514
Cashless conversion of warrants on preferred shares	—	5,890
Recognition of public and private warrant liabilities in the Business Combination	—	4,624
Reclassification of AM SAFE warrant to equity	—	1,800
Conversion of AM SAFE liability into common stock	—	29,730
Conversion of Legacy LanzaTech NZ, Inc. preferred stock and in-kind dividend into common stock	—	722,160
Reclassification of Shortfall warrant to equity	—	3,063

See the accompanying Notes to the Condensed Consolidated Financial Statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 — Description of the Business

LanzaTech Global, Inc., formerly known as AMCI Acquisition Corp. II (“AMCI”) prior to February 8, 2023 (the “Closing Date”) was incorporated as a Delaware corporation on January 28, 2021.

On March 8, 2022, LanzaTech NZ, Inc. (“Legacy LanzaTech”) entered into an Agreement and Plan of Merger (the “Merger Agreement”) with AMCI and AMCI Merger Sub, Inc. a Delaware corporation and a wholly owned subsidiary of AMCI (“Merger Sub”). On February 8, 2023, Legacy LanzaTech completed its business combination with AMCI by which the Merger Sub merged with and into Legacy LanzaTech, with Legacy LanzaTech continuing as the surviving corporation and as a wholly owned subsidiary of AMCI (the “Business Combination”). The reporting entity is LanzaTech Global, Inc. and its subsidiaries (collectively referred to herein as “the Company”, “LanzaTech”, “we”, “us”, “our”). For more information on the Business Combination, see *Note 3 - Reverse Recapitalization*.

The Company is headquartered in Skokie, Illinois, USA. The Company is a nature-based carbon refining company that transforms waste carbon into the chemical building blocks for consumer goods such as sustainable fuels, fabrics, and packaging that people use in their daily lives. The Company’s customers leverage its proven proprietary gas fermentation technology platform to convert certain feedstock, including waste carbon gases, into sustainable fuels and chemicals such as ethanol. The Company performs related services such as feasibility studies, engineering services, and research and development (“R&D”) in biotechnology for commercial and government entities. The Company also purchases low carbon chemicals produced at customer facilities employing the Company’s technology and sells it under the brand name CarbonSmart. We have also been developing the capabilities to produce single cell protein as a primary product from our gas fermentation platform.

As of June 30, 2024, licensees of the Company’s technology operate four commercial-scale waste-to-gas ethanol plants in China, one plant in India, and one plant in Belgium with others currently in development in various countries, compared to three commercial scale waste-to-gas ethanol plants in China as of June 30, 2023.

As a result of the Business Combination, the Company’s common stock trades under the ticker symbol “LNZA” and its Public Warrants trade under the ticker symbol “LNZAW” on the Nasdaq Stock Market. Prior to the consummation of the Business Combination, the Company’s common shares were listed on Nasdaq Stock Market under the symbol “AMCI” and the Public Warrants were listed on the Nasdaq Stock Market under the symbol “AMCI-W”.

Unless otherwise indicated, amounts in these financial statements are presented in thousands, except for share and per share amounts.

Note 2 — Summary of Significant Accounting Policies***Basis of Presentation and Principles of Consolidation***

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles for interim financial information, and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America (“US GAAP”), the accounting principles, standards, and procedures adopted by the U.S. Securities and Exchange Commission, for complete financial statements. However, in the opinion of management, all adjustments (consisting of normal recurring accruals) have been made that are necessary for a fair presentation of the condensed consolidated financial statements for the interim periods. The condensed consolidated financial statements include the accounts of LanzaTech Global, Inc. and its wholly-owned consolidated subsidiaries. All intercompany transactions and balances have been eliminated in consolidation. For further information refer to the Consolidated Financial Statements and Footnotes thereto included in LanzaTech's Annual Report on Form 10-K for the year ended December 31, 2023.

The Business Combination is accounted for as a reverse recapitalization as Legacy LanzaTech was determined to be the accounting acquirer under Accounting Standards Codification (“ASC”) 805, *Business Combinations* (“ASC 805”) based on the evaluation of the following facts and circumstances:

- Legacy LanzaTech stockholders have the largest portion of voting rights (85.3% at the closing of the Business Combination) in the Company;
- Legacy LanzaTech’s existing senior management team comprise a portion of senior management of the Company;

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

- The operations of the Company primarily represent operations of Legacy LanzaTech; and
- In comparison with AMCI, Legacy LanzaTech has significantly more revenue and total assets.

For more information on the Business Combination, see *Note 3 - Reverse Recapitalization*.

Significant Accounting Policies

Our significant accounting policies are included in Note 2 of the Notes to our Audited Consolidated Financial Statements included in our Annual Report.

Revision of previously issued financial statements

In connection with the preparation of the Company's consolidated financial statements for the year ended December 31, 2023, the Company determined it should have classified the Forward Purchase Agreement prepayment as a cash outflow from financing activities within the consolidated statement of cash flows, instead of a cash outflow from investing activities as previously reported. The Company has corrected this classification for the six months ended June 30, 2023 within the consolidated statement of cash flows. The company determined the incorrect classification was not material to the previously filed quarterly report. There is no impact to the Company's condensed consolidated balance sheets, condensed consolidated statements of operations and comprehensive loss, condensed consolidated statements of changes in redeemable convertible preferred stock and shareholders' equity/deficit or cash flows from operating activities.

Going Concern

The accompanying consolidated financial statements of the Company have been prepared in accordance with US GAAP and assuming the Company will continue as a going concern. The going concern basis of presentation assumes that the Company will continue in operation one year after the date these financial statements are issued and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company had cash and cash equivalents of \$62,186, short-term held-to-maturity debt investments of \$12,890 and an accumulated deficit of \$(885,179) as of June 30, 2024 and cash outflows from operations of \$(42,942) and a net loss of \$(53,307) for the six months ended June 30, 2024.

The Company has historically funded its operations through issuances of equity securities and debt financing. Additionally, from time to time, management evaluates options to enhance the Company's liquidity position, including the sale of securities, incurrence of debt, or other financing alternatives. Additionally, on August 6, 2024, Company closed on a \$40,000 funding of Convertible Notes as defined and further described in *Note 15 - Subsequent Events*. Based on the Company's financial position as of the date the condensed consolidated financial statements were issued, the Company projects that it will be able to cover its liquidity needs for the next twelve months.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the fair value of equity awards granted to both employees and non-employees, valuation of common stock prior to the close of the Business Combination, revenue recognized over time, AM SAFE and Brookfield SAFE obligations, AM SAFE warrants, the Forward Purchase Agreement and the Private Placement Warrants.

The Company uses the percentage of completion for the input method to recognize revenue over time for certain contracts with customers. Under the input method, the Company exercises judgment and estimation when selecting the most indicative measure of such performance.

Most of our arrangements provide fixed consideration, however, when there are variable consideration elements, the Company estimates the transaction price and whether revenue should be constrained. Significant estimates and judgments are also used when a material right is provided to the customer. In these instances, the Company estimates the stand-alone selling price and apportions the total transaction price to this material right. Refer to the Revenue Recognition section in *Note 2 - Summary of Significant Accounting Policies* hereunder.

Changes in facts and circumstances or additional information may result in revised estimates, and actual results may differ from these estimates.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less at the time of purchase to be cash equivalents. As of June 30, 2024 and December 31, 2023, the Company had \$62,186 and \$75,585 of cash and cash equivalents, respectively.

Restricted Cash

The Company is required to maintain a cash deposit with a bank which consists of collateral on certain travel and expense programs maintained by the bank. The following represents a reconciliation of Cash and cash equivalents in the condensed consolidated balance sheets to total cash, cash equivalents and restricted cash in the condensed consolidated statements of cash flows as of June 30, 2024 and December 31, 2023.

	As of	
	June 30, 2024	December 31, 2023
Cash and cash equivalents	\$ 62,186	\$ 75,585
Restricted cash (presented within Other current assets)	705	699
Cash, cash equivalents and restricted cash	\$ 62,891	\$ 76,284

Forward Purchase Agreement

On February 3, 2023, the Company entered into a Forward Purchase Agreement (“FPA”) with ACM ARRT H LLC (“ACM”). On the same date, ACM partially assigned its rights under the FPA to Vellar Opportunity Fund SPV LLC - Series 10 (“Vellar”). ACM and Vellar are together referred to as the “Purchasers.” Pursuant to the FPA, the Purchasers obtained 5,916,514 common shares (“Recycled Shares”) on the open market for approximately \$10.16 per share (“Redemption Price”), and the purchase price of \$60,096 was funded by the use of AMCI trust account proceeds as a partial prepayment (“Prepayment Amount”) for the FPA redemption 3 years from the date of the Business Combination (“Maturity Date”). The Maturity Date may be accelerated, at the Purchasers’ discretion, if the Company’s volume-weighted average share price is below \$3.00 per share for any 50 trading days during a 60 day consecutive trading-day period or if the Company is delisted. The share price condition was met on July 1, 2024 (refer to *Note 9 - Forward Purchase Agreement*). On any date following the Business Combination, the Purchasers also have the option to early terminate the arrangement in whole or in part by providing optional early termination notice to the Company (the “Optional Early Termination”). For those shares early terminated (the “Terminated Shares”), the Purchasers will owe the Company an amount equal to the Terminated Shares times the Redemption Price, which may be reduced in the case of certain dilutive events (“Reset Price”).

At the Maturity Date, the Company is obligated to pay the Purchasers an amount equal to the product of (1) 7,500,000 less the number of Terminated Shares multiplied by (2) \$2.00 (the “Maturity Consideration”), which under the FPA is payable at the Company’s option in cash or shares of common stock valued at the average daily VWAP Price (as defined in the FPA) over the 30 scheduled trading days ending on the Maturity Date. In addition to the Maturity Consideration, on the Maturity Date, the Company shall pay to the Purchasers an amount equal to the product of (x) 500,000 and (y) the Redemption Price, totaling \$5,079 (the “Share Consideration”), which under the FPA is payable in cash. If the Purchasers were to utilize their Optional Early Termination to terminate the FPA early in its entirety, neither the Maturity Consideration nor the Share Consideration would be due to the Purchasers.

The Purchasers’ Optional Early Termination economically results in the prepaid forward contract being akin to a written put option with the Purchasers’ right to sell all or a portion of the 5,916,514 common shares to the Company. The Company is entitled over the 36-month maturity period to either a return of the prepayment or the underlying shares, which the Purchasers will determine at their sole discretion.

The FPA consists of three freestanding financial instruments which are accounted for as follows:

- 1) The total prepayment of \$60,547 (“Prepayment Amount”), which is accounted for as a reduction to equity to reflect the substance of the overall arrangement as a net repurchase of the Recycled Shares and sale of shares to the Purchasers pursuant to a subscription agreement.
- 2) The “FPA Put Option” which includes both the in-substance written put option and the portion of the Maturity Consideration in excess of the Minimum Maturity Consideration (as defined below) (the “Variable Maturity Consideration”). The FPA Put Option is a derivative instrument the Company has recorded as a liability and measured at

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

fair value. The initial fair value of the FPA Put Option and subsequent changes in fair value of the FPA Put Option are recorded within Other (expense) income, net on the condensed consolidated statements of operations and comprehensive loss.

3) The “Fixed Maturity Consideration,” which includes the minimum portion of the Maturity Consideration (the “Minimum Maturity Consideration”), calculated as (1) 7,500,000 less 5,916,514 multiplied by (2) \$2.00 or \$3,167, and the Share Consideration. Both the Minimum Maturity Consideration and the Share Consideration are considered to be free-standing debt instruments and as both will be paid on the same terms and at the same time, these are accounted for together. The Company has elected to measure these using the FVO under ASC 825, Financial Instruments (“ASC 825”). The Fixed Maturity Consideration is recorded as a long-term liability on the condensed consolidated balance sheets. The initial fair value of the Fixed Maturity Consideration and subsequent changes in fair value of the Fixed Maturity Consideration are recorded within Other (expense) income, net on the condensed consolidated statements of operations and comprehensive loss.

The Company has filed suit against Vellar under the FPA. See *Note 15 - Subsequent Events*.

Revenue Recognition

The Company recognizes revenue from exchange transactions in accordance with ASC 606, *Revenue from Contracts with Customers* (“ASC 606”) and grants from non-customers. The Company primarily earns revenue from services related to biorefining (formerly known as carbon capture and transformation) which includes feasibility studies and basic engineering design of commercial plants, licensing of technologies and sales of biocatalysts (microbes and media). The other two revenue streams are: (1) joint development and contract research activities to develop and optimize novel biocatalysts, related processes and technologies, and (2) supply of chemical building blocks for sustainable products produced using the Company’s proprietary technologies (referred to as CarbonSmart).

Revenue is measured based on the consideration specified in a contract with a customer. The Company records taxes collected from customers and remitted to governmental authorities on a net basis. The Company’s payment terms are between 30-60 days and can vary by customer type and products offered. Management has evaluated the terms of the Company’s arrangements and determined that they do not contain significant financing components.

Biorefining

The Company provides feasibility studies and basic design and engineering services used for detailed design, procurement, and construction of commercial plants that utilize the Company’s technologies, along with the sale of microbes and media. The services provided are recognized as a performance obligation satisfied over time. Revenue is recognized using the cost-to-cost input method for certain engineering services, or the labor hours input method as performance obligations are satisfied. Revenue for the sale of microbes and media is at a point in time, depending on when control transfers to the customer.

The Company licenses intellectual property to generate recurring revenue, in the case of running royalties, or one-time revenue, in the case of fixed consideration royalties, when its customers deploy the Company’s technology in their biorefining plants. When licenses are considered to be distinct performance obligations, the recognition of revenue is dependent on the terms of the contract, which may include fixed consideration or royalties based on sales or usage, in which case the revenue is recognized when the subsequent sale or usage occurs or when the performance obligation to which some or all of the sales or usage-based royalty is allocated has been satisfied, whichever is later.

Grants received to perform engineering services, including cost reimbursement agreements, are assessed to determine if the agreement should be accounted for as an exchange transaction or a contribution. An agreement is accounted for as a contribution if the resource provider does not receive commensurate value in return for the assets transferred. Contributions are recognized as grant revenue as the qualifying costs related to the grant are incurred.

Joint Development and Contract Research

The Company performs R&D services related to novel technologies and development of biocatalysts for commercial applications, mainly to produce fuels and chemicals. The Company engages in two main types of R&D services – joint development agreements, and contract research, including projects with the U.S. Department of Energy and other US or foreign government agencies. Such services are recognized as a performance obligation satisfied over time. Revenue is recognized based on milestone completion, when payments are contingent upon the achievement of such milestones, or based on percentage-completion method when enforceable rights to payment exist. When no milestones or phases are clearly defined, management has determined that the cost incurred, input method, is an appropriate measure of progress

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

towards complete satisfaction of the performance obligations under ASC 606, and estimates its variable consideration under the expected value method.

Revenue is not recognized in advance of customer acceptance of a milestone when such acceptance is contractually required. Payments for R&D services with no contractual payments are not due from customers until a technical report is submitted; therefore, a contract asset is recognized at milestone completion but prior to the submission of a technical report. The contract asset represents the Company's right to consideration for the services performed at milestone completion. Occasionally, customers provide payments in advance of the Company providing services which creates a contract liability for the Company. The contract liability represents the Company's obligation to provide services to a customer.

CarbonSmart

The Company purchases ethanol from the customers who have deployed our proprietary technologies in their biorefining plants and sells it and its derivatives as CarbonSmart products. Revenue is recognized at a point in time when control transfers to our end customer, which varies depending on the shipping terms. The Company acts as the principal in such transactions and accordingly, recognizes revenue and cost of revenues on a gross basis. Amounts received for sales of CarbonSmart products are classified as Revenue from sales of CarbonSmart products in the condensed consolidated statements of operations and comprehensive loss.

Collaboration Arrangements

The Company has certain partnership agreements that are within the scope of ASC 808, *Collaborative Arrangements*, which provides guidance on the presentation and disclosure of collaborative arrangements. Generally, the classification of the transaction under the collaborative arrangements is determined based on the nature of the contractual terms of the arrangement, along with the nature of the operations of the participants. The Company's collaborative agreements generally include a provision of R&D services related to novel technologies and biocatalysts. Amounts received for these services are classified as Revenue from collaborative arrangements in the consolidated statements of operations and comprehensive loss. The Company's R&D services are a major part of the Company's ongoing operations and therefore ASC 606 is applied to recognize revenue.

Cost of Revenues

The Company's R&D, engineering, and other direct costs of services and goods related to revenue agreements with customers, related parties, and collaborative partners represent cost of revenue. Costs include both internal and third-party fixed and variable costs and include materials, supplies, labor, and fringe benefits.

Research and Development

We expense as incurred costs associated with R&D activities other than those related to revenue agreements or those eligible for capitalization under applicable guidance.

Fair Value of Financial Instruments

Fair value is defined as the exchange price that would be received for an asset or an exit price paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy defines a three-level valuation hierarchy for disclosure of fair value measurements as follows:

- Level 1** — Valuations based on quoted prices in active markets for identical assets or liabilities that an entity has the ability to access;
- Level 2** — Valuations based on quoted prices for similar assets or liabilities, quoted prices for identical assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets or liabilities; and
- Level 3** — Valuations based on inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The categorization of a financial instrument within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The fair value of the Company's assets and liabilities, which qualify as financial instruments under ASC 820, *Fair Value Measurement*, approximates the carrying amounts represented in the accompanying condensed consolidated balance sheets, primarily due to their short-term nature, except for the warrant liability.

Concentration of Credit Risk and Other Risks and Uncertainties

Revenue generated from the Company's customers and grant providers from outside of the United States for the three months ended June 30, 2024 and 2023 was approximately 36% and 84%, respectively. Revenue generated from the Company's customers and grant providers from outside of the United States for the six months ended June 30, 2024 and 2023 was approximately 43% and 75%, respectively.

As of June 30, 2024 and December 31, 2023, approximately 33% and 49%, respectively, of trade accounts receivable and unbilled accounts receivable were due from customers and grant providers located outside the United States. As of June 30, 2024 and December 31, 2023, the value of property, plant, and equipment outside the United States was immaterial.

The Company's revenue by geographic region based on the contracting entities' location is presented in *Note 5 - Revenues*.

Our largest contracting entities represent 10% or greater of revenue and were as follows for the three and six months ended June 30, 2024 and 2023:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Customer A	51 %	6 %	35 %	8 %
Customer B	17 %	51 %	15 %	42 %

Note 3 — Reverse Recapitalization

On February 8, 2023, Legacy LanzaTech and AMCI consummated the merger contemplated by the Merger Agreement (see *Note 1 - Description of the Business*).

Immediately following the Business Combination, there were 196,222,737 shares of common stock outstanding with a par value of \$0.0001. Additionally, there were outstanding warrants to purchase 12,574,200 shares of common stock.

As discussed in *Note 2 - Summary of Significant Accounting Policies*, the Business Combination was accounted for as a reverse recapitalization in accordance with US GAAP. Under this method, while AMCI was the legal acquirer, it has been treated as the "acquired" company for financial reporting purposes. Accordingly, the Business Combination was treated as the equivalent of pre-combination Legacy LanzaTech issuing stock for the net assets of AMCI, accompanied by a recapitalization. The net assets of AMCI were stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Business Combination are those of pre-combination Legacy LanzaTech. Reported shares and earnings per share available to holders of the Company's common stock and preferred shares, prior to the Business Combination, have been retroactively restated to reflect the exchange ratio established in the Business Combination (approximately one pre-combination Legacy LanzaTech share to 4.3747 of the Company's shares).

Upon closing of the Business Combination, the shareholders of AMCI, including AMCI founders, were issued 10,398,374 shares of common stock of the Company. In connection with the closing, holders of 8,351,626 shares of common stock of AMCI were redeemed at a price per share of approximately \$10.16. In connection with the Closing, 18,500,000 shares of common stock of the Company were issued to PIPE investors. 15,500,000 of those shares were issued at a price per share of \$10.00. The remaining 3,000,000 shares were issued upon conversion of the AM SAFE liability. The Company incurred \$7,223 in transaction costs relating to the Business Combination and recorded those costs against Additional paid-in capital in the condensed consolidated balance sheets.

The number of shares of Class A common stock issued and outstanding immediately following the consummation of the Business Combination and PIPE financing were:

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

	Shares	Percentage
Legacy LanzaTech shares	167,324,363	85.3 %
Public stockholders	10,398,374	5.3 %
PIPE shares	18,500,000	9.4 %
Total	196,222,737	100 %

The following table reconciles the elements of the Business Combination and PIPE financing to the condensed consolidated statements of cash flows for the period ended June 30, 2024:

	Recapitalization
Cash - AMCI trust account ¹	\$ 64,090
Cash - PIPE financing	155,000
Less: Transaction costs allocated to equity	(5,709)
Effect of the Business Combination and PIPE financing	\$ 213,381

(1) The cash from the AMCI trust account is net of redemptions and the payment of pre-combination AMCI expenses.

The following table reconciles the elements of the Business Combination and PIPE financing to the change in Additional paid-in capital on the condensed consolidated statement of changes in redeemable preferred stock and shareholders' equity/deficit:

	Recapitalization
Cash - AMCI trust account	\$ 64,090
Public Warrants and Private Placement Warrants recorded on the Closing Date	(4,624)
Cash - PIPE financing	155,000
Conversion of the AM SAFE	29,730
Transaction costs allocated to equity	(7,223)
	\$ 236,973
Less: par value of shares held by PIPE investors and public stockholders	(3)
Total additional paid-in capital from recapitalization	\$ 236,970

Note 4 — Net Loss Per Share

Basic net loss per share is computed by dividing net loss by the weighted-average number of shares of common stock of the Company outstanding during the period. Diluted net loss per share is computed by giving effect to all common stock equivalents of the Company, including equity-classified share-based compensation, the Brookfield SAFE, and warrants, to the extent dilutive.

The following table presents the calculation of basic and diluted net loss per share for the Company's common stock (in thousands, except shares and per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Numerator:				
Net loss for basic and diluted earnings per common share	\$ (27,799)	\$ (26,786)	\$ (53,307)	\$ (90,098)
Unpaid cumulative dividends on preferred stock	—	—	—	(4,117)
Net loss allocated to common shareholders	\$ (27,799)	\$ (26,786)	\$ (53,307)	(94,215)
Denominator:				
Weighted-average shares used in calculating net loss per share, basic and diluted	197,746,569	195,537,601	197,360,539	156,472,730
Net loss per common share, basic and diluted ⁽¹⁾	\$ (0.14)	\$ (0.14)	\$ (0.27)	\$ (0.60)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(1) In periods in which the Company reports a net loss, all common stock equivalents are excluded from the calculation of diluted weighted average shares outstanding because of their anti-dilutive effect on loss per share.

As of June 30, 2024 and 2023, common stock equivalents not included in the computation of loss per share because their effect would be antidilutive include the following:

	June 30,	
	2024	2023
Options	19,072,207	17,423,238
RSUs	7,885,931	6,901,360
Brookfield SAFE	5,000,000	5,000,000
Warrants	16,657,686	16,657,686
Total	48,615,824	45,982,284

Note 5 — Revenues

Disaggregated Revenue

The following table presents disaggregated revenue in the following categories (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Contract Types:				
Licensing	\$ 8,541	\$ 815	\$ 9,121	\$ 1,369
Engineering and other services	5,122	8,878	9,578	14,678
Biorefining revenue	\$ 13,663	\$ 9,693	\$ 18,699	\$ 16,047
Joint development agreements	1,333	1,080	4,205	3,116
Contract research	1,441	1,137	2,914	2,393
Joint development and contract research revenue	\$ 2,774	\$ 2,217	\$ 7,119	\$ 5,509
CarbonSmart product	938	1,007	1,801	1,007
Total Revenue	\$ 17,375	\$ 12,917	\$ 27,619	\$ 22,563

The following table presents revenue from partners in collaborative arrangements and from grant contributions which are included in the table above as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue from partners in collaborative agreements included in the Joint development agreements above	\$ 1,329	\$ 462	\$ 3,552	\$ 1,550
Revenue from grant contributions included in Engineering and other services above	2,997	6,646	4,153	9,713

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following table presents disaggregation of the Company's revenues by customer location for the three and six months ended June 30, 2024 and 2023 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
North America	\$ 11,131	\$ 2,314	\$ 15,589	\$ 6,547
Europe, Middle East, Africa (EMEA)	5,014	9,646	9,594	14,356
Asia	826	418	2,032	468
Australia	404	539	404	1,192
Total Revenue	\$ 17,375	\$ 12,917	\$ 27,619	\$ 22,563

Contract balances

The following table provides changes in contract assets and liabilities (in thousands):

	Current Contract Assets	Current Contract Liabilities	Non-current Contract Liabilities
Balance as of December 31, 2023	\$ 28,238	\$ 3,198	\$ 8,233
Additions to unbilled accounts receivable	19,460	—	—
Increases due to consideration received	—	7,089	—
Unbilled accounts receivable recognized in trade receivables	(20,494)	—	—
Decrease on revaluation on currency	(109)	(1)	(162)
Reclassification from long-term to short-term	—	1,344	(1,344)
Reclassification to revenue as a result of performance obligations satisfied	—	(8,305)	—
Additions due to LanzaJet sublicense	—	2,687	1,343
Balance as of June 30, 2024	\$ 27,095	\$ 6,012	\$ 8,070

The increase in contract assets was mostly due to unbilled accounts receivable resulting from revenue recorded under contracts with customers and grants where the Company performed engineering and other services, and primarily relates to contracts with government entities. As of June 30, 2024 and December 31, 2023 the Company had \$8,162 and \$11,157, respectively, of billed accounts receivable, net of allowance.

The overall increase in contract liabilities was primarily due to the recognition of the portion of payments in shares received in advance from LanzaJet for the remaining sublicensing performance obligation (refer to *Note 6 - Investments* for further details). The Company expects to recognize the amounts classified as current contract liabilities in revenue within one year or less and those classified as non-current within two to three years.

Remaining performance obligations

Transaction price allocated to the remaining performance obligations represents contracted revenue that has not yet been recognized, which includes unearned revenue that will be recognized as revenue in future periods. Transaction price allocated to remaining performance obligations is influenced by several factors, including the length of the contract term compared to the research term and the existence of customer specific acceptance rights.

Remaining performance obligations consisted of the following (in thousands):

	As of	
	June 30, 2024	December 31, 2023
Current	\$ 6,012	\$ 3,198
Non-current	8,070	8,233
Total	\$ 14,082	\$ 11,431

Note 6 — Investments

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HTM Debt Securities

Held to maturity (“HTM”) debt securities are comprised of U.S. Treasury bills and notes, Yankee debt securities, and corporate debt securities. HTM debt securities are classified as short-term or long-term based upon the contractual maturity of the underlying investment.

(in thousands)	June 30, 2024				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Accrued Interest
Short-term					
Corporate debt securities	\$ 12,890	\$ 2	\$ (5)	\$ 12,887	\$ 146
Total debt securities due within a year	\$ 12,890	\$ 2	\$ (5)	\$ 12,887	\$ 146
Total HTM Debt Securities	\$ 12,890	\$ 2	\$ (5)	\$ 12,887	\$ 146

(in thousands)	December 31, 2023				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Accrued Interest
Short-term					
US Treasury bills and notes	\$ 20,423	\$ 6	\$ —	\$ 20,429	\$ 14
Corporate debt securities	21,736	14	(33)	21,717	209
Yankee debt securities	3,000	—	(8)	2,992	43
Total debt securities due within a year	\$ 45,159	\$ 20	\$ (41)	\$ 45,138	\$ 266
Total HTM Debt Securities	\$ 45,159	\$ 20	\$ (41)	\$ 45,138	\$ 266

The Company regularly reviews held-to-maturity securities for declines in fair values that are determined to be credit related. As of December 31, 2023 and June 30, 2024, the Company did not have an allowance for credit losses related to HTM securities.

Equity investments

The Company’s equity investments consisted of the following (in thousands):

	As of	
	June 30, 2024	December 31, 2023
Equity Method Investment in LanzaJet	\$ 16,592	\$ 7,066
Equity Security Investment in SGLT	14,990	14,990
Total Investment	\$ 31,582	\$ 22,056

LanzaJet

On May 13, 2020, the Company contributed \$15,000 in intellectual property in exchange for a 37.5% interest (“Original Interest”) of LanzaJet in connection with an investment agreement (“Investment Agreement”). The Company accounts for the transaction as a revenue transaction with a customer under ASC 606. The licensing and technical support services provided are recognized as a single combined performance obligation satisfied over the expected period of those services, beginning May 2020 through December 2025.

Under the LanzaJet Investment Agreement, LanzaTech has a right to receive up to an aggregate of 45,000,000 additional LanzaJet shares for no additional consideration if (i) certain other LanzaJet shareholders make additional investments for the funding of the development and operation of commercial facilities that would sublicense the relevant fuel production technology from LanzaJet, or (ii) a non-LanzaJet shareholder sublicenses the Company’s technology through collaboration with LanzaJet, and LanzaTech and the LanzaJet board of directors waive the requirement on a pro-rata basis.

On June 18, 2024, LanzaJet issued to LanzaTech 15,000,000 shares related to the sublicensing of the Company’s technology to a non-LanzaJet shareholder, as the first tranche of the additional consideration per the Investment

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Agreement. This was accounted for as revenue from contract modification with a cumulative catch-up, net of intra-entity profit elimination, and as an increase in our equity method investment in LanzaJet. As a result, LanzaTech's ownership in LanzaJet increased to 37.01%.

During the three months ended June 30, 2024 and 2023, the Company recognized revenue from the Investment Agreement of \$8,541 and \$565 respectively, net of intra-entity profit elimination. During the six months ended June 30, 2024 and June 30, 2023, the Company recognized revenue from this arrangement of \$9,121 and \$1,119 respectively, net of intra-entity profit elimination and has associated deferred revenue of \$8,062 and \$5,375, as of June 30, 2024 and December 31, 2023, respectively. Net intra-entity profits related to this arrangement were \$3,101 and \$89 for the three months ended June 30, 2024 and 2023 and \$3,193 and \$206 for the six months ended June 30, 2024 and 2023, respectively. Intra-entity profits are amortized over a 15-year period through 2034.

In connection with the LanzaJet Note Purchase Agreement as described in *Note 13 - Related Party Transactions*, LanzaJet issued warrants that are exercisable for \$0.01 by the holder when the related funds are drawn by LanzaJet. The warrants held by LanzaTech and other lenders meet the accounting criteria for in-substance common stock at the time the related note commitment is drawn by LanzaJet and the warrants become exercisable. LanzaTech committed proportionally fewer funds, and therefore received proportionally fewer warrants than the other investors. Accordingly, when warrants held by other investors become exercisable (and meet the criteria for in-substance common stock), LanzaTech's ownership is diluted. The Company recorded gain on dilution of \$0 and \$502 in the three months ended June 30, 2024 and 2023 and \$77 and \$502 in the six months ended June 30, 2024 and 2023. LanzaTech's ownership is subject to further dilution if LanzaJet draws additional funds committed in the LanzaJet Note Purchase Agreement and the remaining warrants are exercisable by the holders.

The carrying value of our equity method investment in LanzaJet as of June 30, 2024 and December 31, 2023 was approximately \$2,800 less than our proportionate share of our equity method investees' book values, for both periods. The basis differences are largely the result of a difference in the timing of recognition of variable consideration to which we are entitled in exchange for our contribution of intellectual property to LanzaJet as discussed above. The variable consideration we may receive will be in the form of additional ownership interests and the majority of the basis difference will be reversed in connection with recognition of that variable consideration.

In connection with a sublicense agreement to LanzaJet under our license agreement with Battelle Memorial Institute ("Battelle"), LanzaTech remains responsible for any failure by LanzaJet to pay royalties due to Battelle. The fair value of LanzaTech's obligation under this guarantee was immaterial as of June 30, 2024 and December 31, 2023.

SGLT

On September 28, 2011, the Company contributed RMB 25,800 (approx. \$4,000) in intellectual property in exchange for 30% of the registered capital of Beijing Shougang LanzaTech Technology Co., LTD ("SGLT"). Since then, the Company's interest in SGLT's registered capital decreased to approximately 9.31% as a result of the investment by new investors. The Company accounts for its investment in equity securities of SGLT using the alternative measurement principals as permitted under ASC 321, *Investments - Equity Securities*, because SGLT's fair value is not readily determinable. For the three and six months ended June 30, 2024 and 2023, there was no change in the recorded amount of the investment in SGLT.

As of June 30, 2024 and December 31, 2023, there were no impairments of equity investments. During the three and six months ended June 30, 2024 and 2023, the Company received no dividends from equity investments. See *Note 13 - Related Party Transactions*, for information on revenues, accounts receivable, contract assets and purchases and open accounts payable with its equity investments.

Note 7 — SAFE**Brookfield SAFE**

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On October 2, 2022, the Company entered into a SAFE with Brookfield (the "Brookfield SAFE"). Under the Brookfield SAFE, the Company agreed to issue to Brookfield the right to certain shares of its capital stock, in exchange for the payment of \$50,000 (the "Initial Purchase Amount"). The Brookfield SAFE is legal form debt. Management has elected to apply the Fair Value Option ("FVO") under ASC 825, *Financial Instruments*. As the Brookfield SAFE is accounted for under the FVO, the Brookfield SAFE is classified as a mark-to-market liability

On the fifth anniversary of the Brookfield SAFE, LanzaTech is required to repay in cash the Initial Purchase Amount less any Non-Repayable Amount (the "Remaining Amount"), as well as interest on such Remaining Amount in the high single digits, compounded annually.

For each \$50,000 of aggregate equity funding required for qualifying projects presented to Brookfield in accordance with the Brookfield Framework Agreement (discussed below), the Remaining Amount will be reduced by \$5,000 (such cumulative reductions the "Non-Repayable Amount") and converted into LanzaTech Shares at \$10.00 per share, which was the share price paid by the PIPE investors in the Business Combination. Interest on the corresponding amount will be forgiven. Each project presented must meet certain criteria in order to be considered a qualifying project.

Additionally, Brookfield may, at any time at its option, convert all or a portion of the Initial Purchase Amount less any amount that has already been converted or repaid into shares of LanzaTech capital stock at the same \$10.00 per share price.

The Brookfield SAFE has not yet converted as a qualifying financing has not yet occurred and no qualified project investments have been presented to Brookfield as of June 30, 2024. As of June 30, 2024 and December 31, 2023, the fair value of the Brookfield SAFE was \$9,250 and \$25,150 respectively and was recorded within Brookfield SAFE liability on the condensed consolidated balance sheets.

Brookfield Framework Agreement

On October 2, 2022, LanzaTech entered into a framework agreement with Brookfield (the "Brookfield Framework Agreement"). Under such agreement, LanzaTech agreed to exclusively offer Brookfield the opportunity to acquire or invest in certain projects to construct commercial production facilities employing carbon capture and transformation technology in the U.S., the European Union, the United Kingdom, Canada or Mexico for which LanzaTech is solely or jointly responsible for obtaining or providing equity financing, subject to certain exceptions. LanzaTech agreed to present Brookfield with projects that over the term of the agreement require equity funding of at least \$500,000 in the aggregate. With respect to projects acquired by Brookfield, LanzaTech is entitled to a percentage of free cash flow generated by such projects determined in accordance with a hurdle-based return waterfall. Brookfield has no obligation under the Brookfield Framework Agreement to invest in any of the projects. There have been no investments in projects as of June 30, 2024 or 2023.

Note 8 — Stockholders' equity

At-the-Market ("ATM") Program

On May 9, 2024, the Company entered into an At Market Issuance Sales Agreement (the "Sales Agreement") and a Terms Agreement (the "Terms Agreement" and, together with the Sales Agreement, the "ATM Agreements") with B. Riley Securities, Inc. ("B.Riley Securities") pursuant to which the Company may, from time to time, offer and sell through or to B. Riley Securities, as sales agent or principal, shares of the Company's common stock, having an aggregate offering price of up to \$100,000. The shares to be sold pursuant to the ATM Agreements must be registered under an effective registration statement on Form S-3 prior to sale.

Sales of common stock under the ATM Agreements, if any, may be made by any method that is deemed an "at the market offering" as defined in Rule 415 promulgated under the Securities Act of 1933, as amended. The shares sold in this offering, if any, will be offered through or to B. Riley Securities, acting as agent in connection with agency transactions or as principal in connection with any principal transactions. Pursuant to the Terms Agreement, the Company will have the right, but not the obligation, from time to time at its sole discretion, for as long as the Sales Agreement remains effective, to direct B. Riley Securities on any trading day to act on a principal basis and purchase up to \$180 per day, up to \$900 per week, and up to \$40,000 per twelve-month period, subject to any applicable limitations pursuant to the rules and regulations of The Nasdaq Stock Market, LLC (the aggregate amount so purchased by B. Riley Securities under the Terms Agreement, the "Commitment"), which Commitment will be included within the aggregate offering price of up to \$100,000 of Common Stock sold pursuant to the ATM Agreements; provided, however, that only one principal sale may be requested per day unless otherwise agreed to by B. Riley Securities.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

B. Riley Securities will be entitled to receive from the Company a commission in an amount (i) up to 3.0% of the gross sales price per Share sold through it as agent in agency transactions and (ii) equal to 5.0% of the purchase price per Share sold to B. Riley Securities, as principal in principal transactions. The Company has agreed to provide B. Riley Securities with customary indemnification and contribution rights. The Company will also reimburse B. Riley Securities for certain specified expenses as set forth in the Sales Agreement.

The Sales Agreement may be terminated by either B. Riley Securities or the Company, as permitted therein. The Sales Agreement will automatically terminate upon the sale of all of the Shares subject to the Sales Agreement. As of June 30, 2024, LanzaTech has not sold any shares through the ATM Agreements.

Shortfall Warrants

On March 27, 2023, the Company issued an aggregate of 2,073,486 warrants to ACM and 2,010,000 warrants to Vellar pursuant to the Forward Purchase Agreement (collectively, the “Shortfall Warrants”). Each Shortfall Warrant entitles the registered holder to purchase one share of common stock at a price of \$10.00 per share, subject to adjustment in the event that the Company sells, grants or otherwise issues common stock or common stock equivalents at an effective price less than the then current exercise price of the Shortfall Warrants, at any time commencing on or after March 27, 2023. A holder of a Shortfall Warrant may exercise such warrants on a cashless basis. The Shortfall Warrants expire on the fifth anniversary of their issuance. On the issuance date, the Shortfall Warrants met the definition of a derivative but did not qualify for the exception from derivative accounting under the indexation guidance and therefore met the criteria for liability classification under ASC 815-40, *Derivatives and Hedging—Contracts in Entity’s Own Equity* (“ASC 815-40”). On May 13, 2023, the Company amended the Shortfall Warrant agreement. Under the amended agreement, the Shortfall Warrants meet the requirements for equity classification under ASC 815-40. Consequently, the Company recorded a gain of \$2,042 as of the date of the amendment to reflect the fair value of \$3,063 at the date of the amendment through Other (expense) income, net on the condensed consolidated statements of operations and comprehensive loss and reclassified the Shortfall Warrants to Additional paid-in capital on the condensed consolidated balance sheets.

Public Warrants and Private Placement Warrants

As part of AMCI’s initial public offering (“IPO”), AMCI issued warrants to third-party investors. Each public warrant entitles the holder to purchase one share of the Company’s common stock at an exercise price of \$11.50 per share (the “Public Warrants”). Simultaneously with the closing of the IPO, AMCI completed the private sale of warrants. Each private sale warrant allows the holder to purchase one share of the Company’s common stock at \$11.50 per share. Additionally, prior to the consummation of the Business Combination, AMCI issued warrants for the settlement of a working capital loan. The working capital warrants have the same terms as the private sale of warrants issued at the IPO. Warrants sold in the private sale at the IPO and the warrants issued to convert the working capital loan are collectively referred to as the “Private Placement Warrants”. On the Closing Date and as of June 30, 2024, 7,499,924 Public Warrants and 4,774,276 Private Placement Warrants remained outstanding.

These warrants expire on the fifth anniversary of the Business Combination or earlier upon redemption or liquidation and became exercisable 30 days after the Business Combination.

The Company may redeem the outstanding Public Warrants:

- a. in whole and not in part;
- b. at a price of \$0.01 per warrant;
- c. upon a minimum of 30 days’ prior written notice of redemption to each warrant holder; and
- d. if, and only if, the closing price of the common stock equals or exceeds \$18.00 per share for any 20 trading days within a 30-trading day period ending three trading days before we send the notice of redemption to the warrant holders.

The Company additionally has the ability to redeem the Public Warrants at the option of the Company when the price of common stock exceeds \$10.00 per share at a price of \$0.10 per warrant. In this scenario, warrant holders may choose to exercise their warrants on a cashless basis during the minimum 30-day notice period, and receive common stock in exchange for their warrants at a rate based on fair value of the common stock and the proximity to the expiration date of the warrants.

As long as the Private Placement warrants are held by AMCI Sponsor II LLC (the “Sponsor”) or its permitted transferees, they are not redeemable by LanzaTech. If the Private Placement Warrants are held by holders other than the

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Sponsor or its permitted transferees, the Private Placement Warrants will be redeemable by LanzaTech in all redemption scenarios and exercisable by the holders on the same basis as the Public Warrants. The Sponsor, or its permitted transferees, has the option to exercise the Private Placement Warrants on a cashless basis.

The Public Warrants and Private Placement Warrants are recognized as derivative liabilities in accordance with ASC 815. Accordingly, the Company recognized the warrant instruments as liabilities at fair value as of the Closing Date, with an offsetting entry to Additional paid-in capital and adjusts the carrying value of the instruments to fair value through Other (expense) income, net on the condensed consolidated statements of operations and comprehensive loss at each reporting period until they are exercised. The Public Warrants and Private Placement Warrants are presented within Warrants on the condensed consolidated balance sheets.

Note 9 — Forward Purchase Agreement

The FPA consists of the Prepayment Amount, the FPA Put Option and the Fixed Maturity Consideration. The Prepayment Amount of \$60,547 is presented as a reduction to Additional paid-in capital in our condensed consolidated balance sheets. The value of the FPA Put Option represents the economics of the written put option, inclusive of the Variable Maturity Consideration, and is valued at \$60,503 as of June 30, 2024.

The Fixed Maturity Consideration is valued at \$8,246 as of June 30, 2024. This represents the fair value of the Share Consideration and Fixed Maturity Consideration and is measured in accordance with the FVO.

Expensed transaction costs, representing the stock acquisition fees, in the amount of \$451 were recorded in Other (expense) income, net on the condensed consolidated statements of operations and comprehensive loss in the six months ended June 30, 2023.

The Company's volume-weighted average share price was below \$3.00 per share for 50 trading days during the 60 day consecutive trading period ended on July 1, 2024. The Company has filed suit against Vellar under the FPA. For additional details, refer to *Note 15 - Subsequent Events*.

Note 10 — Fair Value

The following table presents the Company's fair value hierarchy for its assets and liabilities measured at fair value as of June 30, 2024 and December 31, 2023 (in thousands):

	Fair Value Measurement as of			Total
	June 30, 2024			
	Level 1	Level 2	Level 3	
Assets:				
Cash equivalents	\$ 31,440	\$ —	\$ —	\$ 31,440
Total assets	\$ 31,440	\$ —	\$ —	\$ 31,440
Liabilities:				
FPA Put Option liability	\$ —	\$ —	\$ 60,503	\$ 60,503
Fixed Maturity Consideration	—	—	8,246	8,246
Brookfield SAFE liability	—	—	9,250	9,250
Private placement warrants	—	—	1,766	1,766
Public warrants	1,426	—	—	1,426
Total liabilities	\$ 1,426	\$ —	\$ 79,765	\$ 81,191

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

	Fair Value Measurement as of			
	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents	\$ 28,058	\$ —	\$ —	\$ 28,058
Liabilities:				
FPA Put Option liability	—	—	37,523	37,523
Fixed Maturity Consideration	—	—	7,228	7,228
Brookfield SAFE liability	—	—	25,150	25,150
Private placement warrants	—	—	3,915	3,915
Public warrants	3,699	—	—	3,699
Total Liabilities	\$ 3,699	\$ —	\$ 73,816	\$ 77,515

Forward Purchase Agreement

The fair value upon issuance of the FPA (both the FPA Put Option liability and Fixed Maturity Consideration) and subsequent changes in fair value are included in Other (expense) income, net in the condensed consolidated statements of operations and comprehensive loss in the corresponding period.

The fair value of the FPA was estimated using a Monte-Carlo Simulation in a risk-neutral framework through March 31, 2024. Because the stock price already traded below the threshold of \$3.00 per share for 49 days out of 50 trading days during a 60-day consecutive trading-day period, management determined that estimating the fair value of the FPA using an accelerated Maturity Date is more appropriate. As such, the model calculated the value of the in-substance written put option and the portion of the Maturity Consideration in excess of the Fixed Maturity Consideration as if the Early Termination Option is exercised on June 30, 2024. The in-substance written put option was calculated as the repurchase of the Recycled Shares at the Share Price minus the Company's share price as of June 30, 2024. The Maturity Consideration was calculated as 7,500,000 multiplied by \$2.00 or \$15,000, which included the Fixed Maturity Consideration calculated as 7,500,000 less the Terminated Shares multiplied by \$2.00, or \$3,167. Management compared this calculation to the valuation using the prior methodology based on a Monte-Carlo Simulation in a risk-neutral framework, and concluded the difference was not material.

The following table represents the inputs used in calculating the fair value of the prepaid forward contract and the Fixed Maturity Consideration as of June 30, 2024 and December 31, 2023:

	June 30, 2024	December 31, 2023
Stock price	\$ 1.85	\$ 5.03
Term (in years)	0	2.11
Expected volatility	N/A	50.0 %
Risk-free interest rate	N/A	4.16 %
Expected dividend yield	— %	— %

The Company has filed suit against Vellar under the FPA. See *Note 15 - Subsequent Events*.

Brookfield SAFE

The Brookfield SAFE is legal form debt that the Company has elected to measure using the FVO under ASC 825. As of June 30, 2024, no part of the Brookfield SAFE has converted to Company common shares as no qualifying projects have been presented to Brookfield yet. There were no cash flows associated with the Brookfield SAFE in the three months ended June 30, 2024.

As of June 30, 2024, the Company expects to present sufficient projects to Brookfield to result in the Brookfield SAFE being automatically converted into shares. Since the liquidity price was set at the Business Combination, the number of shares that Brookfield receives is fixed. Based on this expectation, the value of the Brookfield SAFE is equal to the

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Brookfield SAFE's as-converted value, which is the initial purchase amount, divided by the liquidity price, multiplied by the stock price, resulting in an estimated fair value of \$9,250 recorded on the condensed consolidated balance sheet.

Significant inputs for Level 3 Brookfield SAFE measurement at June 30, 2024 and December 31, 2023 are as follows:

	June 30, 2024	December 31, 2023
Initial purchase amount	\$ 50,000	\$ 50,000
Liquidity price	\$ 10.00	\$ 10.00
Stock price	\$ 1.85	\$ 5.03

Public Warrants and Private Placement Warrants

For the Public Warrants, the Company uses inputs such as actual trade data, quoted market prices from dealers or brokers, and other similar sources to determine the fair value. Changes in fair value are recorded in Other (expense) income, net within the condensed consolidated statements of operations and comprehensive loss. The company recognized decreases in the fair value of the liability of \$2,273 and \$600 during the six months ended June 30, 2024 and 2023, respectively.

The fair value of the Private Placement Warrants was estimated using a Black-Scholes option pricing model. For the six months ended June 30, 2024, the Company recognized a decrease in the fair value of \$2,148. For the six months ended June 30, 2023, the Company recognized an increase in the fair value of liabilities of approximately \$3,199. Changes in fair value are recorded on the condensed consolidated statements of operations and comprehensive loss within Other (expense) income, net.

The following table represents the weighted average inputs used in calculating the fair value of the Private Placement Warrants outstanding as of June 30, 2024 and December 31, 2023:

	June 30, 2024	December 31, 2023
Stock price	\$ 1.85	\$ 5.03
Exercise price	\$ 11.50	\$ 11.50
Term (in years)	3.61	4.11
Expected volatility	80.0 %	45.0 %
Risk-free interest rate	4.46 %	3.92 %
Expected dividend yield	— %	— %

The following tables represent reconciliations of the fair value measurements of the assets and liabilities using significant unobservable inputs (Level 3) (in thousands):

	FPA Put Option	Fixed Maturity Consideration	Brookfield SAFE	Private placement warrants
Balance as of January 1, 2024	\$ (37,523)	\$ (7,228)	\$ (25,150)	\$ (3,914)
(Loss) gain recognized in other expense, net on the condensed consolidated statement of operations and comprehensive loss	(22,980)	(1,018)	15,900	2,148
Balance as of June 30, 2024	<u>\$ (60,503)</u>	<u>\$ (8,246)</u>	<u>\$ (9,250)</u>	<u>\$ (1,766)</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

	FPA Put Option	Fixed Maturity Consideration	Shortfall Warrants	Warrants on Preferred Shares	AM SAFE liability	AM SAFE warrant	Brookfield SAFE	Private placement warrants
Balance as of January 1, 2023	\$ —	\$ —	\$ —	\$ (2,119)	\$ (28,986)	\$ (1,989)	\$ (50,000)	\$ —
Recognized as a result of the Business Combination	—	—	—	—	—	—	—	(2,148)
(Loss) gain recognized in other expense, net on the consolidated statement of operations and comprehensive loss	(26,743)	(6,737)	(3,063)	(3,770)	(744)	189	15,850	(3,199)
Conversion of warrants to preferred shares	—	—	—	5,889	—	—	—	—
Conversion of SAFE liability to equity classification	—	—	—	—	29,730	—	—	—
Reclassification of warrant to equity	—	—	3,063	—	—	1,800	—	—
Balance as of June 30, 2023	<u>\$ (26,743)</u>	<u>\$ (6,737)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (34,150)</u>	<u>\$ (5,347)</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 11 — Income Taxes

The Company is subject to federal and state income taxes in the United States, as well as income taxes in foreign jurisdictions in which it conducts business. The Company does not provide for federal income taxes on the undistributed earnings of its foreign subsidiaries as such earnings are reinvested indefinitely. The Company and its foreign subsidiaries have historically been loss generating entities that have resulted in no excess earnings to consider for repatriation and accordingly there are no deferred income taxes recognized for the three and six months ended June 30, 2024 and 2023.

The Company recorded an income tax expense of \$0 for the three and six months ended June 30, 2024 and 2023, representing an effective tax rate of 0%. The difference between the U.S. federal statutory rate of 21% and the Company's effective tax rate in the three and six months ended June 30, 2024 and 2023 is primarily due to a full valuation allowance related to the Company's U.S. and foreign deferred tax assets. The Company reassesses the need for a valuation allowance on a quarterly basis. If it is determined that a portion or all of the valuation allowance is not required, it will generally be a benefit to the income tax provision in the period such determination is made.

The Company conducts business in multiple jurisdictions within and outside the United States. Consequently, the Company is subject to periodic income tax examinations by domestic and foreign income tax authorities. The Company is subject to audits for tax years 2017 and onward for federal purposes. There are tax years which remain subject to examination in various other state and foreign jurisdictions that are not material to the Company's financial statements.

The Organization for Economic Co-operation and Development (OECD) has a framework to implement a global minimum corporate tax of 15% for companies with global revenues and profits above certain thresholds (referred to as Pillar 2), with certain aspects of Pillar 2 effective January 1, 2024 and other aspects effective January 1, 2025. While it is uncertain whether the U.S. will enact legislation to adopt Pillar 2, certain countries in which we operate have adopted legislation, and other countries are in the process of introducing legislation to implement Pillar 2. We do not anticipate Pillar 2 to have material impacts on our effective tax rate, financial position or cash flows during the current year.

Note 12 — Share-Based Compensation

The Company adopted the LanzaTech 2023 Long-Term Incentive Plan (the "LTIP") in conjunction with the closing of the Business Combination. The LTIP provides for grants of a variety of awards to employees, directors, and other service providers to the Company, including, but not limited to stock options, stock appreciation rights, restricted stock awards, restricted stock units, performance awards and other stock-based awards or cash incentives. Prior to the effective date of the closing of the Business Combination, the Company granted awards under the LanzaTech NZ Inc. 2013 Stock Plan, the LanzaTech NZ Inc. 2015 Stock Plan, and the LanzaTech NZ, Inc. 2019 Stock Plan, (collectively, the "Prior Stock Plans").

Equity Classified Awards:*RSUs*

Under the LTIP, the Company has granted two types of RSUs: time-based RSUs, and market-based RSUs. Time-based RSUs granted to employees and other service providers (other than directors) are generally subject to a three-year annual pro-rata vesting schedule whereby the awards generally vest in 3 equal tranches on the first, second, and third anniversaries of the vesting commencement date, subject to grantee's continued service through each vesting date. However, vesting will accelerate in certain circumstances (e.g., retirement, death, disability, or a qualified termination in connection with a change in control). Time-based RSUs granted to directors are subject to a one-year vesting schedule and the full award vests on the first anniversary of the vesting commencement date,

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

subject to the director's continued service through the vesting date. However, vesting will accelerate in certain circumstances (e.g., removal in connection with a change in control).

The market-based RSUs have both a time-based and a market-based vesting component. Both components must be met for the award to vest. The market-based RSUs are subject to a three-year annual pro-rata vesting schedule whereby the awards generally vest in 3 equal tranches on the first, second, and third anniversaries of the vesting commencement date, subject to grantee's continued service through each vesting date. The market-based vesting component is satisfied if on any date during the period beginning on the 151st date following the vesting commencement date and ending on the fifth anniversary of the vesting commencement date, the average closing price of a share of the Company's common stock, equals or exceeds \$11.50, determined using the closing share price from the 20 trading days preceding such determination date.

A summary of the unvested time-based and market-based equity-classified RSUs are presented in the following table:

	Time-based RSUs		Market-based RSUs	
	Shares (in thousands)	Weighted Average Grant Date Fair Value	Shares (in thousands)	Weighted Average Grant Date Fair Value
January 1, 2024	3,155	3.51	3,930	\$ 1.69
Granted	2,279	3.08	—	—
Vested	(1,052)	3.44	—	—
Cancelled/forfeited	(242)	3.35	(183)	1.61
June 30, 2024	4,140	3.30	3,747	\$ 1.70

The Company recorded compensation expense related to the time-based RSUs of \$1,550 and \$1,222 for the three months ended June 30, 2024 and 2023, respectively. The Company recorded compensation expense of \$2,341 and \$1,222 for the six months ended June 30, 2024 and 2023, respectively. Unrecognized compensation costs as of June 30, 2024 were \$11,788 and will be recognized over a weighted average of 2.16 years.

The Company recorded compensation expense related to the market-based RSUs of \$387 and \$1,455 for the three months ended June 30, 2024 and 2023, respectively. The Company recorded compensation expense related to the market-based RSUs of \$1,114 and \$1,455 for the six months ended June 30, 2024 and 2023, respectively. Unrecognized compensation costs as of June 30, 2024 were 1,788 and will be recognized over a weighted average of 1.29 years.

Stock Options

In accordance with the LTIP and Prior Stock Plans, grantees have also been granted stock options to purchase common shares. The exercise price of each stock option was no less than the fair market value price of the Company's common shares determined as of the date of grant. The stock options generally vest over the course of two to five years, subject to the service provider's continued service through each vesting date. Upon termination of service, unvested stock options are forfeited in accordance with their terms unless the award agreement provides for accelerated vesting (e.g., due to retirement). The below tables reflect the stock options granted prior to the Business Combination multiplied by the exchange ratio and the weighted average exercise price divided by the exchange ratio.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Stock option awards outstanding as of June 30, 2024 and changes during the period ended June 30, 2024 were as follows:

	Shares subject to option (thousands)	Weighted average exercise price	Weighted average remaining contractual term (years)	Aggregate intrinsic value (thousands)
Outstanding at January 1, 2024	16,412	\$ 1.96		
Vested and expecting to vest at January 1, 2024	16,412	1.96		
Exercisable at January 1, 2024	10,869	1.49		
Granted	3,254	3.10		
Exercised	(186)	1.46		
Cancelled/forfeited	(408)	3.41		
Outstanding at June 30, 2024	19,072	\$ 2.13	6.12	\$ 6,403
Vested and expecting to vest at June 30, 2024	19,072	2.13	6.12	6,403
Exercisable at June 30, 2024	12,638	\$ 1.69	4.75	\$ 5,707

The Company recorded compensation expense related to the options of \$1,735 and \$2,445 for the three months ended June 30, 2024 and 2023, respectively. The Company recorded compensation expense related to the options of \$2,842 and \$3,209 for the six months ended June 30, 2024 and 2023, respectively. Unrecognized compensation costs as of June 30, 2024 were \$11,981 and will be recognized over a weighted average of 2.18 years.

Restricted Stock Awards ("RSAs")

Under the Prior Stock Plans, the Company granted RSAs which become eligible to vest upon the satisfaction of a time-based service condition. However, in order to vest, a liquidity event, defined as acquisition, asset transfer, or initial listing, must occur within 10 years from the grant date. Upon a liquidity event, if the participant's service has not terminated, the entire RSA award vests in full, whether or not previously eligible for vesting. If the participant's service has terminated and the participant has satisfied the time-based service condition, the RSAs that are outstanding and eligible for vesting immediately vest in full upon liquidity event. The time-based service requirements of the RSAs have a maximum term of three years from the date of grant.

The Business Combination constituted a "liquidity event" which caused the vesting of all such outstanding, unvested RSAs. The vesting of the RSAs resulted in compensation expense of \$2,741 for the six months ended June 30, 2023. In connection with the vesting of these RSAs, certain holders of the RSAs surrendered 771,141 shares in a withhold to cover transaction to fund the payment of applicable tax withholding on their behalf by the Company. This resulted in a total cash payment of \$7,650 by the Company to the Internal Revenue Service for the applicable tax withholding associated with this vesting event.

Liability-Classified Awards

Phantom RSUs

Under a phantom equity sub-plan of the LTIP, certain non-US employees of the Company were provided with Phantom RSUs that can only be settled in cash and are therefore recorded as a liability. The Phantom RSUs have a graded vesting schedule and vest in 3 equal tranches on the first, second, and third anniversaries of the vesting commencement date, subject to the employee meeting the requisite service requirements. Grantees are entitled to receive a cash payment equal to the fair market value of a share multiplied by the number of vested Phantom RSUs as of the applicable vesting date.

Phantom SARs

Under a phantom equity sub-plan of the LTIP, certain non-US employees of the company were provided with Phantom SARs that can only be settled in cash and are therefore recorded as a liability. The Phantom SARs have a

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

graded vesting schedule and vest in three equal tranches on the first, second, and third anniversaries of the vesting commencement date, subject to the employee meeting the requisite service requirements. Phantom SARs expire 10 years after the grant date and entitle the grantee to receive a cash payment upon exercise of the award equal to the excess of the fair market value of a share on the date of exercise over the exercise price multiplied by the number of SARs exercised.

Note 13 — Related Party Transactions

As of June 30, 2024 and December 31, 2023, the Company has an equity ownership in LanzaJet and SGLT (see *Note 6 - Investments* for further details). The table below summarizes amounts related to transactions with these related parties (in thousands):

	As of	
	June 30, 2024	December 31, 2023
Accounts receivable	\$ 2,447	\$ 2,190
Contract Assets	300	659
Notes receivable	5,610	5,436
Accounts payable	157	582

The following table presents revenue from related parties per disaggregated revenue categories:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue from related parties, included within Licensing	\$ 8,541	\$ 815	\$ 9,121	\$ 1,369
Revenue from related parties, included within Engineering and other services	332	261	660	680

The main transactions with related parties are described below:

LanzaJet

The Company and LanzaJet have entered into a master service agreement defining the terms when LanzaJet is a subcontractor for some of the Company's projects, and conversely, when the Company is a subcontractor for LanzaJet's projects. The accounts payable balance is for work that LanzaJet performed as a subcontractor to the Company.

In connection with the formation of LanzaJet, the Company entered into a transition services agreement with LanzaJet, refer to *Note 6 - Investments*, for more information. The transition services agreement generally sets out the respective rights, responsibilities and obligations of the Company and LanzaJet with respect to R&D services, access to office and laboratory space, business development and other administrative support services. The transition services agreement may be terminated by mutual consent of the Company and LanzaJet, by LanzaJet at any time, and by the Company upon breach or non-payment by LanzaJet. There are no substantive termination penalties in the event the Company terminates. For the three months ended June 30, 2024 and 2023, the company recognized revenue of approximately \$56 and \$67, respectively, under the transition services agreement. For the six months ended June 30, 2024 and 2023, the Company recognized revenue from related parties of approximately \$87 and \$112, respectively, under the transition services agreement.

In addition to the licensing and sublicensing of its intellectual property, pursuant to the Investment Agreement as described in *Note 6 - Investments*, the Company provides certain engineering and other services related to a gas-to-jet demonstration plant currently in development by LanzaJet and other projects whereby LanzaJet is the customer. The Company recognized revenue of \$17 and \$102, respectively, for the three months ended June 30,

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2024 and 2023 The Company recognized revenue of \$29 and \$440 for the six months ended June 30, 2024 and 2023.

In December 2023, LanzaTech sold LanzaJet the right to utilize some of LanzaTech's completed engineering work as a basis for future LanzaJet projects. The Company recognized \$57 and \$115 in deferred profit for the three and six months ended June 30, 2024.

LanzaJet Note Purchase Agreement

On November 9, 2022, the Company and the other LanzaJet shareholders entered into a Note Purchase Agreement (the "Note Purchase Agreement"), pursuant to which LanzaJet Freedom Pines Fuels LLC ("FPF"), a wholly owned subsidiary of LanzaJet, will issue, from time to time, notes in an aggregate principal amount of up to \$147,000 (the "Notes"), comprised of approximately \$113,500 aggregate principal amount of 6.00% Senior Secured Notes maturing December 31, 2043 and \$33,500 aggregate principal amount of 6.00% Subordinated Secured Notes maturing December 31, 2043. The Company committed to purchase \$5,500 of Subordinated Secured Notes, which was funded on May 1, 2023. The Senior Secured Notes are secured by a security interest over substantially all assets of FPF, and both the Senior Secured Notes and the Subordinated Secured Notes are secured by a security interest over the intellectual property owned or in-licensed by LanzaJet.

Each purchaser of Notes under the Note Purchase Agreement also received a warrant for the right to purchase 575,000 shares of common stock of LanzaJet for each \$10,000 of Notes purchased by such purchaser for an exercise price of \$0.01 per share. The warrants are exercisable when the related loan commitment is funded, and may be exercised until the earlier of the third anniversary following the date the holder's loan commitment is fully funded, or the end of the availability period as defined in the Note Purchase Agreement if the commitment has not been fully funded. In the case of the Company, LanzaTech received warrants to purchase 316,250 shares of common stock of LanzaJet, which became exercisable by the Company when the note was funded on May 1, 2023. The Company exercised the warrants in January 2024. Upon funding of the Notes, the warrants meet the accounting criteria to be considered in-substance common stock, and are accounted for as part of the equity-method investment. Refer to *Note 6 - Investments*.

The Note Purchase Agreement may be amended with the approval of holders of at least 66 2/3% of the Notes, except with respect to certain rights that require approval of all holders to amend. Upon an event of default under the Note Purchase Agreement, each purchaser may accelerate the payment of its own Notes. Enforcement against the collateral securing the Notes requires the approval of certain holders as specified in the Notes.

SGLT

The Company supplies SGLT with certain water-soluble organic compounds required in the Company's proprietary gas fermentation process, small-size equipment and consulting services. For the three months ended June 30, 2024 and 2023, the Company recognized revenue of approximately \$0 and \$75, respectively. For the six months ended June 30, 2024 and 2023, the Company recognized revenue of approximately \$51 and \$75, respectively. The Company also provided engineering services and incurred costs of \$270 and \$164 for the three months ended June 30, 2024 and 2023, and provided engineering services and incurred costs of \$455 and \$414 for the six months ended June 30, 2024 and 2023, respectively.

Additionally, LanzaTech and SGLT entered into a license agreement in 2019, subsequently amended in August 2023, to provide SGLT with the right to sublicense the intellectual property that LanzaTech previously licensed to SGLT. In exchange, the Company is entitled to receive fixed licensing consideration, calculated as a percentage of the maximum amount of royalties owed to SGLT from its sublicensees. Prior to June 2023, the Company was only entitled to royalties from SGLT, if SGLT received sublicense royalty payments. For the three and six months ended June 30, 2024, the Company did not recognize any sublicensing revenue. For the three and six months ended June 30, 2023, the Company recognized sublicensing revenues of \$249 and \$249, respectively.

Note 14 — Commitments and Contingencies

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Litigation

The Company may be involved in legal proceedings and exposed to potential claims in the normal course of business. As of June 30, 2024 and December 31, 2023, the Company does not have any reasonably possible or probable losses from such claims. The Company has filed suit against Vellar under the FPA. See *Note 15 - Subsequent Events*.

Commitments

In November 2022, the Company entered into a lease for real estate to expand its headquarters in Skokie, Illinois. The lease was subsequently amended in December 2023. The lease contains multiple lease components, and the commencement date for one lease component will occur in October 2024. Accordingly, for this lease component where the lease has not commenced, there are no right-of-use assets or lease liabilities recorded on the condensed consolidated balance sheets as of June 30, 2024. Total lease payments through 2036 for this lease component are expected to be \$136.

Note 15 — Subsequent Events

The Company has evaluated events occurring subsequent to June 30, 2024 through August 8, 2024, the date the condensed consolidated financial statements were issued, and has identified the following:

Vellar lawsuit

In relation to the FPA, the Company's volume-weighted average share price was below \$3.00 per share for 50 trading days during the 60 day consecutive trading period ended on July 1, 2024 (the "VWAP Trigger Event"). On July 22, 2024, Vellar (one of the Purchasers) notified the Company of such VWAP Trigger Event, purporting to accelerate the Maturity Date of its portion of the Recycled Shares (i.e., 2,990,000 common shares) to July 22, 2024. Vellar asserts that it is entitled to: (i) the Maturity Consideration of \$7,500 (payable at the Company's option in cash or shares of common stock valued at the average daily VWAP Price (as defined in the FPA) over 30 scheduled trading days ending on the accelerated Maturity Date of July 22, 2024 of \$1.91 per share) and (ii) a Share Consideration of \$2,539, payable in cash each due and payable on July 24, 2024. On July 25, 2024 the Company received a notice from Vellar pursuant to the FPA, stating that the Company is in default of its payment obligations. On July 30, 2024, the Company received a notice of an event of default under the FPA from Vellar that (i) designated such date as the early termination date of the FPA and (ii) purports to result in an early termination cash payment of \$4,164 becoming due to Vellar (equating to the sum of the Maturity Consideration and the Share Consideration minus the VWAP Price (as defined in the FPA) (as of July 29, 2024) of Vellar's portion of the Recycled Shares).

On July 24, 2024, LanzaTech filed suit against Vellar, primarily in connection with Vellar's sale of Recycled Shares, which LanzaTech alleges are in breach of the FPA's requirement that Recycled Shares be held in a bankruptcy remote special purpose vehicle for the benefit of the Company unless the sale is noticed to the Company as part of an early termination, which Vellar has not done. In the event of a sale of Recycled Shares subject to an optional early termination, the Company is entitled to receive approximately \$10.16 for each share sold (see *Note 2 - Summary of Significant Accounting Policies*). LanzaTech believes that Vellar's notice of the VWAP Trigger Event and consequently, its notice of an event of default, is not valid and accordingly, that no payments are owed to Vellar in connection with the purported acceleration of the Maturity Date or early termination of the FPA. The Company intends to vigorously pursue its claims against Vellar.

Convertible Notes

On August 5, 2024, the Company entered into a Convertible Note Purchase Agreement (the "Convertible Note Purchase Agreement") with an accredited investor (the "Investor") pursuant to which the Company agreed to sell and issue to the Investor and other purchasers in a private placement transaction (the "Private Placement") in one or more closings up to an aggregate principal amount of \$150,000 of Convertible Notes (the "Convertible Notes"). As

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

of August 6, 2024, we issued and sold \$40,150 of Convertible Notes to the Investor pursuant to the Convertible Note Purchase Agreement. The gross proceeds from the initial closing are approximately \$40,000, before deducting estimated offering expenses.

The Convertible Notes bear interest at a fixed rate of 8.00% per annum, which interest will be added to the outstanding principal amount of the Convertible Notes on the last day of the applicable interest period (beginning on the date of issuance of the applicable Convertible Note and ending on and including the earlier of (x) the anniversary date of such issuance and (y) the maturity date, the "Interest Period"); provided, however, that the Company is permitted to pay all interest payable during an Interest Period in cash pursuant to prior written notice to the Convertible Note holder.

The Convertible Notes will mature on August 6, 2029 (the "Maturity Date"), unless earlier redeemed or converted in accordance with their terms. The Convertible Notes are subject to mandatory conversion for shares of the Company's common stock, par value \$0.0001 per share, upon the completion by the Company of an equity financing prior to the Maturity Date that results in the Company receiving minimum gross proceeds in an amount that is equal to the greater of (i) \$40,000 and (ii) 50% of the total principal amount under the outstanding Convertible Notes immediately following the final closing under the Convertible Note Purchase Agreement (a "Qualified Equity Financing") at a conversion price equal to the lower of (i) the lowest per-share selling price per share in the Qualified Equity Financing, less a 10% discount and (ii) the Valuation Cap (as defined below). The Convertible Notes are convertible at the option of the holders upon the completion by the Company of an equity financing prior to the Maturity Date that does not meet the definition of a Qualified Equity Financing (a "Non-Qualified Equity Financing") at a conversion price equal to the lower of (i) the lowest per-share selling price in the Non-Qualified Equity Financing and (ii) the Valuation Cap. The Convertible Notes are also convertible at the option of the holders any time prior to the Maturity Date at a conversion price equal to the Valuation Cap. The "Valuation Cap" is defined as, (i) with respect to any conversion of a Convertible Note issued at the initial closing under the Convertible Note Purchase Agreement, the price per share equal \$1.52 (which, in the event that the Company has not, within 60 days of the initial closing under the Convertible Note Purchase Agreement, issued Convertible Notes having an aggregate principal amount of at least \$80,000, will be adjusted to \$1.25 per share), and (ii) with respect to a Convertible Note issued at any closing subsequent to the initial closing under the Convertible Note Purchase Agreement, the price per share equal to the *greater* of (a) \$1.56 and (b) the closing price per share of the Company's common stock on the date prior to such closing. The Valuation Cap is subject to adjustment based on the Company's holdings in LanzaJet, Inc., and the conversion price in all cases is subject to adjustment for stock splits, reclassifications, redesignations, subdivisions, recapitalizations, and dividends.

The Convertible Notes contain provisions that preclude conversion if such conversion would result in the issuance of more than 19.9% of the Company's currently outstanding common stock in the aggregate or in a change of control under Nasdaq marketplace rules, prior to obtaining stockholder approval. Prior to such stockholder approval, a holder may not convert its Convertible Note if the holder, together with its affiliates, would beneficially own more than 19.9% of the number of shares of the Company's outstanding common stock immediately after giving effect to such exercise. The Company has agreed to use its reasonable best efforts to obtain the required stockholder approvals at a special meeting of its stockholders, to be held no later than 60 days following the date of the initial closing under the Convertible Note Purchase Agreement, subject to certain exceptions.

The Convertible Notes may not be prepaid or redeemed by the Company, either in whole or in part, without the consent of the holders of the Convertible Notes representing a majority of the principal amount of all of the Convertible Notes then outstanding (the "Requisite Holders"), provided that the Company may redeem and prepay all then-outstanding Convertible Notes without such consent of the Requisite Holders (i) until August 6, 2025, in an amount equal to one and one half times the redeemed principal amount on the Convertible Notes; (ii) between August 7, 2025 and August 6, 2027, in an amount equal to two times the redeemed principal amount; and (iii) after August 6, 2027, in an amount equal to three times the redeemed principal amount; in all such cases, any and all accrued and unpaid interest on the Convertible Notes to be deemed to have been repaid in connection with the redemption.

We continue to seek additional financing under the Convertible Note Purchase Agreement from certain institutional accredited investors with whom we have a preexisting substantive relationship. We currently have no

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

commitments from any such investors to participate in the Private Placement or any other financing. There can be no assurance that we will be successful in our effort to secure additional financing in amounts and on terms acceptable to us.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our interim condensed consolidated financial statements and the related notes included in Part I, Item 1 of this Quarterly Report, and our audited consolidated financial statements and related notes included in the Company's Form 10-K filed with the Securities and Exchange Commission on February 29, 2024. This discussion and analysis may contain forward-looking statements based upon current beliefs, plans and expectations that involve risks, uncertainties, and assumptions, including, but not limited to, risks and uncertainties discussed under the heading 'Cautionary Note on Forward-Looking Statements,' and in Part II, Item 1A "Risk Factors" in this Quarterly Report and in Part I, Item 1A "Risk Factors" included in our Annual Report on Form 10-K. In this section, unless otherwise indicated or the context otherwise requires, references in this section to "LanzaTech," the "Company," "we," "us," "our" and other similar terms refer to LanzaTech Global, Inc. and its consolidated subsidiaries, including LanzaTech NZ, Inc. and its consolidated subsidiaries subsequent to the Business Combination and LanzaTech NZ, Inc. and its consolidated subsidiaries prior to the Business Combination. References to "AMCI" refer to AMCI Acquisition Corp. II prior to the Business Combination.

Overview

We are a nature-based carbon refining company that develops technology to transform waste carbon into the chemical building blocks for consumer goods such as sustainable fuels, fabrics, and packaging that people use in their daily lives. Our customers leverage our proven proprietary gas fermentation technology platform to convert certain feedstock, including waste carbon gases, into sustainable fuels and chemicals such as ethanol. Today, we are focused on taking advantage of the many uses of ethanol while capitalizing on the growing preference among major companies for renewable products and environmentally-conscious manufacturing processes. We have also been developing the capabilities to produce single cell protein as a primary product from our gas fermentation platform.

LanzaTech primarily employs a licensing business model whereby our customers build, own and operate facilities that use our technology, and in return, we are paid a royalty fee based on the revenue generated from the use of our technology. We began operations in 2005. In 2018, through our joint venture with Shougang LanzaTech (also referred as "SGLT" herein), we established the world's first commercial waste gas-to-ethanol plant in China, followed by five more plants between 2021 and 2023 - three in China, one in India, and one in Belgium with others currently in development in various countries around the world. We also perform research and development ("R&D") services related to novel technologies and development of biocatalysts for commercial applications, mainly to produce fuels and chemicals. Recently, the Company and LanzaJet launched CirculAir™, a new joint offering and end-to-end solution utilizing LanzaTech's gas fermentation technology in conjunction with LanzaJet's ATJ platform to produce sustainable aviation fuel and renewable diesel from a wide range of waste feedstocks.

We have not achieved operating profitability since our formation. Our net losses after tax were \$(53.3) million for the six months ended June 30, 2024 and \$(90.1) million for the same period in 2023. As of June 30, 2024 we had accumulated deficit of \$(885.2) million compared to an accumulated deficit of \$(831.9) million as of December 31, 2023. We anticipate that we will continue to incur losses until we sufficiently commercialize our technology.

Near-term, we expect engineering services, including equipment packages associated with the construction of several projects that use our technology, and sale of CarbonSmart products to drive higher revenues.

The Business Combination

On March 8, 2022, AMCI entered into the Merger Agreement with LanzaTech NZ, Inc. and AMCI Merger Sub, Inc. ("Merger Sub"). On February 8, 2023, Merger Sub merged with and into LanzaTech NZ, Inc. Upon consummation of the Business Combination, the separate corporate existence of Merger Sub ceased, and LanzaTech NZ, Inc. survived the Business Combination and became a wholly owned subsidiary of AMCI. In connection with the consummation of the Business Combination, the combined company was renamed "LanzaTech Global, Inc."

Basis of Presentation

LanzaTech's condensed consolidated financial statements were prepared in accordance with US GAAP. See *Note 2 - Summary of Significant Accounting Policies* to our condensed consolidated financial statements for a full description of our basis of presentation.

Key Operational and Business Metrics

In addition to the measures presented in our condensed consolidated financial statements, we review the following key business metrics to measure our performance, identify trends affecting our business, formulate business plans, and make strategic decisions that will impact the future operational results of LanzaTech. Increases or decreases in our key business metrics may not correspond with increases or decreases in our revenue.

Key Financial Metrics:

The key elements of LanzaTech's performance for the three months ended June 30, 2024 and June 30, 2023 are summarized in the tables below:

(In thousands, except for percentages)	Three Months Ended June 30,		Change		
	2024	2023	2024 vs. 2023		
GAAP Measures:					
Revenue	\$ 17,375	\$ 12,917	\$ 4,458	35 %	
Net Loss	(27,799)	(26,786)	(1,013)	4 %	
Key Performance Indicators:					
One-Time Revenue	8,834	11,459	(2,625)	(23)%	
Recurring Revenue ⁽¹⁾	8,541	1,458	7,083	486 %	
Total Revenue	\$ 17,375	\$ 12,917	\$ 4,458	35 %	
Cost of Revenues (ex. Depreciation) ⁽²⁾	(5,491)	(10,827)	5,336	(49)%	
Selling, general & administrative	(11,747)	(12,452)	705	(6)%	
Adjusted EBITDA ⁽³⁾	\$ (17,752)	\$ (23,823)	\$ 6,071	(25)%	

(1) Includes revenue from licensing and sales of microbes and media.

(2) Consists of costs of revenues from contracts with customers and grants (exclusive of depreciation), cost of revenue from collaboration agreements (exclusive of depreciation) and cost of revenue from related party transactions (exclusive of depreciation).

(3) Adjusted EBITDA, a non-GAAP financial measure, is calculated as net loss, excluding the impact of depreciation, interest income, net, stock-based compensation, change in fair value of warrant liabilities, change in fair value of SAFE liabilities, change in fair value of the FPA Put Option liability and Fixed Maturity Consideration, transaction costs on issuance of Forward Purchase Agreement, loss from equity method investees, net and other one-time costs related to the Business Combination and securities registration on Form S-4, our registration statement on Form S-1, and non-recurring regulatory matters. Adjusted EBITDA is a supplemental measure that is not a substitute for, or superior to, measures of financial performance prepared in accordance with US GAAP. Adjusted EBITDA does not represent, and should not be considered, an alternative to net income (loss), as determined in accordance with US GAAP. See "Non-GAAP Financial Measures" for additional information and reconciliation of Adjusted EBITDA to net loss, its most directly comparable US GAAP measure.

Key Financial Metrics:

The key elements of LanzaTech's performance for the six months ended June 30, 2024 and June 30, 2023 are summarized in the tables below:

(In thousands, except for percentages)	Six Months Ended June 30,		Change	
	2024	2023	2024 vs. 2023	
GAAP Measures:				
Revenue	\$ 27,619	\$ 22,563	\$ 5,056	22 %
Net Loss	(53,307)	(90,098)	36,791	(41)%
Key Performance Indicators:				
One-Time Revenue	18,517	20,348	(1,831)	(9)%
Recurring Revenue ⁽¹⁾	9,102	2,215	6,887	311 %
Total Revenue	\$ 27,619	\$ 22,563	\$ 5,056	22 %
Cost of Revenues (ex. Depreciation) ⁽²⁾	(12,261)	(18,617)	6,356	(34)%
Selling, general & administrative	(22,784)	(29,287)	6,503	(22)%
Adjusted EBITDA ⁽³⁾	\$ (39,901)	\$ (47,336)	\$ 7,435	(16)%

(1) Includes revenue from licensing and sales of microbes and media.

(2) Consists of cost of revenues from contracts with customers and grants (exclusive of depreciation), cost of revenue from collaboration agreements (exclusive of depreciation) and cost of revenue from related party transactions (exclusive of depreciation).

(3) Adjusted EBITDA, a non-GAAP financial measure, is calculated as net loss, excluding the impact of depreciation, interest income, net, stock-based compensation, change in fair value of warrant liabilities, change in fair value of SAFE liabilities, change in fair value of the FPA Put Option liability and Fixed Maturity Consideration, transaction costs on issuance of Forward Purchase Agreement, loss from equity method investees, net and other one-time costs related to the Business Combination and securities registration on Form S-4, our registration statement on Form S-1, and non-recurring regulatory matters. Adjusted EBITDA is a supplemental measure that is not a substitute for, or superior to, measures of financial performance prepared in accordance with US GAAP. Adjusted EBITDA does not represent, and should not be considered, an alternative to net income (loss), as determined in accordance with US GAAP. See "Non-GAAP Financial Measures" for additional information and reconciliation of Adjusted EBITDA to net loss, its most directly comparable US GAAP measure.

Key Non-Financial Metrics:

(in thousands of tonnes per annum)

Capacity as of June 30, 2023	150
Additions	158
Capacity as of June 30, 2024	<u>308</u>

Capacity based on LanzaTech's technology includes capacity by customers and our cost method investee, is one of the key drivers for the Company's licensing revenues given that they are usually contracted on a percentage-of-revenue, a dollars-per-tonne, or fixed-consideration basis.

Components of Operating Results

While we have offerings in multiple market segments and operate in multiple countries, we operate and manage our business as one reportable operating segment. Nearly all of our service offerings are delivered and supported on a global basis. Additionally, most of our service offerings are deployed in a similar way, and we evaluate our financial information and resources and assess the performance of these resources on a consolidated basis.

Revenues

We earn revenue through engineering and other services contracts, U.S. and foreign government contracts, joint development agreements, and licensing agreements, which, together, represent a single operating segment. Revenues can be viewed as a combination of the following:

- Biorefining which includes feasibility studies and engineering services for basic design, procurement and construction of commercial plants utilizing our technologies, and licensing of intellectual property and software when customers deploy our biorefining technology;
- Joint development and research services related to novel technologies and the development of biocatalysts; and
- Sale of CarbonSmart products to customers.

Revenue is measured based on the consideration specified in customer contracts and excludes amounts collected on behalf of third parties.

Biorefining

We provide feasibility studies and basic design and engineering services used for detailed design, procurement, and construction of commercial plants that utilize our technologies, along with the sale of equipment and microbes. The services provided are recognized as a performance obligation satisfied over time. Revenue is recognized using the cost-to-cost input method for certain engineering services or the percentage of completion method in accordance with Accounting Standards Codification (“ASC”) 606, *Revenue from Contracts with Customers* (“ASC 606”). Revenue for the sale of microbes and media is recognized at a point in time, depending on when control transfers to the customer.

We license intellectual property to generate recurring revenue in the case of running royalties, or one-time revenue, in the case of fixed consideration royalties, when our customers deploy our technology in their biorefining plants. When licenses are considered to be distinct performance obligations, the recognition of revenue is dependent on the terms of the contract, which may include fixed consideration or royalties based on sales or usage, in which case, the revenue is recognized when the subsequent sale or usage occurs or when the performance obligation to which some or all of the sales or usage-based royalty is allocated or has been satisfied, whichever is later.

Joint Development and Contract Research

We perform R&D services related to novel technologies and the development of biocatalysts for commercial applications, mainly to produce fuels and chemicals. We engage in two main types of R&D services – joint development agreements, and other contract research, including projects with the U.S. Department of Energy. Such services are recognized as a performance obligation satisfied over time. Revenue is recognized based on milestone completion, when payments are contingent upon the achievement of such milestones, or based on stage of contract or phase completion when enforceable rights to payment exist. When no milestones or stages are clearly defined, management has determined that the cost incurred, input method, is an appropriate measure of progress toward complete satisfaction of the performance obligations under ASC 606 and estimates its variable consideration under the expected value method.

Revenue is not recognized in advance of customer acceptance of a milestone, when such acceptance is contractually required. Payments for R&D services with no contractual payments are not due from customers until a technical report is submitted; therefore, a contract asset is recognized at milestone completion but prior to the

submission of a technical report. The contract asset represents the Company's right to consideration for the services performed at milestone completion. Occasionally, customers provide payments in advance of us providing services which creates a contract liability for the Company. The contract liability represents our obligation to provide services to a customer.

CarbonSmart

We sell CarbonSmart products and intermediaries directly to customers, that derive from the ethanol we purchased from our licensed plants using the Company's proprietary technologies. Revenue is recognized at a point in time when control transfers to the customer, which varies depending on the shipping terms. We generally act as the principal in such transactions and accordingly, recognize revenue and cost of revenues on a gross basis.

Cost of Revenues

R&D costs associated with external projects, engineering, and other direct costs of services are related to revenue agreements with customers, grantors, related parties, and collaborative partners, and represent costs of revenue. Costs include both internal and third-party fixed and variable costs and include materials, supplies, labor, and fringe benefits.

Research and Development Expenses

R&D costs associated with internal R&D projects consist of personnel costs, external services, materials and supplies as well as various laboratory activities. Indirect R&D costs include depreciation and other indirect overhead expenses. We expect our R&D activities to increase in the future as revenue grows but decrease as a percentage of our overall cost structure.

Selling, General and Administrative Expenses

Selling, general and administrative expenses ("SG&A") consist primarily of personnel costs, costs of general corporate development activities, travel-related expenses, and other indirect overhead costs.

Our general and administrative expenses consist primarily of personnel costs for our executive, finance, corporate and other administrative functions, intellectual property and patent costs, facilities and other allocated expenses, other expenses for outside professional services, including legal, human resources, audit and accounting services, and insurance costs. Our general and administrative expenses were higher in Q1 2023 as a result of becoming a public company, including additional costs relating to compliance with the rules and regulations of the SEC and stock exchange rules, legal and audit services, additional insurance, investor relations activities, and other administrative and professional services. The costs have started to stabilize, but we expect them to remain at higher levels than they were prior to the Business Combination. We also expect our intellectual property expenses to increase as we expand and increase protection of our intellectual property portfolio.

Other Expense, Net

Other expense, net relates to miscellaneous other income and expenses and foreign currency gains and losses. These items include the mark-to-market adjustments on all liability classified warrants, the FPA Put Option liability, the Fixed Maturity Consideration, and SAFE liabilities. Interest income, net consists of income earned from our cash, cash equivalents and debt security investments. Our interest income has increased following the completion of the Business Combination as we invested the net proceeds in a variety of capital preservation financial instruments, including short-term, investment-grade, interest-bearing obligations of the U.S. government and its agencies.

Loss (Gain) from Equity Investees, Net

We hold interests in LanzaJet located in the United States, and the Shougang Joint Venture (SGLT) located in China which we have determined to be variable interest entities ("VIEs") for which it has been determined we are not the primary beneficiary. Our variable interests primarily relate to entities in which we have a non-controlling equity interest. Although these financial arrangements resulted in holding variable interests in these entities, they do

not empower us to direct the activities of the VIEs that most significantly impact the VIEs' economic performance, therefore LanzaTech has determined it is not the primary beneficiary and does not currently consolidate these VIEs.

The Company currently has a license agreement with SGLT and a letter agreement with SGLT and Sinopec Capital Co., Ltd related to the use of our intellectual property and potential collaborations. These agreements do not provide LanzaTech with the power to direct the activities that are most significant to the economic performance of these entities.

Through our holdings in LanzaJet, our representation on the board of directors and participation in the policy-making process, as well as the material intra-entity transactions, we have determined that we can exercise significant influence over the activities of LanzaJet. Our interest in LanzaJet is accounted for under the equity method of accounting, with income (loss) from equity method investees, net recognized in our consolidated statements of operations and comprehensive loss and equity method investments recognized on our consolidated balance sheets.

Income Tax

Current and deferred taxes are calculated based on tax rates enacted or substantively enacted at the reporting date and are recognized in profit or loss except when the tax relates to items charged or credited to other comprehensive income, in which case the tax is also recognized in other comprehensive income. Deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets including those relating to temporary differences, net operating loss carryforwards and tax credit carryforwards, are only recognized to the extent it is more likely than not that future taxable income will be available to utilize the temporary differences and carryforwards. Our net operating loss carryforwards are subject to shareholder continuity rules, and may be impacted by future fundraising activities.

We maintain a valuation allowance against the full value of our net deferred tax assets because management believes the recoverability of the tax assets is not more likely than not.

Results of Operations — Three Months Ended June 30, 2024 Compared to Three Months Ended June 30, 2023

The results of operations presented below should be reviewed in conjunction with our condensed consolidated financial statements and notes. The following table sets forth our consolidated results of operations for the periods indicated:

	Three Months Ended June 30,		Change	
	2024	2023	2024 vs. 2023	
<i>(In thousands, except for per share amounts)</i>				
Total revenue	\$ 17,375	\$ 12,917	\$ 4,458	35 %
Cost of revenue (exclusive of depreciation shown below)	(5,491)	(10,827)	5,336	(49) %
Operating expenses:				
Research and development	(21,481)	(18,908)	(2,573)	14 %
Depreciation expense	(1,458)	(1,348)	(110)	8 %
Selling, general and administrative expense	(11,747)	(12,452)	705	(6) %
Total operating expenses	(34,686)	(32,708)	(1,978)	6 %
Loss from operations	(22,802)	(30,618)	7,816	(26) %
Interest income, net	513	\$ 1,701	(1,188)	(70) %
Other income (expense), net	(3,791)	\$ 2,001	(5,792)	(289) %
Total other income (expense), net	(3,278)	3,702	(6,980)	N/M
Loss before income taxes	(26,080)	(26,916)	836	(3) %
Loss from equity method investees, net	(1,719)	130	(1,849)	(1422) %
Net loss	\$ (27,799)	\$ (26,786)	\$ (1,013)	4 %
Other comprehensive loss:				
Foreign currency translation adjustments	(191)	96	(287)	299 %
Comprehensive loss	\$ (27,990)	\$ (26,690)	\$ (1,300)	5 %
Net loss per share - basic and diluted	\$ (0.14)	\$ (0.14)		
Weighted-average number of common shares outstanding - basic and diluted	197,746,569	195,537,601		

Revenue

Total revenue increased \$4.5 million, or 35%, in the three months ended June 30, 2024, compared to the same period in 2023. The increase was primarily driven by \$7.8 million in revenue related to the 15 million incremental share consideration received from LanzaJet for their sublicensing of our technology. Joint development agreements, and other contract research also increased \$0.3 million each. Engineering and other services decreased \$(3.8) million net, including a \$(5.3) million decrease from contracts with existing customers and government entities whose projects moved to the next phase of development, offset by a \$1.5 million increase from contracts with new customers. Revenue from the sale of CarbonSmart products decreased by \$(0.1) million.

Cost of Revenue

Cost of revenue decreased \$(5.3) million, or (49)%, in the three months ended June 30, 2024, compared to the same period in 2023. Cost of sales for engineering and other services decreased \$(5.5) million for contracts with existing customers and government entities, which was offset by \$0.3 million increase in cost of revenue for joint

development agreement and other contract research. Costs of sales for CarbonSmart products decreased \$(0.1) million.

Research and Development

R&D expense increased \$2.6 million, or 14%, in the three months ended June 30, 2024 compared to the same period in 2023, primarily due to an increase of \$4.1 million in external R&D services related to project development costs that are not currently eligible for capitalization and \$0.3 million in consumables and facilities expenses. Personnel and contractors expenses related to R&D projects decreased \$(1.8) million in the quarter.

Selling, General and Administrative Expense

SG&A expense decreased \$(0.7) million, or (6)%, in the three months ended June 30, 2024 compared to the same period in 2023. This was primarily due to recoveries from prior bad debt expense of \$(0.7) million, and decrease in professional fees of \$(0.4) million. This decrease was offset by an increase of \$0.4 million in personnel expenses and contractors to support growth.

Interest income, net

Interest income, net decreased \$(1.2) million in the three months ended June 30, 2024 compared to the same period in 2023. The decrease is attributable to lower interest earned on smaller cash balances held in savings, money market, and investment accounts, as well as the reversal of the discount accretion on the FPA.

Other Income (Expense), Net

Other income (expense), net decreased \$5.8 million in the three months ended June 30, 2024, compared to the same period in 2023, which was primarily due to an overall net loss on changes in the fair value of our financial instruments.

Results of Operations — Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

The results of operations presented below should be reviewed in conjunction with our condensed consolidated financial statements and notes. The following table sets forth our consolidated results of operations for the periods indicated:

	Six Months Ended June 30,		Change	
	2024	2023	2024 vs. 2023	
(In thousands, except for per share amounts)				
Total revenue	\$ 27,619	\$ 22,563	\$ 5,056	22 %
Cost of revenues (exclusive of depreciation shown below)	(12,261)	(18,617)	6,356	(34) %
Operating expenses:				
Research and development	(38,542)	(35,194)	(3,348)	10 %
Depreciation expense	(2,988)	(2,605)	(383)	15 %
Selling, general and administrative expense	(22,784)	(29,287)	6,503	(22) %
Total operating expenses	(64,314)	(67,086)	2,772	(4) %
Loss from operations	(48,956)	(63,140)	14,184	(22) %
Interest income, net	1,661	1,915	(254)	(13) %
Other expense, net	(3,612)	(28,395)	24,783	(87) %
Total other expense, net	(1,951)	(26,480)	24,529	N/M
Loss before income taxes	(50,907)	(89,620)	38,713	(43) %
Income tax benefit	—	—	—	N/M
(Loss) gain from equity method investees, net	(2,400)	(478)	(1,922)	402 %
Net loss	\$ (53,307)	\$ (90,098)	\$ 36,791	(41) %
Other comprehensive loss:				
Foreign currency translation adjustments	(150)	47	(197)	419 %
Comprehensive loss	\$ (53,457)	\$ (90,051)	\$ 36,594	(41) %
Net loss per share - basic and diluted	\$ (0.27)	\$ (0.60)		
Weighted-average number of common shares outstanding - basic and diluted	197,360,539	156,472,730		

Revenue

Total revenue increased \$5.1 million, or 22%, in the six months ended June 30, 2024, compared to the same period in 2023. The increase was primarily driven by \$7.8 million in revenue related to the 15 million incremental share consideration received from LanzaJet for their sublicensing of our technology. Additionally, we had a \$1.1 million increase in revenue from joint development agreements, a \$0.8 million increase from CarbonSmart revenue and a \$0.5 million increase from other contract research. Revenue from engineering and other services decreased \$(5.1) million net, including a \$(9.2) million decrease from contracts with existing customers and governmental entities whose projects moved to the next phase of development, offset by a \$4.1 million increase from contracts with new customers.

Cost of Revenues

Cost of revenue decreased \$(6.4) million, or (34)%, in the six months ended June 30, 2024, compared to the same period in 2023. Cost of sales for engineering and other services decreased \$(7.5) million for contracts with existing

customers and government entities, which was offset by an increase in cost of revenue for joint development agreements and other contract research of \$0.3 million. Costs of sales for CarbonSmart products increased \$0.8 million due to higher activity in the first half of the year.

Research and Development

R&D expense increased \$3.3 million, or 10%, in the six months ended June 30, 2024, compared to the same period in 2023, primarily due to an increase of \$4.1 million in external R&D services related to project development costs that are not currently eligible for capitalization nor tied to a revenue agreement, and an increase of \$0.8 million in facilities and consumables expenses. Personnel and contractors expenses related to R&D projects decreased by \$(1.6) million, mainly due to lower stock compensation expense, compared to the same period last year.

Selling, General and Administrative Expense

SG&A expense decreased \$(6.5) million, or (22)%, in the six months ended June 30, 2024, compared to the same period in 2023. This was primarily due to a decrease of \$(3.1) million in professional fees associated with the Business Combination, as well as \$(1.7) million in lower stock compensation and one-time expenses, compared to the same period last year. The decrease was also attributed to \$(1.5) million in bad debt expense recorded in the comparative period and recovered in the current period, and \$(0.2) million in consumables and facilities expenses.

Interest income, net

Interest income, net decreased \$(0.3) million in the six months ended June 30, 2024 compared to the same period in 2023. This was primarily attributable to interest earned on lower cash balances held in savings and money market accounts as well as the the reversal of the discount accretion on the FPA.

Other Expense, Net

Other expense, net increased \$24.8 million, in the six months ended June 30, 2024 compared to the same period in 2023, which was primarily due to an overall net loss on changes in the fair value of our financial instruments.

Liquidity and Capital Resources

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, demand deposits at banks, and other short-term, highly liquid investments with original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The following table shows the balances of our cash, cash equivalents and restricted cash as of June 30, 2024 and December 31, 2023:

(In thousands, except for percentages)	As of		Change	
	June 30, 2024	December 31, 2023	2024 vs. 2023	
Total cash, cash equivalents, and restricted cash	\$ 62,891	\$ 76,284	\$ (13,393)	(18)%

As of June 30, 2024, compared to December 31, 2023, LanzaTech's cash, cash equivalents, and restricted cash decreased by \$13.4 million, or 18%, primarily due to the net loss adjusted for non-cash charges (see cash flow section below) and purchases of property, plant and equipment. The decrease is offset by the proceeds from the maturity of debt securities.

Debt Security Investments

Debt security investments comprise mainly held-to-maturity U.S. Treasury and high quality corporate securities that the Company has both the ability and intent to hold to maturity. These securities all mature within one year and

will provide additional liquidity upon maturity. As of June 30, 2024, held-to-maturity security investments totaled \$12.9 million, compared to \$45.2 million as of December 31, 2023.

Sources and Uses of Capital

Since inception, we have financed our operations primarily through equity and debt financing.

Our ability to successfully develop products and expand our business depends on many factors, including our ability to meet working capital needs, the availability of equity or debt financing and, over time, our ability to generate cash flows from operations. We manage our capital to ensure that LanzaTech can continue as a going concern while maximizing the return to stakeholders through the optimization of debt and equity balances.

As of June 30, 2024, our capital structure consists of equity (comprising issued capital, and accumulated deficit) and the Brookfield SAFE. We are not subject to any externally imposed capital requirements.

On October 2, 2022, LanzaTech entered into the Brookfield SAFE with Brookfield and received a cash payment of \$50.0 million as the Initial Purchase Amount. In exchange, the Company granted to Brookfield the right to receive certain shares of the Company's common stock. Following the closing of the Business Combination, Brookfield may, at any time at its option, convert all or a portion of the Initial Purchase Amount less any amount that has already been converted or repaid into shares of common stock.

LanzaTech does not have any outstanding debt, other than the Brookfield SAFE and the FPA Put Option Liability and Fixed Maturity Consideration, which are all classified as liabilities for accounting purposes, on its condensed consolidated balance sheets as of June 30, 2024.

On May 1, 2023, LanzaTech purchased \$5.5 million of Subordinated Secured Notes in a funding round for LanzaJet's subsidiary Freedom Pines Fuels LLC. The Subordinated Secured Notes are secured by a security interest over the intellectual property owned or in-licensed by LanzaJet. LanzaJet provides a guarantee that the proceeds are being used for any costs and expenses required to complete the initial facility and achieve commercial operation.

On February 3, 2023, LanzaTech, AMCI and ACM executed a Forward Purchase Agreement (the "FPA"). On the same date, ACM partially assigned its rights under the FPA to Vellar. ACM and Vellar are together referred to as the "Purchasers". Pursuant to the FPA, the Purchasers obtained 5,916,514 shares of common stock on the open market for approximately \$10.16 per share ("Redemption Price"), and the purchase price of \$60.1 million was funded by the use of Trust Account proceeds as a partial prepayment ("Prepayment Amount") for the FPA redemption at the end of three years ("Maturity Date"). The Purchasers have the right at the end of three years to return the shares and keep the Prepayment Amount plus the fees described below, or may, at the Purchasers' sole discretion, partially or fully terminate this transaction over the course of the three-year term by returning cash in an amount equal to the number of shares terminated ("Terminated Shares") multiplied by the Redemption Price, which may be reduced in the case of certain dilutive events ("Reset Price"). At the end of the three-year term, LanzaTech is obligated to pay the Purchasers an amount equal to the product of (1) 7,500,000 less the number of Terminated Shares multiplied by (2) \$2.00 (the "Maturity Consideration"), which under the FPA is payable at the Company's option in cash or shares of common stock valued at the average daily VWAP Price (as defined in the FPA) over the 30 scheduled trading days ending on the Maturity Date. In addition to the Prepayment Amount and the Maturity Consideration, on the Maturity Date, LanzaTech will pay to the Purchasers an amount equal to the product of (x) 500,000 and (y) the Redemption Price, totaling \$5.1 million (the "Share Consideration"), which under the FPA is payable in cash. However, at the time, the Company may not have sufficient funds or be able to obtain financing from third parties to pay such amounts. The Company also may not have sufficient shares authorized to pay the Maturity Consideration in shares. Breach by the Company of any of these obligations could constitute an event of default under the FPA, which could subject the Company to financial exposure thereunder (including arising from potential indemnification claims by the Seller). In addition, future debt or other contractual agreements may contain cross-default or cross-acceleration provisions that could be triggered if we default on our obligations to the Purchasers. Any or all of these consequences could have material adverse impact on us.

On February 8, 2023, LanzaTech completed the Business Combination and related transactions. The completion of the Business Combination and related transactions resulted in \$153.3 million of cash proceeds to LanzaTech. The

amount released to LanzaTech is net of the transaction expenses related to the Business Combination and the amount paid to the Purchasers in relation to the FPA. Pursuant to the FPA, the Purchasers purchased 5,916,514 Class A common shares on the open market for approximately \$10.16 per share, and the purchase price of \$60.1 million was deposited with the Purchasers as a partial prepayment for the settlement of the FPA.

In relation to the FPA, the Company's volume-weighted average share price was below \$3.00 per share for 50 trading days during the 60 day consecutive trading period ended on July 1, 2024 (the "VWAP Trigger Event"). On July 22, 2024, Vellar (one of the Purchasers) notified the Company of such VWAP Trigger Event, purporting to accelerate the Maturity Date of its portion of the Recycled Shares (i.e., 2,990,000 common shares) to July 22, 2024. Vellar asserts that it is entitled to: (i) Maturity Consideration of \$7.5 million (payable at the Company's option in cash or shares of common stock valued at the average daily VWAP Price (as defined in the FPA) over 30 scheduled trading days ending on the accelerated Maturity Date of July 22, 2024 of \$1.91 per share) and (ii) Share Consideration of approximately \$2.5 million, payable in cash, each due and payable on July 24, 2024. On July 25, 2024, the Company received a notice from Vellar pursuant to the FPA, stating that the Company is in default of its payment obligations. On July 30, 2024, the Company received a notice of an event of default under the FPA from Vellar that (i) designated such date as the early termination date of the FPA and (ii) purports to result in an early termination cash payment of approximately \$4.2 million becoming due to Vellar (equating to the sum of the Maturity Consideration and the Share Consideration minus the VWAP Price (as defined in the FPA) (as of July 29, 2024) of Vellar's portion of the Recycled Shares) (see Part II – Item 1. Legal Proceedings).

On May 9, 2024, the Company entered into an At Market Issuance Sales Agreement (the "Sales Agreement") and a Terms Agreement (the "Terms Agreement" and, together with the Sales Agreement, the "ATM Agreements") with B. Riley Securities, Inc. ("B. Riley Securities"), pursuant to which the Company may, from time to time, offer and sell through or to B. Riley Securities, as sales agent or principal, shares of the Company's common stock, having an aggregate offering price of up to \$100 million. The Shares will be offered through or to B. Riley Securities, acting as agent in connection with agency transactions or as principal in connection with any principal transactions. Pursuant to the Terms Agreement, the Company will have the right, but not the obligation, from time to time at its sole discretion, for as long as the Sales Agreement remains effective, to direct B. Riley Securities on any trading day to act on a principal basis and purchase up to approximately \$0.2 million per day, up to \$0.9 million per week, and up to \$40 million per twelve-month period, subject to any applicable limitations pursuant to the rules and regulations of The Nasdaq Stock Market, LLC (the aggregate amount so purchased by B. Riley Securities under the Terms Agreement, the "Commitment"), which Commitment will be included within the aggregate offering price of up to \$100 million of Common Stock sold pursuant to the ATM Agreements; provided, however, that only one principal sale may be requested per day unless otherwise agreed to by B. Riley Securities.

In the normal course of our business, we also enter into purchase commitments or other transactions in which we make representations and warranties that relate to the performance of our goods and services. We do not expect material losses related to these transactions.

On July 1, 2024, the Company's stock price traded below \$3.00 per share for 50 trading days during the 60 day consecutive trading period, which entitles the Purchasers to accelerate the Maturity Date of their respective portion of the Recycled Shares. Refer to *Note 9 - Forward Purchase Agreement*.

On August 5, 2024, the Company entered into a Convertible Note Purchase Agreement (the "Convertible Note Purchase Agreement") with an accredited investor (the "Investor") pursuant to which the Company agreed to sell and issue to the Investor and other purchasers in a private placement transaction (the "Private Placement") in one or more closings up to an aggregate principal amount of \$150 million of Convertible Notes (the "Convertible Notes"). As of August 6, 2024, we issued and sold \$40.2 million of Convertible Notes to the Investor pursuant to the Convertible Note Purchase Agreement. The gross proceeds from the initial closing are approximately \$40 million, before deducting estimated offering expenses.

The Convertible Notes bear interest at a fixed rate of 8.00% per annum, which interest will be added to the outstanding principal amount of the Convertible Notes on the last day of the applicable interest period (beginning on the date of issuance of the applicable Convertible Note and ending on and including the earlier of (x) the anniversary date of such issuance and (y) the maturity date, the "Interest Period"); provided, however, that the Company is

permitted to pay all interest payable during an Interest Period in cash pursuant to prior written notice to the Convertible Note holder.

The Convertible Notes will mature on August 6, 2029 (the “Maturity Date”), unless earlier redeemed or converted in accordance with their terms. The Convertible Notes are subject to mandatory conversion for shares of the Company’s common stock, par value \$0.0001 per share, upon the completion by the Company of an equity financing prior to the Maturity Date that results in the Company receiving minimum gross proceeds in an amount that is equal to the greater of (i) \$40 million and (ii) 50% of the total principal amount under the outstanding Convertible Notes immediately following the final closing under the Convertible Note Purchase Agreement (a “Qualified Equity Financing”) at a conversion price equal to the lower of (i) the lowest per-share selling price per share in the Qualified Equity Financing, less a 10% discount and (ii) the Valuation Cap (as defined below). The Convertible Notes are convertible at the option of the holders upon the completion by the Company of an equity financing prior to the Maturity Date that does not meet the definition of a Qualified Equity Financing (a “Non-Qualified Equity Financing”) at a conversion price equal to the lower of (i) the lowest per-share selling price in the Non-Qualified Equity Financing and (ii) the Valuation Cap. The Convertible Notes are also convertible at the option of the holders any time prior to the Maturity Date at a conversion price equal to the Valuation Cap. The “Valuation Cap” is defined as, (i) with respect to any conversion of a Convertible Note issued at the initial closing under the Convertible Note Purchase Agreement, the price per share equal \$1.52 (which, in the event that the Company has not, within 60 days of the initial closing under the Convertible Note Purchase Agreement, issued Convertible Notes having an aggregate principal amount of at least \$80 million, will be adjusted to \$1.25 per share), and (ii) with respect to a Convertible Note issued at any closing subsequent to the initial closing under the Convertible Note Purchase Agreement, the price per share equal to the *greater* of (a) \$1.56 and (b) the closing price per share of the Company’s common stock on the date prior to such closing. The Valuation Cap is subject to adjustment based on the Company’s holdings in LanzaJet, Inc., and the conversion price in all cases is subject to adjustment for stock splits, reclassifications, redesignations, subdivisions, recapitalizations, and dividends.

The Convertible Notes contain provisions that preclude conversion if such conversion would result in the issuance of more than 19.9% of the Company’s currently outstanding common stock in the aggregate or in a change of control under Nasdaq marketplace rules, prior to obtaining stockholder approval. Prior to such stockholder approval, a holder may not convert its Convertible Note if the holder, together with its affiliates, would beneficially own more than 19.9% of the number of shares of the Company’s outstanding common stock immediately after giving effect to such exercise. The Company has agreed to use its reasonable best efforts to obtain the required stockholder approvals at a special meeting of its stockholders, to be held no later than 60 days following the date of the initial closing under the Convertible Note Purchase Agreement, subject to certain exceptions.

The Convertible Notes may not be prepaid or redeemed by the Company, either in whole or in part, without the consent of the holders of the Convertible Notes representing a majority of the principal amount of all of the Convertible Notes then outstanding (the “Requisite Holders”), provided that the Company may redeem and prepay all then-outstanding Convertible Notes without such consent of the Requisite Holders (i) until August 6, 2025, in an amount equal to one and one half times the redeemed principal amount on the Convertible Notes; (ii) between August 7, 2025 and August 6, 2027, in an amount equal to two times the redeemed principal amount; and (iii) after August 6, 2027, in an amount equal to three times the redeemed principal amount; in all such cases, any and all accrued and unpaid interest on the Convertible Notes to be deemed to have been repaid in connection with the redemption.

We continue to seek additional financing under the Convertible Note Purchase Agreement from certain institutional accredited investors with whom we have a preexisting substantive relationship. We currently have no commitments from any such investors to participate in the Private Placement or any other financing. There can be no assurance that we will be successful in our effort to secure additional financing in amounts and on terms acceptable to us.

The accompanying financial statements have been prepared assuming we will continue as a going concern. However, near-term, we expect to continue to generate operating losses and to have net cash outflows from operating activities.

We believe our existing cash and cash equivalents will be sufficient to fund our operations for the next 12 months from the date of this Quarterly Report. However, our liquidity assumptions may prove to be incorrect, and we could utilize our available financial resources sooner than we currently expect, including within the next 12 months. Our future capital requirements and the adequacy of available funds will depend on many factors, including those set forth in Part I, Item 1A of our Annual Report on Form 10-K under “Risk Factors” and in Part II, Item 1A of this Quarterly Report. In addition, we from time to time, evaluate financing alternatives to enhance the Company’s liquidity position, including the sale of securities, the incurrence of debt or other financing alternatives.

If we determine that we require additional financing to meet our operating requirements, we may be unable to secure such financing on acceptable terms, or at all. If we raise additional funds by issuing equity and/or convertible debt securities, dilution to our existing stockholders will result. If we raise additional financing and incur indebtedness, we would be subject to increased fixed payment obligations and could also be subject to certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. If we are unable to obtain additional funds, we will have to reduce our operating costs, which will cause a delay or reduction in our technology development and commercialization programs.

Cash Flows

For the quarters ended June 30, 2024 and 2023

The following table provides a summary of our cash flows for the six months ended June 30, 2024 and June 30, 2023:

(In thousands, except for percentages)	Six Months Ended June 30,		Change	
	2024	2023	2024 vs. 2023	
<i>Net cash provided by (used in):</i>				
Operating activities	\$ (42,942)	\$ (59,116)	\$ 16,174	(27)%
Investing activities	29,502	(59,921)	89,423	(149)%
Financing activities	224	146,712	(146,488)	(100)%
Effects of currency translation	(177)	4	(181)	4525 %
Net (decrease) increase in cash, cash equivalents, and restricted cash	\$ (13,393)	\$ 27,679		

Cash Flows Used in Operating Activities

Cash flows used in operating activities decreased \$16.2 million or 27% in the six months ended June 30, 2024 compared to the six months ended June 30, 2023. The decrease is primarily attributable to the lower net loss, net of non-cash items in the six months ended June 30, 2024 compared to the six months ended June 30, 2023. Additionally, the Company had cash outflows of \$4.1 million related to costs incurred for the Business Combination that were classified as cash flows from operating activities during the six months ended June 30, 2023 which did not recur in the current period.

Cash Flows Used in Investing Activities

In the six months ended June 30, 2024, net cash provided by investing activities was \$29.5 million, compared to net cash used by investing activities of \$(59.9) million in the six months ended June 30, 2023. The change is primarily driven by the purchase of debt securities of \$49.1 million in the six months ended June 30, 2023, which did not recur in the current period. The company additionally received proceeds from the maturity of a portion of the debt securities of \$32.8 million in the six months ended June 30, 2024.

Cash Flows from Financing Activities

In the six months ended June 30, 2024, net cash used in financing activities was immaterial, compared to net cash provided by financing activities of \$146.7 million in the six months ended June 30, 2023. The cash inflow in the prior period was driven by \$213.4 million in proceeds from the Business Combination and PIPE financing and proceeds of \$1.1 million from the exercise of options to acquire shares of common stock of the Company. This was partially offset by the Forward Purchase Agreement prepayment amount of \$(60.1) million and by the repurchase of equity instruments of \$(7.7) million.

Off-Balance Sheet Arrangements

As of June 30, 2024 and December 31, 2023, we did not engage in any off-balance sheet arrangements, including the use of structured finance, special purpose entities or variable interest entities.

Critical Accounting Policies and Management Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our condensed consolidated financial statements that have been prepared in accordance with US GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses, and related disclosures. We consider an accounting estimate to be critical to the condensed consolidated financial statements if the estimate is complex in nature or requires a high degree of judgment and actual results may differ from these estimates with any such differences being potentially material. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances. We evaluate our estimates and assumptions on an ongoing basis. A discussion of our critical accounting policies and estimates may be found in the Company's Annual Report on Form 10-K, which was filed with the SEC on February 29, 2024 in "Management's Discussion and Analysis of Financial Condition and Results of Operations" under the heading "Critical Accounting Policies and Management Estimates". As of June 30, 2024, there have been no changes to our critical accounting policies and estimates.

Non-GAAP Financial Measures

To supplement our financial statements presented in accordance with US GAAP and to provide investors with additional information regarding our financial results, we have presented adjusted EBITDA, a non-GAAP financial measure. Adjusted EBITDA is not based on any standardized methodology prescribed by US GAAP and is not necessarily comparable to similarly titled measures presented by other companies.

We define adjusted EBITDA as our net loss, excluding the impact of depreciation, interest income, net, stock-based compensation, change in fair value of warrant liabilities, change in fair value of SAFE liabilities, change in fair value of the FPA Put Option liability and Fixed Maturity Consideration, transaction costs on issuance of Forward Purchase Agreement, loss from equity method investees, net and other one-time costs related to the Business Combination and securities registration on Form S-4, our registration statement on Form S-1, and non-recurring regulatory matters. We monitor and have presented in this Quarterly Report adjusted EBITDA because it is a key measure used by our management and the Board to understand and evaluate our operating performance, to establish budgets, and to develop operational goals for managing our business. We believe adjusted EBITDA helps identify underlying trends in our business that could otherwise be masked by the effect of certain expenses that we include in net loss. Accordingly, we believe adjusted EBITDA provides useful information to investors, analysts, and others in understanding and evaluating our operating results and enhancing the overall understanding of our past performance and future prospects.

Adjusted EBITDA is not prepared in accordance with US GAAP and should not be considered in isolation of, or as an alternative to, measures prepared in accordance with US GAAP. There are a number of limitations related to the use of adjusted EBITDA rather than net loss, which is the most directly comparable financial measure calculated and presented in accordance with US GAAP. For example, adjusted EBITDA: (i) excludes stock-based

compensation expense because it is a significant non-cash expense that is not directly related to our operating performance; (ii) excludes depreciation expense and, although this is a non-cash expense, the assets being depreciated and amortized may have to be replaced in the future; (iii) excludes gain or losses on equity method investee; and (iv) excludes certain income or expense items that do not provide a comparable measure of our business performance. In addition, the expenses and other items that we exclude in our calculations of adjusted EBITDA may differ from the expenses and other items, if any, that other companies may exclude from adjusted EBITDA when they report their operating results. In addition, other companies may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison.

The following table reconciles adjusted EBITDA to net loss, the most directly comparable financial measure calculated and presented in accordance with US GAAP.

Reconciliation of Net Loss to Adjusted EBITDA

(In thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net Loss	\$ (27,799)	\$ (26,786)	\$ (53,307)	\$ (90,098)
Depreciation	1,458	1,348	2,988	2,605
Interest income, net	(513)	(1,701)	(1,661)	(1,915)
Stock-based compensation expense and change in fair value of SAFE and warrant liabilities ⁽¹⁾	(3,344)	21,526	(14,091)	4,052
Change in fair value of the FPA Put Option and Fixed Maturity Consideration liabilities (net of interest accretion reversal)	10,727	(18,080)	23,770	33,029
Transaction costs on issuance of Forward Purchase Agreement	—	—	—	451
Loss from equity method investees, net	1,719	(130)	2,400	478
One-time costs related to the Business Combination, initial securities registration and non-recurring regulatory matters ⁽²⁾	—	—	—	4,062
Adjusted EBITDA	\$ (17,752)	\$ (23,823)	\$ (39,901)	\$ (47,336)

(1) Stock-based compensation expense represents expense related to equity compensation plans.

(2) Represents costs incurred related to the Business Combination that do not meet the direct and incremental criteria per SEC Staff Accounting Bulletin Topic 5.A to be charged against the gross proceeds of the transaction, but are not expected to recur in the future, as well as costs incurred subsequent to deal close related to our securities registration on Form S-4 and our registration statement on Form S-1. Regulatory matters includes fees related to non-recurring items during the year ended December 31, 2023.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to a variety of market and other risks, including the effects of changes in interest rates, inflation and foreign currency translation and transaction risks, as well as risks to the availability of funding sources, hazard events and specific asset risks. Our market risk exposure is expected to be limited to risks that arise in the normal course of business, as we do not engage in speculative, non-operating transactions, nor do we use financial instruments or derivative instruments for trading purposes.

Interest Rate Fluctuation Risk

Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of U.S. interest rates, particularly because of our cash equivalents and debt security investments. Our investments

are made through our commercial and investment banks and, by policy, we limit the amount of risk by investing primarily in money market funds, United States Treasury obligations, and high quality corporate bonds. Additionally, we primarily invest in short-term securities. Because of the short-term nature of the majority of our financial instruments in our investment portfolio, an immediate change in market interest rates of 100 basis points would not have a material impact on the fair market value of our cash and cash equivalents or on our financial position or results of operations.

Foreign Currency Fluctuation Risk

We are subject to foreign currency exchange risk from the translation of the financial statements of our foreign subsidiaries, whose financial condition and results of operations are reported in their local currencies and then translated into U.S. dollars at the applicable currency exchange rate for inclusion in our consolidated financial statements. Foreign currency translation adjustments were \$(0.15) million and \$0.05 million for the six months ended June 30, 2024 and 2023, respectively. Additionally, we have contracted with and may continue to contract with foreign vendors.

Commodity Pricing Risk

Our CarbonSmart products differ from other bio-ethanol (and related derivative products) because they are made from a unique feedstock (recycled carbon emissions) which differs from first-generation biofuels which are generally made from food sources. As a result, there is not an active trading market for our CarbonSmart fuels, and we are not directly impacted by changes in commodity prices. Additionally, we do not engage in hedging or other derivative transactions related to commodity prices.

Demand for our CarbonSmart products is indirectly impacted by commodity prices for fossil fuel and first generation bio-fuel prices. As prices drop for fossil and first-generation bio fuels, demand for our more-expensive recycled CarbonSmart products may decrease. Demand for our CarbonSmart products is also generally increased by new or additional environmental regulations, and decreased by loosened or reduced regulation.

Credit Risk

We are subject to credit risk due to concentration of our receivables with a limited number of significant customers. If a customer defaults or if any of our contracts are cancelled by the customer in accordance with their terms, and we are unable to renew or replace these contracts, our gross margin and cash flows may be adversely affected.

Equity Price Risk

We have in the past, and may in the future, seek to acquire additional funding by sale of common stock and other equity. The price of our common stock has been volatile in the past and may also be volatile in the future. As a result, there is a risk that we may not be able to sell our common stock at an acceptable price should the need for new equity funding arise.

Inflation Fluctuation Risk

Inflation generally affects us and our customers by increasing the cost of labor, laboratory supplies, consumables and capital expenditure required to deploy our technology, which may have a material effect on our business.

ITEM 4. CONTROLS AND PROCEDURES

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), management recognizes that any

controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. We do not expect that our disclosure controls and procedures will prevent all errors and all instances of fraud. Disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Further, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and the benefits must be considered relative to their costs. Because of the inherent limitations in all disclosure controls and procedures, no evaluation of disclosure controls and procedures can provide absolute assurance that we have detected all our control deficiencies and instances of fraud, if any. The design of disclosure controls and procedures also is based partly on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Evaluation of Disclosure Controls and Procedures

Our disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15(e)).

As a result of this evaluation, our CEO and CFO concluded that the material weaknesses relating to: (i) the accounting for complex transactions and estimates requiring significant judgment and (ii) revenue recognition, which were previously identified in Item 9A. “Controls and Procedures” of our Annual Report on Form 10-K for the year ended December 31, 2023, were still present as of June 30, 2024 (the “Evaluation Date”). Based on the material weaknesses, and the evaluation of our disclosure controls and procedures, our CEO and CFO concluded that our disclosure controls and procedures were not effective as of the Evaluation Date.

Notwithstanding the identified material weaknesses, management believes that the condensed consolidated financial statements included in this Form 10-Q fairly present in all material respects our financial condition, results of operations, and cash flows as of June 30, 2024.

Remediation Efforts to Address Material Weaknesses

Management continues to take steps to improve our internal control processes and will continue to review, optimize, enhance and test our controls and procedures as our control environment matures over time. These measures will include enhancing the design and implementation of our internal controls over financial reporting to comply with the COSO 2013 Internal Control-Integrated Framework, with particular focus on our material weaknesses. The material weaknesses will not be considered remediated until the applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended June 30, 2024, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. We note that our CEO and CFO concluded that the material weaknesses previously identified in Item 9A. “Controls and Procedures” of our Annual Report on Form 10-K for the year ended December 31, 2023 were still present as of the Evaluation Date.

PART II

ITEM 1. LEGAL PROCEEDINGS

The Company may be involved in legal proceedings and exposed to potential claims in the normal course of business, including as described below. Although we cannot predict the ultimate outcome of any legal matter with certainty, we do not believe the outcome of any of our pending legal proceedings will have a material adverse impact on our consolidated financial position, results of operations or cash flows.

In relation to the FPA, the Company's volume-weighted average share price was below \$3.00 per share for 50 trading days during the 60 day consecutive trading period ended on July 1, 2024 (the "VWAP Trigger Event"). On July 22, 2024, Vellar (one of the Purchasers) notified the Company of such VWAP Trigger Event, purporting to accelerate the Maturity Date of its portion of the Recycled Shares (i.e., 2,990,000 common shares) to July 22, 2024. Vellar asserts that it is entitled to: (i) Maturity Consideration of \$7,500,000 (payable at the Company's option in cash or shares of common stock valued at the average daily VWAP Price (as defined in the FPA) over 30 scheduled trading days ending on the accelerated Maturity Date of July 22, 2024 of \$1.91 per share) and (ii) Share Consideration of \$2,539,350, payable in cash, each due and payable on July 24, 2024. On July 25, 2024, the Company received a notice from Vellar pursuant to the FPA, stating that the Company is in default of its payment obligations. On July 30, 2024, the Company received a notice of an event of default under the FPA from Vellar that (i) designated such date as the early termination date of the FPA and (ii) purports to result in an early termination cash payment of \$4,163,701 becoming due to Vellar (equating to the sum of the Maturity Consideration and the Share Consideration minus the VWAP Price (as defined in the FPA) (as of July 29, 2024) of Vellar's portion of the Recycled Shares).

On July 24, 2024, LanzaTech filed suit against Vellar in the Supreme Court of the State of New York, Commercial Division, alleging breach of the FPA, breach of the implied covenant of good faith and fair dealing, and unjust enrichment. The claims are primarily in connection with Vellar's sale of Recycled Shares, which LanzaTech alleges are in breach of the FPA's requirement that Recycled Shares be held in a bankruptcy remote special purpose vehicle for the benefit of the Company unless the sale is noticed to the Company as part of an optional early termination, which Vellar has not done. In the event of a sale of Recycled Shares subject to an optional early termination, the Company is entitled to receive \$10.1574 for each share sold. LanzaTech believes that Vellar's notice of the VWAP Trigger Event and consequently, its notice of an event of default, is not valid and, accordingly, that no payments are owed to Vellar in connection with the purported acceleration of the Maturity Date or early termination of the FPA. The Company intends to vigorously pursue its claims against Vellar.

ITEM 1A. RISK FACTORS

Our risk factors are disclosed in Part I, Item 1A of our Annual Report on Form 10-K. There have been no material changes during the six months ended June 30, 2024 from or updates to the risk factors discussed in Part I, Item 1A. Risk Factors, of our Annual Report on Form 10-K, except as follows:

Political and economic uncertainty, including changes in policies of the Chinese government or in relations between China and the United States, may impact our revenue and materially and adversely affect our business, financial condition, and results of operations.

We and our partners operate facilities and do business on an international scale, including in China. Political and economic uncertainty, including changes in policies of the Chinese government or relations between China and the United States, may impact us adversely. There is significant uncertainty about the future relationship between China and the United States with respect to trade policy, government relations and treaties. Political uncertainty surrounding Chinese government policies, international trade disputes between China and the United States, and protectionist measures could result in increased trade controls and regulations. Heightened tensions resulting in restrictions and additional regulations may negatively impact our ability to send our microbes and other supplies to our plants in China, to purchase and ship ethanol out of China, or to gain ethanol-related licenses in China.

The implementation of sanctions on certain Chinese individuals or entities may result in complications for our interactions with LanzaTech China Limited, the Shougang Joint Venture and our joint venture partners in China, or with certain of our strategic investors located in China, including Sinopec. Sinopec is a Chinese investment platform that was jointly established in 2018 by China Petrochemical Corporation (“Sinopec Group”) and China Petroleum & Chemical Corporation (“Sinopec Corp”). Sinopec Corp is a majority-owned subsidiary of Sinopec Group, which is controlled by the State-owned Assets Supervision and Administration Commission of the State Council of the People’s Republic of China. Based on publicly available information provided by China Petroleum & Chemical Corporation, as of February 2024, the China Petroleum & Chemical Corporation holds, directly or indirectly, 49% of the equity/voting rights of Sinopec. As a result of potential trade and investment restrictions, we may be unable to complete an investment in any joint venture that we may enter into with Sinopec, or to protect our interests in our existing or potential future joint ventures by nominating a non-Chinese director to the board of directors of any such joint venture. Sanctions also may negatively impact our ability to repatriate dividends from a Chinese joint venture and may result in further costs or delays as a result of currency controls. These increased costs and restrictions may reduce our margins or reduce demand for our products if prices increase for our industry partners, and could adversely affect our business, financial condition, and results of operations.

Our ability or the ability of our partners to operate in China may be impaired by changes in Chinese laws and regulations, including those relating to taxation, environmental regulation, restrictions on foreign investment, and other matters, which can change quickly with little advance notice.

While we are headquartered in Skokie, Illinois, we are a global business and have operations in China. This includes a minority ownership stake in the Shougang Joint Venture, several strategic investors located in China, including Sinopec, and a core team of technical, business and administrative professionals at a LanzaTech office in Shanghai, which support the ongoing operations and further growth of the business in China. We license our technology in China to the Shougang Joint Venture. Entities in which the Shougang Joint Venture holds a controlling interest currently produce low carbon ethanol at three commercial scale facilities using our process technology, which, in addition to its use as fuel, is transported and processed for use in consumer products.

The Chinese government has exercised and continues to exercise substantial control over every sector of the Chinese economy through regulation and state ownership. The central Chinese government or local governments having jurisdiction within China may impose new, stricter regulations, or interpretations of existing regulations, that would require additional expenditures and efforts on our part to ensure our compliance with such regulations or interpretations. For example, regulations in China applicable to LanzaTech China Limited, a WFOE, may change. As such, our operations and the operations of our joint venture partners and our sales and licenses to partners located in China may be subject to governmental and regulatory interference in the provinces in which they operate. We, our joint venture and other partners could also be subject to regulation by various political and regulatory entities, including local and municipal agencies and other governmental subdivisions. Regulations may be imposed or change quickly with little advance notice. Our ability, and the ability of our joint venture and other partners, to operate in China may be impaired by any such laws or regulations, or any changes in laws and regulations in China. We and our joint venture and other partners may incur increased costs necessary to comply with existing and future laws and regulations or penalties for any failure to comply.

We and our partners may be subject to regulatory actions by the Chinese government targeting concerns related to data security and monopolistic behavior.

Recent statements and regulatory actions by the Chinese government have targeted companies whose operations involves cross-border data security or anti-monopoly concerns. Although we are incorporated and headquartered in the United States, we may still be subject to certain Chinese laws due to our business operations in China. These operations include several strategic investors located in China, including Sinopec, a core team of technical, business and administrative professionals at our office in Shanghai, and our minority ownership stake in, and contractual commitments with, the Shougang Joint Venture.

On June 10, 2021, China promulgated the PRC Data Security Law (the “DSL”), which became effective on September 1, 2021. The DSL intends to regulate data processing activities, ensure data security, promote data development and utilization, protect the data-related rights and interests of individuals and organizations, and

safeguard Chinese sovereignty, security and development interests. Article 36 of the DSL provides that any Chinese entity that provides data to foreign judicial or law enforcement agencies (regardless of whether directly or through a foreign entity) without approval from a Chinese authority would likely be deemed to be in violation of the DSL. In addition, pursuant to Article 2 of Measures for Cybersecurity Reviews (the “Measures”) issued by the CAC, the procurement of any network product or service by an operator of critical information infrastructure that affects or may affect national security will be subjected to a cybersecurity review. Pursuant to Article 35 of Cybersecurity Law of the PRC, “critical information infrastructure operators” that purchase network products and services which may influence national security will be subject to cybersecurity review by the CAC. With respect to LanzaTech China Limited, the Shougang Joint Venture and our operational partners in China, the exact scope of the term “critical information infrastructure operator” remains unclear, so there can be no assurance that we, the Shougang Joint Venture or our partners will not be subjected to critical information infrastructure operator review in the future. Furthermore, in the event that we, the Shougang Joint Venture or our partners become operators of critical information infrastructure in the future, they may be subject to the DSL, the Measures and cybersecurity review by the CAC.

Article 3 of Anti-Monopoly Law of the PRC (the “Anti-Monopoly Law”) prohibits “monopolistic practices,” which include: (a) the conclusion of monopoly agreements between operators; (b) the abuse of dominant market position by operators; and (c) concentration of undertakings which has or may have the effect of eliminating or restricting market competition. Furthermore, according to Article 19 of the Anti-Monopoly Law, the operator will be assumed to have a dominant market position if the following apply: (a) an operator has 50% or higher market share in a relevant market; (b) two operators have 66% or higher market share in a relevant market; or (c) three operators have 75% or higher market share in a relevant market. We believe that neither we nor any of our partners in China have engaged in any monopolistic practices in China, and that recent statements and regulatory actions by the Chinese government do not impact our ability to conduct business, accept foreign investments, or list on a U.S. or other foreign stock exchange. However, there can be no assurance that regulators in China will not promulgate new laws and regulations or adopt new series of interpretations or regulatory actions which may require us and our partners to satisfy new requirements related to these concerns.

Changes in China’s economic, political or social conditions or legal system or government policies could have a material adverse effect on our business and operations.

Our business operations in China include the Shougang Joint Venture, several strategic investors located in China, including Sinopec, and a core team of technical, business and administrative professionals at a LanzaTech office in Shanghai, which support the ongoing operations and further growth of the business in China. We license our technology in China to the Shougang Joint Venture. Entities in which the Shougang Joint Venture holds a controlling interest currently produce low carbon ethanol at four commercial scale facilities using our process technology, which, in addition to its use as fuel, is transported and processed for use in consumer products. Meanwhile, several additional facilities are being engineered and constructed. Accordingly, our business, financial condition, results of operations and prospects may be influenced to a significant degree by political, economic and social conditions in China generally and by the significant discretion of Chinese governmental authorities. The Chinese government continues to play a significant role in regulating industry development by imposing industrial policies. The Chinese government also exercises significant control over China’s economic growth through allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy, and providing preferential treatment to particular industries or companies. The increased global focus on environmental and social issues and China’s potential adoption of more stringent standards in these areas may adversely impact us or our suppliers.

Furthermore, the Chinese legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all and may have a retroactive effect. As a result, we or our suppliers may not be aware of our violation of any of these policies and rules until sometime after the alleged violation. In addition, any administrative and court proceedings in China may be protracted, resulting in substantial costs and diversion of resources and management attention. Further, such evolving laws and regulations and the inconsistent enforcement thereof could also lead to failure to obtain or maintain licenses and permits to do business in China, which would adversely affect us or our suppliers in China. Any such disruption, or if one or more of our Chinese suppliers was prevented from operating, could have an adverse impact on our results of operations and financial condition.

We may be subject to risks that the Chinese government may intervene or influence our operations at any time.

Because we have employees located in China and conduct some operations in China, including through our China-based joint venture and at the facilities in China operated by entities in which the Shougang Joint Venture holds a controlling interest using our process technology, we are subject to the risk that the Chinese government may intervene or influence our operations at any time. However, because our operations in China are largely limited to technology licenses and the production of our low carbon ethanol, we do not expect that such intervention or influence would result in a material change in our operations. Nonetheless, in the event that the Chinese government were to intervene in our operations, we might experience a disruption at the three facilities in China operated by entities in which the Shougang Joint Venture holds a controlling interest using our process technology, or at the facilities in construction, to our joint venture and joint venture partners, to our licenses to partners in China and to our low carbon ethanol production, which could have a material adverse effect on our results of operations.

We may not have the funds necessary to satisfy our future obligations under the Forward Purchase Agreement.

Pursuant to the Forward Purchase Agreement, on the Maturity Date the Company is obligated to pay to the Seller the Maturity Consideration, which may be paid in cash or in shares, the Share Consideration, and retain the Prepayment Amount. However, at the time, the Company may not have sufficient funds or be able to obtain financing from third parties to pay such amounts. The Company also may not have sufficient shares authorized to pay the Maturity Consideration in shares. Breach by the Company of any of these obligations could constitute an event of default under the Forward Purchase Agreement, which could subject the Company to financial exposure thereunder (including arising from potential indemnification claims by the Seller). In addition, future debt or other contractual agreements may contain cross-default or cross-acceleration provisions that could be triggered if we defaulted on our obligations to the Seller. Any or all of these consequences could have material adverse consequences for us.

We are engaged in litigation related to the Forward Purchase Agreement.

On July 24, 2024, LanzaTech filed suit against Vellar in the Supreme Court of the State of New York, Commercial Division, alleging breach of the FPA, breach of the implied covenant of good faith and fair dealing, and unjust enrichment. Such litigation may be costly, distracting to management and could harm our reputation and the value of our company. We cannot guarantee that we will be able to resolve the litigation on terms favorable to us, and such litigation, whether successful or not, could have a material adverse effect on our business, results of operations and financial condition.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Except as previously reported by the Company on its Current Reports on Form 8-K, we did not sell any securities during the period covered by this Form 10-Q that were not registered under the Securities Act.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

Securities Trading Plans of Directors and Executive Officers

During the three months ended June 30, 2024, none of our directors or officers adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement” (as defined in Item 408(c) of Regulation S-K).

ITEM 6. EXHIBITS

<u>Exhibit</u>	<u>Description</u>
3.1**	<u>Amended and Restated Certificate of Incorporation of LanzaTech Global, Inc., (incorporated by reference to Exhibit 3.1 of LanzaTech Global Inc.'s Current Report on Form 8-K, filed with the SEC on February 13, 2023).</u>
3.2**	<u>Amended and Restated Bylaws of LanzaTech Global, Inc. (incorporated by reference to Exhibit 3.2 of LanzaTech Global Inc.'s Current Report on Form 8-K, filed with the SEC on February 13, 2023).</u>
10.1*	<u>Joint Venture Agreement, dated November 11, 2023, by Olayan Financing Company and LanzaTech, Inc</u>
10.2*	<u>Deed of Amendment and Novation Relating to the Joint Venture Agreement, dated April 16, 2024, by Olayan Financing Company and LanzaTech, Inc and Saudi Arabian Construction & Repair Company LTD.</u>
31.1*	<u>Certification of Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) promulgated under the Securities Exchange Act of 1934, as amended.</u>
31.2*	<u>Certification of Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) promulgated under the Securities Exchange Act of 1934, as amended.</u>
32.1**+	<u>Certification of Principal Executive Officers and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101	The following financial information from LanzaTech Global Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 formatted in Inline XBRL (Extensible Business Reporting Language) includes: (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Operations and Comprehensive Loss, (iii) the Condensed Consolidated Statements of Changes in Redeemable Convertible Preferred Stock and Shareholders' Equity, (iv) the Condensed Consolidated Statements of Cash Flows, and (v) Notes to the Condensed Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Previously filed.

+ Furnished herewith and not deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Skokie, State of Illinois, on August 8, 2024.

LANZATECH GLOBAL, INC.

(Registrant)

<u>Name</u>	<u>Position</u>	<u>Date</u>
<u>/s/ Jennifer Holmgren, Ph.D.</u> Jennifer Holmgren, Ph.D.	Chief Executive Officer and Director (Principal Executive Officer)	August 8, 2024
<u>/s/ Geoff Trukenbrod</u> Geoff Trukenbrod	Chief Financial Officer (Principal Financial Officer)	August 8, 2024

JOINT VENTURE AGREEMENT

dated

November 11, 2023

by

OLAYAN FINANCING COMPANY
Shareholder

and

LANZATECH, INC
Shareholder

relating to

the establishment and business of a joint venture company in the Kingdom of Saudi Arabia

Baker & McKenzie LLP
100 New Bridge Street
London EC4V 6JA
United Kingdom
www.bakermckenzie.com

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Schedule 1

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Disposals and issues of Securities

Schedule 7

Deed of Adherence

Schedule 8

Call Option and Put Option

Schedule 9

Company Deed of Adherence

Shareholders' Agreement

This Agreement is made as a deed and delivered on _____ 2023 (this "Agreement")

Between

OLAYAN FINANCING COMPANY, a limited liability company incorporated under the laws of the Kingdom of Saudi Arabia with registered number 1010015281, having its principal place of business at Olayan Building, Al Ahsa Street, Al Malaz District, P.O. Box 8772, Riyadh 11492, Kingdom of Saudi Arabia ("**OFC**"); and

LANZATECH, INC, a company incorporated under the laws of the State of Delaware with company number 4473721, having its principal place of business at 8045 Lamon Ave, Suite 400, Skokie, IL 60077, United States of America ("**LanzaTech**"),

each a "**Party**" and collectively, the "**Parties**".

Recitals

- A. LanzaTech is a technology company principally engaged in the development and commercialization of bio-technology solutions involving the conversion of industrial waste gases utilizing its proprietary gas fermentation technology to produce ethanol, jet fuel and high-value chemicals from gas streams, including off-gases from steel and alloy mills, petroleum refineries, petrochemical complexes and gas processing facilities, syngas generated from any biomass resource and reformed biogas.
- B. OFC is an investment company holding various businesses and investments in the Kingdom and the Middle East, including joint ventures with major multinationals.
- C. The Parties have agreed to enter into this Agreement to govern the formation, management and operation of a limited liability company in the Kingdom which will carry out the Business (the "**Company**").
- D. Each Party enters into this Agreement in consideration of the other Party entering into this Agreement and accepting the terms, undertakings and covenants contained herein.
- E. The Shareholders now wish to incorporate, invest in and operate the Company as a joint venture for the purposes and on the terms set out below.

It is agreed as follows:

1. Interpretation

1. Defined terms

In this Agreement, the following words, expressions and abbreviations shall have the following meanings (except where the context otherwise requires):

"**Accounting Standards**" means the International Financial Reporting Standards that are endorsed in the Kingdom and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants;

"**Affiliate**" means, in respect of a person, any other person who:

- (a) Controls or is under common Control with that person;
- (b) is Controlled by that person,

but, in relation to a Shareholder, shall exclude the Subsidiaries of the Company;

"**Agreed Form**" means in relation to any document, that document in the terms agreed between the Shareholders and either initialled by or on behalf of the Shareholders or confirmed in writing between the Shareholders (or by their counsel on their behalf) as the agreed form;

"**Agreed Threshold**" means the relevant monetary threshold in each case to be determined and agreed by the Shareholders in accordance with clause 3.3;

"**Ancillary Services and Supplies**" has the meaning given to it in clause 7.2(a);

"**Anti-Corruption Laws**" means any applicable foreign or domestic anti-bribery and/or anti-corruption Law and Regulation, including the Combating Bribery Regulation issued pursuant to the Royal Decree No. M/36 dated 29/12/1412H (as amended); the Civil Service Regulation issued pursuant to the Royal Decree No. M/49 dated 10/7/1397H; the National Strategy for Protecting Honesty and Combating Corruption issued pursuant to the Council of Ministers Resolution No. 43 dated 1/2/1428H; the UK Bribery Act 2010, the UK Criminal Finances Act 2017, the US Foreign Corrupt Practices Act 1977;

"**Anti-Money Laundering Laws**" means the Saudi Anti-Money Laundering Regulations issued pursuant to the Royal Decree No. (M/20) dated 05/02/1439H, the US Patriot Act, the UK Criminal Finances Act 2017 and the UK Proceeds of Crime Act 2002, and any other applicable money laundering, counter-terrorism or anti-terrorism financing Law or Regulation;

"**Articles**" means the articles of association of the Company in the Agreed Form and to be adopted at Completion pursuant to clause 3.4(a)(iii), as amended from time to time;

"**Board**" means the board of Directors of the Company from time to time;

"**Broader Territories**" means Algeria, Bahrain, Djibouti, Egypt, Hashemite Kingdom of Jordan, Kuwait, the Republic of Lebanon, Kingdom of Morocco, the Sultanate of Oman, Qatar, the Republic of Tunisia and United Arab Emirates;

"**Budget**" means (i) the Initial Budget; or (ii) the budget for the Company for a particular Financial Year setting out the details included in clause 13.4 as adopted, amended or replaced from time to time in accordance with clause 13 and the other provisions of this Agreement;

"**Business**" means:

- (a) the deployment of the LT Ethanol Gas Fermentation Process at commercial scale production facility(ies) in the Territory and, to the extent approved by the Shareholders in accordance with this Agreement, the Broader Territories, by way of Direct Project Investments and/or Technology Licensing Transactions;
- (b) the incorporation and investment into, as relevant, the Equity Project SPVs;

- (c) the management of offtake and/or marketing rights arising in respect of each Project (as applicable);
- (d) the consideration and exploration of other commercial propositions to capture value out of the carbon reuse market including in relation to Future LT Process Technology; and
- (e) to the extent approved by the Shareholders in accordance with this Agreement, the deployment of further integrations of the LT Ethanol Gas Fermentation Process with the LanzaJet Alcohol-to-Jet process to produce sustainable airline fuel in the Territory and the Broader Territories, by way of Direct Project Investments and/or Technology Licensing Transactions;

"Business Day" means a day (excluding Friday, Saturday, Sunday and applicable public holidays) on which banks generally are open in Riyadh, the Kingdom and in Chicago, Illinois, the United States of America for the transaction of normal banking business;

"Business Plan" means (i) the Initial Business Plan; or (ii) the business plan for the Company for a particular Financial Year and the following four Financial Years setting out the details included in clause 13.3 as adopted, amended or replaced from time to time in accordance with clause 13 and the other provisions of this Agreement;

"Capex Plan" has the meaning given to it in clause 13.3(c)(ii);

"CFO" means the chief financial officer of the Company from time to time;

"Chair" means the chair of the Board from time to time;

"Change of Control" means:

- (a) any person acquiring Control of a Shareholder where no person previously had Control of that Shareholder;
- (b) the Ultimate Controller of a Shareholder ceasing to have Control of that Shareholder;
- (c) a person acquiring Control of the Ultimate Controller of a Shareholder; or
- (d) a person who is not under the Control of the Ultimate Controller of a Shareholder acquiring Control of that Shareholder,

save that in relation to LanzaTech no such Change of Control shall be deemed to have occurred as a result of any person acquiring Control of LT ListCo;

"Commercially Sensitive Information" means Confidential Information about any LanzaTech proprietary technology, including the LT Ethanol Gas Fermentation Process (defined below), LT Proprietary Technical Information (defined below), individual supply or customer contracts or specific details of any acquisition entered into by the Company (or which are under negotiation);

"Company" has the meaning set out in Recital C;

"Company Formation Condition" has the meaning given in clause 2.1(a);

“Competent Authority” means any supra-national, national, state, municipal or local government (including any sub-division, court, administrative agency or commission or other authority thereof) or any governmental or quasi-governmental or private body exercising any regulatory, taxing, importing or other governmental or quasi-governmental authority (including any tribunal, securities exchange, competition or antitrust authority, or supervisory body);

“Competition Authority” means any relevant government, governmental, national, supranational, competition or antitrust body or other authority, in any jurisdiction, which is responsible for applying merger control or other competition or antitrust legislation in such jurisdiction and, for the avoidance of doubt, includes the notion of “competent authority” as that term is used in the European Union Council Regulation (EC) No 139/2004.

"Competition Analysis" has the meaning given in clause 3.1;

“Competition Filing(s)” has the meaning given in clause 2.3(b)(i);

“Competitor” means any person that is not an existing Shareholder and which is or owns a business that competes directly or indirectly with a material part of the Business or the business of LanzaTech, save where the person's ownership in that business is held by way of a non-controlling interest;

"Completion" means the completion of the subscription of the Shares by the Shareholders and all other matters set out in clause 4.2;

"Completion Date" means the date on which Completion occurs;

"Confidential Information" means:

- (e) the subject matter or provisions of, or transactions or matters contemplated by, or negotiations leading to, this Agreement and/or the Transaction Documents;
- (f) any information relating to the Business, any Opportunity or Project and the assets or affairs of the Company and its Subsidiaries (including all Know How, Commercially Sensitive Information, LT Proprietary Technical Information, trade secrets and other information of a confidential nature); and
- (g) any information that, in consequence of the negotiations relating to this Agreement and/or the Transaction Documents, or of being involved in the Business in any manner whatsoever (including as a Shareholder) or performing or exercising its rights and obligations under this Agreement, any party may have acquired; (whether before or after the date of this Agreement) with respect to the business, assets or affairs of any other party;

"Conflict Matter" means any decision of the Company or the Board to initiate or pursue a dispute or claim (or take any actions or decisions with respect to an initiated dispute or claim, including the conduct of such proceedings and the exercise of any available remedies) by or on behalf of the Company or any Subsidiary, on the one hand, and a Shareholder or one of its Affiliates, on the other hand (including in relation to a Transaction Document as applicable):

"Conflicted Director" has the meaning given to it in clause 11.1(b)(ii);

"Conflicted Shareholder" has the meaning given to it in clause 11.1(a);

"Consulting Services Agreement" means the consulting services agreement to be entered into between OFC (or one of its Affiliates) and LanzaTech (or one of its Affiliates) in connection with a Direct Project Investment or Technology Licensing Transaction, in each case substantially in the Agreed Form;

"Control" means, in relation to an undertaking, directly or indirectly:

- (h) the ownership or ability to direct the exercise of more than 50% of the voting rights capable of being exercised at a meeting of that undertaking's shareholders;
- (i) an ownership interest of more than 50% of a partnership or being the general partner of a partnership;
- (j) the right to direct the appointment or removal of more than 50% of the board of directors (or corresponding officers) of that undertaking; or
- (k) the possession of the power to direct or cause (for the purposes of clause 22 only, including negatively through a veto) the direction of its financial and strategic commercial management and policies (whether through the ownership of voting shares, by virtue of provisions contained in its constitutional documents, by a management or advisory agreement, by contract, by agency or otherwise);

in each case either directly or indirectly and **"Controlled"** and **"Controlling"** shall be construed accordingly;

"Deadlock Notice" has the meaning given to it in clause 10.1;

"Deed of Adherence" means a deed in the form attached in Schedule 7;

"Default Notice" has the meaning given to it in clause 20.2(b);

"Defaulting Shareholder" has the meaning given to it in clause 20.1;

"Development Committee" has the meaning given to it in clause 6.5;

"Director" means a director of the Company;

"Direct Project Investment" has the meaning given to it in clause 6.2(a);

"Disclosure Restrictions" means that disclosure of a matter cannot be made where the disclosure could reasonably be expected to result in:

- (l) a breach of applicable Law or Regulation, including any Law or Regulation relating to competition, data protection or privacy;
- (m) a breach of any policy of the Company that has been approved as a Reserved Matter;
- (n) a breach of binding obligations of confidentiality to which the Company or any Subsidiary is subject;
- (o) the loss of legal professional privilege or litigation privilege by the Company or any Subsidiary; or

- (p) the disclosure of Commercially Sensitive Information to a Competitor or any party that does not have a need to know and who is not subject to a non-disclosure agreement in respect to such Commercially Sensitive Information in a form acceptable to the relevant Shareholder to which such Commercially Sensitive Information relates;

"**Dispose**" means, in relation to any Security, whether directly or indirectly, to:

- (q) transfer, sell, assign, convey or otherwise dispose of it or any interest in it;
- (r) create or permit to subsist any Encumbrance over it;
- (s) create any trust or conferring any interest of any kind in relation to it;
- (t) direct (by way of renunciation or otherwise) that another person should, or assign any right to, receive it or a right to subscribe for it;
- (u) enter into any swap, participation, derivative or other arrangement involving the transfer of credit and/or market risk relating to it or, in whole or in part, any of the consequences of ownership of it;
- (v) enter into any agreement in respect of the votes or any other rights attached to it, other than by way of proxy for a particular shareholder meeting; or
- (w) agree, whether or not subject to any condition precedent or subsequent, to do any of the foregoing, except an agreement that is conditional on compliance with the terms of this Agreement,

and "**Disposal**" and "**Disposed**" shall be construed accordingly;

"**Distribution Policy**" has the meaning given to it in clause 14.1(a);

"**Emergency Funding**" has the meaning given to it in clause 15.3(a)(iii);

"**Emergency Funding Event**" means any circumstance(s) that, without immediate funding, the Board considers will result in, or is reasonably expected to result, in the short-term in:

- (a) a default by the Company or a Subsidiary of any material obligation or covenant under any material agreement to which it is a party, including any financing, shareholder or investment agreement; and/or
- (b) the insolvency, winding up, liquidation, administration, receivership or other similar event of the Company or any Subsidiary under the Laws of any relevant jurisdiction;

"**Encumbrance**" means any mortgage, charge, pledge, lien, restriction, assignment, hypothecation, security interest, title retention or any other agreement or arrangement the effect of which is the creation of security, or any other interest, equity or other right of any person (including any right to acquire, option, right of first refusal or right of pre-emption), or any agreement or arrangement to create any of the same;

"**Entitlement**" means the number of Securities that a Shareholder is entitled to acquire or subscribe for, being the proportion of the total Securities being transferred or issued that corresponds to its Equity Proportion as a percentage of the Equity Proportions of all

Shareholders entitled to acquire or subscribe for those Securities, rounded down to the nearest whole Security, with any odd Securities after rounding being included in the Entitlement of the Shareholder with the largest Equity Proportion;

“**EPC Agreement**” means an engineering, procurement and construction agreement to be entered into between the EPC contractor and the relevant Project SPV or relevant third party which shall, amongst other matters, provide for the construction of relevant production facilities that utilise the LT Ethanol Gas Fermentation Process;

"**Equity Project**" means any Project undertaken by an Equity Project SPV;

"**Equity Project SPV**" means a Project SPV in which the Company has a direct or indirect equity interest;

"**Equity Proportion**" means the number of Shares held by a Shareholder (together with its Permitted Transferees) and expressed as a proportion of the total number of Shares, save that if the term is used in the context of some (but not all) of the Shareholders, it shall mean the number of Shares held by the relevant Shareholder (together with its Permitted Transferees) expressed as a proportion of the Shares held by all the Shareholders;

"**Event of Default**" has the meaning given to it in clause 20.1;

"**Exit**" means:

- (a) the Disposal (whether through a single transaction or a series of transactions) of all or substantially all of the Securities or the assets of the Company;
- (b) the voluntary winding-up of the Company;

"**Financial Year**" means for the first Financial Year, the date of this Agreement until 31 December and for every Financial Year thereafter, 1 January to 31 December;

"**Formation Date**" means the date on which the Company Formation Condition is satisfied;

“**Future LT Process Technology**” means any future gas fermentation process technologies developed by LanzaTech including process technologies relating to either ethanol or non-ethanol processes;

"**GOSI**" means the General Organization for Social Insurance in the Kingdom;

"**General Manager**" means the general manager of the Company from time to time;

"**Government Official**" means:

- (c) an officer or employee of a Competent Authority;
- (d) an officer or employee of a public international organisation;
- (e) any person holding a legislative, administrative, or judicial position for any country or territory;
- (f) any person acting in an official capacity for or on behalf of any Competent Authority or public international organisation;

- (g) any person who exercises a public function for or on behalf of a country or territory;
- (h) any person who exercises a public function for any public agency or public enterprise of a country or territory;
- (i) any political party or official thereof;
- (j) any person carrying out management or administrative functions in military forces and organisations; or
- (k) any candidate for political office, including for positions in local authorities and governments;

"Independent Project" has the meaning given to it in clause 6.3(a);

"Initial Budget" means the budget for the Company as at Completion in the Agreed Form;

"Initial Business Plan" means the business plan for the Company as at Completion in the Agreed Form;

"Initial Subscription Consideration" has the meaning given in clause 3.4(b)(i);

"Insolvency Event" means, in respect of any Shareholder (if applicable), the occurrence of any of the following (or the occurrence of any equivalent processes to the following events) in respect of such Shareholder, in each case in the jurisdiction of its place of incorporation and in accordance with the applicable bankruptcy law of its jurisdiction of incorporation:

- (l) being unable (or being deemed unable in accordance with the applicable bankruptcy law of its jurisdiction of incorporation) or admitting inability to pay its debts as they fall due or being liable to be wound up by a court of competent jurisdiction;
- (m) entering into a voluntary composition or arrangement with its creditors or a moratorium being declared in respect of (x) any of its indebtedness or (y) any creditor action;
- (n) taking any action to appoint, request the appointment of or suffering the appointment of a receiver, administrative receiver, administrator, trustee or similar officer over all or a material part of its assets or undertaking;
- (o) having a winding-up or administration petition presented in relation to it or having documents filed with a court for an administration in relation to it, provided that, in the case of a winding-up petition, if the relevant Shareholder is contesting the winding-up petition in good faith and with due diligence, it shall not be a Defaulting Shareholder until a period of fifteen (15) calendar days have elapsed since the presentation of the winding-up petition without it having been either discharged or struck out, and provided further that an additional extension of thirty (30) calendar days may be granted if such action continues to be diligently pursued; or
- (p) any event analogous to any of the foregoing occurring in relation to the relevant person or its assets in any jurisdiction;

"Kingdom" means the Kingdom of Saudi Arabia;

"**Know How**" means all unpatented, secret (that is, not generally known or easily accessible), substantial (that is, significant and useful for production) and identified (that is, described in a sufficiently comprehensive manner so as to make it possible to verify that it fulfils the criteria of secrecy and substantiality) know-how, expertise, technical or other information developed or acquired by any person, including all related ideas, concepts, methods, inventions, discoveries, data, formulae, processes, methods, techniques and specifications;

"**Labour Office**" means the relevant local labour office of the Ministry of Human Resources and Social Development in the Kingdom;

"**LanzaTech Director**" means any Director appointed by LanzaTech from time to time;

"**Law**" means any regulation (including KSA regulation), statute, law (including common law), subordinate legislation, act, treaty, ordinance, decree, directive, rule, circular, code, order, recommendation, notice, direction, code of practice, judgment or decision enacted, issued or promulgated by, or entered into with, any Competent Authority and which has the force of law;

"**Lock-Up Period**" has the meaning given to it in clause 17.1(a);

"**Longstop Date**" means 31 March 2024;

"**Losses**" includes, in respect of any matter, all demands, claims, actions, proceedings, damages, payments, fines, penalties, losses, costs (including legal costs), expenses (including Tax), disbursements or other liabilities in any case of any nature whatsoever;

"**LT Ethanol Gas Fermentation Process**" means LanzaTech's (a) proprietary gas fermentation technology for the conversion of a carbon-rich gaseous substrate to ethanol from an industrial off gas or from a syngas generated by gasified biomass or solid waste in each case containing CO₂, CO, H₂, O₂ or a combination thereof, and (b) other non-ethanol by-products including related equipment, apparatus, analytics, chemistries, consumables, control strategies, software, integration strategies and techniques, gasification strategies and techniques, gas treatment and conditioning strategies and techniques, gas handling strategies and techniques, microbial strains, including strains engineered using synthetic biology tool and strategies, waste handling, treatment and disposal techniques, and broth separation and fractionation techniques, broth recycle, product isolation recovery, distillation, dehydration, production of finished products and by-products, and the integration of all of the foregoing with processes upstream and downstream, and related scale-up techniques, process optimization strategies and techniques, and process safety, process industrialization and exploitation strategies;

"**LT ListCo**" means LanzaTech Global Inc, a publicly traded company with company number 4910273 listed on the NASDAQ stock exchange;

"**LT Preferred Partner**" means Mitsui & Co., Ltd;

"**LT Proprietary Technical Information**" means LanzaTech information that relates to any technology, information, materials, products and services, including all trade secrets, know-how, techniques, inventions (whether or not patentable), algorithms, formulas, databases, works of authorship, processes, devices, prototypes, schematics, test methodologies,

documentation, data, methods, manufacturing information and research materials necessary to design, construct, debug, operate and maintain the fermentation block and to perform the fermentation process for converting combinations of carbon dioxide, carbon monoxide and/or hydrogen from feedgas of a specified quality to ethanol, and any equipment and apparatus for carrying out such process, using (but does not include) a microbial catalyst and its associated media at the fermentation block (the “**Process**”) and to use, sell or otherwise transfer worldwide ethanol produced by the fermentation block and/or the Process.

“**LT’s Solicitors**” means DLA Piper Middle East LLP and AlSharani Law Firm;

“**LT Technology Licence Agreement**” means LanzaTech’s standard form non-exclusive, non-assignable, royalty-based technology licence and related agreements associated with the transfer of LT Ethanol Gas Fermentation Process technology granted by LanzaTech (or one of its Affiliates) to:

- (a) a Project SPV pursuant to a Direct Project Investment; or
- (b) any other entity pursuant to a Technology Licensing Transaction,

with respect to the LT Ethanol Gas Fermentation Process in each case substantially in the Agreed Form;

“**Mandatory Consent**” means any consent, approval or expiry of any period for objection from any person, including a Competent Authority, on an unconditional basis or with all conditions to it satisfied, without which a Disposal of Securities would:

- (a) be unlawful, void, voidable or otherwise prohibited or restricted;
- (b) result in the Company being in default under an agreement with that person; or
- (c) entitle that person to exercise any rights or remedies in respect of the Company,

“**Management Team**” has the meaning given to it in clause 8.3(a);

“**Market Value**” has the meaning given to it in paragraph 1 of Schedule 5;

“**Material Breach**” means:

- (d) a Disposal or purported Disposal of Securities otherwise than in accordance with this Agreement, or a failure to transfer Securities when required by this Agreement;
- (e) a breach of clause 26;
- (f) a failure by a Shareholder to provide funding where requested under clauses 15.3(a)(i) or 15.3(a)(ii) save as provided in clause 15.3(b); or
- (g) any other material or persistent breach of this Agreement;

“**Non-Defaulting Shareholder**” has the meaning given to it in clause 20.2(a);

“**OFC Director**” means any Director appointed by OFC from time to time.

“**OFC’s Solicitors**” means Baker & McKenzie;

"**Opportunity**" has the meaning given to it in clause 6.4(a);

"**Original Shareholder**" has the meaning given to it in clause 18.2;

"**PDP Agreement**" means the agreement to be entered into by LanzaTech (or one of its Affiliates) and the relevant Project SPV or relevant third party which shall, amongst other matters, provide for the supply by LanzaTech to Independent Projects and / or each Project SPV (as the case may be) of basic engineering of the relevant production facilities that utilise the LT Ethanol Gas Fermentation Process, as well as other goods and services including proprietary supplies, equipment supply and process guarantees (as applicable), in each case in accordance with the Agreed Form terms and principles;

"**Permitted Transferee**" in relation to any Shareholder, means any Affiliate for the time being of that Shareholder;

"**Project**" means any project undertaken by a Project SPV pursuant to a Direct Project Investment;

"**Project SPV**" has the meaning set out in clause 6.2(a);

"**Prohibited Person**" means any person, other than an existing Shareholder, who:

- (h) is, or has ever been, a Restricted Person;
- (i) has engaged, or does engage, in any activity, practice or conduct (or failure to act) that breaches or has breached or, if applicable, would breach, Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions; or
- (j) has entered into any transactions with a Restricted Person;
- (k) is a connected person of a person who falls within paragraphs (a) to (c) above;
- (l) is not an entity with adequate technical competence and experience and adequate financial strength so as to enable the Shareholder to fully and effectively perform its obligations relating to this Agreement and the Business and
- (m) is, or has an Affiliate that is, a Competitor;

"**Regulation**" means any regulation, ordinance, decree, directive, rule, circular, code, order, recommendation, notice, direction, code of practice, guidance note, judgement or decision enacted, issued or promulgated by, or entered into with, any Competent Authority;

"**Related Party Transaction**" means the entry into, or any amendment, waiver, variation, termination (save for expiry in accordance with the terms of the relevant agreement), extension, assignment or novation of, or in respect of:

- (n) any Transaction Document; or
- (o) other than in respect of the Transaction Documents, in relation to a Shareholder, any contract or transaction or proposed contract or transaction or other arrangement or relationship between, on the one hand, that Shareholder or any Affiliate of that Shareholder and, on the other hand, the Company or any Subsidiary;

"**Relevant Jurisdictions**" has the meaning given in clause 3.1(a)(i);

"**Reserved Matters**" means those matters listed in Schedule 2;

"**Restricted Person**" means a person that is:

- (p) listed on, or owned or Controlled by a person listed on, or acting on behalf of a person listed on, any Sanctions List; or
- (q) incorporated under the laws of, or owned or (directly or indirectly) controlled by, or acting on behalf of, a person located in, or organised under the laws of a country or territory that is the subject of Sanctions; or
- (r) otherwise a target of Sanctions (signifying a person with whom a US person or other national of a country over which a Sanctions Authority has jurisdiction would be prohibited or restricted by Law from engaging in trade, business or other activities);

"**Sanctions**" means the economic sanctions Laws, Regulations, embargoes or restrictive measures administered, enacted or enforced by (a) the Kingdom; (b) the United States government, (c) the United Nations, (d) the European Union or any of its present or future member states, (e) the United Kingdom, or (f) any Competent Authority of any of the foregoing, including the Office of Foreign Assets Control of the US Department of Treasury ("**OFAC**"), the United States Department of State and His Majesty's Treasury ("**HMT**") (together the "**Sanctions Authorities**");

"**Sanctions Authority**" has the meaning given to that term in the definition of Sanctions;

"**Sanctions List**" means the "Specially Designated Nationals and Blocked Persons" list maintained by OFAC, the "Consolidated List of Financial Sanctions Targets" maintained by HMT and any similar list maintained by, or public announcement of Sanctions designation made by, any Sanctions Authority;

"**Securities**" means:

- (s) the Shares;
- (t) any other shares, loan stock or other loans held or made by the Shareholders in the Company; and
- (u) any legal, beneficial or security interest in any of the items described in (a) or (b) above;

"**Shareholder**" means OFC, LanzaTech and/or any person to whom Securities are transferred or issued in accordance with this Agreement (or who is a successor to OFC or LanzaTech) from time to time and "**Shareholders**" shall be construed accordingly;

"**Shares**" means ordinary shares in the capital of the Company;

"**Subscription Consideration**" has the meaning given in clause 4.2(a);

"**Subsidiary**" means:

- (v) any person Controlled by the Company from time to time; and

(w) each Equity Project SPV;

"**Surviving Provisions**" means clauses 1, 2.4(a)(ii), 2.4(b), 4.3(a)(iii), 4.3(b), 22.1, 22.2, 24, 25, 29, 32, 33, 35, 36, 37, 39, 40, 41, and paragraph 8 of Schedule 6;

"**Tax**" includes all taxes, duties, levies, imposts, zakat, VAT, withholdings, social security contributions, deductions or amounts in the nature of taxation (including all withholdings or deductions in respect of any of the foregoing, construction industry scheme deductions, and any deductions under PAYE), whenever and by whatever authority imposed and whether of the Kingdom or elsewhere, irrespective of the person directly or primarily chargeable, together with all related interest, fines, penalties and surcharges;

"**Tax Authority**" means any person, body, authority or institution which seeks to impose, assess, enforce, administer or collect any Tax, whether in the Kingdom or elsewhere;

"**Technology Licensing Transaction**" has the meaning given to it in clause 6.3(a);

"**Territory**" means the Kingdom;

"**Transaction Document**" means any of:

- (x) a Consulting Services Agreement;
- (y) an LT Technology Licence Agreement;
- (z) a PDP Agreement;
- (aa) an agreement in relation to the provision of Ancillary Services and Supplies; and
- (ab) an EPC Agreement;

"**Transferee**" has the meaning given to it in clause 17.1;

"**Transferring Shareholder**" has the meaning given to it in clause 17.1;

"**Ultimate Controller**" means, in respect of a person, any other person that has Control of that first person but is not itself under the Control of another person;

"**Zakat**" means the amounts levied as such by ZATCA in accordance with applicable Law; and

"**ZATCA**" means the Zakat, Tax and Customs Authority in the Kingdom.

2. Statutory provisions

- (a) Any reference to a statute, enactment, statutory provision, subordinate legislation or regulation, code or guideline includes a reference to:
 - (i) any consolidation, re-enactment, modification, extension or replacement of the same; and
 - (ii) any subordinate legislation made under the samefrom time to time.

- (b) Unless otherwise specified, all references to statutes, enactments, statutory provisions or subordinate legislation are to statutes, enactments, statutory provisions or subordinate legislation of England and Wales.
- (c) References to European Union law that is or was at any time directly applicable or directly effective in the UK shall be deemed to be references to it as it applies in England and Wales from time to time including as retained, amended, extended, re-enacted or otherwise given effect on or after 11 p.m. on 31 January 2020.

3. References to documents

References to any other document (including this Agreement and the Transaction Documents) are references to that document as amended, consolidated, supplemented, novated or replaced from time to time.

4. Recitals, clauses, Schedules, etc.

- (a) References to clauses, recitals, Schedules, Parts and paragraphs are to the clauses, recitals and Schedules of this Agreement, and the Parts and paragraphs of the Schedules of this Agreement, which all form part of this Agreement for all purposes.
- (b) References to paragraphs in each Schedule are references to paragraphs in that particular Schedule (or Part of a Schedule) unless otherwise specified.

5. Headings

Clause, Schedule, Part and paragraph headings and the table of contents are inserted for ease of reference only and shall not affect the interpretation of this Agreement.

6. Parties

References in this Agreement to a "**Party**" is to a party to this Agreement and includes a reference to that party's legal personal representatives, successors, transferees and permitted assigns.

7. Meaning of references

Save where specifically required or indicated otherwise:

- (a) in respect of any provision of this Agreement that requires the consent of the Company, the consent of the Company shall be deemed to be given if all Shareholders consent to the relevant matter;
- (b) except where the context specifically requires otherwise, a reference to one gender includes all genders, a reference to an individual includes corporations and vice versa, words in the singular include the plural and vice versa, and a reference to the whole includes a reference to any part;
- (c) references to a "**person**" shall include any individual, firm, company, unincorporated association, trust, government, state or agency of state, association, joint venture or partnership, in each case whether or not having a separate legal personality. References to a "**company**" shall include any company, corporation or other body

corporate wherever and however incorporated or established. References to an "**undertaking**" shall include any company, partnership or any unincorporated association carrying on a trade or business (with or without a view to profit) wherever and however incorporated or established;

- (d) references to the word "**include**" or "**including**" (or any similar term) are not to be construed as implying any limitation and general words introduced by the word "**other**" (or any similar term) shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things;
- (e) any reference to an English legal term for any action, remedy, method or form of judicial proceeding, legal document, legal status, court, official or any legal concept or thing will, in respect of any jurisdiction other than England, be deemed to include a reference to the corresponding or most similar legal term in that jurisdiction;
- (f) any reference to "**writing**" or "**written**" includes any method of reproducing words or text in a legible and non-transitory form, including e-mail and text transmitted by e-mail;
- (g) references to "**indemnify**" and to "**indemnifying**" any person against any Losses by reference to any matter includes indemnifying and keeping that person indemnified against all Losses from time to time made, suffered or incurred as a direct of or which would not have arisen but for that matter;
- (h) references to any "**matter**" are references to any fact, matter, event or circumstance (including any omission to act);
- (i) where clauses or paragraphs are referred to as a range (e.g., "under clauses [x] to [y]"), that range shall be deemed to be inclusive of the clauses or paragraphs at each end of the range listed (i.e., inclusive of clauses [x] and [y] in the preceding example);
- (j) references to "**SAR**" are to the lawful currency of the Kingdom as at the date of this Agreement;
- (k) the words "**to the extent that**" means "**if and to the extent that**" and not just "**if**";
- (l) references to times of the day are to that time in London/the Kingdom and references to a day are to a period of 24 hours running from midnight;
- (m) all references to date and periods of time in this Agreement shall be made by reference to the Gregorian calendar.

2. **Conditions**

1. Conditional Completion

Save for (i) this clause 2 and clauses 1, 3, 13.1, 15.1, 20, 22, 23, 24, 25, 26, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40 and 41 which shall be binding from the date of this Agreement, and (ii) clauses 4, 5, 6, 7, 8, 9, 10, 11, 12, 13.2 to 13.5 (inclusive), 14, 15.2 to 15.3 (inclusive), 16, 17, 18, 19, 21, 27, and 28 which shall be binding from the Formation Date, this Agreement is

conditional on the satisfaction (or waiver in accordance with clause 2.2) of the following conditions:

- (a) the Ministry of Investment in the Kingdom has issued the necessary foreign investment license(s) for the Company that names the Shareholders as shareholders and allows the Company to conduct the Business;
 - (b) the Company has been incorporated (in accordance with clause 3.4) such that the Company has been registered with the commercial register at the Ministry of Commerce in the Kingdom (the "**Company Formation Condition**");
 - (c) all consents and approvals of any relevant Competition Authority (as determined in accordance with clause 3.1):
 - (i) having been obtained either unconditionally or subject to such conditions, obligations, undertakings or modifications as shall be acceptable to the Shareholders; or
 - (ii) all applicable mandatory waiting periods in connection with any such filings, submissions or notification having expired or been terminated,(the "**Competition Condition**");
 - (d) the Initial Business Plan and Initial Budget being in Agreed Form;
 - (e) no applicable Law being in effect, or injunction or restraining order having been issued by any Competent Authority (which, for the avoidance of doubt, has jurisdiction over the Shareholders) and being in effect, which restrains or prohibits the transactions anticipated by this agreement at Completion;
 - (f) templates of each of the:
 - (i) Consulting Services Agreement;
 - (ii) LT Technology Licence Agreement; andbeing in Agreed Form;
 - (g) the key principles to be included in each PDP Agreement being in Agreed Form and documented in writing between the Parties;
 - (h) the value of each Agreed Threshold being agreed and appropriately documented in writing between the Parties;
 - (i) no action being pending against, or, to the knowledge of any of the Parties, threatened against any of the Parties that prevents any of the Parties from consummating the transactions contemplated by this agreement at Completion; and
 - (j) no Shareholder being in breach of its warranties given in clause 26 (the "**ABC Condition**"),
- (together the "**Conditions**" and each a "**Condition**").

2. Waiver of Conditions in clause 2.1

- (a) Condition (a) to (c) may not be waived by either Shareholder (whether alone or together).
- (b) Conditions (d) to (i) (inclusive) may be waived by agreement between the Shareholders in each case in writing and at any time.
- (c) Condition (j) may be waived by the non-breaching Shareholder.

3. Satisfaction of Conditions

- (a) Without prejudice to the Shareholders' respective obligations set out in clause 3, each Shareholder undertakes to use all reasonable endeavours to ensure that the Conditions are fulfilled as soon as reasonably practicable and in any event by the Longstop Date.
- (b) With respect to obtaining the requisite consents and approvals necessary to satisfy the Competition Condition, subject to clause 2.3(d) the Shareholders shall be jointly responsible for, and shall take all steps reasonably required in consultation with one another and with the assistance of their respective advisors, to obtain the requisite approval of the relevant Competition Authority as soon as permitted and practicably feasible under the relevant competition Laws and Regulations. Without limiting the foregoing and subject to clause 2.3(d), the Shareholders undertake to:
 - (i) make accurate filings, notices and requests for authorisations with and to the relevant Competition Authority pursuant to the relevant competition Laws and Regulations of each Relevant Jurisdiction, with respect to the transactions contemplated by this Agreement (the "**Competition Filing(s)**") as soon as practicable after the date of this Agreement and to supply promptly any additional information and documentary material that may be requested by the relevant Competition Authority; and
 - (ii) promptly notify the other Shareholder of (i) any communication (whether written or oral) from a relevant Competition Authority; (ii) all meetings and telephone calls with the relevant Competition Authority and give the other Shareholder reasonable opportunity to participate in such meetings and telephone calls; (iii) provide the other Shareholder with drafts of all written communications intended to be sent to any applicable Competition Authority, give the other Shareholder a reasonable opportunity to comment thereon and include any reasonable comments, and provide the other Shareholder with final copies of all such communications.
- (c) The Shareholders agree that, where any information is required to be shared in relation to the satisfaction of the Competition Condition that is of a commercially sensitive nature, then such information shall only be shared between the external advisors of each Shareholder.
- (d) LanzaTech acknowledges that the Competition Filing(s) will formally be submitted to each relevant Competition Authority by OFC (or OFC's Solicitors, as appropriate) and undertakes, in relation to the satisfaction of the Competition Condition, to reasonably

cooperate with, and promptly provide, OFC (or OFC's Solicitors, as appropriate) with all the information and documents reasonably requested by OFC (or OFC's Solicitors, as appropriate) for the purpose of (i) making the Competition Filing(s); (ii) providing any additional information and documentary material that may be requested by the relevant Competition Authority; and (iii) supporting OFC in any discussions and negotiations with the Competition Authority and, more generally, in any relationship and dealing with such authorities in connection with the obtaining of the Competition Filing(s); provided that OFC's Solicitors shall co-ordinate all submissions with LT's Solicitors and ensure that LT's Solicitors are provided with a copy of all such submissions, subject to any antitrust concerns applicable to Commercially Sensitive Information.

4. Failure to fulfil Conditions

- (a) In the event that any of the Conditions has not been fulfilled (or waived pursuant to clause 2.2) prior to the Longstop Date, or in the case of the ABC Condition is not or will not be satisfied (or waived pursuant to clause 2.2) on the Longstop Date:
 - (i) the Shareholders may, by written agreement, set another date for the Longstop Date, such date to be no later than three (3) months later than the Longstop Date, following which such other date will for the purposes of this Agreement (including this clause 2.4(a)(i)) be deemed the Longstop Date; or
 - (ii) if the Shareholders do not agree to extend the Longstop Date pursuant to clause 2.4(a)(i), this Agreement (other than the Surviving Provisions) shall automatically terminate and no Party shall have any claim hereunder against any other Party (save in respect of claims arising out of any antecedent breach of this Agreement).
- (b) In the event the Agreement is terminated pursuant to clause 2.4(a)(ii) above and the Company Formation Condition has been satisfied, the Shareholders shall meet to discuss in good faith (each acting reasonably) and agree on the process and steps required for the timely and efficient dissolution of the Company, and shall share any costs associated with such dissolution in their respective Equity Proportion.

3. Pre-completion obligations

1. Competition analysis

- (a) As soon as reasonably practicable and in any event no later than 30 days following the date of this Agreement, the Shareholders shall use their respective reasonable endeavours to conduct and agree (with assistance from their advisors, as necessary) an analysis relating to the fulfilment of the Competition Condition, such analysis to include the following:
 - (i) the identification of each applicable jurisdiction (and its associated Competition Authority) where relevant Competition Filings (as defined above) will be required (the "**Relevant Jurisdictions**");

- (ii) in relation to each Competition Filing, the estimated timing to receive the requisite consent or approval of the relevant Competition Authority; and
- (iii) in relation to each Competition Filing, the likelihood of whether such consent or approval will be conditional or unconditional.

(the "**Competition Analysis**").

- (b) Each Shareholder agrees to provide without delay all information or documentation to the other Shareholder's and its advisors as may be reasonably requested by such Shareholder or its advisors (as appropriate) for the purposes of carrying out the Competition Analysis.
- (c) The Shareholders agree that, where any information is required to be shared in relation to the satisfaction of the Competition Condition that is of a commercially sensitive nature, then such information shall only be shared between the external advisors of each Shareholder.

2. Agreed Form documents

The Shareholders shall use commercially reasonable endeavours to negotiate and agree the Agreed Form of the:

- (a) templates of the:
 - (i) Consulting Services Agreement; and
 - (ii) LT Technology Licence Agreement;
- (b) key terms and principles to apply in respect of the PDP Agreement;
- (c) Initial Business Plan; and
- (d) Initial Budget,

as soon as reasonably practicable following the date of this Agreement (and in any event no later than the Longstop Date).

3. Agreed Thresholds

As soon as reasonably practicable following the date of this Agreement (and in any event no later than the Longstop Date), the Shareholders shall use commercially reasonable endeavours to agree and appropriately document between them each Agreed Threshold value applicable to the provisions of this Agreement which are subject to an Agreed Threshold.

4. Formation of the Company

- (a) As soon as reasonably practicable following the satisfaction of the Competition Condition (and in any event no later than the Longstop Date), the Shareholders shall co-operate and use their respective commercially reasonable endeavours to effect the incorporation, registration and licensing of the Company in the Kingdom and satisfy the Company Formation Condition in accordance with Applicable Law and this

clause 3.4. In particular (without limitation to the generality of the foregoing,) the Shareholders shall:

- (i) jointly make an application to the Ministry of Investment in the Kingdom (and, to the extent permitted by the Ministry of Investment in the Kingdom, under the fast-track process) to issue the necessary foreign investment license(s) for the Company that names the Shareholders as shareholders and allows the Company to conduct the Business;
 - (ii) jointly file an application with the Ministry of Commerce in the Kingdom for the registration of the Company by the Ministry of Commerce in the Kingdom's commercial register;
 - (iii) execute the Articles in accordance with applicable Laws and Regulations; and
 - (iv) each pass the necessary corporate approvals, and provide all relevant delegations of authority, as may be required by each Shareholder and applicable Law to incorporate the Company.
- (b) The Shareholders agree, and shall take all necessary steps to procure, in relation to the incorporation of the Company that:
- (i) the initial share capital of the Company shall be one million Saudi Riyals (SAR 1,000,000.00) divided into ten thousand (10,000) Shares with a par value of one hundred Saudi Riyals (SAR 100) each and, at the Formation Date:
 - (A) the Shareholders shall:
 - (1) pay their respective portion of the Initial Subscription Consideration in cleared funds for the account of the Company as soon as practicable (and in any event prior to the earlier of the date falling 90 days following the Formation Date and 5 Business Days prior to the Completion Date); and
 - (2) subscribe unconditionally in cash for, and shall procure that the Company shall allot and issue, credited as fully paid, to each Shareholder, the following Shares:

Shareholder	Number of Shares	Ownership Proportion	Initial Subscription Consideration
OFC	5000	50%	SAR 500,000
LanzaTech	5000	50%	SAR 500,000

- (ii) The name of the Company shall be agreed between the Shareholders.

- (iii) The registered address of the Company shall be agreed between the Shareholders.
 - (iv) On the Formation Date, the Company shall adhere to this Agreement as a Party pursuant to the Deed of Adherence attached as Schedule 9.
 - (v) The Board of the Company, as at the Formation Date, shall be made up of four (4) Directors (one of whom shall be the Chair) who shall be appointed by the Shareholders in accordance with clause 8.2.
- (c) All costs associated with the formation of the Company shall be borne equally by the Shareholders.
- (d) Promptly following the Formation Date, the Board shall procure and cause the Company to:
- (i) make all such registrations as the Board determines are required to be made by or in respect of the Company in the Kingdom at such time, including with the ZATCA GOSI, the Ministry of Human Resources and Social Development and the Labour Office; and
 - (ii) procure that the Company opens a corporate bank account with a bank licensed in the Kingdom to receive funds and hold corporate bank accounts.

4. Completion

1. Timing

Completion shall take place 5 (five) Business Days following the satisfaction (or waiver in accordance with clause 2.2) of the Conditions (provided that the ABC Condition remains satisfied or has been waived in accordance with clause 2.2), or such other date as may be agreed in writing between the Shareholders.

2. Obligations of the Parties at Completion

- (a) At Completion, the Shareholders shall procure that:
- (i) a meeting of the Board is convened for the purpose of adopting the Initial Business Plan and Initial Budget; and
 - (ii) an internationally recognised firm of accountants are appointed as the auditors of the Company.
- (b) Each Shareholder warrants to each other Shareholder on the terms set out clause 26.1, provided that such warranties are given by references to the facts, matters and circumstances existing as at the Completion Date.

3. Non-performance of obligations on Completion

- (a) If any of the provisions of clause 4.2 are not complied with in any respect by any of the Parties on the date upon which Completion is proposed to take place, a Shareholder (who is not in breach of its obligations under clause 4.2) may in its

absolute discretion (in addition and without prejudice to any other remedy available to it):

- (i) defer Completion by a period of not more than 28 days to such other date as it may specify in such notice (and so that the provisions of this clause 4.3(a) shall apply to Completion as so deferred);
 - (ii) waive all or any of the requirements (save for those which it alone is responsible) contained or referred to in clause 4.2 at its discretion (and without prejudice to its rights under this Agreement) and proceed to Completion so far as practicable; or
 - (iii) terminate this Agreement without liability on its part (save in respect of claims arising out of any antecedent breach of this Agreement).
- (b) If the Agreement is terminated in accordance with clause 4.3(a)(iii), the Shareholders shall meet to discuss in good faith (each acting reasonably) and agree on the process and steps required for the timely and efficient dissolution of the Company and shall share any costs associated with such dissolution in their respective Equity Proportion.

5. Business of the Company

1. The Business

- (a) The Shareholders and the Company shall carry on the Business in the Territory and, if applicable, the Broader Territories in accordance with the terms of this Agreement.
- (b) The Company shall carry on no business other than the Business unless approved by the Shareholders as a Reserved Matter.

2. Business Plan

- (a) The Business shall be conducted in accordance with the Business Plan and Budget.
- (b) The Business Plan and Budget shall be adopted, amended and replaced in accordance with clause 13.

3. Shareholders to procure compliance by Company

Each Shareholder shall, to the extent within its power as a Shareholder, procure that the Company complies with its obligations under this Agreement.

4. Employees

The Company may, from time to time, employ temporary or permanent staff (subject always to the Reserved Matters). The Company shall pay all remuneration and other costs associated with such employees including salaries, allowances, travelling and accommodation expenses.

6. Business Strategies

1. Overview

- (a) The Shareholders acknowledge their respective strong preference to undertake the Business by way of Direct Project Investments and the Parties agree that they shall prioritise the origination, development and implementation of Direct Project Investments over Technology Licensing Transactions, to the extent such approach is commercially feasible.
- (b) In connection with the furtherance of the Business:
 - (i) each of LanzaTech and OFC agree to undertake and provide those activities, supplies and services set out in clauses 7.1 or 7.2 (as the case may be) as applicable to the Company and to each Project SPV, at all times in accordance with the terms of this Agreement; and
 - (ii) notwithstanding that OFC is primarily responsible for the origination of potential opportunities in respect of Direct Project Investments and Technology Licensing Transactions, in the event that LanzaTech becomes aware of any potential opportunity in the Territory that might form part of the Business, LanzaTech shall as soon as reasonably practicable refer such opportunity to OFC and the Board for further consideration and referral pursuant to this clause 6.

2. Direct Project Investments

- (a) OFC will seek to originate and co-develop (via the Company as the case may be) commercial scale Projects with industrial asset owners, gas emitters, or other third party feedstock providers, utilising the LT Ethanol Gas Fermentation Process for the production and sale of ethanol in the Territory and, where approved by the Shareholders as a Reserved Matter, the Broader Territories (in each case a "**Direct Project Investment**"). Each such Project shall be owned by a special purpose vehicle established to undertake the Project (in each case a "**Project SPV**").
- (b) The ownership of each Project SPV will be agreed by the Shareholders on a case by case basis having regard to, amongst other matters, the nature of each Direct Project Investment opportunity and based on the following principles:
 - (i) the Company may hold a direct or indirect equity interest in each Project SPV. In addition, the Company shall be entitled to an upside sharing performance incentive pursuant to which it shall receive priority distribution of any such Equity Project SPV's distributable cashflow based on achievement of certain Project return milestones (which shall be based in each case on the nature and specific attributes of the Project);
 - (ii) the relevant co-developer(s) may hold an equity interest in each Project SPV;
 - (iii) OFC shall be entitled to acquire (itself or via its Affiliate(s)) an equity interest in each Project SPV;
 - (iv) LanzaTech may:
 - (A) present each Direct Project Investment opportunity to the LT Preferred Partner, who may elect to acquire a direct or indirect equity

interest in each Project SPV, subject always to the approval of the terms of such acquisition by the Shareholders as a Reserved Matter and clause 25.1 (*Confidentiality*); and / or

(B) elect to acquire (itself or via one or more of its Affiliate(s)) a direct or indirect minority equity interest in each Project SPV.

(v) If either the Company, OFC, LanzaTech and / or the LT Preferred Partner elect not to acquire (or in the case of the LT Preferred Partner, the Shareholders do not approve the acquisition by such LT Preferred Partner) all equity interests on offer (either directly or indirectly) in a Project SPV, the Shareholders may offer any remaining equity interest in such Project SPV to independent third parties on a case by case basis who may acquire such interest subject to the approval of the Shareholders as a Reserved Matter.

(c) Each Project shall provide that the Company is entitled to the offtake and marketing rights in respect of such Project's production on the terms to be agreed by the Board and, in respect to an Independent Project, LanzaTech shall use reasonable endeavours to procure the offtake and marketing rights of such Independent Project.

(d) In respect of each Project, the Parties shall (or shall procure that their respective Affiliates shall) enter into those commercial agreements referred to in clause 6.5(b).

3. Technology Licensing Transactions

(a) OFC will seek to originate project opportunities with industrial asset owners, gas emitters, or feedstock providers in the Territory and, where approved by the Shareholders as a Reserved Matter, the Broader Territories who wish to develop independent commercial scale projects utilising the LT Ethanol Gas Fermentation Process (each an "**Independent Project**") to be licensed to such Independent Projects by LanzaTech pursuant to an LT Technology Licence Agreement (each a "**Technology Licensing Transaction**").

(b) Neither the Company nor any Shareholder (or their respective Affiliates) will own a direct or indirect equity interest in any Independent Project.

(c) In respect of each Technology Licensing Transaction, the Parties shall (or shall procure that their respective Affiliates shall) enter into those commercial agreements referred to in clause 6.6.

4. Decision to implement

(a) In accordance with clause 7.1, OFC shall present any new Direct Project Investment opportunity and / or Technology Licensing Transaction opportunity to the Board for its consideration and approval in accordance with this clause 6.4 (each an "**Opportunity**"). In presenting each Opportunity to the Board, OFC shall set out its assessment of the nature, scope and extent of the Opportunity which shall be accompanied with sufficient information (to the extent reasonably available) as will enable to Board to make an informed decision in respect of such Opportunity.

(b) Following the notification of an Opportunity, the Board:

- (i) may request additional information relating to the Opportunity and OFC shall provide such information to the extent it is reasonably available;
 - (ii) shall as soon as reasonably practicable evaluate the relevant Opportunity and the suitability and commercial feasibility of such Opportunity including, as relevant, as an investment by the Company (to the extent it is a Direct Project Investment Opportunity); and
 - (iii) shall, if the Board determines such Opportunity is suitable and commercially feasible, present the Opportunity to the Shareholders (including all relevant information made available to them) for approval as a Reserved Matter.
- (c) If the Shareholders approve the Opportunity as a Reserved Matter then the provisions of:
- (i) clause 6.5 will apply in respect of a Direct Project Investment; and
 - (ii) clause 6.6 will apply in respect of a Technology Licensing Transaction.
- (d) Subject to clause 6.4(e), if either the Board declines to present the Opportunity to the Shareholders, or the Shareholders decline the Opportunity, neither the Company nor the Shareholders (nor any of their respective Affiliates) shall be permitted to pursue such Opportunity independently.
- (e) LanzaTech may independently pursue an Opportunity previously declined by the Board or the Shareholders (in accordance with this clause 6.4) (a “**Declined Opportunity**”) provided that:
- (i) such Declined Opportunity was not declined by any LanzaTech Director or by LanzaTech (in its capacity as Shareholder), as the case may be;
 - (ii) LanzaTech shall pursue such Declined Opportunity solely as a licensing transaction where LanzaTech shall independently license the LT Ethanol Gas Fermentation Process to a third party but shall have no equity interest in the Opportunity; and
 - (iii) the terms of such Declined Opportunity have not materially changed (or become commercially more beneficial) from those originally presented to the Board or the Shareholders (as the case may be) in accordance with this clause 6.4.

5. Implementation of Direct Project Investments

- (a) The Board will be responsible for the overall co-ordination of the development and implementation of any approved Direct Project Investment (subject to Shareholder approval as and when relevant) which may include, in respect to any Direct Project Investment undertaken by an Equity Project SPV, delegating such responsibilities to a project development committee established by the Board who shall report and make recommendations to the Board and otherwise perform their functions in accordance with the terms of reference to be agreed by the Board (the “**Development Committee**”). The Board and/or Development Committee (as applicable) shall

coordinate with the Shareholders as may be required in relation to the provision of the Shareholder services set out in clause 7.

(b) In connection with an approved Direct Project Investment Opportunity:

(i) LanzaTech shall (or shall procure that its Affiliate shall):

(A) grant a licence of the LT Ethanol Gas Fermentation Process technology to each Project SPV on the terms of the LT Technology Licence Agreement, the final terms of which shall be approved by the Shareholders as a Reserved Matter;

(B) enter into a PDP Agreement and any other agreement as may be necessary or desirable in connection with the provision of the Ancillary Services and Supplies with the Project SPV, the final terms of which in each case shall be approved by the Shareholders as a Reserved Matter; and

(ii) each of OFC and LanzaTech shall (or shall procure that its respective relevant Affiliate shall) enter into a Consulting Services Agreement on or around the date on which the LT Technology Licence Agreement is executed.

6. Implementation of Technology Licensing Transactions

(a) As soon as reasonably practicable following the approval of any Technology Licensing Transaction Opportunity pursuant to clause 6.3, LanzaTech shall lead the negotiation and execution of such Technology Licensing Transaction and shall:

(i) keep the Shareholders and the Board regularly informed of the status of such negotiations;

(ii) regularly consult with OFC and the Board on the negotiation of the transaction documents (including in respect of the PDP Agreement, the LT Technology Licence Agreement, the EPC Agreement and any agreement in relation to the provision of Ancillary Services and Supplies) and provide each of OFC and the Board with any information or documents as reasonably requested by OFC and / or the Board; and

(iii) prior to final agreement and execution of any transaction documents (including the PDP Agreement, the LT Technology Licence Agreement, the EPC Agreement and any agreement in relation to the provision of Ancillary Services and Supplies) in relation to such Technology Licensing Transaction, share the proposed final form of the relevant agreement with the Board and the Shareholders, and shall procure that no transaction agreement is entered into by the relevant parties thereto unless and until such agreement has been approved by the Shareholders as a Reserved Matter.

(b) Following the implementation of any Technology Licensing Transaction. LanzaTech shall:

- (i) promptly provide the Board with copies of the executed transaction agreements;
 - (ii) keep the Shareholders and the Board regularly informed (and at least on a quarterly basis) as to the status of each Technology Licensing Transaction;
 - (iii) as soon as practicable notify the Board and each Shareholder of all material non-routine facts, matters and things relating to the relevant Technology Licensing Transaction (including in relation to the PDP Agreement and the LT Technology Licence Agreement); and
 - (iv) consult with the Board and the Shareholders prior to taking any material decision in connection with the relevant Technology Licensing Transaction (including decisions related to any Transaction Document).
- (c) LanzaTech shall (or shall procure that its Affiliate shall) grant a licence of the LT Ethanol Gas Fermentation Process technology to each Independent Project on the terms of the LT Technology Licence Agreement, the final terms of which shall be approved by the Shareholders as a Reserved Matter.
- (d) In connection with an approved Technology Licensing Transaction Opportunity:
- (i) LanzaTech shall (or shall procure that its Affiliate shall):
 - (A) grant a licence of the LT Ethanol Gas Fermentation Process technology to each Independent Project on the terms of the LT Technology Licence Agreement, the final terms of which shall be approved by the Shareholders as a Reserved Matter; and
 - (B) enter into a PDP Agreement and any other agreement as may be necessary or desirable in connection with the provision of the Ancillary Services and Supplies to the Independent Project, the final terms of which in each case shall be approved by the Shareholders as a Reserved Matter; and
 - (ii) each of OFC and LanzaTech shall (or shall procure that its respective relevant Affiliate shall) enter into a Consulting Services Agreement on or around the date on which the LT Technology Licence Agreement is executed.

7. Shareholder Services

1. OFC Services

In connection with and in furtherance of the Business, OFC shall (or shall procure that its Affiliates shall):

- (a) originate and lead business development efforts in the Territory and the Broader Territories (as applicable);
- (b) provide regulatory, government relations, consulting and advisory support and assistance for the facilitation of local permitting procedures and approvals necessary

to proceed with the Business in the Territory and, if applicable, in the Broader Territories;

- (c) recommend to the Board and, where appropriate, develop the engineering, procurement and construction (EPC) strategy for each Equity Project based on its existing relationships in the industry; and
- (d) lead the arrangement of the capital consortium responsible for investment in respect of each Project.

2. LanzaTech Services

In connection with and in furtherance of the Business, LanzaTech shall (or shall procure that its Affiliates shall):

- (a) provide all necessary or desirable:
 - (i) process design packages pursuant to a PDP Agreement; and
 - (ii) other development services, technical services, engineering services, EPC management services, start-up and operational services, and sale of microbes and media to the various Projects and in connection with the Technology Licensing Transactions (the “**Ancillary Services and Supplies**”); and
- (b) license its (or its Affiliates’) technology to the Project SPVs owning and operating the Projects, and in connection with the Technology Licensing Transactions, substantively on the terms set out in the LT Technology Licence Agreement.

3. Secondment of employees

- (a) The General Manager and CFO (to be appointed in accordance with the provisions of Part C - Management Team of Schedule 1) shall be seconded to the Company from their respective appointing Shareholder, and such appointing Shareholder shall be obliged to pay the salary, allowances, travelling and accommodation expenses, any other benefits (including death in service or personal injury benefits) and the employer's pension and national insurance contributions (or equivalent) of each of its nominated persons.
- (b) If requested by the Board and approved by the Shareholders, a Shareholder shall second additional personnel to the Company on terms to be agreed (“**Additional Secondee**”). If the Board determines that any Additional Secondee is unsuitable for employment, it may require the Shareholder to withdraw and replace the person or take such other steps as the Board may deem necessary or expedient.
- (c) Each Shareholder shall pay the salary, allowances, travelling and accommodation expenses, any other benefits (including death in service or personal injury benefits) and the employer's pension and national insurance contributions (or equivalent) of each of its Additional Secondee's seconded to the Company.
- (d) Each Shareholder shall procure that:

- (i) the Company obtains insurance against all Losses which the Company may suffer or incur arising out of:
 - (A) the acts or omissions; or
 - (B) the personal injury or death,
 of any seconded personnel (including all Losses suffered or incurred as a result of defending or settling any claim alleging any such liability); and
- (ii) the Company indemnifies each Shareholder on demand from all Losses which the Shareholder may suffer or incur arising out of:
 - (A) the acts or omissions; or
 - (B) the personal injury or death,
 of any seconded personnel (including all Losses suffered or incurred as a result of defending or settling any claim alleging any such liability).Marketing and offtake arrangements

4. Marketing and offtake

In respect of any marketing and offtake arrangements in relation to a Project, the Board shall manage such marketing and offtake arrangements and develop and implement a marketing and offtake plan in accordance with the Business Plan and Budget, or as otherwise approved by the Shareholders in accordance with clause 8.4.

8. Directors and management

1. Supervision by the Board

The Board shall have responsibility for the overall direction, supervision and management of the Company and the Business, subject to the Reserved Matters and the terms of this Agreement.

2. The Board

- (a) Subject always to clause 8.2(b), for so long as each Shareholder holds an equal 50% Equity Proportion, each Shareholder shall be entitled to appoint, replace and remove a maximum of two (2) Director's each.
- (b) If at any time following Completion, a Shareholder's Equity Proportion is reduced to less than 50%, the appointment rights set out in clause 8.2(a) shall cease to apply from such time and, thereafter (until such time as each Shareholder again holds an equal 50% Equity Proportion (at which time clause 8.2(a) shall again apply)), a Shareholder shall be entitled to appoint, replace and remove one Director for each of its whole 25% holding of Shares:

Equity Proportion	Directors
Less than 25%	Zero

25% but less than 50%	One
50% but less than 75%	Two
75% but less than 100%	Three
100%	Four

- (c) Directors shall be appointed and removed in accordance with the provisions of Part A of Schedule 1.
- (d) OFC shall be entitled to appoint, replace and remove the Chair of the Board, who shall be one of the OFC Directors.
- (e) Meetings of the Board shall be held and resolutions of the Board passed in accordance with the provisions of Part B of Schedule 1.

3. Management Team

- (a) The Company's management team shall consist of:
 - (i) the General Manager;
 - (ii) the CFO; and
 - (iii) the holders of such other roles reporting directly to the General Manager as the Shareholders may determine from time to time (the "**Management Team**").
- (b) The General Manager shall:
 - (i) manage the day-to-day operations of the Company in the best interests of the Company and in accordance with the specific powers delegated to him or her (and any specific direction provided) by the Board and in accordance with the Business Plan and Budget;
 - (ii) be responsible to and shall report to the Board and shall keep the Board fully informed at all times as to the operation, activities and status of the Company and its Subsidiaries; and
 - (iii) provide the Board with a written report as may be requested by the Board from time to time and in any case by no later than the fifteenth day of each month detailing the progress of the Business.
- (c) The CFO shall:
 - (i) manage the financial affairs of the Company in accordance with the specific powers delegated to him by the Board and in accordance with the Business Plan and Budget;

- (ii) be responsible to and shall report to the Board and the General Manager and keep the Board and General Manager fully informed as to the financial affairs of the Company and its Subsidiaries; and
 - (iii) provide the Board with periodic written reports as may be requested by the Board or the General Manager from time to time.
- (d) The Management Team shall be appointed and removed in accordance with the provisions of Part C - Management Team of Schedule 1.

4. Shareholder meetings

Subject to the Reserved Matters, meetings of the Shareholders shall be held and resolutions of the Shareholders passed in accordance with the provisions of Part D of Schedule 1.

9. Reserved Matters

1. Subject to clause 11.3 and clause 20.3(a)(ii), the Company shall not take any of the actions listed in Schedule 2 (the "**Reserved Matters**") without the prior approval of Shareholders with a combined Equity Proportion of at least 75%.

2. Method of approving Reserved Matters

The Shareholders may give their approval under clause 9.1:

- (a) in writing, signed by that Shareholder;
- (b) by voting in favour of a separate and specific resolution of the Shareholders to approve the Reserved Matter (either at a meeting of the Shareholders or in writing); or
- (c) by simple majority Board approval at a duly convened Board meeting provided that such majority includes the approval of those Directors representing Shareholders holding a combined Equity Proportion of at least 75%,

in each case where the notice or vote expressly states that it constitutes approval for the purposes of clause 9 of this Agreement.

3. Approval in the Business Plan or Budget

The approval of any Business Plan or Budget shall be deemed to be an approval of any matter expressly set out in that Business Plan or Budget that would otherwise require approval in accordance with clause 9.1.

4. Actions taken without approval

If a decision in relation to any Reserved Matter is made other than in accordance with this clause 9:

- (a) the Company shall immediately notify the Shareholders; and
- (b) each Shareholder may, in its sole and absolute discretion, give or not give its retroactive approval in accordance with clause 9.2, provided that, if any Shareholder

does not give retroactive authorisation, the Shareholders and the Company shall take all necessary action to cancel or reverse the decision or action.

5. Information in respect of Reserved Matters

As early as possible in advance of any decision relating to a Reserved Matter, the Company shall give to the Shareholders all information reasonably necessary to enable them to make an informed decision with respect to the Reserved Matter to be decided and will promptly provide to the Shareholders any additional information that they may reasonably request before the decision.

6. Decisions to be made expeditiously

- (a) Each Shareholder shall use reasonable efforts to procure that any decision regarding any of the Reserved Matters is expeditiously made.
- (b) Where a Shareholder does not approve a proposal in respect of a Reserved Matter, it shall promptly notify the other Parties.

10. Deadlock

1. Deadlock Notice

If:

- (a) there is no quorum at two consecutive Shareholder meetings convened to consider a Reserved Matter; or
- (b) the Shareholders are unable to reach a decision on any matter requiring Shareholder approval (including Reserved Matters) by reason of disagreement between themselves,

then a deadlock shall be deemed to have occurred in relation to the matter. Whenever a deadlock is deemed to have occurred, either Shareholder may, within fifteen (15) Business Days of the event that has given rise to the deadlock, serve a notice in writing (a "**Deadlock Notice**") to the other Shareholder and the Company stating that in its opinion a deadlock has occurred, and identifying the matter over which the Shareholders are deadlocked.

2. Referral to senior management

The Shareholders undertake that within a period of five (5) Business Days following service of the Deadlock Notice they shall forthwith refer the matter which has given rise to the deadlock to the senior executives of each of the Shareholders who shall meet within fifteen (15) Business Days of the date of issue of the relevant Deadlock Notice and each use all reasonable endeavours in good faith to resolve the deadlock.

3. Referral to mediation

If any deadlock is not resolved in accordance with clause 10.2 within ten (10) Business Days of the first meeting of the senior executives of each of the Shareholders, then the Shareholders shall thereafter, acting reasonably, retain the services of an expert and independent business mediator to meet with senior representatives of both Shareholders to attempt to resolve the

subject matter of the Deadlock, including making non-binding recommendations to the Shareholders as to the appropriate course of business conduct. This process shall not extend beyond thirty (30) days of the date of appointment of such independent business mediator.

4. Unresolved Deadlock

If any deadlock is not resolved following referral to mediation in accordance with clause 10.3, then such deadlock shall be deemed not to have been approved by the Shareholders' and the Company shall retain the position in respect to such deadlock that existed immediately prior to such deadlock.

11. Conflicts of interest

1. Application of this clause

- (a) The provisions of this clause 11 apply in the event that a Conflict Matter arises or exists in connection with a Shareholder (the "**Conflicted Shareholder**") and apply notwithstanding any other provision of this Agreement to the contrary.
- (b) The restrictions set out in this clause 11 may be waived, either in writing or by a vote in favour of a resolution:
 - (i) in relation to a Conflicted Shareholder, by the other Shareholder; or
 - (ii) in relation to any Director nominated by the Conflicted Shareholder (a "**Conflicted Director**"), by each other Director.

2. Disenfranchisement

In relation to any Board or Shareholder meeting or resolution where a Conflict Matter is or is to be considered:

- (a) the Shareholder who is not the Conflicted Shareholder may elect not to permit the Conflicted Shareholder or Conflicted Director to participate in any discussions of the Conflict Matter;
- (b) the Conflicted Shareholder or any Conflicted Director shall not be entitled to vote in relation to the Conflict Matter, and any vote or purported vote shall be disregarded for the purposes of determining whether a resolution in respect of a Conflict Matter has passed; and
- (c) the presence or vote of the Conflicted Shareholder or any Conflicted Director shall not be required in order to meet any quorum requirement set out in this Agreement or pass any resolution and, if any meeting would be quorate or resolution validly passed but for the absence or vote of the Conflicted Shareholder or Conflicted Director, the meeting shall be deemed to be quorate or resolution shall be deemed to be validly passed, as applicable.

3. Reserved Matters

To the extent that any decision in connection with a Conflict Matter requires approval as a Reserved Matter, a Conflicted Shareholder's approval shall not be required and the relevant approval threshold set out in clause 9.1 shall be deemed adjusted accordingly.

4. Restrictions on access to information

- (a) Subject to clause 11.4(b), the Company may, and shall if directed by any other Shareholder:
 - (i) restrict a Conflicted Shareholder's and any Conflicted Director's access to any information in relation to a Conflict Matter, including information or advice received in connection with the Conflict Matter; or
 - (ii) not provide a Conflicted Shareholder or a Conflicted Director with copies of any minutes, records of deliberations or copies of resolutions to the extent related to the Conflict Matter.
- (b) Nothing in clause 11.4(a) shall require or entitle the Company to do anything that would result in it not complying with:
 - (i) the terms of any Related Party Transaction approved in accordance with this Agreement; or
 - (ii) applicable Law or Regulation.

12. Accounts and Information

1. Books and records

The Company shall:

- (a) maintain accurate and complete accounting and other financial records in accordance with applicable Law, Regulation and the Accounting Standards;
- (b) maintain accurate and complete Tax records and related documents, including computations of Tax and correspondence with Tax Authorities, in accordance with the requirements of applicable Law and Regulation; and
- (c) retain all records for a period of at least ten (10) years following the end of the year to which the record relates.

2. Provision of accounts to the Shareholders

The Company shall deliver to each Shareholder:

- (a) within 120 days of the end of the Financial Year to which they relate, audited consolidated annual accounts for the Company;
- (b) within 60 days of the end of the Financial Year to which they relate, draft unaudited consolidated annual accounts for the Company;

- (c) within 30 days of the end of each quarter, the unaudited management accounts for the Company made up to and as at the end of the month; and
- (d) within 30 days of the end of each quarter, a report from the Board on the financial position and affairs of the Company in respect of that quarter and, cumulatively, for the current Financial Year.

3. Access to information

- (a) The Company shall, on reasonable notice, provide each Shareholder and its representatives with access, during normal business hours, to:
 - (i) its premises and assets;
 - (ii) inspect and take copies of its books, records and other information; and
 - (iii) the Directors, Management Team or its auditor to discuss the affairs, finances and accounts of the Company.
- (b) The Company shall ensure that all information that is given to one Shareholder (except for information relating to that Shareholder only) is circulated at the same time to the other Shareholders.
- (c) The provisions of clauses 12.3(a) and 12.3(b) are subject to:
 - (i) clause 11.4, in respect of Conflict Matters; and
 - (ii) the Disclosure Restrictions.

13. Business Plan and Budget

1. Initial Budget and Initial Business Plan

The budget and business plan relating to the Company as at the Completion Date shall be the Initial Budget and Initial Business Plan.

2. Subsequent Business Plans and Budgets

- (a) From the Completion Date, the Board shall procure that, not less than 60 days before the end of each Financial Year, a draft updated Budget and Business Plan for the next Financial Year is prepared and provided to the Shareholders for their reasonable inspection and comment.
- (b) The Shareholders shall consider, vote on and communicate their decision as to whether to approve, as a Reserved Matter, the draft Budget and the draft Business Plan in accordance with clause 9.1 no later than 30 days following the submission of the drafts by the Board.
- (c) The Shareholders may approve a draft Budget or Business Plan with or without amendment and, following that approval, the draft Budget and draft Business Plan (as amended, if applicable) shall replace the previous Budget and Business Plan.

3. Each Business Plan shall include, in respect of the Company and its Subsidiaries:

- (a) the Company's overall strategy for the period covered by the Business Plan, which shall be the forthcoming five (5) Financial Years, with appropriate explanations and supporting materials;
- (b) a forecast of revenue, operating profit and cash flow for the relevant five (5) calendar year period;
- (c) a capital expenditure plan setting out:
 - (i) in respect of each Equity Project, the amounts available for capital investments, fixed assets, and for working capital purposes (including gross amounts and details of specific expenditure in excess of the Agreed Threshold); and
 - (ii) the projected amount of additional funding required from the Shareholders for capital investment in respect of any Equity Project(s) or otherwise (the "**Capex Plan**");
- (d) a marketing and offtake plan and budget for the marketing and offtake of product pursuant to clause 7.4;
- (e) details of dividends or other distributions proposed to be made to the Shareholders in accordance with clause 14; and
- (f) details of the assumptions used.

4. Each Budget shall include, in respect of the Company, a detailed budget including a detailed breakdown of:

- (a) expected monthly consolidated sales and production volumes of the Company and each Project, revenues, sales, operating expenses, operating results and net interest expenses, and EBITDA and EBIT on the basis of the foregoing;
- (b) expected monthly capital expenditures and cash flow of the Company and each Equity Project;
- (c) expected consolidated profit and loss account; and
- (d) expected funding requirements of the Company and each Equity Project and the proposed methods of meeting those requirements, including through funding to be provided by Shareholders.

5. Default Business Plan and Budget

If an updated Budget and/or Business Plan is not approved by the Shareholders by the first day of a Financial Year, the Company shall continue to be operated on the basis set forth in the last-approved Budget and/or Business Plan (as applicable), save that:

- (a) where some but not all line items of a proposed updated Business Plan or Budget have been approved in accordance with clause 9.1, such line items shall for all purposes replace the equivalent line items of the last-approved Business Plan or Budget;

- (b) any extraordinary provisions in the Business Plan or Budget that are specific to the Financial Year for which they were initially adopted and which were not intended to cover any other periods shall be disregarded;
- (c) the Business Plan and Budget (other than those line items replaced under clause 13.5(a) above) shall be adjusted for inflation in line with the Kingdom Consumer Price Index (CPI) (or equivalent); and
- (d) the Company may expend such capital and operating expenditure as shall be required to safeguard the integrity of the Business, maintain normal operations and meet existing contractual commitments.

14. Distributions

1. Distribution Policy

- (a) The Shareholders intend that the Company shall distribute to the Shareholders the maximum amount of cash available for distribution:
 - (i) that is permitted under applicable Law (as confirmed by the Company's auditors, if clause 14.1(b) applies);
 - (ii) if, and only to the extent that, funding by the Shareholders is no longer required (as provided for in the applicable Business Plan and Budget) and payment of the distribution could not reasonably be expected to result in the Shareholders being required to provide funding to the Company;
 - (iii) if, and only to the extent that, the distributions are permitted under the terms of any financing arrangement or agreements that are binding on the Company (including the repayment of any Shareholder loans, which shall be repaid in accordance with their terms in priority to any distributions in accordance with paragraph 3 of Part A - General Provisions of Schedule 3); and
 - (iv) after subtracting the amounts that the Board considers (having regard to all other sources of funding available to the Company) should be retained in order to:
 - (A) meet reasonably foreseeable commitments and contingencies;
 - (B) meet all expenditure requirements for the following Financial Year as anticipated in the latest approved Budget and the Business Plan; and
 - (C) maintain the sound financial standing of the Company,(the "**Distribution Policy**").
- (b) The Company auditors shall be instructed to report (at the expense of the Company) the amount of cash that is (or would, upon distribution to the Company by the Subsidiaries of the cash available and permitted by applicable Law for that purpose, be) available for distribution by the Company at the same time as they sign their report on the Company's audited accounts for the relevant Financial Year.

(c) The Shareholders may agree to amend or replace the Distribution Policy from time to time as a Reserved Matter.

2. Distributions

To the extent that cash is available for distribution in accordance with the Distribution Policy, the Company:

- (a) shall make a distribution to the Shareholders in accordance with the Distribution Policy as soon as reasonably practicable after the approval of the Company's audited accounts for a Financial Year; and
- (b) may make interim distributions to the Shareholders from time to time on the basis of the Company's unaudited management accounts.

3. Defaulting Shareholder Distributions

Where any Shareholder is a Defaulting Shareholder, the Parties agree that the Company shall retain and hold any distributions approved and declared for the benefit of such Shareholder for so long as it remains a Defaulting Shareholder.

15. Financing

1. Initial Equity Financing

The initial funding of the Company will be in accordance with clause 3.4(b) and, thereafter, as set out in the Initial Business Plan and Initial Budget.

2. No general obligation to fund

Subject to clause 15.3, no Shareholder shall be obliged to provide:

- (a) any funding to the Company, unless called by the Board in accordance with clause 15.3(a)(i) or 15.3(a)(ii) or the funding is otherwise unanimously agreed by the Shareholders; or
- (b) guarantees or security for any indebtedness of the Company.

3. Required Shareholder funding

- (a) The Board may request funding from the Shareholders from time to time in accordance with Part B – Issue of Securities of Schedule 3:
 - (i) to the extent that the relevant Shareholder funding is expressly provided for in the Budget or Business Plan; or
 - (ii) to the extent otherwise approved as a Reserved Matter; or
 - (iii) where the Board, subject to first having considered all reasonable alternatives and having consulted with the Shareholders to the extent reasonably practicable, has resolved that such funding is required to cure, prevent or avoid an Emergency Funding Event (“such funding being “**Emergency Funding**”).

- (b) Any failure by a Shareholder to provide funding where requested under clauses 15.3(a)(i) or 15.3(a)(ii) shall be a Material Breach of this Agreement, unless a Shortfall Loan is extended in respect of such failure by a Funding Shareholder pursuant to paragraph 5 of Part B – Issue of Securities of Schedule 3.

16. Issue of Securities

1. General prohibition on issue of Securities

The Company shall not issue any Securities (or grant any right to be issued or granted Securities) unless the issue is:

- (a) approved as a Reserved Matter; or
- (b) made in respect of Shareholder funding extended pursuant to clause 15.3;

2. General provisions

The provisions of Schedule 6 shall apply to all issues or grants of Securities.

17. Disposals of Securities

1. Restrictions on Disposal

No Shareholder (the "**Transferring Shareholder**") may Dispose of any Security to any person (a "**Transferee**"):

- (a) during a period of seven (7) years from the Completion Date (the "**Lock-Up Period**"), other than as permitted under clause 18.1 (*Permitted Transferees*);
- (b) following the Lock-Up Period, other than a Disposal that is:
 - (i) permitted under clause 18.1 (*Permitted Transferees*);
 - (ii) a transfer under clause 20.2 (*Default Notice*); or
 - (iii) a sale in accordance with clause 19 (*Pre-emption rights*);
- (c) notwithstanding paragraphs (a) and (b) above, where such Disposal:
 - (i) is to a Prohibited Person; or
 - (ii) would result in a breach by the Company or any Subsidiary of the terms of any binding shareholder agreement or binding financing agreement to which the Company or any Subsidiary is subject.

2. Disposals and Stapling

Other than with the prior written consent of the other Shareholders or as permitted under clause 18.1 (*Permitted Transferees*), a Transferring Shareholder may Dispose of Securities to a Transferee only if:

- (a) the Disposal is of all, and not some only, of the Transferring Shareholder's Securities; and

(b) the Transferring Shareholder, at the same time, transfers to the same Transferee the same proportion of the Transferring Shareholder's holding of each other class of Security.

3. General provisions

The provisions of Schedule 6 shall apply to all Disposals of Securities.

4. Obligation to notify offers

Each Shareholder shall promptly notify each other Shareholder if it receives a written proposal from any proposed Transferee (including the identity of that person) or if it appoints any advisers in relation to a Disposal of any or all of its Securities.

5. Intention of this Agreement

The Shareholders acknowledge that the provisions of clauses 17 to 19 are intended to apply to all Disposals of Securities, and all transactions having the effect of a Disposal, and accordingly no Shareholder may enter into or use any structure, transaction or arrangement intended to circumvent the rights of the other Parties set out in these clauses.

18. Permitted Transferees

1. Permitted Transferees

(a) Without prejudice to Schedule 6, a Shareholder may, at any time:

- (i) Dispose of its Securities to any person, with the prior written consent of the other Shareholder(s); or
- (ii) transfer all or part of its Securities to a Permitted Transferee.

(b) If a Shareholder wishes to transfer all or part of its Securities to a Permitted Transferee, that Shareholder must first provide at least 10 Business Days' written notice to the other Parties, attaching:

- (i) all information that may be reasonably necessary to demonstrate that the Transferee is a Permitted Transferee; and
- (ii) evidence of the financial, operational and administrative capabilities of the proposed Transferee and its ability to perform its obligations under this Agreement.

2. Obligation to retransfer

In the case of a transfer to a Permitted Transferee, if that Permitted Transferee ceases or will cease to be a Permitted Transferee of the Transferring Shareholder (the "**Original Shareholder**"), that person and the Original Shareholder shall:

- (a) promptly inform the other Parties; and
- (b) procure that the Securities are transferred to:
 - (i) the Original Shareholder or another of its Permitted Transferees; or

- (ii) if the Original Shareholder has subsequently undergone a Change of Control, to the Original Shareholder's Ultimate Controller or one of its Permitted Transferees,

in each case, before the Transferee ceases to be a Permitted Transferee of the Original Shareholder.

3. Obligation to guarantee

Before completing a transfer to a Permitted Transferee, the Original Shareholder shall, if reasonably required by any other Shareholder, enter into a guarantee of the proposed Permitted Transferee's obligations under this Agreement on terms reasonably satisfactory to each other Shareholder.

4. Partial transfers

If an Original Shareholder transfers some (but not all) of the Securities owned by it to a Permitted Transferee:

- (a) the Original Shareholder and the Permitted Transferee shall be treated as one Shareholder and their respective Equity Proportions shall be aggregated for all purposes under this Agreement;
- (b) the Original Shareholder shall, notwithstanding the transfer, exercise all of the rights of a Shareholder under this Agreement on behalf of itself and the Permitted Transferee and shall be responsible for performing, or procuring the performance of, all the obligations of the Permitted Transferee under this Agreement, and the Original Shareholder and the Permitted Transferee shall be jointly and severally liable in respect of the same; and
- (c) all other Shareholders shall be required to deal with, make payments to or accept payments from and deliver notices to or accept notices from only the Original Shareholder on behalf of itself and its Permitted Transferee together in relation to any matter arising under this Agreement.

5. Other transfers or issues to Permitted Transferees

In the event that a Permitted Transferee of a Shareholder acquires Securities in accordance with this Agreement other than by a transfer from that Shareholder, the provisions of clauses clause 18.1(b) to clause 18.4 will apply *mutatis mutandis*:

- (a) with references in those clauses to a transfer by an Original Shareholder being deemed to be references to the relevant acquisition or issue; and
- (b) as though the Securities acquired or issued by the Permitted Transferee had been transferred to it by that Shareholder.

19. Pre-emption rights

Following the Lock-Up Period, if a Transferring Shareholder wishes to sell any of its Securities (other than under clause 18.1), the provisions of Schedule 4 shall apply.

20. Events of Default

1. Events of Default

An "**Event of Default**" shall occur in respect of a Shareholder (a "**Defaulting Shareholder**") if:

- (a) the Defaulting Shareholder is subject to a Change of Control;
- (b) the Defaulting Shareholder or any person who Controls that Defaulting Shareholder is subject to an Insolvency Event;
- (c) the Defaulting Shareholder or a person who Controls that Defaulting Shareholder becomes subject to Sanctions, breaches any Anti-Corruption Laws or Anti-Money Laundering Laws, or is otherwise prohibited by applicable Law or Regulation from complying with any material obligation under this Agreement;
- (d) the Defaulting Shareholder is in Material Breach and, if the Material Breach is reasonably capable of remedy, the breach remains un-remedied by the date that falls 30 days after the Defaulting Shareholder has received a notice from the other Shareholder requiring remedy of the breach; or
- (e) the Defaulting Shareholder fails to provide information reasonably requested by another Party to determine whether an Event of Default under clauses 20.1(a) to (d) above have occurred in relation to that Defaulting Shareholder, to the reasonable satisfaction of that other Party within 30 days of such a request.

2. Default Notice

- (a) If an Event of Default occurs the Defaulting Shareholder must immediately notify the Company and the other Shareholder (a "**Non-Defaulting Shareholder**").
- (b) If an Event of Default has occurred, any Non-Defaulting Shareholder may deliver a notice to each other party (a "**Default Notice**").
- (c) If a Default Notice is delivered the provisions of Schedule 8 shall apply.

3. Suspension of Defaulting Shareholder's rights

- (a) Upon delivery of a Default Notice:
 - (i) all rights (but not obligations) of the Defaulting Shareholder under this Agreement shall automatically be suspended;
 - (ii) the Defaulting Shareholder's approval shall not be required for any Reserved Matter;
 - (iii) the quorum for a meeting of the Shareholders shall not require the attendance of the Defaulting Shareholder;
 - (iv) the Directors nominated by the Defaulting Shareholder shall not be entitled to vote at a meeting of the Board, any committee to which they are appointed,

and the quorum for those meetings shall not require the attendance of any such Directors; and

- (v) if the Event of Default is referred to in clause 20.1(c), the Defaulting Shareholder shall not be entitled to receive, and the Company shall hold as trustee, all dividends, distributions, principal and interest payable in respect of its Securities until such time as the Company (acting reasonably) considers that a payment of funds to the Defaulting Shareholder is permitted pursuant to the applicable Sanctions.

- (b) The restrictions set out in clause 20.3(a) shall cease to apply in accordance with paragraph 7 of Schedule 8.

4. Permitted Transferees of the Defaulting Shareholder

If any Securities are held by a Permitted Transferee of a Defaulting Shareholder, this clause 20 and Schedule 8 shall apply in respect of the Permitted Transferee and the Securities held by it *mutatis mutandis*.

5. Not sole remedy

The provisions of this clause 20 are without prejudice to a Party's right to make any claim or seek any other remedy permitted by this Agreement in respect of an Event of Default.

21. Company covenants

1. Insurance

The Company shall maintain, with a well-established and reputable insurer, adequate insurance against all risks usually insured against by companies carrying on the same or similar business to the Business and (without prejudice to the generality of the foregoing) for the full replacement or reinstatement value of all its assets of an insurable nature.

2. Approvals and licenses

The Company shall use its best endeavours to maintain in full force and effect, and comply with, all approvals, consents and/or licences necessary for the conduct of the Business.

22. Shareholder covenants

1. Restrictive Covenants

Each Shareholder covenants with the other Shareholder and the Company that, except with the consent in writing of the other Shareholder or as permitted under clauses 22.2:

- (a) for so long as it, or any Affiliate of it, remains a member of the Company, it will not and shall procure that its Affiliates will not, either on its own account or in conjunction with or on behalf of any other person, and will not attempt to:
 - (i) within the Territory, carry on or be engaged, concerned or interested, directly or indirectly, whether as shareholder, director, partner, agent, licensor, offtaker or otherwise, in carrying on any business that competes with the

Business (other than as a holder of a non-Controlling interest in that business); or

- (ii) solicit or entice away or attempt to solicit or entice away from the Company or any Subsidiary, any person who is a Director, or employed by or seconded to in a managerial, supervisory, technical or sales capacity, or engaged as a consultant to, the Company or any Subsidiary and who remains so employed, seconded or engaged immediately before the relevant breach of this clause 22.1(a)(ii) (whether or not that person would commit a breach of contract by reason of leaving the employment, secondment or engagement).

2. Exceptions from restrictions

- (a) Clause 22.1(a)(i) shall not restrict or otherwise prevent OFC or any of its Affiliates from being engaged, concerned or interested, directly or indirectly, whether as shareholder, director, partner, agent or otherwise, in any business that competes with the Business where OFC or its Affiliates do not Control the management and/or operational activities relating to such business.
- (b) Clause 22.1(a)(ii) shall not restrict or otherwise prevent a Shareholder or its Affiliates from soliciting for employment, employing or engaging any such person who:
 - (i) has responded independently to a general (non-targeted and bona fide) advertisement placed by or on behalf of the Shareholder or its Affiliate;
 - (ii) responds to an approach made by a third party recruitment agency without that person having first been identified to that agency by or on behalf of the Shareholder, provided that no offer of employment is subsequently made to that person; or
 - (iii) contacts the Shareholder or one of its Affiliates directly on that individual's own initiative.

3. LanzaTech technology

LanzaTech undertakes to the other Parties that it shall not license, share or otherwise make available its LT Ethanol Gas Fermentation Process technology in the Territory to any person within the Territory other than in respect to an approved Direct Project Investment and / or a Technology Licensing Transaction in accordance with clause 6 of this Agreement or as otherwise approved by the Shareholders as required by this Agreement.

23. Warranties

Each of the Shareholders warrants to the other that, as at the date of this Agreement:

- (a) it has been duly incorporated and is validly existing and in good standing under the state or jurisdiction of its incorporation;
- (b) it has obtained all corporate authorisations required to empower it to enter into this Agreement and to perform its obligations under it in accordance with its terms;

- (c) neither the entry into this Agreement nor the implementation of the transactions contemplated by this Agreement by it will:
 - (i) violate or conflict with the provisions of its constitutional documents;
 - (ii) to its knowledge, amount to a violation or breach of any applicable Law or Regulation in any relevant jurisdiction;
 - (iii) amount to a violation or default with respect to any relevant order, decree or judgment of any court or any Competent Authority in any jurisdiction to which it is a party or by which it is bound; or
 - (iv) result in a breach of, or constitute a default under, any instrument to which the it is a party or by which it is bound, which breach or default is material in the context of the transactions contemplated by this Agreement;
- (d) this Agreement constitutes (or will on execution constitute) valid and legally binding obligations of the Shareholder; and
- (e) no Insolvency Event has occurred, or could reasonably be expected to occur, in respect of that Shareholder or any person who Controls that Shareholder.

24. Term and termination

1. Termination

This Agreement can be terminated only in accordance with the following provisions of this clause 24.

2. Termination events

This Agreement shall terminate:

- (a) at any time if all Shareholders agree in writing;
- (b) by either Shareholder (the "**Terminating Shareholder**") by giving written notice to the Company and each other Shareholder (the "**Non-Terminating Shareholder(s)**"):
 - (i) on the date falling ten (10) years following the date of this Agreement if the cumulative installed capacity in respect of all Projects is less than 250,000 mtpa;
 - (ii) at any time after 31 December 2024, in the event that the Company has not taken at least one positive final investment decision in respect of an Equity Project (the "**First FID**");
 - (iii) at any time after 31 December 2026, in the event that commercial operations (as such term (or equivalent term) is defined under the relevant Project EPC contract) have not been achieved in respect of at least one Project; and
 - (iv) on the date falling two (2) years from the First FID, in the event that the Company has not taken a final investment decision in respect of a second Equity Project;

- (c) automatically on the first date upon which all of the Securities are owned by one Shareholder; or
- (d) in accordance with clause 2.4 and 4.3.

3. Effect of termination

- (a) If the Shareholders elect to terminate the Agreement in accordance with clause 24.2(a), 24.2(b) or 24.2(d), the Shareholders shall meet to discuss and agree, acting reasonably and in good faith, on the process and steps required for the dissolution of the Company and / or the exit of the Shareholders from the Company (as applicable) and, where the Company is dissolved, shall share any costs associated with such dissolution in their respective Equity Proportions.
- (b) The occurrence of any of the events specified in clause 24.2 shall not:
 - (i) relieve any Party from any liability or obligation for any matter, undertaking or condition that has not been done, observed or performed by that Party before the termination of this Agreement;
 - (ii) affect the Surviving Provisions which shall remain in full force and effect and continue to bind the Parties; and
 - (iii) affect the Parties' accrued rights and obligations as at the date of the event.

25. Confidentiality and announcements

1. Confidentiality

- (a) Subject to clause 25.1(b), in relation to Confidential Information that is not Commercially Sensitive Information during the term of this Agreement and for a period of five (5) years after termination or expiration of this Agreement for any reason whatsoever, each Party shall:
 - (i) keep such Confidential Information confidential; and
 - (ii) not use such Confidential Information for any purpose other than exercising its rights and performing its obligations under this Agreement and/or any Transaction Document to which they are party and in connection with:
 - (A) in the case of a Shareholder, the monitoring and holding of its investment in the Company; and
 - (B) in the case of the Company, the management of the Business and the Company.
- (b) Subject to clause 25.1(c), in relation to Commercially Sensitive Information during the term of this Agreement and for a period of fifteen (15) years after termination or expiration of this Agreement for any reason whatsoever, each Party shall:
 - (i) keep the Commercially Sensitive Information confidential; and

- (ii) not use the Commercially Sensitive Information for any purpose other than exercising its rights and performing its obligations under this Agreement and/or any Transaction Document to which they are party and in connection with:
 - (A) in the case of a Shareholder, the monitoring and holding of its investment in the Company; and
 - (B) in the case of the Company, the management of the Business and the Company.
- (c) The obligations contained in clauses 25.1(a) and 25.1(b) shall not apply to any disclosure of Confidential Information:
 - (i) that is expressly consented to in writing by the party to which the Confidential Information relates;
 - (ii) that is required to be disclosed by applicable Law or Regulation, provided that, to the extent permitted by applicable Law or Regulation, the Party making the communication will consult with the other Parties in advance as to the form, content and timing of the communication;
 - (iii) that has previously become publicly available other than through breach of this Agreement or any other Transaction Document;
 - (iv) that was already known to a Party (without any obligation of secrecy);
 - (v) that subsequently comes lawfully into the possession of a Party from a third party (without any obligation of secrecy);
 - (vi) by a Party to:
 - (A) any of its Affiliates, or its or its Affiliates' directors, officers and employees; and
 - (B) any professional adviser, financial adviser, technical adviser, banker, financier, consultant, sponsor, broker, credit rating agency, insurer, re-insurer, underwriter or auditor of that Party,who in each case reasonably needs to know the information and provided that that Party procures their compliance with this clause 25;
 - (vii) to obtain any Mandatory Consent or other consent of any third party to any requirement of, or to any act under, this Agreement or which is otherwise required under the terms of this Agreement, provided that the relevant Party uses reasonable endeavours to ensure that that information is kept confidential and not used for any other purpose;
 - (viii) to any (i) *bona fide* potential third party purchaser of some or all of a Shareholder's Securities; or (ii) the LT Preferred Partner in connection with a Direct Project Investment Opportunity, and in each case such persons

professional advisers, financiers, insurers and re-insurers, subject to the Disclosure Restrictions and provided that:

- (A) the disclosure is only to the extent that any such persons need to know the information for the purpose of considering, evaluating, advising on or furthering the potential purchase or Opportunity;
 - (B) before disclosure, such persons executes a confidentiality undertaking for the benefit of the Company and Shareholders in respect of the information to be provided, on terms at least as strict in all material respects as contained in this clause 25, save that:
 - (1) the permitted disclosures in clauses 25.1(c)(vii) to (viii) shall not be included; and
 - (2) the duration of the obligations shall be in accordance with customary market practice at the relevant time; and
 - (C) no Confidential Information that would be prejudicial to the commercial interests of the Company or any Shareholder is disclosed;
- (ix) that is disclosed in accordance with Schedule 6; or
 - (x) in an announcement made in accordance with clause 25.2.

2. Announcements

Subject to the provisions of clause 25.1, no disclosure or announcement relating to the existence, terms or subject matter of this Agreement shall be made or issued by or on behalf of any Party of which that Party is a member without the prior written approval of the other Parties (which approval may be subject to reasonable conditions but shall otherwise not be unreasonably withheld or delayed) provided that:

- (a) these restrictions shall not apply to any disclosure or announcement if and to the extent required by any applicable Law, Regulation or Competent Authority; and
- (b) the Party making the communication shall use its reasonable endeavours to consult with the other Parties in advance as to the form, content and timing of the communication.

26. **Anti-Corruption; Anti-Money Laundering; Sanctions**

1. Warranties of the Shareholders

Each Shareholder warrants to each other Shareholder that, as at the date of this Agreement:

- (a) neither it, nor any of its Affiliates, nor any of their respective directors, officers or employees:
 - (i) is a Restricted Person, or has engaged in conduct that could result in it becoming a Restricted Person;
 - (ii) engages in any trade, business or other activities with a Restricted Person; or

- (iii) is or has been the subject of any claim or investigation by any Competent Authority or any person regarding any offence or alleged offence under any Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions, and no such claim has been threatened or is pending and there are no circumstances reasonably likely to give rise to any such claim;
- (b) none of its directors, officers or employees is a Government Official, and no Government Official has any legal or beneficial interest in this Agreement or in any payments to be made under it; and
- (c) to the extent related to the matters contemplated by this Agreement, the Shareholder and its Affiliates are in compliance in all material respects with all Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions.

2. Covenants of the Company and Shareholders

- (a) The Company shall and, to the extent related to the Company and the matters contemplated by this Agreement, each Shareholder shall (and shall procure that its Affiliates shall) comply with Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions.
- (b) The Company shall, and the Shareholders shall procure that the Company shall, adopt policies to mitigate risk in relation to and ensure compliance by the Company and its Subsidiaries with Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions.

3. Remedies for breach

- (a) If a Shareholder has reasonable grounds to believe there has been a breach, or is likely to be a prospective breach, of the terms of clause 26.2 by it or by another party, that Shareholder shall inform the other Shareholders as quickly, and in as much detail, as possible.
- (b) Each Shareholder undertakes that it will from time to time, at the reasonable request of any other Shareholder, confirm in writing that it has complied with its undertakings under clause 26.2 and will provide any information reasonably requested by the requesting Shareholder in support of that compliance.
- (c) Each Shareholder agrees that it will indemnify the other Shareholders and their respective Affiliates for any Losses incurred as a result of any breach by it of this clause 26.

27. Tax matters

1. The Shareholders agree that the economic burden for corporate income tax and Zakat on the Company collectively shall fall on all the Shareholders pro rata to each Shareholder's respective Equity Proportion. This shall apply to corporate income tax and Zakat arising both at the level of the Company and its Subsidiaries.

2. Each Shareholder hereby authorises the Company to file an annual corporate income tax and Zakat return and pay to the ZATCA the Kingdom income tax or the Zakat for which the Company is responsible.
3. The Board shall procure the preparation by an appropriate Tax consulting firm (selected by the Board) of all Tax (including Zakat) returns required to be prepared and filed or submitted by the Company under applicable Law. The Board shall submit or cause the submission of such annual returns to the Shareholders at least thirty (30) calendar days prior to submission to the ZATCA (or any other relevant Tax Authority) in draft form (translated into English) for their review and unanimous approval, and after receiving such approval in connection with its contents and not its form, which the Parties acknowledge is a standard form provided by the relevant Tax Authority, shall file or cause the filing of such Tax (including Zakat) returns in a timely manner and shall furnish or cause to be furnished to the Shareholders all necessary information concerning the Shareholders' distributive share of the Company items shown on the Company's annual Tax (including Zakat) returns to enable the Shareholders to prepare their own Tax (including Zakat) returns, as applicable, with such information for each Financial Year to be furnished to the Shareholders as promptly as practicable in the next year.
4. The Shareholders agree that each Shareholder shall bear the cost of any Kingdom withholding tax imposed on any payments made to it by the Company, without any gross-up or reimbursement of such payment by the Company to cover this cost, in connection with a distribution of profit or any other payments pursuant to this or any other agreements. The Company may withhold from any payments to be made to such Shareholder by the Company applicable withholding tax for which such Shareholder is responsible, and each Shareholder, as applicable, shall promptly pay the Company for payment to the ZATCA (or any other Tax Authority) any additional amounts required to cover any withholding tax for which such Shareholder is responsible.
5. Each Shareholder shall be responsible for the settlement of tax on any capital gain derived from its divestment of interest in the Company. Such Shareholder hereby agrees to indemnify and hold harmless the Company for any tax, penalty, cost or expense suffered by the Company as a result thereof.
6. The Parties shall procure that the Company shall comply with any reasonable requests for information made to meet the reporting obligations of each Shareholder and any of their Affiliates imposed by any regulatory authority. The Company shall provide support to each Shareholder as may be reasonably required in relation to their tax affairs. The Shareholders, requesting such support, shall be responsible for and shall reimburse the Company for any third-party costs incurred in providing such support.
7. Each Shareholder shall use all reasonable endeavours to cooperate fully and in good faith with the other Shareholders to ensure that the tax impact on each Shareholder arising from the Company's operations is minimized to the fullest permissible under applicable Law.
8. To the extent that any portion of the Company's wealth or profits are assessed with, or exempted from Tax and/or Zakat due to the status of a Shareholder (or status of such Shareholder's ultimate owners), the burden of such assessed Tax and/or Zakat (or the benefit of such exemption from the same) shall be allocated solely to such Shareholder and shall be deducted or adjusted from such Shareholder's share of any dividend in the Company. For the

avoidance of doubt, any and all corporate income tax or Zakat obligations, withholdings, payments or assessments against the Company or a Shareholder that are due to the status of such Shareholder (or status of such Shareholder's ultimate owners) shall be solely for the account of such Shareholder, and such Shareholder hereby agrees to indemnify and hold harmless the Company and the other Shareholders and their respective Affiliates and the trustees, officers, employees, members and owners of each of them for any loss, claim, cost, expense or damage suffered by any of them as a result of any such obligations, withholdings, payments or assessments.

28. Conflict with the Articles

1. If there is any conflict, ambiguity or inconsistency between this Agreement and the provisions of the Articles or the constitutional documents of the Company:
 - (a) this Agreement shall prevail; and
 - (b) the Shareholders shall exercise all voting and other rights and powers available to them to give effect to this Agreement.
2. The Company is not bound by clause 28.1.

29. Remedies

1. Reasonable pre-estimate of loss

The Parties, being sophisticated commercial parties properly advised and of comparable bargaining power, agree that the remedies set out in clause 20 represent proportionate remedies imposed to protect the Party's legitimate business interests and do not constitute a penalty.

2. Rights cumulative

The rights and remedies of each party under this Agreement are cumulative, may be exercised as often as the relevant party considers appropriate and are in addition to its rights and remedies provided by Law.

3. Equitable relief

Without prejudice to any other rights or remedies that a party may have, the Parties acknowledge and agree that damages would not be an adequate remedy for any breach of clauses 22, 25 and 26 and the remedies of injunction, specific performance and other equitable relief are appropriate for any threatened or actual breach of any such provision and no proof of special damages shall be necessary for the enforcement of the rights under those clauses.

30. No partnership or agency

Nothing in this Agreement (or any of the arrangements contemplated by it) is or shall be deemed to constitute a partnership between any of the parties nor, except as may be expressly set out in it, constitute any party the agent of the others for any purpose.

31. Counterparts

1. This Agreement may be executed in any number of counterparts and by the Parties on separate counterparts and each counterpart shall constitute an original of this Agreement but all of which together shall constitute one and the same instrument.
2. Electronic signatures and signatures sent by email attachment or electronically shall be valid and binding to the same extent as original signatures.
3. This Agreement shall not be effective until each party has executed at least one counterpart.

32. Further assurances

Each Party agrees (at its own cost) to perform (or procure the performance of) all further acts and things and execute and deliver (or procure the execution and delivery of) any further documents that may be required by law or as the other Parties may reasonably require to implement and/or give effect to this Agreement and the transactions contemplated by this Agreement.

33. Variation, waiver and consent

1. No variation or waiver of any provision or condition of this Agreement shall be effective unless it is in writing and signed by or on behalf of each of the Parties (or, in the case of a waiver, by or on behalf of the party waiving compliance).
2. Unless expressly agreed, no variation or waiver of any provision or condition of this Agreement shall constitute a general variation or waiver of any provision or condition of this Agreement, nor shall it affect any rights, obligations or liabilities under this Agreement that have already accrued up to the date of variation or waiver, and the rights and obligations of the Parties under this Agreement shall remain in full force and effect, except and only to the extent that they are so varied or waived.
3. Any consent granted under this Agreement shall be effective only if given in writing and signed by the consenting Party and then only in the instance and for the purpose for which it was given.

34. Entire agreement

This Agreement represents the whole and only agreement between the Parties in relation to the establishment and operation of the Business and supersede any previous agreement (whether written or oral) between all or any of the Parties in relation to the subject matter of any such document. Each Party agrees that in entering into this Agreement it does not rely on any oral or written representation or warranty that is not set out in this Agreement. Each Party agrees that its only liability in respect of those representations and warranties that are set out in this Agreement will be for breach of contract and waives all rights and remedies that may otherwise be available to it except that nothing in this clause limits or excludes any liability for fraud.

35. Notices

1. Form of notices

Save as otherwise provided in this Agreement, any notice, demand or other communication to be given by any party under, or in connection with, this Agreement shall be in writing in English and may be delivered by hand or courier or email to a Party as follows (or as set out in any Deed of Adherence delivered by a Party):

Party	Addresses
OFC	Address: Olayan Building, Al Ahsa Street, Al Malaz District, P.O. Box 8772, Riyadh 11492, Kingdom of Saudi Arabia Email: j.bahnan@ofc.com For the attention of: Legal Department with a copy to: Yasser El Farissi (y.elfarissi@ofc.com)
LanzaTech	Address: 8045 Lamon Avenue, Suite 400, Skokie, IL 60077 Email: legalteam@lanzatech.com For the attention of: Legal Department with a copy to: Geoff Trukenbrod (geoff@lanzatech.com) and Omar El-Sharkawy (omar.el-sharkawy@lanzatech.com)

or at any such other address or email address notified for this purpose by one Party to the other Parties in accordance with the provisions of this clause 35).

2. Time of delivery

Any notice, demand or other communication is deemed to have been given:

- (a) if delivered by hand or courier, on the date of delivery; or
 - (b) if sent by email, at the time of transmission by the sender (as recorded on the device from which the sender sent the email),
- provided in each case where delivery occurs on a day that is not a Business Day or after 5.30 pm on a Business Day, service shall be deemed to occur at 9.30 am on the next following Business Day and where service occurs before 9.30 am on a Business Day, service shall be deemed to occur at 9.30 am on that same Business Day.

3. Proof of service

In proving service, it shall be sufficient to prove that the envelope containing the notice was properly addressed and delivered to the address shown thereon or that the email was properly addressed and transmitted by the sender's server into the network and there was no apparent error in the operation of the sender's email system, as the case may be.

4. Notices that must not be delivered by email alone

Any of the following notices must, if sent by email, also be delivered by another method set out in clause 35.1 (provided that the time of delivery shall be determined under clause 35.2 by reference to the time of delivery of the email notice):

- (a) a Default Notice;
- (b) any notice terminating or purporting to terminate this Agreement; and
- (c) a notice of formal proceedings or in contemplation of formal proceedings.

36. Costs

Each of the Parties shall be responsible for its own legal, accountancy and other costs, charges and expenses incurred in connection with the negotiation, preparation and implementation of this Agreement and any other agreement incidental to or referred to in this Agreement.

37. Third party rights

The Contracts (Rights of Third Parties) Act 1999 does not apply to this Agreement and no person who is not a Party to this Agreement may enforce any provision of it.

38. Time not of the essence

Time shall not be of the essence of this Agreement, either as regards times, dates and periods specified in the Agreement or as regards any times, dates or periods that may by agreement between the Parties be substituted for any of them unless:

- (a) time is expressly stated to be of the essence in relation to that obligation; or
- (b) one Party fails to perform an obligation by the time specified in this Agreement and the other Parties serve a notice on the defaulting party requiring it to perform the obligation by a specified time and stating that time is of the essence in relation to that obligation.

39. Severability

- (a) Each provision of this Agreement is severable and distinct from the others. If any provision of this Agreement is or becomes invalid, unenforceable or illegal, that provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in this Agreement but the remaining provisions of this Agreement shall continue in full force and effect to the fullest extent permitted by Law.
- (b) Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable and the provision in question shall apply with any modification that may be necessary to make it valid or enforceable.

40. Assignment

1. Restrictions on assignment

No Party shall be entitled to transfer, assign, mortgage, charge, declare a trust of, sub-contract or deal in any other manner with any or all of its rights or obligations under this Agreement in whole or in part, other than under a transfer of Securities in accordance with the terms of this Agreement).

2. Assignments in breach

Any purported assignment or other dealing in breach of clause 40.1 shall be void and of no effect.

41. Governing law and dispute resolution

1. Governing law

The construction, validity and performance of this Agreement and all non-contractual obligations arising from or connected with this Agreement shall be governed by the Laws of England and Wales.

2. Dispute resolution

- (a) In the event of a dispute between the Parties arising under or in connection with this Agreement, including any questions regarding its existence, validity, breach or termination, a Party shall first issue a notice in writing requesting a meeting with the other Party or Parties who are parties to such dispute, which may take place in person, or remotely, within 14 Business Days of receipt of such notice by all relevant Parties. Each such Party shall nominate a senior executive who shall meet to try to resolve the dispute.
- (b) If the relevant dispute is not resolved within 30 Business Days of the date of the meeting convened between the nominated senior executives pursuant to clause 41.2(a), any Party to such dispute may refer such dispute to arbitration pursuant to clause 41.3.

3. Arbitration

- (a) Any dispute, controversy or claim arising under, out of or in connection with this Agreement, including any question regarding its formation, existence, validity, breach or termination, interpretation and including any dispute relating to any non-contractual obligations arising out of or in connection with the Agreement (a "**Dispute**"), shall be submitted to negotiation between representatives of the Parties involved in the Dispute.
- (b) If any Dispute has not been resolved by such negotiation within sixty (60) Business Days from the date on which one (1) or more Parties to the Dispute receive written notification from another Party that a Dispute exists, then such Dispute shall be referred to and finally resolved by final and binding arbitration under the Rules of Arbitration of the International Chamber of Commerce ("**ICC**") as are in force as of

the date of the notification of a Dispute (the "**Rules**") which Rules are deemed to be incorporated by reference into this clause 41.3.

- (c) There shall be three (3) arbitrators. Each party to the Dispute shall nominate one arbitrator (as defined in the Rules) and a third arbitrator shall be nominated by the ICC.
- (d) The seat or legal place of the arbitration proceedings shall be London, the United Kingdom, and the language of the arbitration shall be English. All documents submitted in connection with the proceedings shall be in the English language, or, if in another language, accompanied by an English translation.
- (e) For the avoidance of doubt, the Parties agree that no Party shall have the right to apply or appeal to a court of another jurisdiction.
- (f) The Shareholders expressly agree that, if there is more than one (1) claimant party and/or more than one (1) respondent party to the arbitration, clause 41.3(c) will apply, provided that the claimant parties shall jointly nominate one (1) arbitrator and the respondent parties shall jointly nominate one (1) arbitrator.
- (g) The Parties agree to the consolidation of any two or more arbitrations commenced between them pursuant to this clause 41.3 into a single arbitration.
- (h) The Parties agree that the documents which start any proceedings relating to a Dispute and any other document required to be served in relation to those proceedings may be served in accordance with clause 35.
- (i) The provisions of this clause 41.3 are without prejudice to the Parties' rights to apply to any competent judicial authority for interim or conservatory measures in aid or support of arbitration.

This document has been executed by the Parties as a deed at the end of the schedules and is delivered and takes effect on the date recorded on the first page.

Schedule 1

Corporate governance

Part A - Directors

11. Number of Directors

Unless otherwise agreed in writing by the Shareholders, the maximum number of Directors at all times during the term of this Agreement shall be four (4).

12. Appointment and removal of Directors and Chair

2.1 The Shareholders shall be entitled to appoint, replace and remove the number of Directors provided for in clause 8.2 by notice to the Company and each other Shareholder, which, in the case of an appointment, shall be accompanied by a written consent from that person agreeing to act as a Director.

2.2 OFC shall be entitled to appoint, replace and remove the Chair in accordance with clause 8.2(d) and shall do so by notice to the Company and each other Shareholder.

2.3 In the event that:

- (a) a Director is, or becomes, ineligible to be a Director under any applicable Law or Regulation any Shareholder may, upon becoming aware of the ineligibility, notify the Company and the other Shareholder of this. Upon receipt by the Company of this notification, that Director shall immediately cease to be a Director; and
- (b) the number of Directors appointed by a Shareholder exceeds the number of Directors that the Shareholder is entitled to appoint under clause 8.2, the number of Directors appointed by that Shareholder will be automatically removed from office (on a last in, first out basis) as is necessary to ensure that the number of Directors appointed by that Shareholder equals the number of Directors that the Shareholder is entitled to appoint under clause 8.2.

2.4 Each Shareholder shall take, and shall procure that the Company takes, all steps necessary to give effect to this paragraph 2, including those required to appoint or remove person(s) as Director(s).

13. No liability for loss of office

3.1 In the event that a Director appointed by a Shareholder is removed from office in accordance with this Agreement, the appointing Shareholder shall procure that any such removal shall be without any liability to the Company or another Shareholder (in respect of fees, remuneration, wrongful or unfair dismissal, redundancy, compensation for loss of office or otherwise) and shall indemnify the other Shareholders and the Company on demand against all Losses that the other Shareholders or the Company may suffer or incur arising out of, or in connection with, the same.

14. Remuneration and expenses

The remuneration of Directors, if any, shall be determined and paid by their Appointing Shareholder and shall not be a Company expense including any expense incurred by such Director in the carrying out of his or her duties as a Director.

15. Alternates

5.1 Each Director may by notice to the Company appoint and remove a person appointed as their alternate.

5.2 Any alternate shall be entitled to receive notice of all meetings of the Board and to attend and vote at any meeting at which the Director appointing them is not personally present, and generally in the absence of their appointor to do all the things that their appointor is authorised or empowered to do.

5.3 A Director, who is also an alternate, shall be entitled, in the absence of their appointor, to a separate vote on behalf of his appointor in addition to their own vote.

16. D&O Insurance

Each Shareholder shall maintain directors' and officers' liability insurance for the benefit of each of its appointed Director(s), with the insurance:

- (a) on standard market terms from time to time or such other terms as the Board may determine;
- (b) having an annual aggregate limit of not less than the Agreed Threshold per occurrence;
- (c) provided by one or more insurers who each hold a financial rating of not less than A- from Standard & Poor's or an equivalent rating from an equivalent rating agency.

17. Directors' Indemnity

7.1 The Shareholders shall procure that the Company shall indemnify each of the Directors against all costs and expenses reasonably incurred or paid by any of them in relation to any claim, dispute or other proceedings (or settlement thereof) in which they may become involved (whether as a party or otherwise) in their capacity as a director (or former director) of the Company.

7.2 The Company shall not be required to make any payment under the indemnity in paragraph 7.1 where:

- (a) the liability to the Company or their Shareholders has arisen as a result of the Director's wilful misconduct or gross negligence, as the case may be;
- (b) the Director has not acted in good faith; or
- (c) the indemnity is not permitted by applicable Law.

7.3 The rights conferred by this paragraph 7:

- (a) do not prejudice any rights to which any director of the Company may be entitled by Law;
- (b) are unconditional and continuing;
- (c) shall apply to indemnify the relevant person despite that person ceasing to hold any position in the Company; and
- (d) are not to be taken to be wholly or partially discharged by payment of any amounts under this Agreement or by any other matter.

Part B - Meetings of Directors

11. Number of Board meetings

- 1.1 Regular meetings of the Board shall be held no fewer than four (4) times per year.
- 1.2 Any Director may call a meeting of the Board at any time.

12. Notice and agenda

- 2.1 A Board meeting shall be convened on no less than ten (10) Business Days' notice to each Director (subject to clause 11.2), unless waived by each Director.
- 2.2 Any notice of a Board meeting shall include an agenda identifying in reasonable detail the matters to be discussed at the meeting and shall be accompanied by copies of any relevant papers to be discussed at the meeting.
- 2.3 Each Director may add matters to the agenda before the meeting by at least five (5) Business Days' notice to the other Directors.
- 2.4 No business shall be conducted at a meeting of the Board that is not included on the agenda, except with the consent of all the Directors.
- 2.5 The agenda and all Board papers must be in English and, for third party facing resolutions, in both English and Arabic.

13. Location

- 3.1 Board meetings shall be held at the Company's principal place of business in the Kingdom or such other place as the Board may from time to time determine.
- 3.2 Each Shareholder shall procure, to the extent that it is lawfully able to do so, that the Company takes all such actions to ensure that the residency of the Directors and the physical attendance at meetings of the Board are consistent with best practices in order to ensure that the Company remains resident only in the Kingdom for Tax purposes.

14. Quorum

- 4.1 The quorum for transacting business at any Board meeting shall be the majority of the appointed Directors at the relevant time provided that such majority must include at least one (1) OFC Director and one (1) LanzaTech Director (for so long as each of OFC or LanzaTech

as the case may be has the right to appoint a Director) present when the relevant business is transacted.

4.2 If a quorum is not present within thirty (30) minutes after the time appointed for the commencement of the relevant Board meeting or if during the meeting a quorum ceases to be present, the meeting shall be adjourned to the same time and place on the following Business Day, when the quorum shall be as set out in paragraph 4.1 above, and this paragraph 4.2 shall apply *mutatis mutandis* to such adjourned meeting.

4.3 A Director shall be regarded as present for the purposes of a quorum if represented by an alternate.

4.4 This paragraph 4.4 shall be subject to the provisions of clauses 11.2 and 20.3(a)(iv).

15. Telephone and electronic meetings

5.1 Directors may attend Board meetings by telephone or by electronic communication, provided that each Director who participates in the meeting:

- (a) is able to hear each of the other participating Directors addressing the meeting; and
- (b) is able, if they so wish, to address each of the other participating Directors simultaneously.

5.2 If a Board meeting is held it will be taken to be held:

- (a) at the location where the largest group of participating Directors is present; or
- (b) if no such group is readily identifiable, at the location of the Chair.

16. Voting

6.1 Each Director shall have one vote and the Board shall decide on matters by simple majority vote unless a higher majority is required by this Agreement or by the Articles.

6.2 A Director (or their alternate) who is present at a Board meeting may exercise, in addition to their own vote, the vote(s) of any other Director(s) (or their alternate) not present at the relevant meeting who was nominated to be a Director by the same Shareholder as the Director (or their alternate) who is present.

6.3 This paragraph 6 shall be subject to the provisions of clauses 11.2 and 20.3(a)(iv).

17. Written resolutions

7.1 A resolution in writing signed by all of the Directors who would be entitled to vote on the resolution at a duly convened meeting of the Board shall be as valid and effective for all purposes as a resolution passed by the Directors at a Board meeting.

7.2 A written resolution may be proposed by the Company or by any Director, may consist of one or several documents executed as counterparts and may be circulated by e-mail.

7.3 A written resolution shall be considered passed when the last Director signs, provided that each signature is obtained within fourteen (14) days of the date the Company or any Director

initially circulated that resolution (the "**Circulation Date**"). If a written resolution has not been signed by all of the Directors who would be entitled to vote on the resolution at a duly convened meeting of the Board within fourteen (14) days of the Circulation Date, the written resolution will be considered not to have been passed.

18. Minutes

The minutes of a meeting of the Board shall be circulated to the Directors in draft for their approval following any meeting and, if approved, signed by the Chair.

19. Chair

9.1 The Chair shall not have a second or casting vote.

110. Committees

10.1 The Board may constitute and delegate such of its powers as it sees fit to one or more committees of Directors consisting of at least one Director appointed by each Shareholder that has appointed a Director.

10.2 As soon as reasonably practicable following the date of this Agreement, the Shareholders may procure that the Board establish and thereafter maintains certain committees to be agreed which may include:

- (a) an audit and risk committee;
- (b) a regulatory committee; and
- (c) a health, safety and environmental committee,

and each such committee shall make recommendations to the Board and otherwise perform their functions in accordance with their terms of reference from time to time.

10.3 Any committee of the Board shall comply with to any regulations imposed on it by the Board.

10.4 The provisions of Part B – Meetings of Directors of this Schedule 1 shall apply *mutatis mutandis* to meetings of any such committee, with each reference to the Board in those clauses being deemed to be a reference to that committee of the Board.

111. Conflicts of interest

Subject to applicable Law and provided that the Director has first disclosed to the Board the nature and extent of any relevant interest, a Director notwithstanding his office:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company, or in which the Company is otherwise interested;
- (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested including any Subsidiaries; and

- (c) shall not, by reason of their office, be accountable to the Company for any benefit that they derive from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

112. Disclosure of information to appointing Shareholder

Subject to clause 11.4, applicable Law and the Disclosure Restrictions, a Director appointed at the nomination of a Shareholder shall be entitled to supply details of any business transacted at meetings of the Board, or any other board and/or committee of the Company, and any other information obtained by them in their capacity as a Director, to the Shareholder that nominated them and/or to that Shareholder's professional advisers but only on a confidential basis.

Part C - Management Team

11. Appointment of the Management Team

1.1 The Management Team shall be appointed by the relevant Shareholder to the Company by notice to the Company and each other Shareholder (the relevant "**Appointing Shareholder**") as follows:

- (a) the General Manager shall be pointed by LanzaTech; and
- (b) the CFO shall be appointed by OFC.

1.2 Following a notice from an Appointing Shareholder under paragraph 1.1, the Company shall procure the appointment of the relevant member of the Management Team as soon as reasonably practicable and in any case no later than thirty (30) days following receipt of the notice.

12. Removal of the Management Team

2.1 An Appointing Shareholder may, by notice to the Company and each other Shareholder, require at any time in its discretion the removal of any member of the Management Team that it has the right to appoint.

2.2 The Company may, and shall if it receives a notice from any Shareholder (copied to each other Shareholder) requiring it to do so, remove any member of the Management Team in the event that:

- (a) that person acts in material breach of his or her contract of employment or engagement, the Company's policies or any other employment or contractual relation with the Company; or
- (b) the Appointing Shareholder ceases to be a Shareholder.

- 2.3 Following a notice under paragraph 2.1 or 2.2, the Company shall procure the removal of the relevant member of the Management Team as soon as reasonably practicable and in any case no later than 30 days following receipt of the notice.
- 2.4 In the event that a member of the Management Team is removed pursuant to this paragraph 2.4, the Appointing Shareholder must appoint a replacement as soon as reasonably practicable and in any case no later than 60 days following the removal of such member.

13. Obligation to consult

No Shareholder may deliver a notice appointing or removing a member of the Management Team without reasonable prior consultation with each other Shareholder, save in the case of removal of a member of the Management Team for alleged fraud, negligence or misconduct.

14. Indemnity

Each Appointing Shareholder shall be responsible for and agrees to indemnify the other Shareholder and the Company on demand against all Losses that the other Shareholder or the Company may suffer or incur arising out of, or in connection with, any claim by a member of the Management Team appointed by it for wrongful or unfair dismissal or redundancy or other compensation payable in respect of their removal or loss of office in accordance with paragraph 2.1 or 2.2(b).

Part D - Shareholders' meetings

11. Meetings in accordance with Law and Articles

All meetings of the Shareholders shall take place in accordance with applicable Law and the Articles.

113. Number of meetings

Shareholder meetings shall take place with such frequency as may be determined by the Board and as required by applicable Law, provided that Shareholder meetings shall take place at least once in each Financial Year.

114. Location of meetings

All Shareholder meetings shall be held in at the Company's registered office (or at such other location as may, subject to paragraph 3.2 of Part B – Meetings of Directors of Schedule 1, be approved by the Shareholders).

115. Telephone and electronic meetings

- 15.1 Shareholders may attend meetings by telephone or by electronic communication, provided that each Shareholder who participates in the meeting:
- (a) is able to hear each of the other participating Shareholders addressing the meeting; and
 - (b) is able, if they so wish, to address each of the other participating Shareholders simultaneously.

- 15.2 If a Shareholders' meeting is held it will be taken to be held:
- (a) at the location where the largest group of participating Shareholders is present; or
 - (b) if no such group is readily identifiable, at the location of the chair.

116. Notice of meetings

- 16.1 Any Shareholder(s) holding (whether individually or together) at least 25% of the Shares or the Board may convene a Shareholder meeting by notice in writing to all of the Shareholders given in accordance with the Articles.
- 16.2 A Shareholder meeting shall be convened on no less than twenty one (21) days' notice to each Shareholder (subject to clause 11.2), unless waived by each Shareholder.
- 16.3 Any notice of a Shareholder meeting shall include an agenda identifying in reasonable detail the matters to be discussed at the meeting and shall be accompanied by copies of any relevant papers to be discussed at the meeting.
- 16.4 Each Shareholder may add matters to the agenda before the meeting by at least five (5) Business Days' notice to the other Shareholders.]
- 16.5 No business shall be conducted at a meeting of the Shareholders that is not included on the agenda, except with the consent of all the Shareholders.
- 16.6 Proceedings of Shareholder meetings and all papers, minutes and notices shall be in English or, for third party facing resolutions, in both English and Arabic.

117. Quorum

- 17.1 No business shall be transacted at any Shareholder meeting unless a quorum is present at the time when the meeting proceeds to business and remains present during the transaction of business.
- 17.2 Subject to paragraph 6.3 and clause 20.3, a quorum shall exist at any portion of a Shareholder meeting of Shareholders holding, in aggregate, not less than 75% of the Shares are present in person or by proxy.
- 17.3 If a quorum is not present at a Shareholder meeting within thirty (30) minutes from the time specified for the Shareholder meeting, or if during the meeting a quorum is no longer present, the meeting shall be adjourned for at least five (5), but no more than ten (10), Business Days (excluding the date of the original meeting and the date of the adjourned meeting) to the same place and time of day, when the quorum (for that adjourned meeting only) shall be the presence of the Shareholders holding, in aggregate, not less than 51% of the Shares.

118. Voting

Decisions at Shareholder meetings shall be determined by a simple majority of votes cast on a poll (except as otherwise required by this Agreement or the Articles or by applicable Law). The Chair shall not have a vote at any Shareholder meeting.

119. Chair

19.1 The Chair of the Board shall be the chair of all Shareholders' meetings.

19.2 In the absence of the Chair from any Shareholders' meeting, the Shareholder who appointed the Chair may appoint any Director to act as Chair for purposes of the meeting.

120. Written resolutions

20.1 The Shareholders may pass a resolution without a Shareholder meeting being held if all of the Shareholders entitled to vote on the resolution sign a document stating that they are in favour of the resolution set out in the document.

20.2 A written resolution may consist of one or several documents executed as counterparts and may be circulated by e-mail.

20.3 A written resolution shall be considered passed when the last Shareholder signs, provided that each signature is obtained within fourteen (14) days of the date the Company initially circulated that resolution.

121. Minutes

The minutes of a meeting of the Shareholders shall be circulated to the Shareholders following any meeting.

Schedule 2

Reserved Matters

11. Interpretation

- 1.1 Each Reserved Matter shall be deemed to include the entry into of any agreement or arrangement to do with that Reserved Matter, other than an agreement to do so that is conditional on approval by the Shareholders in accordance with this Agreement.
- 1.2 In this Schedule, unless expressly provided to the contrary, any reference to the Company or the Board shall be deemed to include a reference to each Subsidiary or its board (as applicable), so that each of the Reserved Matters listed in this Schedule shall be deemed to apply *mutatis mutandis* to each Subsidiary, provided that such Reserved Matters shall only apply to the extent that the Company has a right (whether by virtue of holding (directly or indirectly) voting rights, under the relevant shareholder arrangements of such Subsidiary, or otherwise) to approve or consent to (or procure the approval or consent to) the relevant matter in respect of such Subsidiary.

12. Reserved Matters

#	Reserved Matter
Corporate	
1	Any amendment to the Articles or other constitutional documents of the Company.
2	Any change in the issued share capital of the Company or the creation of any options or rights to subscribe for, acquire or convert any instrument into, Securities, other than in accordance with clause 15.3 and Schedule 3.
3	The request by the Company for any funding which is not expressly provided for in the Budget or Business Plan, or requested in connection with an Emergency Funding Event in accordance with clause 15.3 and Schedule 3.
4	The redemption, purchase, reorganisation, consolidation, sub-division, cancellation or conversion of any of Securities of the Company or a change in any of the rights attaching to any Securities, other than the redemption of Shares on a pro-rata basis in accordance with the Shareholders Equity Proportions consistent with the Distribution Policy.
5	Any change to the name or trading name of the Company.
6	Any change in the number of, or method of designating, the Board.
7	The appointment or removal of the Company's auditors.
8	Any alteration to the Company's accounting reference date or, other than as required by applicable Law, the Accounting Standards.

Carrying on of Business	
9	Any material change in the nature or geographical scope of the Business or any decision to commence any Business in any of the Broader Territories.
10	The approval or amendment of the Budget or the Business Plan.
11	The cessation of any business operation of the Company, save as expressly provided in the Business Plan.
12	The decision to pursue and enter into any (i) Direct Project Investment; or (ii) Technology Licence Transaction, by the Company or, in the case of Technology Licensing Transactions, the relevant Shareholder (or its relevant Affiliate(s)).
13	The equity structure (including the identity of any third party investor) of any Equity Project SPV.
Accounting and financial	
14	The declaration or payment by the Company of any dividend or other distribution whether in cash or in specie, other than a distribution of cash in accordance with the Distribution Policy.
15	The adoption of any distribution policy other than the Distribution Policy and any amendment to or replacement of the Distribution Policy.
Financing arrangements	
16	The entry into, amendment or early repayment of any borrowing of the Company, or refinancing of the same, in each case in excess of the Agreed Threshold.
17	The issue by the Company of any debenture or loan stock (other than other than in accordance with clause 15.3 and Schedule 3) (whether secured or unsecured) or the creation of any Encumbrance over any of the Company's material assets.
18	Other than in the ordinary course of business, the making of any loan by the Company or the creation, renewal or extension of any lending by the Company in each case in excess of the Agreed Threshold.
19	The giving by the Company of any guarantee or indemnity
20	The disposal or creation of any security interest over any book debts of the Company or the entry into of any invoice discounting arrangements.
Acquisitions and disposals	
21	Any arrangement for the disposal by the Company of the whole or substantially the whole of its assets or undertaking.

22	The participation in, or termination of any participation in, by the Company of any partnership, profit sharing arrangement or joint venture.
23	The incorporation or formation of any subsidiary undertaking of the Company.
24	Other than in the ordinary course of business, the assignment, sale or disposal of any asset or related group of assets of the Company (whether by a single transaction or series of transactions) having a book value in excess of the Agreed Threshold in aggregate.
25	The acquisition of any asset or related group of assets by the Company (whether by a single transaction or series of transactions) having a book value in excess of the Agreed Threshold in aggregate.
Material Agreements	
26	The entry into, amendment, assignment or termination of any contract of a long term, onerous or unusual nature, or the assumption of any material liability otherwise than in the ordinary course of business.
27	The entry into and the terms of any (i) Related Party Transaction (ii) any agreement in respect of the governance and shareholder arrangements with respect to an Equity Project SPV.
28	The entry into any agreement that may result in any material change in the nature or scope of the operations of the Company.
29	The entry into of any contract that is reasonably likely to generate income or expenditure in excess of the Agreed Threshold in any twelve month period, or which otherwise cannot be terminated without penalty on less than three months' notice.
30	The entry into of any commitment to incur any capital expenditure not otherwise expressly provided in the Budget or Capex Plan set out in the Business Plan.
Employment and Consultants	
31	The appointment or termination of any member of the Management Team other than in accordance with Part C - Management Team of Schedule 1.
32	The decision to hire any employees.
33	The appointment, remuneration, compensation, transfer or dismissal of any consultants or any senior employees of the Company with remuneration in excess of the Agreed Threshold in a year.
Litigation	

34	The commencement or discontinuation of the prosecution or defence of, or settlement of any litigation or arbitration proceedings or claim by the Company, in each case where the amount claimed exceeds the Agreed Threshold (except in respect of debt collection in the ordinary course of business or applying for or defending an interim injunction where it is not practicable to obtain consent).
Tax	
35	The approval of, or any amendment to, or replacement of, the Company's Tax policy.
36	The lodging, filing or making of any material claim, disclaimer, surrender, election or consent by the Company.
37	Any act or the entry into any arrangement that may result in the Company being either resident for Tax purposes in a jurisdiction other than the United Kingdom or subject to Tax in such a jurisdiction.
Insolvency Events	
38	The taking of any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, with an Insolvency Event of the Company.

Schedule 3

Shareholder financing and issue of Securities

Part A - General Provisions

11. Form of Securities to be issued

Where any Securities are to be issued under this Schedule 3, they shall be issued by the Company to the Shareholders and shall be:

- (a) loans by the Shareholders to the Company; or
- (b) if agreed by the Shareholders, another form of Securities.

12. Price for Offer Securities

The subscription price for any new Securities:

- (a) that represent indebtedness, shall be the principal amount of the indebtedness; or
- (b) otherwise, shall be a price per Security determined by the Board by reference to the aggregate amount of all capital that has been contributed to the Company by the Shareholders.

13. Terms of Shareholder loans

If any new Securities take the form of loans from the Shareholders to the Company, unless otherwise agreed by the Shareholders, each such loan shall be made on terms that shall include the following:

- (a) an interest rate on arm's length terms to be determined by the Board, with interest to accrue yearly on the basis of a 365 day year, calculated daily and compounded monthly; and
- (b) repayment to be made from any amount that would otherwise be available for distribution by the Company by way of dividend.

Part B - Issue of Securities

11. Application of this Part B

The provisions of this Part B – Issue of Securities of Schedule 3 shall apply to any proposed issue of Securities pursuant to clause 15.3(a).

12. Issue Notice

2.1 The Board must give prior written notice of any proposed issue of Securities concurrently and in identical terms to each Shareholder (an "**Issue Notice**"), specifying:

- (a) the total amount of funding that the Company proposes to raise as part of the issue (the "**Funding Amount**");
- (b) the portion of the Funding Amount being requested from each Shareholder, which shall be its pro rata share (by Equity Proportion) of the total Funding Amount;

- (c) the total number or amount of Securities to be issued (the "**Offer Securities**") and the terms of the relevant Securities;
- (d) the number or amount of Offer Securities that each Shareholder is allocated based on its Entitlement;
- (e) the subscription price for the Offer Securities, determined in accordance with Part A;
- (f) the period during which the Shareholders must indicate whether or not they intend to subscribe for the Offer Securities, which must begin on the date of delivery of the Issue Notice and end no earlier than fifteen (15) days and no later than twenty (20) days after delivery of the Issue Notice, or in the case of Emergency Funding, no earlier than five (5) days and no later than ten (10) days after delivery of the Issue Notice (in each case, the "**Issue Acceptance Period**");
- (g) the proposed date of issue of the Offer Securities, which shall be at least thirty (30) days following the date that the Shareholders receive the Issue Notice, or in the case of Emergency Funding, at least five (5) days following the date that the Shareholders receive the Issue Notice (in each case, the "**Funding Date**"); and
- (h) the payment terms for the Offer Securities, provided that the consideration must be payable in cash in SAR (unless all Shareholders agree otherwise).

2.2 With respect to an Issue Notice in relation to Emergency Funding, the Securities shall be in the form of shareholder loans, unless otherwise unanimously agreed by the Shareholders.

2.3 Where any proposed issue of Securities is the subject of a Reserved Matter, the Company shall not deliver an Issue Notice until such time as the Shareholders have duly approved such Reserved Matter in accordance with clause 9.

13. Subscription notice

3.1 Each Shareholder shall give written notice to the Company and the Board within the Issue Acceptance Period specifying:

- (a) the maximum number of Offer Securities for which the Shareholder wishes to subscribe (the "**Subscribed Securities**"), which may be less than or equal to its Entitlement; and
 - (b) whether the Subscribed Securities are to be issued to that Shareholder or one of its Permitted Transferees,
- (a "**Subscription Notice**").

14. Issue of Offer Securities

On the Funding Date, each Shareholder who applied for its Entitlement or fewer Offer Securities (or its Permitted Transferee, if applicable) shall be allocated the number of Offer Securities for which it applied and shall make payment in accordance with the terms of the Issue Notice.

15. Shortfall Loan

5.1 If any Shareholder (a "**Non-Funding Shareholder**"):

- (a) does not deliver a Subscription Notice in accordance with paragraph 3 above in respect of all of its Entitlement; or
- (b) delivers a Subscription Notice in accordance with paragraph 3 above but fails to fund its Subscribed Securities on the Funding Date,

the other Shareholder (provided it is not also a Non-Funding Shareholder) or one of its Permitted Transferees (each a "**Funding Shareholder**") may advance a loan to the Company to cover the funding shortfall resulting from the Non-Funding Shareholder's failure to fund its full Entitlement (a "**Funding Shortfall**" and each such loan, a "**Shortfall Loan**").

5.2 Any Shortfall Loan will bear interest at an annual rate equivalent to the Agreed Threshold, calculated daily and compounded monthly but shall otherwise on the terms set out in paragraph 3 of Part A above, save that any Shortfall Loan provided in respect of Emergency Funding shall be on identical terms to those set out in the relevant Issue Notice in respect of such Emergency Funding.

5.3 The Non-Funding Shareholder responsible for the Funding Shortfall shall be entitled to repay any Shortfall Loans made in respect of that Funding Shortfall from any Funding Shareholder who advanced the applicable Shortfall Loan within twenty four (24) months (the "**Cure Period**") after that Shortfall Loan was advanced by paying to that Funding Shareholder:

- (a) the principal amount of the Shortfall Loan that was advanced; *plus*
- (b) all accrued but unpaid interest (for the avoidance of doubt, the payment of which shall discharge the Non-Funding Shareholder's obligation to pay the interest to the Funding Shareholder who advanced the applicable Shortfall Loan); *plus*
- (c) any external third party expenses incurred by the Funding Shareholder in making the Shortfall Loan (including breakage and unwinding costs); *plus*
- (d) any Tax payable by either party on the transfer of the Shortfall Loan.

5.4 Should any Non-Funding Shareholder fail to repay any Shortfall Loan in accordance with paragraph 5.3 of this Part B – Issue of Securities of Schedule 3 by the date falling 6 months following the date on which the Shortfall Loan was advanced by the Funding Shareholder ("**Expiry Date**"):

- (a) the interest rate of the outstanding Shortfall Loan will increase by 3% over and above the interest rate set out in paragraph 5.2 above; and
- (b) such Non-Funding Shareholder shall be deemed to have directed the Company to pay its pro-rata entitlement to any Distribution declared or paid after the Expiry Date to such bank account as the Funding Shareholder may notify the Company up to the aggregate amount owed to the Funding Shareholder in respect to such Shortfall Loan

as at the date of declaration of such Distribution (calculated on the basis of paragraph 5.3) as if the Non-Funding Shareholder were repaying the Funding Shareholder.

- 5.5 At any time following the expiry of the Cure Period, any Funding Shareholder (a "**Converting Shareholder**") that has made a Shortfall Loan (which has not been repaid in full pursuant to clause 5.4) may elect by sending notice to each other Party (a "**Conversion Notice**") to convert all or any portion of the outstanding principal and unpaid interest on its Shortfall Loan into Shares, such Shares to be issued at the then current Market Value of the Company as determined in accordance with Schedule 5.
- 5.6 In the event the Converting Shareholder wishes to convert the Shortfall Loan in accordance with paragraph 5.4(b) above then, following a Conversion Notice, the Company shall convert the relevant portion of the Shortfall Loan referred to in the Conversion Notice into Shares by issuing the number of Shares (at its election) equivalent in value to the principal amount of the outstanding Shortfall Loan *plus* all accrued but unpaid interest.

Schedule 4

Pre-emption rights

- 5.1 Where clause 19 applies, the Transferring Shareholder must first give a written notice to each other Shareholder (together, the "**Non-Transferring Shareholders**"), copied to the Company (the "**Sale Notice**"), specifying:
- (a) details of the proposed Transferee (the "**Proposed Transferee**");
 - (b) the number of Securities that the Transferring Shareholder wishes to sell (which must be all, and not some only, of its Securities unless prior written consent has been given for a partial transfer pursuant to clause 17.2) (the "**Sale Securities**");
 - (c) the price at which the Transferring Shareholder proposes to transfer those Sale Securities, which must be a cash price in SAR and may not include any non-cash, deferred or contingent consideration (the "**Asking Price**");
 - (d) details of the other terms and conditions of the proposed sale;
 - (e) the Entitlement of each Non-Transferring Shareholder;
 - (f) a statement that the Sale Notice is an offer to sell the Sale Securities to each Non-Transferring Shareholder;
 - (g) the period during which the offer set out in the Sale Notice may be accepted, which must begin on the date of delivery of the Sale Notice and end no earlier than thirty (30) days after delivery of the Sale Notice (the "**ROFR Acceptance Period**"); and
 - (h) details of the bank account to which each Non-Transferring Shareholder should transfer any purchase price due from it in respect of the Sale Securities allocated to it.
- 5.2 A Non-Transferring Shareholder may accept the offer contained in the Sale Notice by giving written notice to the Transferring Shareholder and to the Company within the ROFR Acceptance Period specifying:
- (a) the maximum number of Sale Securities that the Non-Transferring Shareholder (each, an "**Accepting Shareholder**") wishes to acquire (the "**Accepted Securities**"), which may be more than, less than or equal to its Entitlement; and
 - (b) whether the Sale Securities are to be transferred to that Shareholder or to a Permitted Transferee, (a "**ROFR Acceptance Notice**").
- 5.3 If ROFR Acceptance Notices are received within the ROFR Acceptance Period in respect of:
- (a) all (or more than all) of the Sale Securities, paragraph 1.4 shall apply;
 - (b) some but not all of the Sale Securities, paragraph 1.5 shall apply; or
 - (c) none of the Sale Securities, paragraph 1.6 shall apply.

- 5.4 Where paragraph 1.3(a) applies, the Transferring Shareholder shall sell, and the Accepting Shareholder(s) shall purchase, the Sale Securities, allocated as follows:
- (a) each Accepting Shareholder (or its Permitted Transferee, if applicable) who applied for its Entitlement or fewer Sale Securities shall be allocated the number of Sale Securities for which it applied; and
 - (b) each Accepting Shareholder who applied for more than its Entitlement (or its Permitted Transferee, if applicable) shall be allocated:
 - (i) its Entitlement, plus
 - (ii) the remainder of any additional Accepted Securities; *provided that*, if there are more Accepted Securities than Sale Securities, the Accepted Securities in excess of each Accepting Shareholder's Entitlement shall be allocated proportionately to their respective Equity Proportions; *provided further* that no Accepting Shareholder shall be required to accept more Sale Securities than it has applied for.

5.5 Where paragraph 1.3(b) applies, the Transferring Shareholder may elect either to:

- (a) sell:
 - (i) the Accepted Securities to the relevant Accepting Shareholder(s), in which case the Accepting Shareholder(s) (or their Permitted Transferees, if applicable) shall purchase those Accepted Securities; and
 - (ii) any Sale Securities that are not Accepted Securities to the Proposed Transferee; or
- (b) sell all of the Sale Securities to the Proposed Transferee.

5.6 Where paragraph 1.3(c) applies, the Transferring Shareholder may sell the Sale Securities to the Proposed Transferee in accordance with paragraph 2 below.

5.7 Any Sale Notice and any ROFR Acceptance Notice shall be irrevocable.

16. Completion of Sales to the Proposed Transferee

6.1 Any sale of Sale Securities to the Proposed Transferee pursuant to paragraphs 1.4 to 1.6 shall be at the Asking Price and otherwise on the terms set out in the ROFR Notice, provided that:

- (a) a binding agreement in respect of any such sale is entered into within thirty (30) days of the last day of the ROFR Acceptance Period; and
- (b) the sale completes within a further thirty (30) days or, if later, thirty (30) days after the receipt of all Mandatory Consents, provided that that date is no later than one hundred and eighty (180) days after the last day of the ROFR Acceptance Period,

failing which, the Transferring Shareholder's right to sell the Sale Securities to the Proposed Transferee shall lapse and the Transferring Shareholder shall be required to comply with the right of first refusal process set out in paragraph 1 in respect of any sale of the Sale Securities.

17. Completion of Sales to Accepting Shareholder(s)

- 7.1 Where the Transferring Shareholder is obliged to sell Sale Securities to any Accepting Shareholder (or its Permitted Transferee, if applicable) under paragraphs 1.4 or 1.5 above (a "**Pre-Emption Sale**"), that sale shall be on the following terms:
- (a) conditional on receipt of any Mandatory Consents;
 - (b) at the Asking Price; and
 - (c) otherwise on the terms set out in the ROFR Notice.
- 7.2 Completion of a Pre-Emption Sale shall take place on the later to occur of:
- (a) sixty (60) days after the last day of the ROFR Acceptance Period; and
 - (b) twenty (20) days after the receipt of any Mandatory Consents, provided that that date is no later than one hundred and eighty (180) days after the last day of the ROFR Acceptance Period,
- (a) or any earlier date that the relevant parties to the sale may agree.
- 7.3 If any Mandatory Consent for a Pre-Emption Sale is refused or not given by the date set out in paragraph 3.2(b):
- (a) the Transferring Shareholder shall send to each Non-Transferring Shareholder a Sale Notice in respect of the Sale Securities that were to be the subject of the Pre-Emption Sale; and
 - (b) thereafter, the Parties shall comply with the process set out in this Schedule 4 in respect of those Sale Securities,
- (b) provided that:
- (i) the Sale Notice shall not be sent to the Accepting Shareholder in respect of which the Mandatory Consent was refused or not given (the "**Excluded Shareholder**");
 - (ii) the Excluded Shareholder shall not be entitled to apply for any Sale Securities and shall have no Entitlement; and
 - (i) the Excluded Shareholder's Shares shall be disregarded for the purposes of calculating each other Non-Transferring Shareholder's Entitlement.

Schedule 5

Market Value

11. Definitions

In addition to those terms defined in clause 1.1, for the purposes of this Schedule 5 the following terms shall have the following meanings:

"**Market Value**" means, in relation to any Securities:

- (a) the price agreed in accordance with paragraph 2.1 below; or
- (b) failing agreement being reached under paragraph (a) above, the price determined by the Valuer in accordance with paragraph 2.4 below.

"**Relevant Notice**" means a Default Notice.

"**Valuer**" means:

- (a) any one of Deloitte, Ernst & Young, KPMG or PricewaterhouseCoopers; or
- (b) if none of the foregoing are willing or able to act, any other firm of chartered accountants with at least 25 partners with valuation experience of businesses that are similar to the Business,

but excluding any firm that already acts or has acted in the last three years as auditor or accountant to any of the Shareholders or any person who Controls them.

12. Determination of Market Value

- 2.1 From the date on which a Relevant Notice is given until the date that falls 15 Business Days thereafter, the Shareholders shall use their reasonable endeavours to agree the Market Value of the relevant Securities (the "**Market Value Agreement Period**").
- 2.2 Failing agreement being reached in under paragraph 2.1 above, the Shareholders shall jointly engage the Valuer, on the terms set out in this paragraph 2 or on such terms as shall be agreed in writing by the Shareholders (which terms in any event shall include confirmation from the Valuer of its neutrality, independence and the absence of conflicts in acting), to determine the Market Value. In respect of both the selection of the Valuer and the acceptance of its terms of engagement, the Shareholders agree to co-operate and to act reasonably and expeditiously in order to secure the prompt appointment of the Valuer and no Shareholder may unreasonably (having regard, among other things, to the provisions of this paragraph 2) refuse its agreement to the selection of the Valuer or the terms proposed by the Valuer or by any other Shareholder.
- 2.3 If the Shareholders have not engaged the Valuer within 15 Business Days of the expiry of the Market Value Agreement Period (or any longer period that the Shareholders may agree in writing), the Valuer shall be appointed, upon the joint application of the Shareholders to the President for the time being of the Institute of Chartered Accountants of England and Wales

(or any person for the time being performing the functions of that official), on terms agreed between the Valuer and that President (which shall include confirmation from the Valuer of its neutrality, independence and the absence of conflicts in acting).

2.4 The Shareholders shall instruct the Valuer to determine the Market Value of the relevant Securities on the basis of an arm's length sale between a willing seller and a willing purchaser as at the date the Relevant Notice, and in determining the Market Value the Valuer shall be instructed in particular:

- (a) to have regard to the rights and restrictions attached to the Securities in respect of income and capital but to disregard any other special rights or restrictions attached to the Securities (including those under this Agreement);
- (b) to take into account whether the Securities represent a minority or a majority interest or will result in the acquisition of Control;
- (c) at its discretion, to take into account the value of any *bona fide* offer that may have been received to purchase the Securities in question and if, in the preceding three months, there has been a third party investment in the Company or any share issue by the Company or any other third party valuation that has placed a value on the Company and (in the Valuer's opinion) there has been no material change in either the market or the Company since the date of the valuation, to take the valuation into account;
- (d) if the Company is then carrying on the Business as a going concern, to assume that it will continue to do so;
- (e) if applicable, to take into account any facts, matters, circumstances or consequences causing or resulting from any Event of Default;
- (f) to use accounting principles, practices, methodologies and treatments consistent with the Accounting Standards in determining the relevant valuation;
- (g) in the case of any Securities that represent indebtedness:
 - (i) where the Valuer believes that a market exists for those Securities, on the basis of the price the Valuer believes would be paid for the relevant Securities in a sale between a willing seller and willing purchaser; and
 - (ii) otherwise, on the basis of the net present value as at the date of determination of their principal amount and accrued and unpaid interest, discounted to take into account credit risk;
- (h) at its discretion, to obtain professional valuations in respect of any of the Company's assets;
- (i) the Market Value must be in SAR; and
- (j) that the Market Value of the relevant Securities must be a single number and not a range and must be set out in writing addressed to each Shareholder, with a copy to the Company.

2.5 The Valuer shall act in the capacity of an expert and not an arbitrator, and its determination shall (in the absence of fraud or manifest error) be final and binding on the Shareholders and not subject to appeal.

13. Process and timeline

3.1 The Shareholders shall instruct the Valuer to deliver its determination as soon as reasonably practicable and in any event within 60 days of its appointment.

3.2 No later than 7 days following the Valuer's appointment, the Company shall deliver to the Shareholders and the Valuer:

- (a) the latest audited accounts of the Company;
- (b) the latest unaudited consolidated management accounts of the Company;
- (c) a copy of the applicable Business Plan and Budget; and
- (d) a disclosure letter disclosing all material liabilities of the Company not included in the accounts provided pursuant to the above.

3.3 Each Shareholder may, within 21 days of the Valuer's appointment, make written submissions and send documents to the Valuer, copied to each other Party.

3.4 Each Party shall promptly provide the Valuer with all information and cooperation reasonably requested in connection with the determination of Market Value.

3.5 Save as expressly set out in this Schedule 5, the Valuer shall decide the procedure to be followed in their determination in consultation with the Shareholders.

14. Costs

4.1 The Valuer shall determine how and by whom the costs of the determination, including the fees and expenses of the Valuer (but excluding the Shareholders' own costs which shall be borne by the relevant Shareholder or Shareholders incurring those costs), are to be paid.

4.2 Pending the Valuer's decision as to the costs of the determination, the costs shall be borne by all Shareholders, pro rata to their Equity Proportions.

Schedule 6

Disposals and issues of Securities

11. Terms of transfers

- 1.1 Any transfer of Securities (other than pursuant to clause 18.1(a)(i)) shall be on terms that those Securities:
- (a) are transferred with full legal and beneficial title free from all Encumbrances; and
 - (b) are transferred with the benefit of all rights attaching to them as at the date of the agreement to sell or transfer the Securities.

12. Deed of Adherence

- 2.1 No Transferring Shareholder may Dispose of Securities nor may the Company issue any Securities to any person, in each case other than an existing Shareholder, unless the relevant Transferee or subscriber for Securities (the "**New Holder**") has entered into a Deed of Adherence.
- 2.2 Following the execution of a Deed of Adherence by a New Holder:
- (a) the New Holder shall have the rights and obligations of a Shareholder and shall be a party to this Agreement; and
 - (b) in the case of a transfer, if the Transferring Shareholder ceases to hold any Securities, the Transferring Shareholder shall no longer be a party to this Agreement and shall not have any rights or obligations under this Agreement, subject to clause 24.3 and any accrued rights or liabilities.

13. Prohibited Persons and KYC

- 3.1 No Transferring Shareholder may Dispose of Securities nor may the Company issue any Securities to any New Holder, in each case other than an existing Shareholder, unless:
- (a) the proposed New Holder is not a Prohibited Person; and
 - (b) the Transferring Shareholder and the New Holder have complied with each other Party's reasonable know-your-customer processes.

14. Mandatory Consents

- 4.1 No Transferring Shareholder may Dispose of Securities nor may the Company issue any Securities to any person unless all Mandatory Consents for the Disposal or issue have been obtained by the New Holder.
- 4.2 Each Party shall use its reasonable endeavours to assist the proposed New Holder in obtaining those Mandatory Consents, including:
- (a) providing and/or procuring that the Company provide to the proposed New Holder (or, where appropriate, to the proposed New Holder's external counsel on a counsel-to-counsel basis) all information (on a confidential basis) reasonably required to

enable the proposed New Holder to determine which Mandatory Consents are required in connection with the Disposal; and

- (b) ensuring that all information reasonably required for making (or responding to any requests for further information following) any notification, submission, communication or filing in connection with the seeking of the Mandatory Consent is available (on a confidential basis) to the person (or, where appropriate, that person's external counsel on a counsel-to-counsel basis) required to obtain the Mandatory Consent or who is dealing with the notification, submission, communication or filing, and is accurately and promptly provided upon request.

4.3 In obtaining any Mandatory Consent (or satisfying any condition to a Mandatory Consent):

- (a) no Party shall be required to incur any material expense, incur any material obligation, commence any legal proceedings, or offer or grant any accommodation (financial or otherwise) to any third party in order to procure the Mandatory Consent (other than the ordinary expenses of its advisors or representatives);
- (b) no Party is required to take any action or agree to take any action if the action would, in the reasonable opinion of each such Party, have an adverse effect on the business of that Party or its Affiliates or on the benefit or rights of that Party under this Agreement; and
- (c) no Party required to initiate or participate in any proceedings against a Competent Authority.

15. Approval

Where relevant, the Directors shall promptly register any Disposal or issue of Securities permitted or required by this Agreement and each Shareholder shall procure that each Director appointed by it shall comply with this obligation.

16. Issues or Disposals in breach

- 6.1 Any purported Disposal or issue of Securities in breach of this Agreement shall be void and of no effect and shall not operate to transfer or grant any interest to the proposed New Holder.
- 6.2 Each Party shall take all necessary action to ensure that only Disposals or issues of Securities made in accordance with this Agreement are entered in the commercial register of the Company (if applicable).

17. Further assurance

Each Party shall do all things and carry out all acts that are reasonably necessary to effect any Disposal or issue of any Securities permitted under the terms of this Agreement in a timely fashion.

18. Return of documents, etc.

- 8.1 On ceasing to be a Shareholder (except in circumstances where an Affiliate of the exiting Shareholder remains a Shareholder), a Shareholder must (and must procure that each of its Representatives, Affiliates and their Representatives does):

- (a) return to the Company or destroy (at its election) all documents containing Confidential Information; and
- (b) to the extent reasonably practicable, remove from electronic storage all Confidential Information, including that information combined with any other information.

8.2 Notwithstanding paragraph 8.1, a Shareholder may retain any Confidential Information:

- (a) it is required to retain by applicable Law, rule or Regulation, including the rules of an applicable professional body or by its bona fide internal compliance or audit policies and procedures; or
- (b) contained in any electronic file created pursuant to any routine backup or archiving procedure so long as that file is not generally accessible beyond the need for disaster recovery or similar operations,

provided that any such Confidential Information is kept strictly private and confidential in accordance with the terms of this Agreement.

19. Loans, borrowings, guarantees and indemnities

9.1 Any Disposal of Securities may not be completed unless all guarantees, indemnities, security or other comfort given by the Transferring Shareholder to or in respect of the Company or the Business are replaced by the Transferee at or before completion in respect of the Securities that it will acquire in accordance with their terms, and the Transferee shall use all reasonable endeavours to procure the same.

9.2 Upon a Disposal of all the Securities held by a Shareholder all outstanding loans, borrowings and indebtedness in the nature of borrowings owed by that Transferring Shareholder to the Company shall be repaid at or before completion of the Disposal.

Schedule 7

Deed of Adherence

THIS DEED is made and delivered on [*insert date*]

BY [*insert name*] of [*insert address*] [(the "New Shareholder")]

WHEREAS:

- A. On [*insert date*], [*insert name of original party*] and [*insert name of original party*] entered into a shareholders' agreement governing their relationship as shareholders [in [*insert name*] (the "Company")] (such agreement as amended, supplemented or novated from time to time, the "Shareholders' Agreement").
- B. [The New Shareholder proposes to [acquire]/[subscribe for] [*insert number, par value and class*] [Shares] (the "**Acquired Securities**") in the Company [from [*insert name of transferring shareholder*] (the "**Transferring Shareholder**")]
- C. * [The New Shareholder is a Permitted Transferee of the Transferring Shareholder.]
- D. This Deed is entered into in compliance with paragraph 2 of Schedule 6 of the Shareholders' Agreement.

NOW THIS DEED WITNESSES as follows:

1. Capitalised terms used in this Deed but not defined have the same meaning as in the Shareholders' Agreement.
2. The [New Shareholder] undertakes to:
 - (a) the parties to the Shareholders' Agreement as at the date of the Shareholders' Agreement; and
 - (b) any other person or persons who have or may become parties to the Shareholders' Agreement,to be bound by and comply in all respects with the Shareholders' Agreement, and to assume the benefits of the Shareholders' Agreement, as if the [New Shareholder][Company] had executed the Shareholders' Agreement as [a Shareholder][the Company] and was named as a party to it [in respect of the Acquired Securities] * [and was named as a party to it jointly with the Transferring Shareholder in respect of the Acquired Securities].
3. * [The New Shareholder hereby irrevocably appoints the Transferring Shareholder as its attorney and agent in relation to the Acquired Securities for all purposes set out in clause 18.4 (*Partial transfers*) of the Shareholders' Agreement and acknowledges and agrees that each other party to the Shareholders' Agreement may rely on the same.]
4. [The New Shareholder warrants and undertakes to the Company and to the other Shareholder(s) in the terms set out in clause 23 (*Warranties*) and clause 26.1 (*Warranties of the Shareholders*) of the Shareholders' Agreement, but so that those warranties shall be

deemed to be given on the date of this Deed and shall be deemed to refer to this Deed as well as the Shareholders' Agreement.]

5. [The New Shareholder's details for the purpose of clause 35 (*Notices*) of the Shareholders' Agreement are as follows:

Address: [insert address]

E-mail: [insert e-mail address]

For the attention of [insert name]]

6. The construction, validity and performance of this Deed and all non-contractual obligations arising from or connected with this Deed shall be governed by the laws of England.

7. The provisions of clause 41.2 (*Dispute resolution*) of the Shareholders' Agreement shall apply to this Deed.

8. [The New Shareholder confirms that it has irrevocably appointed [insert name of agent] of [insert address] as its agent to receive and acknowledge on its behalf service of any proceedings arising out of or in connection with this Deed or the Shareholders' Agreement in England and undertakes not to revoke the authority of that agent.]

9. The provisions of clause [●] to [●] shall apply to this Deed.]

IN WITNESS WHEREOF this Deed has been duly executed and delivered on the day and year first above written.

EXECUTED as a deed by

[*New Shareholder*]

acting by [*insert name of director*]

in the presence of:

.....

Director

.....
Print name of witness:

Address:

Schedule 8

Call Option and Put Option

11. Defined Terms

In addition to those terms defined in clause 1.1, for the purposes of this Schedule 8 the following terms shall have the following meanings:

"**Call Option**" means the call option set out in paragraph 3.2.

"**Exit Price**" means, in respect of Securities sold pursuant to:

- (a) the Call Option, 90% of Market Value; or
- (b) the Put Option, 110% of Market Value.

"**Option Period**" means the period beginning on the Business Day following the date on which all Shareholders are notified of the determination of Market Value in accordance with paragraph 2 and Schedule 5 and ending thirty (30) days thereafter.

"**Put Option**" means the put option set out in paragraph 5.2.

12. Determination of Market Value

- (a) Following the delivery of a Default Notice, the Parties shall procure that the Market Value of the Defaulting Shareholder's Securities be determined in accordance with Schedule 5.
- (b) Within ten (10) Business Days of the determination of the Market Value in accordance with paragraph 2(a) above, the Non-Defaulting Shareholder shall notify the Defaulting Shareholder whether it wishes to pursue the Call Option or the Put Option; provided that, if no such notice is delivered, the Non-Defaulting Shareholder shall be deemed to have notified the Defaulting Shareholder that it wishes to pursue the Call Option.

13. Call Option

- 3.1 This paragraph 3 and paragraph 4 applies where the Non-Defaulting Shareholder notifies (or is deemed to have notified) that it wishes to pursue the Call Option pursuant to paragraph 2(b) above.
- 3.2 In consideration of the grant of the Put Option, each Defaulting Shareholder grants to each Non-Defaulting Shareholder an option to purchase the Defaulting Shareholder's Securities on the terms of this paragraph 3 and paragraph 4 (the "**Call Option**").
- 3.3 During the Option Period, a Non-Defaulting Shareholder (a "**Calling Shareholder**") may give written notice to each other Shareholder and to the Company specifying:
 - (a) the maximum number of the Defaulting Shareholder's Securities that the Non-Defaulting Shareholder wishes to acquire (the "**Called Securities**") at the Exit Price, which may be more than, less than or equal to, its Entitlement; and

(b) whether the Called Securities are to be issued to that Shareholder or one of its Permitted Transferees,

(a "**Call Notice**").

3.4 If Call Notices are received within the Option Period in respect of all (and not some only) of the Defaulting Shareholder's Securities, the Transferring Shareholder shall sell, and the Calling Shareholders shall purchase, the Defaulting Shareholder's Securities, allocated as follows:

- (a) each Calling Shareholder who applied for its Entitlement or fewer Securities or its Permitted Transferee, if applicable) shall be allocated the number of Securities it applied for; and
- (b) each Calling Shareholder who applied for more than its Entitlement or its Permitted Transferee, if applicable) shall be allocated:
 - (i) its Entitlement, plus
 - (ii) the remainder of its Called Securities; provided that, if there are more Called Securities than offered Securities, the Called Securities in excess of each Calling Shareholder's Entitlement shall be allocated proportionately to its respective Equity Proportions; provided further that no Calling Shareholder shall be required to accept more Securities than it has applied for.

3.5 Any Call Notice shall be irrevocable.

3.6 If Call Notices are not delivered during the Option Period in respect of all of the Defaulting Shareholder's Securities, the Defaulting Shareholder shall not be obliged to sell any of its Securities pursuant to this paragraph.

14. Completion of Call Option sale

4.1 Where the Defaulting Shareholder is obliged to sell its Securities to any Calling Shareholder or its Permitted Transferee, if applicable) under paragraph 3.4 above (a "**Call Sale**"), the sale shall be on the following terms:

- (a) conditional on receipt of any Mandatory Consents; and
- (b) at the Exit Price.

4.2 Completion of a Call Sale shall take on the later of:

- (a) sixty (60) days after the last day of the Option Period; and
- (b) twenty (20) days after the receipt of any Mandatory Consents, provided that that date is no later than one hundred and eighty (180) days after the last day of the Option Period,

or such earlier date as the relevant parties to the sale shall agree.

- 4.3 If any Mandatory Consent for a Call Sale is refused or not given by the date set out in paragraph 4.2(b):
- (a) the Securities that were to be the subject of the Call Sale shall be offered to each Non-Defaulting Shareholder other than the Calling Shareholder in respect of which the Mandatory Consent was refused or not given (the "**Excluded Shareholder**"), by a notice to be sent by the Excluded Shareholder to each other Shareholder and the Company; and
 - (b) thereafter, the Parties shall comply with the process set out in this Schedule 8 in respect of those Securities, with the Option Period being deemed to have commenced on the date of delivery of the notice in paragraph 4.3(a),

provided that:

- (i) the Excluded Shareholder shall not be entitled to apply for any such Securities and shall have no Entitlement; and
- (ii) the Excluded Shareholder's Shares shall be disregarded for the purposes of calculating each other Non-Defaulting Shareholder's Entitlement.

15. Put Option

- 5.1 This paragraph 5 and paragraph 6 apply where the Non-Defaulting Shareholder notifies that it wishes to pursue the Put Option pursuant to paragraph 2(b) above.
- 5.2 In consideration of the grant of the Call Option, each Defaulting Shareholder grants to each Non-Defaulting Shareholder an option to sell the Defaulting Shareholder's Securities to the Non-Defaulting Shareholders on the terms of this paragraph 5 and paragraph 6 (the "**Put Option**").
- 5.3 During the Option Period, a Non-Defaulting Shareholder (a "**Putting Shareholder**") may give written notice to each other Shareholder and to the Company specifying that it wishes to sell all (and not some only) of the Securities it and its Permitted Transferees hold (the "**Put Securities**") to the Defaulting Shareholder at the Exit Price (a "**Put Notice**").
- 5.4 Any Put Notice shall be irrevocable.

16. Completion of Put Option sale

- 6.1 Where the Defaulting Shareholder is obliged to acquire Put Securities from any Putting Shareholder and its Permitted Transferees under paragraph 5.2 above (a "**Put Sale**"), the sale shall be on the following terms:
- (a) conditional on receipt of any Mandatory Consents; and
 - (b) at the Exit Price.
- 6.2 Completion of a Put Sale shall take on the later of:
- (a) sixty (60) days after the last day of the Option Period; and

(b) twenty (20) days after the receipt of any Mandatory Consents, provided that that date is no later than one hundred and eighty (180) days after the last day of the Option Period,

or such earlier date as the relevant parties to the sale shall agree.

17. End of Restrictions in clause 20.3(a)

The restrictions set out in clause 20.3(a) shall cease to apply:

- (a) at the end of the Option Period, if no Call Notice or Put Notice, as applicable is delivered;
- (b) following completion of all Call Sales or Put Sales, as applicable.

Schedule 9

Company Deed of Adherence

THIS DEED is made and delivered on [*insert date*]

BY [*insert name*] of [*insert address*] [(the "Company")]

WHEREAS:

- A. On [*insert date*], the Shareholders entered into a shareholders' agreement governing their relationship as shareholders in a limited liability company to be incorporated in the Kingdom (such agreement as amended, supplemented or novated from time to time, the "**Shareholders' Agreement**").
- B. Pursuant to clause 3 of the Shareholders' Agreement, the Shareholders have incorporated the Company and the Company now wishes to accede and become a party to the Shareholders' Agreement in its capacity as the Company in accordance with clause 3.2(d) of the Shareholders' Agreement.

NOW THIS DEED WITNESSES as follows:

1. Capitalised terms used in this Deed but not defined have the same meaning as in the Shareholders' Agreement.
2. The Company undertakes to the Shareholders' as at the date of the Shareholders' Agreement to be bound by and comply in all respects with the Shareholders' Agreement, and to assume the benefits of the Shareholders' Agreement, as if the Company had executed the Shareholders' Agreement as the Company and was named as a Party to it.
3. [The Company's details for the purpose of clause 35 (*Notices*) of the Agreement are as follows:
Address: [*insert address*]
E-mail: [*insert e-mail address*]
For the attention of [*insert name*]]
4. The construction, validity and performance of this Deed and all non-contractual obligations arising from or connected with this Deed shall be governed by the laws of England.
5. The provisions of clause 41.2 (*Dispute resolution*) of the Shareholders' Agreement shall apply to this Deed.
6. The provisions of clause [●] to [●] shall apply to this Deed.]

IN WITNESS WHEREOF this Deed has been duly executed and delivered on the day and year first above written.

EXECUTED as a deed by

[*Company*]

acting by [*insert name of director*]

in the presence of:

.....

Director

.....
Print name of witness:

Address:

IN WITNESS WHEREOF this Agreement has been duly executed the day and year first above written.

EXECUTED as a **DEED**

by **OLAYAN FINANCING COMPANY**,
acting by its authorised representative(s)

By /s/ Saleh A. Alonzi
Name: Saleh A. Alonzi
Title: Authorized Legal Representative

EXECUTED as a **DEED**

by **LANZATECH, INC**,
acting by its by its authorised representative(s)

By /s/ Jennifer Holmgren
Name: Jennifer Holmgren
Title: CEO

DEED OF AMENDMENT AND NOVATION RELATING TO THE JOINT VENTURE AGREEMENT

dated

16 APRIL 2024

by

OLAYAN FINANCING COMPANY

and

LANZATECH, INC

and

SAUDI ARABIAN CONSTRUCTION & REPAIR COMPANY LTD.

**Baker & McKenzie LLP
280 Bishopsgate
London EC2M 4RB
United Kingdom
www.bakermckenzie.com**

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Deed of Amendment and Novation relating to the Joint Venture Agreement

This Deed is dated 16 April 2024

Between

Olayan Financing Company, a company incorporated under the laws of the Kingdom of Saudi Arabia with registered number 1010015281, having its principal place of business at Olayan Building, Al Ahsa Street, Al Malaz District, P.O. Box 8772, Riyadh 1 1492, Kingdom of Saudi Arabia ("**OFC**");

Lanzatech, Inc, a company incorporated under the laws of the State of Delaware with company number 4473721, having its principal place of business at 8045 Lamon Ave, Suite 400, Skokie, IL 60077, United States of America ("**LanzaTech**"); and

Saudi Arabian Construction & Repair Company Ltd., a company incorporated under the laws of the Kingdom of Saudi Arabia with registered number 4030041577 ("**CONREP**"), having its principal place of business at 10 Albakri Street, Office 105, Alsafa District, P.O. Box 003199, 21471 Jeddah, Kingdom of Saudi Arabia.

Recitals

- A. LanzaTech and OFC entered into the Joint Venture Agreement (as defined below) to govern the formation, management and operation of a limited liability company to be incorporated in the Kingdom of Saudi Arabia (the "**Company**") under which each of OFC and LanzaTech acquired certain rights against, and assumed certain obligations to, the other.
- B. The parties to this deed have agreed that the Joint Venture Agreement shall be (i) novated from OFC to CONREP in favour of LanzaTech, and (ii) amended to extend the Longstop Date (as defined therein), with effect from the Effective Date, subject to and on the terms of this deed.

1. Interpretation

1.1 Definitions

In this deed, the following words and expressions shall have the following meanings:

"**Business Day**" means a day (excluding Friday, Saturday, Sunday and applicable public holidays) on which banks generally are open in Riyadh, the Kingdom and in Chicago, Illinois, the United States of America for the transaction of normal banking business.

"**Company**" has the meaning given to it in Recital A.

"**Dispute**" has the meaning given to it in clause 10.3.

"**Effective Date**" means the date of this deed.

"**ICC**" has the meaning given to it in clause 10.3.

"**Joint Venture Agreement**" means the joint venture agreement entered into between OFC and LanzaTech in relation to the Company, as attached at Annexure 1.

"Rules" has the meaning given to it in clause 10.3.

1.2 Recitals, schedules, etc

References to this deed include the recitals which form part of this deed for all purposes. References in this deed to the parties, the recitals and clauses are references respectively to the parties and their legal personal representatives, successors and permitted assigns, the recitals to and clauses of this deed.

1.3 Meaning of references.

Save where specifically required or indicated otherwise:

- (a) words importing one gender shall be treated as importing any gender, words importing individuals shall be treated as importing corporations and vice versa, words importing the singular shall be treated as importing the plural and vice versa, and words importing the whole shall be treated as including a reference to any part thereof; and
- (b) references to a person shall include any individual, firm, body corporate, unincorporated association, government, state or agency of state, association, joint venture or partnership, in each case whether or not having a separate legal personality. References to a company shall be construed so as to include any company, corporation or other body corporate wherever and however incorporated or established.

1.4 Headings

Clause and paragraph headings and the table of contents are inserted for ease of reference only and shall not affect construction.

2. Amendment

With effect from the Effective Date, the parties to this deed agree that the definition of "**Longstop Date**" in clause 1.1 (*Defined terms*) of the Joint Venture Agreement shall be deleted in its entirety and replaced with the following:

"Longstop Date" means 30 June 2024;"

3. Novation

1.1 Assumption of obligations by CONREP

In consideration of LanzaTech agreeing to enter into, and to perform its obligations under, this deed, CONREP undertakes to LanzaTech that it will, from and including the Effective Date:

- (a) discharge the obligations of OFC under the Joint Venture Agreement and otherwise observe and perform all of the provisions of the Joint Venture Agreement binding on OFC; and
- (b) be liable to LanzaTech for any breach, non-observance or non-performance by OFC of its obligations under the Joint Venture Agreement whether occurring on or prior to the Effective Date,

in each case as if it had been a party to the Joint Venture Agreement in place of OFC from the date on which the Joint Venture Agreement was made.

3.1 Release of obligations

With effect from and including the Effective Date, LanzaTech releases and discharges OFC from the further performance of its obligations under the Joint Venture Agreement and from all liabilities, claims and demands of any kind arising whether past, present or future under or in connection with the Joint Venture Agreement. As from and including the Effective Date, LanzaTech accepts, in place of that performance and those liabilities, claims and demands, the undertaking of CONREP set out in clause 3.1.

3.2 Rights granted to CONREP

LanzaTech undertakes to CONREP that it will, from and including the Effective Date:

- (a) discharge its obligations under the Joint Venture Agreement and otherwise observe and perform all the provisions of the Joint Venture Agreement; and
- (a) be liable to CONREP for any breach, non-observance or non-performance by LanzaTech of its obligations under the Joint Venture Agreement whether occurring prior to, on or after the Effective Date,

in each case as if CONREP had been a party to the Joint Venture Agreement in place of OFC, and the obligations of LanzaTech had been owed to CONREP in place of OFC, from the date on which it was made.

3.3 Cessation of rights of OFC

With effect from and including the Effective Date, OFC shall cease to have any rights under the Joint Venture Agreement whether in respect of any breach, non-observance or non-performance by LanzaTech of its obligations under the Joint Venture Agreement whether past, present or future or otherwise.

4. Notices

4.1 Form of notices

Save as otherwise provided in this deed, any notice, demand or other communication to be given by any party under, or in connection with, this deed shall be in writing in English and may be delivered by hand or courier or email to a party as follows:

Party	Addresses
OFC	Address: Olayan Building, Al Ahsa Street, Al Malaz District, P.O.Box 8772, Riyadh 11492, Kingdom of Saudi Arabia Email: j.bahnan@ofc.com For the attention of: Legal Department with a copy to: Yasser El Farissi (y.elfarissi@ofc.com)

LanzaTech	Address: 8045 Lamon Avenue, Suite 400, Skokie, IL 60077 Email: legalteam@lanzatech.com For the attention of: Legal Department <u>with a copy to:</u> Geoff Trukenbrod (geoff@lanzatech.com) and Omar El-Sharkawy (omar.el-sharkawy@lanzatech.com)
CONREP	Address: 10 Albakri Street, Office 105, Alsafa District, P.O. Box 003199, 21471 Jeddah, Kingdom of Saudi Arabia Email: j.bahnan@ofc.com For the attention of: Legal Department <u>with a copy to:</u> Yasser El Farissi (y.elfarissi@ofc.com)

or at any such other address or email address notified for this purpose by one party to the other parties in accordance with the provisions of this clause 4).

4.2 Time of delivery

Any notice, demand or other communication is deemed to have been given:

- (a) if delivered by hand or courier, on the date of delivery; or
- (b) if sent by email, at the time of transmission by the sender (as recorded on the device from which the sender sent the email),

provided in each case where delivery occurs on a day that is not a Business Day or after 5.30pm on a Business Day, service shall be deemed to occur at 9.30am on the next following Business Day and where service occurs before 9.30am on a Business Day, service shall be deemed to occur at 9.30am on that same Business Day.

4.3 Proof of service

In proving service, it shall be sufficient to prove that the envelope containing the notice was properly addressed and delivered to the address shown thereon or that the email was properly addressed and transmitted by the sender's server into the network and there was no apparent error in the operation of the sender's email system, as the case may be.

5. Entire agreement

This deed constitutes the entire agreement between the parties relating to its subject matter and supersedes and replaces all previous arrangements between them. Each party agrees that in entering into this deed it does not rely on any oral or written representation or warranty that is not set out in this agreement. Each party agrees that its only liability in respect of those representations and warranties that are set out in this deed will be for breach of contract and

waives all rights and remedies that may otherwise be available to it except that nothing in this clause limits or excludes any liability for fraud.

6. Third Party Rights

The parties do not intend that any term of this deed shall be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to this deed.

7. Variation, waiver and consent

- 7.1 No variation or waiver of any provision of this deed shall be effective unless it is in writing and signed by or on behalf of each of the parties (or, in the case of a waiver, by or on behalf of the party waiving compliance).
- 7.2 Unless expressly agreed, no variation or waiver of any provision or condition of this deed shall constitute a general variation or waiver of any provision or condition of this deed, nor shall it affect any rights, obligations or liabilities under or pursuant to this deed which have already accrued up to the date of variation or waiver, and the rights and obligations of the parties under or pursuant to this deed shall remain in full force and effect, except and only to the extent that they are so varied or waived.
- 7.3 Any consent granted under this deed shall be effective only if given in writing and signed by the consenting party and then only in the instance and for the purpose for which it was given.

8. Severability

If any provision of this deed is held by a court of competent jurisdiction to be illegal, invalid or unenforceable in any respect under the law of any jurisdiction, then such provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in this deed but without invalidating any of the remaining provisions of this deed. Any provision of this deed held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable. The parties shall then use all reasonable endeavours to replace the invalid or unenforceable provision(s) by a valid and enforceable substitute provision the effect of which is as close as possible to the intended effect of the invalid or unenforceable provision.

9. Counterparts

This deed may be executed in any number of counterparts and by the parties to it on separate counterparts and each such counterpart shall constitute an original of this deed but all of which together constitute one and the same instrument. This deed shall not be effective until each party has executed at least one counterpart.

10. Governing law and Dispute Resolution

10.1 Governing law

The construction, validity and performance of this deed and all non-contractual obligations arising from or connected with this deed shall be governed by the laws of England and Wales

10.2 Dispute resolution

- (a) In the event of a dispute between the parties arising under or in connection with this deed, including any questions regarding its existence, validity, breach or termination, a party shall first issue a notice in writing requesting a meeting with the other party or parties who are parties to such dispute, which may take place in person, or remotely, within fourteen (14) Business Days of receipt of such notice by all relevant parties. Each such party shall nominate a senior executive who shall meet to try to resolve the dispute.
- (b) If the relevant dispute is not resolved within thirty (30) Business Days of the date of the meeting convened between the nominated senior executives pursuant to clause 10.2(a), any party to such dispute may refer such dispute to arbitration pursuant to clause 10.3.

10.3 Arbitration

- (a) Any dispute, controversy or claim arising under, out of or in connection with this deed, including any question regarding its formation, existence, validity, breach or termination, interpretation and including any dispute relating to any noncontractual obligations arising out of or in connection with the Agreement (a "**Dispute**"), shall be submitted to negotiation between representatives of the Parties involved in the Dispute.
- (b) If any Dispute has not been resolved by such negotiation within sixty (60) Business Days from the date on which one (1) or more parties to the Dispute receive written notification from another party that a Dispute exists, then such Dispute shall be referred to and finally resolved by final and binding arbitration under the Rules of Arbitration of the International Chamber of Commerce ("**ICC**") as are in force as of the date of the notification of a Dispute (the "**Rules**") which Rules are deemed to be incorporated by reference into this clause 10.3.
- (c) There shall be three (3) arbitrators. Each party to the Dispute shall nominate one arbitrator (as defined in the Rules) and a third arbitrator shall be nominated by the ICC.
- (d) The seat or legal place of the arbitration proceedings shall be London, the United Kingdom, and the language of the arbitration shall be English. All documents submitted in connection with the proceedings shall be in the English language, or, if in another language, accompanied by an English translation.
- (e) For the avoidance of doubt, the parties agree that no party shall have the right to apply or appeal to a court of another jurisdiction.
- (f) The parties expressly agree that, if there is more than one (1) claimant party and/or more than one (1) respondent party to the arbitration, clause 10.3(c) will apply, provided that the claimant parties shall jointly nominate one (1) arbitrator and the respondent parties shall jointly nominate one (1) arbitrator.
- (g) The parties agree to the consolidation of any two or more arbitrations commenced between them pursuant to this clause 10.3 into a single arbitration.

- (h) The parties agree that the documents which start any proceedings relating to a Dispute and any other document required to be served in relation to those proceedings may be served in accordance with clause 4.
- (i) The provisions of this clause 10.3 are without prejudice to the parties' rights to apply to any competent judicial authority for interim or conservatory measures in aid or support of arbitration.

The parties have shown their agreement to the terms of this deed by executing it as a deed below.

Annexure 1

Joint Venture Agreement

Execution

EXECUTED as a deed by /s/ Saleh A. Alonzi
Olayan Financing Company Authorised Representative
acting by its authorised representative
in the presence of:

/s/ Muhammad Hassan
Print name of witness: Muhammad Hassan – Legal Director
Address: Al Ahsa Street, Al Olayan Commercial Center, Riyadh, P.O. Box 8772

EXECUTED as a deed by /s/ Jennifer Holmgren
Lanzatech, Inc Authorised Representative
acting by its authorised representative
in the presence of:

/s/ Joseph C. Blasko
Print name of witness: Joseph C Blasko
Address: 8045 Lamont Ave, Suite 400, Skokie Illinois 60077

EXECUTED as a deed by /s/ Authorised Representative
Saudi Arabian Construction & Repair Company Ltd. Authorised Representative
acting by its authorised representative
in the presence of:

/s/ Muhammad Hassan
Print name of witness: Muhammad Hassan – Legal Director
Address: Al Ahsa Street, Al Olayan Commercial Center, Riyadh, P.O. Box 8772

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jennifer Holmgren, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of LanzaTech Global, Inc.;
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 officer(s) 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 officer(s) 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.

Date: August 8, 2024

By: /s/ Jennifer Holmgren

Jennifer Holmgren
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Geoff Trukenbrod, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of LanzaTech Global, Inc.;
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 officer(s) 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 officer(s) 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.

Date: August 8, 2024

By: /s/ Geoff Trukenbrod

Geoff Trukenbrod
Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. § 1350), Jennifer Holmgren, Chief Executive Officer of LanzaTech Global, Inc. (the "Company"), and Geoff Trukenbrod, Chief Financial Officer of the Company, each hereby certifies that, to the best of their knowledge:

1. The Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024, to which this Certification is attached as Exhibit 32.1 (the "Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2024

By: /s/ Jennifer Holmgren

Jennifer Holmgren
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Geoff Trukenbrod

Geoff Trukenbrod
Chief Financial Officer
(Principal Financial Officer)

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of LanzaTech Global, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

