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SOUTHWEST AIRLINES SIGNS AGREEMENT WITH USA BIOENERGY TO PURCHASE UP TO 680 MILLION GALLONS OF SUSTAINABLE AVIATION FUEL

Carrier establishes long-term strategic relationship with SAF producer

DALLAS, Nov. 2, 2023 /PRNewswire/ -- [Southwest Airlines Co.](#) (NYSE: LUV) ("Southwest") today announced an offtake agreement with USA BioEnergy, LLC ("USA BioEnergy"), for up to 680 million gallons of neat sustainable aviation fuel (SAF). Over the term of the 20-year agreement, once blended with conventional jet fuel, the SAF could produce the equivalent of 2.59 billion gallons of net-zero¹ fuel and avoid 30 million metric tons of CO₂. Southwest® plans to begin purchasing SAF from USA BioEnergy's facility near Bon Wier, Texas, as early as 2028. Additionally, as part of the offtake agreement, Southwest and USA BioEnergy have established a long-term strategic relationship offering Southwest the opportunity to purchase up to another projected 180 million gallons of SAF per year from future planned production facilities.

"This offtake agreement with USA BioEnergy marks important progress in the development of our SAF portfolio and furthers our goal to replace 10 percent of our total jet fuel consumption with SAF by 2030," said Michael AuBuchon, Managing Director Fuel Strategy and Management at Southwest Airlines. "We look forward to the opportunity to grow our strategic relationship with USA BioEnergy and potentially purchase more SAF from them in the future."

"Our agreement with Southwest Airlines is a perfect fit because it aligns Southwest's goal of reaching net zero carbon emissions by 2050 and USA BioEnergy's goal of becoming the leading producer of carbon-negative fuel," said David Prom, Chairman of the Board, Co-Founder of USA BioEnergy. "USA BioEnergy is excited to work with Southwest on this initial project and, potentially, future sites we may add in our pipeline."

Southwest recognizes the critical role that commercially viable SAF will play in the carrier's strategy to achieve its near-term and long-term carbon goals and is taking action to forge relationships across the aviation value chain to proactively address the challenges on the path to its goal of net zero carbon emissions by 2050. For more on the carrier's SAF strategy, visit southwest.com/SAF.

¹ Net zero is determined by a fuel with a carbon intensity of zero (0) gCO₂e/MJ or lower on a lifecycle basis.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are based on, and include statements

about, Southwest's current estimates, intentions, beliefs, expectations, goals, strategies, and projections for the future and are not guarantees of future performance. Specific forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts and include, without limitation, statements related to (i) Southwest's environmental sustainability goals, plans, strategic priorities, and initiatives; (ii) Southwest's plans and expectations with respect to purchasing SAF from USA BioEnergy, including its expectations regarding the production of equivalent net-zero fuel and the reduction of CO₂ emissions; (iii) Southwest's ability to blend SAF with conventional jet fuel; (iv) Southwest's expectations with respect to USA BioEnergy's production abilities and plans for development of future facilities; (v) Southwest's goal to replace 10% of its conventional jet fuel with SAF by 2023; and (vi) the expected environmental benefits realized from the purchase and use of SAF from USA BioEnergy. Forward-looking statements involve risks, uncertainties, assumptions, and other factors that are difficult to predict and that could cause actual results to vary materially from those expressed in or indicated by them. Factors include, among others, (i) Southwest's dependence on third parties, in particular with respect to its plans and expectations related to fuel supply and environmental sustainability (including the production, transportation, storage, blending, and distribution of SAF), and the impact on Southwest's operations and results of operations of any third-party delays or non-performance; (ii) the consequences of competition with other existing and new sources of aviation fuel, whether or not sustainable; (iii) Southwest's ability to timely and effectively prioritize its initiatives and related expenditures, including its ability to implement and maintain the necessary processes to support the utilization of SAF; (iv) the impact governmental regulations and other governmental actions on Southwest's business plans, results, and operations (including with respect to carbon emissions, SAF, SAF tax credits, environmental compliance requirements, and other sustainability matters); (v) the impact of fears or actual outbreaks of diseases, extreme or severe weather and natural disasters, actions of competitors (including, without limitation, pricing, scheduling, capacity, and network decisions, and consolidation and alliance activities), consumer perception, economic conditions (including the effect of interest rates and inflation on consumer and business spending), banking conditions, effects of or fears about terrorism or war, sociodemographic trends, and other factors beyond the Company's control, on consumer behavior and the Company's results of operations, business decisions, plans, and strategies; and (vi) other factors, as described in Southwest's filings with the Securities and Exchange Commission, including the detailed factors discussed under the heading "Risk Factors" in Southwest's Annual Report on Form 10-K for the fiscal year ended December 31, 2022. Caution should be taken not to place undue reliance on Southwest's forward-looking statements, which represent Southwest's views only as of the date of this release. Southwest undertakes no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

ABOUT USA BIOENERGY

USA BioEnergy is a renewable fuels development and integration group based in Scottsdale, Arizona. USA BioEnergy plans to create ultra-low carbon sustainable aviation fuel, renewable diesel, and renewable naphtha from sustainably sourced forest thinnings. USA BioEnergy intends to lead in the energy transition by consecutively developing a series of 12 advanced biorefineries. USA BioEnergy will capture and sequester over 50 million tons of CO₂ over the useful life of each advanced biorefinery. Achieving the targeted carbon capture will give the resulting fuel one of the lowest carbon intensity scores in the industry, for the direct replacement of fossil transport fuels. All advanced biorefineries are being designed using bankable-proven technology from world-renowned providers in gasification, Fischer-Tropsch, and hydrocarbon upgrading. The company's definite purpose is to be the

world's leader in advanced biofuels. For more information about USA BioEnergy, visit www.USABioEnergy.com.

ABOUT SOUTHWEST AIRLINES CO.

Southwest Airlines Co. operates one of the world's most admired and awarded airlines, offering its one-of-a-kind value and Hospitality at 121 airports across 11 countries. Southwest took flight in 1971 to democratize the sky through friendly, reliable, and low-cost air travel and now carries more air travelers flying nonstop within the United States than any other airline². Based in Dallas and famous for an Employee-first corporate Culture, Southwest maintains an unprecedented record of no involuntary furloughs or layoffs in its history. By empowering its more than 74,000³ People to deliver unparalleled Hospitality, the maverick airline cherishes a passionate loyalty among more than 126 million Customers carried in 2022. That formula for success brought industry-leading prosperity and 47 consecutive years⁴ of profitability for Southwest Shareholders (NYSE: LUV). Southwest leverages a unique legacy and mission to serve communities around the world including harnessing the power of its People and Purpose to put communities at the Heart of its success. Visit southwest.com/citizenship for more. As the airline with Heart, Southwest has set a goal to work toward achieving net zero carbon emissions by 2050. Southwest has also set near-term targets and a four-pillar strategy to achieve its environmental goals. Learn more by visiting Southwest.com/planet.

2. Based on U.S. Dept. of Transportation quarterly Airline Origin & Destination Survey since Q1 2021

3. Fulltime-equivalent active Employees

4. 1973-2019 annual profitability

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