MONTAUK RENEWABLES

Investor Presentation

2Q 2021

AUGUST 16, 2021

Disclaimers and Confidentiality

Forward-Looking Statements

This presentation contains “forward-looking statements” within the meaning of U.S. federal securities laws that involve substantial risks and uncertainties. All statements other than statements of historical or current fact included in this report are forward-looking statements. Forward-looking statements refer to our current expectations and projections relating to our financial condition, results of operations, plans, objectives, strategies, future performance, and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as “anticipate,” “assume,” “believe,” “can have,” “contemplate,” “continue,” “could,” “design,” “due,” “estimate,” “expect,” “forecast,” “goal,” “intend,” “likely,” “may,” “might,” “objective,” “plan,” “predict,” “project,” “potential,” “seek,” “should,” “target,” “will,” “would,” and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operational performance or other events. For example, all statements we make relating to our estimated and projected costs, expenditures, growth rates, and our plans and objectives for future operations, growth, initiatives, or strategies are forward-looking statements. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expect and, therefore, you should not unduly rely on such statements.

Forward-looking statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, many of which are beyond the Company’s control and are difficult to predict, including, without limitation, risks related to the impact of the ongoing COVID-19 pandemic on our business, financial condition and results of operations; our ability to develop and operate new renewable energy projects, including livestock farms; reduction or elimination of government economic incentives to the renewable energy market; delays in acquisition, financing, construction and development of new projects, including expansion plans into new areas such as dairy; the length of development and optimization cycles for new projects, including the design and construction processes for our renewable energy projects; dependence on third parties for the manufacture of products and services; identifying suitable locations for new projects; reliance on interconnections to distribution and transmission products for our Renewable Natural Gas and Renewable Electricity Generation segments; our projects not producing expected levels of output; the anticipated benefits of the Pico feedstock amendment and the North Carolina acquisition; concentration of revenues from a small number of customers and projects; dependence on our landfill operators; our outstanding indebtedness and restrictions under our credit facility; our ability to extend our fuel supply agreements prior to expiration; our ability to meet milestone requirements under our power purchase agreements; existing regulations and changes to regulations and policies that effect our operations; decline in public acceptance and support of renewable energy development and projects; our expectations regarding federal, state and local government incentives in the United States, provided in the form of RINs, RECs, LCFS credits, rebates, tax credits and other incentives to end users, distributors, system integrators and manufacturers of renewable energy projects, that promote the use of renewable energy (“Environmental Attributes”); Environmental Attribute and commodity prices; our expectations regarding the period during which we qualify as an emerging growth company under the Jumpstart our Business Startups Act; our expectations regarding future capital expenditures, including for the maintenance of facilities; our expectations regarding the use of net operating losses before expiration; our expectations regarding more attractive carbon intensity scores by regulatory agencies for our livestock farm projects; market volatility and fluctuations in commodity prices and the market prices of Environmental Attributes; profitability of our planned livestock farm projects; sustained demand for renewable energy; security threats, including cyber-security attacks; the need to obtain and maintain regulatory permits, approvals and consents; potential liabilities from contamination and environmental conditions; potential exposure to costs and liabilities due to extensive environmental, health and safety laws; impacts of climate change, changing weather patterns and conditions, and natural disasters; failure of our information technology and data security systems; increased competition in our markets; continuing to keep up with technology innovations; an active trading market for our common stock may not develop; our belief that the measures taken to remediate the material weakness identified in our internal control over financial reporting will improve our internal control over financial reporting; concentrated stock ownership by a few stockholders and related control over the outcome of all matters subject to a stockholder vote; and other risks and uncertainties detailed in the section titled “Risk Factors” in our latest Annual Report on Form 10-K.

Therefore, actual outcomes and results may differ materially from what is expressed in such forward-looking statements. All forward-looking statements attributable to us are expressly qualified in their entirety by these cautionary statements as well as others made in our Securities and Exchange Commission filings and public communications. You should evaluate all forward-looking statements made by us in the context of these risks and uncertainties. The forward-looking statements included herein are made only as of the date hereof. The Company undertakes no obligation to publicly update or revise any forward-looking statement as a result of new information, future events, or otherwise, except as required by law.

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Non-GAAP Financial Measures

This presentation contains and the accompanying tables include references to EBITDA and Adjusted EBITDA which are Non-GAAP financial measures. We present EBITDA and Adjusted EBITDA because we believe the measures assist investors in analyzing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. In addition, EBITDA and Adjusted EBITDA are financial measurements of performance that management and the board of directors use in their financial and operational decision-making and in the determination of certain compensation programs. EBITDA and Adjusted EBITDA are supplemental performance measures that are not required by or presented in accordance with GAAP. EBITDA and Adjusted EBITDA should not be considered alternatives to net income or any other performance measure derived in accordance with GAAP, or as an alternative to cash flows from operating activities or a measure of our liquidity or profitability. For a reconciliation of these Non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with GAAP, please see the table at the end of this presentation titled “Non-GAAP Reconciliation.”

Financial Performance

Income Statement

(in thousands, except per share data):

	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Total operating revenues	$ 31,674	$ 27,908	$ 63,121	$ 46,312
Operating expenses:				
Operating and maintenance expenses	$ 13,187	$ 10,125	$ 23,830	$ 19,961
General and administrative expenses	7,341	3,765	27,761	7,204
Royalties, transportation, gathering and production fuel	5,986	5,248	12,204	8,189
Depreciation, depletion and amortization	5,660	5,302	11,396	10,650
Gain on insurance proceeds	—	(94)	(82)	(750)
Impairment loss	—	—	626	278
Transaction costs	37	—	125	—
Total operating expenses	$ 32,211	$ 24,346	$ 75,860	$ 45,532
Operating income (loss)	$ (537)	$ 3,562	$ (12,739)	$ 780
Other expenses :				
Interest expense	$ 720	$ 859	$ 1,366	$ 3,073
Other expense	10	60	45	34
Total other expenses	$ 730	$ 919	$ 1,411	$ 3,107
Income (loss) before income taxes	$ (1,267)	2,643	$ (14,150)	$ (2,327)
Income tax expense (benefit)	3,385	4,226	4,767	(6,560)
Net income (loss)	$ (4,652)	$ (1,583)	$ (18,917)	$ 4,233
Loss per share:				
Basic	$ (0.03)		$ (0.13)	
Diluted	$ (0.03)		$ (0.13)	
Weighted-average common shares outstanding:				
Basic	141,015,213		141,015,213	
Diluted	141,015,213		141,015,213	

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Operational Results – Fiscal second quarter 2021

(in thousands, unless otherwise indicated)

All comparisons are between the three months ended June 30, 2021 and three months ended June 30, 2020, unless otherwise indicated

Renewable Natural Gas (“RNG”) Metrics

- 126 MMBtu decreased production

RIN Metrics

- 3,250 decrease in volumes sold
- $1.78 increase in averaged realized price per RIN

Other Metrics

- 4 MWh decreased Renewable Electricity Generation (“REG”) production

Operating Expenses

- $3,868 increased RNG operating expenses
- ($731) decreased REG operating expenses

General and administrative expenses

- $3,576 increase
- $2,201 increase related to IPO and Reorganization Transactions stock-based compensation

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Operational Performance

Operating Metrics

(In thousands, unless otherwise indicated)	Three Months Ended June 30 2021	Three Months Ended June 30 2020	Change	Change %
Revenues				
Renewable Natural Gas Total Revenues	$27,581	$ 23,378	$ 4,203	18.0%
Renewable Electricity Generation Total Revenues	$ 4,093	$ 4,530	$ (437)	(9.6%)
RNG Metrics				
CY RNG production volumes (MMBtu)	1,416	1,542	(126)	(8.2%)
Less: Current period RNG volumes under fixed/floor-price contracts	(487)	(532)	45	8.5%
Plus: Prior period RNG volumes dispensed in current period	342	297	45	15.2%
Less: Current period RNG production volumes not dispensed	(339)	(353)	14	4.0%
Total RNG volumes available for RIN generation (1)	932	954	(22)	(2.3%)
RIN Metrics				
Current RIN generation (x 11.727) (2)	10,935	11,192	(257)	(2.3%)
Less: Counterparty share (RINs)	(1,248)	(1,348)	100	7.4%
Plus: Prior period RINs carried into current period	234	1,700	(1,466)	(86.2%)
Less: CY RINs carried into next CY	—	—		
Total RINs available for sale (3)	9,921	11,544	(1,623)	(14.1%)
Less: RINs sold	(8,750)	(12,000)	3,250	27.1%
RIN Inventory	1,171	(456)	1,627	356.8%
RNG Inventory (volumes not dispensed for RINs) (4)	339	353	(14)	(4.0%)
Average Realized RIN price	$ 1.78	$ 1.37	$ 0.41	29.9%
Operating Expenses				
Renewable Natural Gas Operating Expenses	$15,954	$ 11,896	$ 4,058	34.1%
Operating Expenses per MMBtu (actual)	$ 11.27	$ 7.71	$ 3.56	46.2%
Renewable Electricity Generation Operating Expenses	$ 2,776	$ 3,507	$ (731)	(20.8%)
$/MWh (actual)	$ 59.09	$ 68.54	$ (9.45)	(13.8%)
Other Metrics				
Renewable Electricity Generation Volumes Produced (MWh)	47	51	(4)	(7.8%)
Average Realized Price $/MWh (actual)	$ 87.12	$ 89.23	$ (2.11)	(2.4%)

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Financial Performance

Balance Sheet

(in thousands, except share data):

	As of June 30, 2021	As of December 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	$ 16,350	$ 20,992
Accounts and other receivables, net	10,124	5,449
Prepaid expenses and other current assets	4,571	6,044
Total current assets	$ 31,045	$ 32,485
Restricted cash - non-current	$ 573	$ 567
Property, plant and equipment, net	184,226	187,046
Related party receivable	7,140	—
Goodwill and intangible assets, net	13,411	14,033
Deferred tax assets	10,560	14,822
Operating lease right-of-use assets	450	586
Other assets	4,243	3,817
Total assets	**$ 251,648**	**$ 253,356**
LIABILITIES AND STOCKHOLDERS' AND MEMBERS' EQUITY		
Current liabilities:		
Accounts payable	$ 5,294	$ 5,964
Accrued liabilities	12,683	11,539
Current portion of lease liability	292	282
Income taxes payable	265	—
Current portion of derivative instruments	957	1,185
Current portion of long-term debt	9,584	9,492
Total current liabilities	$ 29,075	$ 28,462
Long-term debt, less current portion	$ 51,449	$ 56,268
Non-current portion of lease liability	177	320
Non-current portion of derivative instruments	579	1,075
Asset retirement obligation	5,824	5,689
Other liabilities	1,920	1,920
Total liabilities	$ 89,024	$ 93,734
STOCKHOLDERS' AND MEMBERS' EQUITY		
Members' equity	$ —	$ 159,622
Common stock, $0.01 par value, authorized 690,000,000 shares; 143,584,827 shares issued at June 30, 2021; 141,015,213 shares outstanding at June 30, 2021	1,410	—
Treasury stock, at cost, 950,214 shares at June 30, 2021	(10,813)	—
Additional paid-in capital	190,944	—
Retained deficit	(18,917)	—
Total stockholders' and members' equity	$ 162,624	$ 159,622
Total liabilities and stockholders' and members' equity	**$ 251,648**	**$ 253,356**

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Cash Flow

(in thousands, unless otherwise indicated)

	Six Months Ended June 30	
	2021	2020
Net cash flows provided by operating activities	$11,245	$ 8,370
Net cash flows used in investing activities	(8,521)	(9,691)
Net cash flows (used in) provided by financing activities	(7,360)	3,500
Net increase (decrease) in cash and cash equivalents	(4,636)	2,179
Restricted cash, end of period	573	602
Cash and cash equivalents and restricted, end of period	16,923	12,541

Operating items affecting net income include:

- **$16,900 accounting for stock-based compensation**
- **$2,498 reduction related to interest rate swap agreements**

Investing activities include:

- **$4,142 2021 cash paid for North Carolina asset acquisition**
- **$1,000 2021 capital expenditures for Pico project**
- **$1,550 2021 capital expenditures optimizing recently commissioned facilities**

Financing activities

- **$12,401 IPO net proceeds**
- **$10,813 repurchase of restricted shares**
- **$7,140 loan to Montauk Holdings Limited**

Business Development

Commodity and Attribute Monetization

Extend Fixed-Price RNG agreement

- 4.5 Years, beginning July 1, 2021
- 900K MMBtu annually, currently under a long-term floor price agreement
- RNG sold through refinery exports to the EU
  - ISCC Certified
  - Further diversifies monetization strategy beyond domestic attribute markets such as the "RFS"

Business Development

Expansion of Agricultural Waste Division

Acquisition of North Carolina Business Assets

- Specialized, patent-pending, near-zero emissions technology
- Conversion of animal and agriculture waste into environmentally friendly, 100% organic, renewable energy alternatives

Late Stages of Evaluation for Initial Cluster Project[1]

- convert a significant portion of the 15-million tons of animal and agricultural waste produced annually by North Carolina swine farms into environmentally sustainable, economically viable, renewable energy
- 5-Year, 20-unit, development cluster project
- Each unit will be capable of processing up to 15-tons per day of animal and agricultural feedstock

(1): Project is not subject to definitive documentation and Montauk cannot guarantee that this project will be consummated in whole, in part or at all.

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Business Development

Expansion of Agricultural Waste Division

Investment opportunity summary

- More than 60,000 pork producers annually market more than 115 million hogs, which, on average, provide total gross income of more than $20 billion USD and supports over 550,000 jobs[2].
- Montauk plans to prioritize its collection of animal and agricultural waste from farms surrounding historically underserved, at-risk communities in North Carolina that have higher concentrations of industrial agriculture
- Montauk views the acquisition the initial deployment project plans in North Carolina, as a rare and exciting opportunity to combine environmental stewardship and societal benefit to long-term investment value

(2): Source: National Pork Producer's Council.

Business Development

Expansion of anaerobic digested gas

Pico feedstock amendment

- Expected increase to capacity
- Optimize technology

Pico development summary

- Projected 12-36 month development period
- Provides for approximately 65,000 gallons per day (“GPD”) increase
- Expected capacity increase to 160,000 GPD
- Potential up to $18 million total investment over the development period

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Appendix

Adjusted EBITDA Reconciliation

Non-GAAP

The following table provides our EBITDA and Adjusted EBITDA, as well as a reconciliation to net income, which is the most directly comparable GAAP measure, for the three months ended June 30, 2021 and 2020:

	Three Months Ended June 30	
	2021	2020
Net Income (loss)	$(4,652)	$(1,583)
Depreciation and Amortization	5,660	5,302
Interest expense	720	859
Income tax expense (benefit)	3,385	4,226
EBITDA	5,113	8,804
Transaction costs	37	—
Adjusted EBITDA	$ 5,150	$ 8,804

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