MONTAUK RENEWABLES

Investor Presentation

SECOND QUARTER 2022

UPDATED AUGUST 18, 2022

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 future results of operations, financial condition, expectations and plans of the Company, including expected benefits of the Pico feedstock amendment and the Montauk Ag project in North Carolina, the anticipated completion of the engine repairs at the Security facility, the resolution of gas collection issues at the McCarty facility, our estimated and projected costs, expenditures, and growth rates, 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. The risks and uncertainties that could cause those actual results to differ materially from those expressed or implied by these forward-looking statements include but are not limited to:

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 with 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 agricultural waste; the inability to complete strategic development opportunities; general economic conditions outside our control including the impacts of supply chain disruptions, inflationary cost increases, and other macroeconomic factors; 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; the quantity, quality and consistency of our feedstock volumes from both landfill and livestock farm operations; 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 Raeger capital improvement project, Pico feedstock amendment and the Montauk Ag project in North Carolina and the anticipated completion of engine repairs at the Security facility; potential benefits associated with the combustion-based oxygen removal condensate neutralization technology patent; resolution of gas collection issues at the McCarty facility; 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”); our expectations regarding 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 and the impact of any related hedging activity; regulatory changes in federal, state and international environmental attribute programs; 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; 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.

We make many of our forward-looking statements based on our operating budgets and forecasts, which are based upon detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. 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 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 (loss) 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.

Please see the table at the end of this presentation titled “Non-GAAP Reconciliation.”

Financial Performance

Income Statement

(in thousands, except for share and per share data):

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Total operating revenues	$ 67,884	$ 31,674	$ 100,055	$ 63,121
Operating expenses:				
Operating and maintenance expenses	$ 14,870	$ 13,187	$ 28,072	$ 23,830
General and administrative expenses	8,753	7,341	17,248	27,761
Royalties, transportation, gathering and production fuel	15,090	5,986	22,296	12,204
Depreciation, depletion and amortization	5,134	5,660	10,286	11,396
Gain on insurance proceeds	—	—	(313)	(82)
Impairment loss	69	—	120	626
Transaction costs	5	37	32	125
Total operating expenses	$ 43,921	$ 32,211	$ 77,741	$ 75,860
Operating income (loss)	$ 23,963	$ (537)	$ 22,314	$ (12,739)
Other expenses (income):				
Interest expense	$ 271	$ 720	$ 303	$ 1,366
Net loss (gain) on sale of fixed assets	—	22	(293)	22
Other (income) expense	(25)	(12)	(40)	23
Total other expenses (income)	$ 246	$ 730	$ (30)	$ 1,411
Income (loss) before income taxes	$ 23,717	(1,267)	$ 22,344	$ (14,150)
Income tax expense	4,565	3,385	4,307	4,767
Net income (loss)	$ 19,152	$ (4,652)	$ 18,037	$ (18,917)
Earnings (loss) per share:				
Basic	$ 0.14	$ (0.03)	$ 0.13	$ (0.13)
Diluted	$ 0.13	$ (0.03)	$ 0.13	$ (0.13)
Weighted-average common shares outstanding:				
Basic	141,129,457	141,015,213	141,087,699	141,015,213
Diluted	142,462,069	141,015,213	142,220,274	141,015,213

Operational Results – Quarter Ended June 30, 2022

(in thousands, unless otherwise indicated)

All comparisons are between the second quarter ended June 30, 2022 and the second quarter ended June 30, 2021, unless otherwise indicated.

Renewable Natural Gas (“RNG”) Metrics

- 53 MMBtu increased production

Renewable Identification Number (“RIN”) Metrics

- 5,688 increase in volumes sold
- $1.60 increase in averaged realized price per RIN sold
- 1,564 increase in RINs generated

Renewable Electricity Generation (“REG”) Metrics

- Consistent MWh production

Operating and Maintenance Expenses

- $822 increased RNG operating expenses
- $1,490 increased REG operating expenses

General and administrative expenses

- $1,412 increase
- $708 of the increase due to 2021 Montauk Ag Renewables Acquisition

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Operational Performance

Operating Metrics

(in thousands, unless otherwise indicated)	Three Months Ended June 30, 2022	2021	Change	Change %
Revenues				
Renewable Natural Gas Total Revenues	$ 64,566	$27,581	$36,985	134.1%
Renewable Electricity Generation Total Revenues	$ 4,329	$ 4,093	$ 236	5.8%
RNG Metrics				
CY RNG production volumes (MMBtu)	1,469	1,416	53	3.7%
Less: Current period RNG volumes under fixed/floor-price contracts	(328)	(487)	159	(32.6%)
Plus: Prior period RNG volumes dispensed in current period	372	342	30	8.8%
Less: Current period RNG production volumes not dispensed	(447)	(339)	(108)	31.9%
Total RNG volumes available for RIN generation (1)	1,066	932	134	14.4%
RIN Metrics				
Current RIN generation (x 11.727) (2)	12,499	10,935	1,564	14.3%
Less: Counterparty share (RINs)	(1,346)	(1,248)	(98)	7.9%
Plus: Prior period RINs carried into CY	4,394	234	4,160	1777.8%
Less: CY RINs carried into next CY	—	—	—	—
Total RINs available for sale (3)	15,547	9,921	5,626	56.7%
Less: RINs sold	(14,438)	(8,750)	(5,688)	65.0%
RIN Inventory	1,109	1,171	(62)	(5.3%)
RNG Inventory (volumes not dispensed for RINs) (4)	447	339	108	31.9%
Average Realized RIN price	$ 3.38	$ 1.78	$ 1.60	89.9%
Operating Expenses				
Renewable Natural Gas Operating Expenses	$ 25,605	$15,954	$ 9,651	60.5%
Operating Expenses per MMBtu (actual)	$ 17.43	$ 11.27	$ 6.16	54.7%
Renewable Electricity Generation Operating Expenses	$ 4,284	$ 2,776	$ 1,508	54.3%
$/MWh (actual)	$ 91.15	$ 59.09	$ 32.06	54.3%
Other Metrics				
Renewable Electricity Generation Volumes Produced (MWh)	47	47	—	—
Average Realized Price $/MWh (actual)	$ 92.11	$ 87.12	$ 4.99	5.7%

The highlighted section was updated during routine administrative reviews to agree with the Form 10-Q for the quarterly period ended June 30, 2022, filed with the SEC on August 9, 2022. No other administrative updates were made.

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Financial Performance

Balance Sheet

(in thousands, except share data):

	As of June 30, 2022	As of December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 72,195	$ 53,266
Accounts and other receivables	23,998	9,338
Related party receivable	8,940	8,940
Current portion of derivative instrument	277	—
Prepaid expenses and other current assets	5,558	2,846
Assets held for sale	—	777
Total current assets	$ 110,968	$ 75,167
Restricted cash—non-current	$ 328	$ 328
Property, plant and equipment, net	176,077	180,893
Goodwill and intangible assets, net	13,660	14,113
Deferred tax assets	6,779	10,570
Non-current portion of derivative instrument	536	—
Operating lease right-of-use assets	203	305
Finance lease right-of-use assets	139	—
Other assets	5,561	5,104
Total assets	$ 314,251	$ 286,480
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 4,477	$ 4,973
Accrued liabilities	17,848	10,823
Income tax payable	134	—
Current portion of operating lease liability	156	296
Current portion of finance lease liability	76	—
Current portion of derivative instrument	1,807	650
Current portion of long-term debt	7,834	7,815
Total current liabilities	$ 32,332	$ 24,557
Long-term debt, less current portion	$ 67,465	$ 71,392
Non-current portion of operating lease liability	30	27
Non-current portion of finance lease liability	61	—
Non-current portion of derivative instrument	—	189
Asset retirement obligation	5,368	5,301
Other liabilities	4,125	2,721
Total liabilities	$ 109,381	$ 104,187
STOCKHOLDERS' EQUITY		
Common stock, $0.01 par value, authorized 690,000,000 shares; 143,603,681 and 143,584,827 shares issued at June 30, 2022 and December 31, 2021, respectively; 141,290,748 and 141,015,213 shares outstanding at June 30, 2022 and December 31, 2021, respectively	$ 1,410	$ 1,410
Treasury stock, at cost, 959,344 and 950,214 shares June 30, 2022 and December 31, 2021, respectively	(10,904)	(10,813)
Additional paid-in capital	200,855	196,224
Retained earnings (deficit)	13,509	(4,528)
Total stockholders' equity	$ 204,870	$ 182,293
Total liabilities and stockholders' equity	$ 314,251	$ 286,480

Cash Flow

(in thousands, unless otherwise indicated)

	Six Months Ended June 30, 2022	2021
Net cash flows provided by operating activities	26,772	$11,245
Net cash flows used in investing activities	(3,747)	(8,521)
Net cash flows used in financing activities	(4,095)	(7,360)
Net increase (decrease) in cash and cash equivalents	18,930	(4,636)
Restricted cash, end of period	347	573
Cash and cash equivalents and restricted, end of period	72,542	16,923

Operating items affecting net income include:

- $4,631 accounting for stock-based compensation
- $3,791 accounting for deferred income taxes
- $20,120 adjustments to working capital and other assets and liabilities

Investing activities include:

- $5,148 capital expenditures
- $1,088 proceeds received from NOx emissions allowance credits sales

Financing activities

- $4,000 repayments of term loan

Business Development

Pico Facility Improvement Project

Production update

- Results of CARB CI score pathway expected in Q4 of 2022
- Expect to release gas from storage in second half of 2022, which will generate RINs
- Currently expect LCFS 2022 credit revenue in 2023

Capacity expansion program

- First of three feedstock volume increase milestones achieved
  - Currently expect production to increase five to ten percent
  - Expect dairy to deliver second feedstock increase in first half of 2023
  - Implemented process efficiency and water management improvements enable processing of increased feedstock volumes
- Expect completion of the design phase of expansion in Q3 of 2022

Business Development

Montauk Ag Renewables

2022 Updates

- – Continue to work with engineer of record to optimize reactor technology
- – On-going discussions with North Carolina regulatory agencies to confirm swine waste generated power is eligible for RECs under North Carolina Renewable Energy Portfolio Standards
- – Potential to reactivate existing electricity interconnection pending regulatory outcome

Business Development

Strategic Growth Opportunity Pipeline

Positioned for continued growth, with on-going evaluation of various strategic opportunities:

- Numerous LFG RNG sites in various stages of evaluation
- Exploring wastewater treatment to RNG project opportunities
- Potential costs associated with material acquisition and/or development capital expenditures
- Sufficient capital resources to close on any or all of the currently identified opportunities

We have not entered into any definitive agreement. As we are in various stages of evaluation of strategic opportunities to continue the growth of the Company and while we have entered into nonbinding letters of intent for certain of these opportunities, we can give no assurances that our plans related to these strategic opportunities will progress to definitive agreements. We may not progress on any current strategic opportunity we are evaluating. We believe that our existing cash and cash equivalents, cash generated from operations, and availability under our Amended Credit Agreement will allows us to pursue and close any of these strategic opportunities.

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2022 Recent Developments

Combustion-Based Oxygen Removal Condensate Neutralization Patent

Provisional patent application filed in July 2022

- Technology designed to mitigate harmful low pH associated with wastewater removal from biogas conversion process
- Without mitigation low pH can result in significant maintenance and/or downtime costs
- Technology is currently deployed at one LFG RNG facility and currently exploring additional deployments

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Appendix

Non-GAAP Reconciliation

EBITDA and Adjusted EBITDA

The following table provides our EBITDA and Adjusted EBITDA for the periods presented, as well as a reconciliation to net income, which is the most directly comparable GAAP measure, for the three months ended June 30, 2022 and 2021:

	Three Months Ended June 30,	
	2022	2021
Net income (loss)	$19,152	$(4,652)
Depreciation and amortization	5,134	5,660
Interest expense	271	720
Income tax expense	4,565	3,385
Consolidated EBITDA	29,122	5,113
Impairment loss (1)	69	—
Transaction costs	5	37
Unrealized gains on hedging activities	(1,644)	—
Adjusted EBITDA	**$27,552**	**$ 5,150**

(1) During the three months ended June 30, 2022, we recorded an impairment of $69 related to an amended customer contract and miscellaneous capital assets no longer in use under current operations. During the three months ended June 30, 2021, there was no impairment of assets recognized.

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