# Investor Presentation

## FIRST QUARTER 2023 RESULTS

MAY 10, 2023

# Cautionary Statement Regarding Forward-Looking and non-GAAP Financial Information

This presentation contains "forward-looking statements" within the meaning of U.S. federal securities laws. Such statements include, among others, those we make relating to our estimated and projected financial condition, results of operations, costs and expenditures and objectives for future operations, growth, initiatives and strategies. They also include those regarding future production volumes and revenues, strategic growth opportunities, the expected benefits of the Pico feedstock amendment and the Montauk Ag project in North Carolina, the anticipated completion of the Raeger capital improvement project, Second Apex RNG Facility project, the Blue Granite RNG project, and any Bowerman expansion project and the resolution of gas collection issues at the McCarty facility.

Forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expect, and you should therefore not unduly rely on such statements. The risks and uncertainties that could cause results to differ include: our ability to develop and operate new renewable energy projects, including with livestock farms, and related challenges associated with new projects, such as identifying suitable locations and potential delays in acquisition financing, construction, and development; reduction or elimination of government economic incentives to the renewable energy market; the inability to complete strategic development opportunities; deterioration in general economic conditions outside our control including the impacts of supply chain disruptions, inflationary cost increases, recession and other macroeconomic factors; continued inflation resulting in increased operating costs or construction costs of our existing or new projects; rising interest rates resulting in increased borrowing costs of future indebtedness; the potential failure to retain and attract qualified personnel or a possible increased reliance on third-party contractors as a result; 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 and our landfill operations; the quantity, quality and consistency of our feedstock volumes from both landfill and livestock farm operations; reliance on interconnections with and access to electric utility distribution and transmission facilities and gas transportation pipelines 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, the Montauk Ag project in North Carolina and Second Apex RNG Facility project, the Blue Granite RNG project, and any Bowerman expansion project; potential benefits associated with the combustion-based oxygen removal condensate neutralization technology; resolution of gas collection issues at the McCarty facility; concentration of revenues from a small number of customers and projects; 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; expected benefits from the extension of the Production Tax Credit under the Inflation Reduction Act of 2022; decline in public acceptance and support of renewable energy development and projects; our expectations regarding Environmental Attribute volume requirements and prices and commodity prices; our expectations regarding the period during which we qualify as an emerging growth company under the Jumpstart Our Business Startups Act ("JOBS 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 and the need to obtain and maintain regulatory permits, approvals, and consents; profitability of our planned livestock farm projects; sustained demand for renewable energy; security threats, including cyber-security attacks; 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; and concentrated stock ownership by a few stockholders and related control over the outcome of all matters subject to a stockholder vote.

We provide greater detail regarding risks and uncertainties that could potentially impact forward-looking statements in the sections entitled "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" in our 2022 Form 10-K, first quarter of 2023 Form 10-Q and other SEC filings. You should evaluate all forward-looking statements made by us in the context of these risks and uncertainties. The forward-looking statements included in this presentation are made only as of the date hereof and we undertake no obligation to publicly update or revise any forward-looking statement except as required by law.

This presentation contains non-GAAP financial measures such as EBITDA and Adjusted EBITDA. Reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures may be found in this presentation (including the appendix) or our SEC filings. We present non-GAAP financial measures because we believe they 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 performance measurements that management and our board of directors use in their financial and operational decision-making and in the determination of certain compensation programs. Non-GAAP financial measures supplement our results as reported in accordance with GAAP and should not be considered in isolation from, as a substitute for, GAAP financial measures such as net (loss) income, cash flows from operating activities or as a measure of our liquidity or profitability.

# Financial Performance

## Income Statement

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

| | Three months ended March 31, 2023 | Three months ended March 31, 2022 |
|---|---|---|
| Total operating revenues | $ 19,154 | $ 32,169 |
| Operating expenses: | | |
| Operating and maintenance expenses | 14,182 | 13,201 |
| General and administrative expenses | 9,475 | 8,495 |
| Royalties, transportation, gathering and production fuel | 3,933 | 7,206 |
| Depreciation, depletion and amortization | 5,196 | 5,153 |
| Gain on insurance proceeds | — | (313) |
| Impairment loss | 451 | 51 |
| Transaction costs | 83 | 27 |
| Total operating expenses | $ 33,320 | $ 33,820 |
| Operating loss | $ (14,166) | $ (1,651) |
| Other expenses (income): | | |
| Interest expense | $ 1,675 | $ 32 |
| Other expense (income) | 7 | (310) |
| Total other expense (income) | $ 1,682 | $ (278) |
| Loss before income taxes | $ (15,848) | $ (1,373) |
| Income tax benefit | (12,060) | (258) |
| Net loss | $ (3,788) | $ (1,115) |
| Loss per share: | | |
| Basic | $ (0.03) | $ (0.01) |
| Diluted | $ (0.03) | $ (0.01) |
| Weighted-average common shares outstanding: | | |
| Basic | 141,633,417 | 141,045,477 |
| Diluted | 141,633,417 | 141,045,477 |



MONTAUK RENEWABLES

# Operational Results – Quarter Ended March 31, 2023

## (in thousands, unless otherwise indicated)

All comparisons are between the first quarter ended March 31, 2023 and the first quarter ended March 31, 2022, unless otherwise indicated

Renewable Natural Gas ("RNG") Metrics

- 17 MMBtu decreased production

RIN Metrics

- 3,536 decrease in volumes sold
- 3,872 increase in RINs generated but unsold

Renewable Electricity Generation ("REG") Metrics

- 1 MWh increased production

Operating and Maintenance Expenses

- $1,782 increased RNG operating expenses
- $455 decreased REG operating expenses

General and administrative expenses

- $980 increased General and administrative expenses

# Operational Performance

## Operating Metrics

| | Three Months Ended March 31, 2023 | 2022 | Change | Change % |
|---|---|---|---|---|
| *(in thousands, unless otherwise indicated)* | | | | |
| **Revenues** | | | | |
| Renewable Natural Gas Total Revenues | $ 14,785 | $ 32,666 | $ (17,881) | (54.7%) |
| Renewable Electricity Generation Total Revenues | $ 4,369 | $ 3,971 | $ 398 | 10.0% |
| **RNG Metrics** | | | | |
| CY RNG production volumes (MMBtu) | 1,352 | 1,369 | (17) | (1.2%) |
| Less: Current period RNG volumes under fixed/floor-price contracts | (304) | (310) | 6 | (1.9%) |
| Plus: Prior period RNG volumes dispensed in current period | 368 | 372 | (4) | (1.1%) |
| Less: Current period RNG production volumes not dispensed | (418) | (410) | (8) | 2.0% |
| Total RNG volumes available for RIN generation (1) | 998 | 1,021 | (23) | (2.3%) |
| **RIN Metrics** | | | | |
| Current RIN generation ( x 11.727) (2) | 11,700 | 11,967 | (267) | (2.2%) |
| Less: Counterparty share (RINs) | (1,224) | (1,216) | (8) | 0.7% |
| Plus: Prior period RINs carried into current period | 739 | 128 | 611 | 477.3% |
| Less: CY RINs carried into next CY | — | — | — | — |
| Total RINs available for sale (3) | 11,215 | 10,879 | 336 | 3.1% |
| Less: RINs sold | (2,949) | (6,485) | 3,536 | (54.5%) |
| RIN Inventory | 8,266 | 4,394 | 3,872 | 88.1% |
| RNG Inventory (volumes not dispensed for RINs) (4) | 418 | 410 | 8 | 2.0% |
| Average Realized RIN price | $ 2.01 | $ 3.46 | $ (1.45) | (41.9%) |
| **Operating Expenses** | | | | |
| Renewable Natural Gas Operating Expenses | $ 14,808 | $ 16,345 | $ (1,537) | (9.4%) |
| Operating Expenses per MMBtu (actual) | $ 10.95 | $ 11.94 | $ (0.99) | (8.3%) |
| REG Operating Expenses | $ 3,328 | $ 3,737 | $ (409) | (10.9%) |
| $/MWh (actual) | $ 72.35 | $ 83.04 | $ (10.70) | (12.9%) |
| **Other Metrics** | | | | |
| Renewable Electricity Generation Volumes Produced (MWh) | 46 | 45 | 1 | 2.2% |
| Average Realized Price $/MWh (actual) | $ 94.98 | $ 88.27 | $ 6.71 | 7.6% |

(1) RINs are generated in the month that the gas is dispensed to generate RINs, which occurs the month after the gas is produced. Volumes under fixed/floor-price arrangements generate RINs which we do not self-market.

(2) One MMBtu of RNG has the same energy content as 11.727 gallons of ethanol, and thus may generate 11.727 RINs under the RFS program.

(3) Represents RINs available to be self-marketed by us during the reporting period.

(4) Represents gas production which has not been dispensed to generate RINs.



MONTAUK RENEWABLES

# Financial Performance

## Balance Sheet

*(in thousands, except share data):*

| ASSETS | as of March 31, 2023 | as of December 31, 2022 |
|---|---|---|
| Current assets: | | |
| Cash and cash equivalents | $ 78,043 | $ 105,177 |
| Accounts and other receivables | 6,305 | 7,222 |
| Related party receivable | 9,008 | 9,000 |
| Current portion of derivative instruments | 835 | 879 |
| Prepaid expenses and other current assets | 2,440 | 2,590 |
| Total current assets | $ 96,631 | $ 124,868 |
| Non-current restricted cash | $ 407 | $ 407 |
| Property, plant and equipment, net | 183,800 | 175,946 |
| Goodwill and intangible assets, net | 15,512 | 15,755 |
| Deferred tax assets | 16,985 | 3,952 |
| Non-current portion of derivative instruments | 584 | 936 |
| Operating lease right-of-use assets | 4,635 | 4,742 |
| Finance lease right-of-use assets | 80 | 96 |
| Other assets | 5,703 | 5,614 |
| **Total assets** | **$ 324,337** | **$ 332,316** |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Current liabilities: | | |
| Accounts payable | $ 3,232 | $ 4,559 |
| Accrued liabilities | 11,354 | 15,090 |
| Income tax payable | 905 | 402 |
| Current portion of operating lease liability | 411 | 410 |
| Current portion of finance lease liability | 74 | 71 |
| Current portion of long-term debt | 7,876 | 7,870 |
| Total current liabilities | $ 23,852 | $ 28,402 |
| Long-term debt, less current portion | $ 61,533 | $ 63,505 |
| Non-current portion of operating lease liability | 4,312 | 4,341 |
| Non-current portion of finance lease liability | 6 | 25 |
| Asset retirement obligations | 5,593 | 5,493 |
| Other liabilities | 3,968 | 3,459 |
| Total liabilities | $ 99,264 | $ 105,225 |
| **STOCKHOLDERS' EQUITY** | | |
| Common stock, $0.01 par value, authorized 690,000,000 shares; 143,682,811 shares issued at March 31, 2023 and December 31, 2022, respectively; 141,633,417 shares outstanding at March 31, 2023 and December 31, 2022, respectively | 1,416 | 1,416 |
| Treasury stock, at cost, 971,306 shares March 31, 2023 and December 31, 2022, respectively | (11,051) | (11,051) |
| Additional paid-in capital | 207,830 | 206,060 |
| Retained earnings | 26,878 | 30,666 |
| Total stockholders' equity | 225,073 | 227,091 |
| **Total liabilities and stockholders' equity** | **$ 324,337** | **$ 332,316** |



MONTAUK RENEWABLES

# Cash Flow

## (in thousands, unless otherwise indicated)

| | Three Months Ended March 31, 2023 | 2022 |
|---|---|---|
| Net cash (used in) provided by: | | |
| Operating activities | $ (11,838) | $ 9,597 |
| Investing activities | (13,278) | (977) |
| Financing activities | (2,018) | (2,091) |
| Net (decrease) increase in cash and cash equivalents | (27,134) | 6,529 |
| Restricted cash, end of the period | 429 | 347 |
| Cash and cash equivalents, end of period | 78,472 | 60,141 |

Operating items affecting net loss include:

- $(13,033) benefit for deferred income taxes
- $1,770 accounting for stock-based compensation

Investing activities include:

- $5,440 capital expenditures for Pico Expansion Project
- $2,689 capital expenditures for Montauk Ag Renewables
- $1,954 capital expenditures for Second Apex RNG Facility Project

Financing activities include:

- $2,000 repayments of term loan

# Business Development

## RINs Generated but Unsold (in thousands, unless otherwise indicated)

First Quarter 2023 Highlights

- Strategic decision to not commit to transfer available D3 RINs generated and available for transfer from 2023 RNG production until 2023 second quarter
- Approximately 7,325 RINs in inventory from 2023 RNG production
- Committed to transfer significant amount of RINs generated and unsold and expect to transfer the majority of these RINs during the second quarter of 2023

# Business Development

## Pico Feedstock Amendment

First Quarter 2023 Highlights

- CARB finalized the engineering review of the Pico facility’s provisional CI application and released it for public comment
  - Public comment ended March 14, 2023 with no significant comments
- CARB certified our Tier 2 application and certified CI value will be used in the fourth quarter of 2022 to report and generate LCFS credits
- Remaining RNG volumes will be released in second quarter of 2023
  - Expect LCFS credit revenue in first half of 2023 on 2022 production



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# Business Development

## Blue Granite RNG Project

First Quarter 2023 Highlights

- Announced planned entrance into South Carolina with the development of a new landfill gas-to-RNG facility
- Expect 900 MMBtu per day of production capacity
- Currently expect commercial operations in 2025

# Business Development

## Montauk Ag Renewables

First Quarter 2023 Highlights

- Magnolia, NC reactor technology relocated to Turkey, NC to centralize processing at one location
- Turkey, NC location has been approved to participate in the Piedmont Natural Gas Renewable Gas Pilot Program
- Continuing to work with engineer of record to optimize reactor technology
- Signed receipt interconnection agreement with Piedmont Natural Gas for Turkey, NC
- Signed a lease agreement with Piedmont Natural Gas to provide access to the Turkey, NC property during the construction of the interconnection
- We are also in varying stages of discussions with potential power purchasers

# Business Development

## Bowerman Power RNG Expansion Project

First Quarter 2023 Highlights

- Entered late stages of negotiation of a development opportunity to develop, own, and operate an RNG facility alongside our existing REG facility
- Estimated 2,485 MMBtu per day of excess feedstock

# Business Development

## Strategic Growth Opportunity Pipeline

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

- Multiple LFG RNG sites in various stages of evaluation
  - Currently contemplates generating renewable electricity to qualify for eRINs
- 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 agreements. 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.

# 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 (loss) income, which is the most directly comparable GAAP measure, for the three months ended March 31, 2023 and 2022:

| | Three Months Ended March 31, 2023 | Three Months Ended March 31, 2022 |
|---|---|---|
| Net Loss | $ (3,788) | $ (1,115) |
| Depreciation, depletion and amortization | 5,196 | 5,153 |
| Interest expense | 1,675 | 32 |
| Income tax benefit | (12,060) | (258) |
| **Consolidated EBITDA** | (8,977) | 3,812 |
| | | |
| Impairment loss (1) | 451 | 51 |
| Net loss (gain) of sale of assets | 37 | (293) |
| Transaction costs | 83 | 27 |
| Non-cash hedging charges | — | 3,451 |
| **Adjusted EBITDA** | **$ (8,406)** | **$ 7,048** |

(1) During the three months ended March 31, 2023, we recorded an impairment loss of $451 in connection to a feedstock processing machine component that was not operating at an optimal level. During the three months ended March 31, 2022, we recorded an impairment loss of $51 related to computer software and hardware no longer being utilized.



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