Risk Factors Comparison 2024-03-14 to 2023-03-16 Form: 10-K

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This Annual Report on Form 10- K contains forward- looking information based on our current expectations. Because our business is subject to many risks and our actual results may differ materially from any forward- looking statements made by or on behalf of us, this section includes a discussion of important factors that could affect our business, operating results, financial condition and the trading price of Montauk common stock. You should carefully consider these risk factors, together with all of the other information included in this Annual Report on Form 10- K as well as our other publicly available filings with the SEC. Although the risks are organized by headings, and each risk is discussed separately, many are interrelated. Operational Risks Our renewable energy projects may not generate expected levels of output. Landfills contain organic material whose decomposition causes the generation of gas consisting primarily of methane, which our RNG projects use to generate power or renewable natural gas, and carbon dioxide. The estimation of landfill gas production volume is an inexact process and dependent on many site- specific conditions, including the estimated annual waste volume, composition of waste, regional climate and the capacity and construction of the landfill. Production levels are subject to a number of additional risks, including a failure or wearing out of our or our landfill operators', customers' or utilities' equipment; an inability to find suitable replacement equipment or parts; less than expected supply or quality of the project' s source of biogas and faster than expected diminishment of such biogas supply; or volume disruption in our fuel supply collection system. Any extended interruption and / or volume disruption in the project' s operation, or failure of the project for any reason to generate the expected amount of output, could adversely affect our business and operating results. **For example, we produced fewer MMBTu and MWh in the third quarter of 2023 compared with the third quarter of 2022 due to dry weather conditions and higher ambient temperatures.** In addition, we have in the past, and may in the future, incur material asset impairment charges if any of our renewable energy projects incurs operational issues that indicate our expected future cash flows from the project are less than the project' s carrying value. Any such impairment charge could adversely affect our operating results in the period in which the charge is recorded. In addition, in order to maximize collection of LFG, we will need to take various measures, such as drilling additional gas wells in the landfill to increase LFG collection, balancing the pressure on the gas field based on the data collected by the landfill operator from the gas wells to ensure optimum landfill gas utilization and ensuring that we match availability of engines and related equipment to availability of LFG. There can be no guarantee that we will be able to take all necessary measures to maximize collection. In addition, the LFG available to our projects is dependent in part on the actions of other persons, such as landfill operators. We may not be able to ensure the responsible management of the landfill site by owners and operators, which may result in less than optimal gas generation or increase the likelihood of " hot spots " occurring. Hot spots can temporarily reduce the volume of gas which may be collected from a landfill site, resulting in a lower gas yield. Other events that can result in a reduction in LFG output include: extreme hot or cold temperatures or excessive rainfall; liquid levels within a landfill increasing; oxidation within a landfill, which can kill the anaerobic microbes that produce landfill gas; and the buildup of sludge. The occurrence of these or any other changes within any of the landfills where our projects operate could lead to a reduction in the amount of LFG available to operate our projects, which could have a material adverse effect on our business, financial condition and results of operations. The concentration in revenues from five of our projects and geographic concentration of our projects expose us to greater risks of production interruptions from severe weather or other interruptions of production or transmission. A substantial portion of our revenues are generated from five project sites. For the years ended December 31, **2023 and** 2022 ~~and 2021~~, excluding the effect of derivative instruments, approximately ~~72~~ **68** . 4 % and ~~76~~ **72** . ~~3~~ **4** %, respectively, of operating revenues were derived from these locations. During ~~2022~~ **2023** , RNG production at our McCarty, Rumpke, Atascocita and Apex facilities accounted for approximately ~~17~~ **16. 2, 18. 8 %, 21. 0 % and 9. 9 % of our RNG revenues, respectively, and 14** . 5 %, ~~21~~ **24** . ~~6~~ **7** %, **20** ~~21. 6 %, and 10~~ . 2 % ~~of our RNG revenues, respectively, and 15. 2 %, 26. 3 %, 18. 6 %,~~ and 9. ~~5~~ **9** % of the RNG we produced during ~~2022~~ **2023** , ~~- 19-~~ respectively. During ~~2022~~ **2023** , Renewable Electricity production at our Bowerman Power LFG, LLC (" Bowerman ") facility accounted for approximately ~~90~~ **89** . ~~5~~ **7** % of our Renewable Electricity Generation revenues and ~~82~~ **80** . 3 % of the Renewable Electricity we produced during ~~2022~~ **2023** . A lengthy interruption of production or transmission of renewable energy from one or more of these projects, as a result of a severe weather event, failure or degradation of our or a landfill operator' s equipment or interconnection transmission problems could have a disproportionate effect on our revenues and cash flow ~~as further described below~~ . Our Atascocita, McCarty, Galveston and Coastal Plains projects are located within 20 miles of each other near Houston, Texas and seven of our other RNG projects are located in relatively close proximity to each other in Pennsylvania and Ohio. Regional events, such as gas transmission interruptions, regional availability of replacement parts and service in the event of equipment failures and severe weather events in either of those geographic regions **have previously adversely affected, and if the future** could ~~adversely~~ -- **adverse- 15-** affect **,** our RNG production and transmission ~~more~~ **. These impacts are greater** than **would be** if our ~~projects were~~ **business was** more geographically ~~diversified~~ ---- **diverse** ~~. Historically cold weather impacted our Houston, Texas facilities during the winter of 2020- 2021. Production at these facilities was temporarily idled from February 14, 2021 through February 20, 2021 while the facilities were without power. The index based pricing for the cost of utilities were adversely impacted during the month of February. Force majeure events were declared for the period February 12 through February 22, 2021 related to these weather events Operations at these facilities have subsequently resumed, but as a result of our utility provisions when we are not using utilities, providers are able to contribute the capacity back into the market and we receive credit against our future bills. Additionally, California wildfires, which occurred in October of 2020, forced our~~

~~Bowerman facility to temporarily shut down and caused limited damage to our facility and equipment. Production was reduced by approximately 38 % at the Bowerman facility during the fourth quarter of 2020 as compared to the fourth quarter of 2019. While production resumed in November 2020, our first quarter of 2021 revenues related to the Bowerman facility were approximately 18. 9 % lower than the prior year period, related in part to these wildfires~~. Our projects are not able to insure against all potential risks and may become subject to higher insurance premiums. Our projects are exposed to the risks inherent in the construction and operation of renewable energy projects, such as breakdowns, manufacturing defects, extreme weather, natural disasters, terrorist attacks and sabotage. We are also exposed to environmental risks. We have insurance policies covering certain risks associated with our business. Our insurance policies do not, however, cover all losses, including, in some situations, those as a result of force majeure, which is generally defined as events that are beyond the control of the parties. For example, we did not receive any insurance recovery from the shutdowns in Houston in February 2021 due to the extreme cold or from the Bowerman shutdown in October 2020 due to wildfires. Even if insurance policies for some of our projects cover losses as a result of certain types of force majeure events, such coverage is subject to important limitations. Furthermore, insurance liabilities are difficult to assess and quantify due to unknown factors, including the severity of an injury, the determination of our liability in proportion to other parties, the number of incidents not reported and the effectiveness of our safety program. Insurance coverage is not always available on commercially reasonable terms (if at all) and is often capped at predetermined limits. In addition, our insurance policies are subject to annual review by our insurers and may not be renewed on similar or favorable terms or at all. A serious uninsured loss or a loss significantly exceeding the limits of our insurance policies could adversely affect our business, financial condition and results of operations. Competition Risks We may face intense competition and may not be able to successfully compete. There are a number of other companies operating in the renewable energy and waste- to- energy markets. These include other renewable energy companies and service or equipment providers, consultants, managers and strategic investors. ~~- 20-~~ We may not have the resources to compete with our existing competitors or with any new competitors, including in a competitive bidding process. Some of our competitors have significantly larger personnel, financial and managerial resources than we have, and we may fail to maintain or expand our business. Our competitors may also offer energy solutions at prices below cost, devote significant sales forces to competing with us or attempt to recruit our key personnel by increasing compensation, any of which could improve their competitive positions. Moreover, if the demand for renewable energy increases, new companies may enter the market, and the influx of added competition will pose an increased risk to us. Further, certain of our strategic partners and other landfill or agricultural operators could decide to manage, recover and convert biogas from waste to renewable energy on their own which would further increase our competition, limit the number of commercially viable landfill sites available for our projects or require us to reduce our profit margins to maintain or acquire projects. Our success depends, in part, on technological innovation to stay ahead of market competitors. Our success will depend on our ability to create and maintain a competitive position in the renewable energy industry. Other than the patented technology acquired through the Montauk Ag Renewables Acquisition **and our internally developed condensate neutralization technology** , we do not have any exclusive rights to any of the technologies that we utilize, and our competitors may currently use and may be planning to use identical, similar or superior technologies. While significant to the development associated with our emerging North Carolina Montauk Ag Renewables business, we do not currently consider ~~the~~ patented technology material to the total business. In addition, the technologies that we use may be rendered obsolete or uneconomical by technological advances, more efficient and cost- effective processes or entirely different approaches developed by one or more of our competitors or others. We may also face competition based on technological developments that reduce demand for electricity, increase power supplies through existing infrastructure or that otherwise compete with our projects. We also encounter competition in the form of potential customers electing to develop solutions or perform services internally rather than engaging an outside provider such as us. Our use and enjoyment of real property rights for our projects may be adversely affected by the rights of lienholders and leaseholders that are superior to those of the grantors of those real property rights to our projects. Our projects generally are, and any of our future projects are likely to be, located on land occupied pursuant to long- term easements, leases and rights of way. The ownership interests in the land subject to these easements, leases and rights- of- way may be subject to mortgages securing loans or other liens (such as tax liens) and other easement, lease rights and rights- of- way of third parties **- 16-** (such as leases of oil or mineral rights) that were created prior to our projects' easements, leases and rights- of- way. As a result, certain of our projects' rights under these easements, leases or rights- of- way may be subject, and subordinate, to the rights of those third parties. We may not be able to protect our operating projects against all risks of loss of our rights to use the land on which our projects are located, and any such loss or curtailment of our rights to use the land on which our projects are located and any increase in rent due on such lands could adversely affect our business, financial condition and results of operations. We may not be able to obtain long- term contracts for the sale of power produced by our projects on favorable terms and we may not meet certain milestones and other performance criteria under existing PPAs. Obtaining long- term contracts for the sale of power produced by our projects at prices and on other terms favorable to us is essential for the long term success of our business. We must compete for PPAs against other developers of renewable energy projects. This intense competition for PPAs has resulted in downward pressure ~~- 21-~~ on PPA pricing for newly contracted projects. The inability to compete successfully against other power producers or otherwise enter into PPAs favorable to us would negatively affect our ability to develop and finance our projects and negatively affect our revenues. In addition, the availability of PPAs depends on utility and corporate energy procurement practices that could evolve and shift allocation of market risks over time. Further, PPA availability and terms are a function of a number of economic, regulatory, tax, and public policy factors, which are also subject to change. Our PPAs typically require us to meet certain milestones and other performance criteria. Our failure to meet these milestones and other criteria, including minimum quantities, may result in price concessions, in which case we would lose any future cash flow from the relevant project **. In addition, we have in the past** and **, in the future,** may be required to pay fees and penalties to our counterparty. We cannot assure you that we will be able to perform our obligations under such agreements **, that fees and penalties will remain insignificant,** or that we will have sufficient funds to pay any fees or penalties thereunder. Business Strategy Risks Our commercial success depends on our ability to identify, acquire, develop and operate individual renewable energy projects, as well as our ability to maintain and expand production at our current projects. We aim to maintain and grow our position as a leading producer of RNG in the United States. Our specific focus on the renewable energy sector exposes us to risks related to the supply of and demand for energy commodities and Environmental Attributes, the cost of capital expenditures, government regulation, world and regional events and economic conditions, and the acceptance of alternative power sources. As a renewable energy producer, we may also be negatively affected by lower energy output resulting from variable inputs, mechanical breakdowns, faulty technology, competitive electricity markets or changes to the laws and regulations that mandate the use of renewable energy sources by refiners and importers of gasoline and diesel fuel and electric utilities. In addition, several other factors related to the development and operation of individual renewable energy projects could adversely affect our business, including: • regulatory changes that affect the demand for or supply of Environmental Attributes and the prices thereof, which could have a significant effect on the financial performance of our projects and the number of potential projects with attractive economics; • changes in energy commodity prices, such as natural gas and wholesale electricity prices, which could have a significant effect on our revenues; • changes in pipeline gas quality standards or other regulatory changes that may limit our ability to transport RNG on pipelines for delivery to third parties or increase the costs of processing RNG to allow for such deliveries; • changes in the broader waste collection industry, including changes affecting the waste collection and biogas potential of the landfill industry, which could impede the LFG resource that we currently target for our projects; • substantial construction risks, including the risk of delay, that may arise due to forces outside of our control, including those related to engineering and environmental problems, as a result of inclement weather or labor disruptions; • operating risks and the effect of disruptions on our business, weather conditions, catastrophic events such as fires, explosions, earthquakes, droughts and acts of terrorism, and other force majeure events on us, our customers, suppliers, distributors and subcontractors; • the ability to obtain financing for a project on acceptable terms or at all and the need for substantially more capital than initially budgeted to complete projects and exposure to liabilities as a result of unforeseen environmental, construction, technological or other complications;- ~~22~~ **17** - • entering into markets where we have less experience, such as our projects for biogas recovery at livestock farms; • ~~the need for substantially more capital to complete projects than initially budgeted and~~ exposure to liabilities as a result of unforeseen environmental, construction, technological or other complications; • failures or delays in obtaining desired or necessary land rights, including ownership, leases, easements, zoning rights and building permits; • a decrease in the availability, pricing and timeliness of delivery of raw materials and components, necessary for the projects to function; • obtaining and keeping in good standing permits, authorizations and consents from local city, county, state and U. S. federal governments as well as local and U. S. federal governmental organizations; • penalties, including potential termination, under short- term and long- term contracts for failing to deliver RNG in accordance with our contractual obligations; • unknown regulatory changes RNG which may increase the transportation cost for delivering under contracts in place; • the consent and authorization of local utilities or other energy development off- takers to ensure successful interconnection to energy grids to enable power sales; and • difficulties in identifying, obtaining and permitting suitable sites for new projects . Any of these factors could prevent...... terrorism, and other force majeure events . In addition, new projects have no operating history and may employ recently developed technology and equipment. A new project may be unable to fund principal and interest payments under its debt service obligations or may operate at a loss, which may adversely affect our business, financial condition or results of operations. We may also experience delays and cost overruns in converting existing facilities from Renewable Electricity to RNG production. During the conversation projects, there is a gap in production and relating revenue while the electricity project is offline until it commences operation as an RNG facility, which adversely affects our financial condition and results of operations. ~~.~~ Any of these factors could prevent us from **identifying,** completing or operating our projects,or otherwise adversely affect our business,financial condition and results of operations.If there is not sufficient demand for renewable energy,or if renewable energy projects do not develop or take longer to develop than we anticipate,we may be unable to achieve our investment objectives.If demand for renewable energy fails to grow sufficiently,we may be unable to achieve our business objectives.In addition,demand for renewable energy projects in the markets and geographic regions that we target may not develop or may develop more slowly than we anticipate.Many factors will influence the widespread adoption of renewable energy and demand for renewable energy projects,including:• cost- effectiveness of renewable energy technologies as compared with conventional and competitive technologies;• performance and reliability of renewable energy products as compared with conventional and non- renewable products;• fluctuations in economic and market conditions that impact the viability of conventional and competitive alternative energy sources;• increases or decreases in the prices of oil,coal and natural gas;• continued deregulation of the electric power industry and broader energy industry;and • availability or effectiveness of government subsidies and incentives. ~~Acquisition~~ Our fuel supply agreements with site hosts have defined contractual periods, and we cannot assure you that we will be able to successfully extend these agreements **at their historic revenue levels or at all** . Fuel supply rights are issued by the landfill owner to operators for a contractual period. As operators, we have already invested resources in the development of existing sites and the ability to extend these contracts on expiration would enable us to achieve operational efficiency in continuing to generate revenues from a site without significant additional capital investments. We cannot assure you that we will be able to extend existing fuel supply agreements **at their historic revenue levels or at all** when they expire. **- 18-** Our agreements contain complex price adjustments, calculations and other terms based on gas price indices and other metrics, the interpretation of which could result in disputes with counterparties that could affect our results of operations and customer relationships. Certain of our PPAs, fuel supply agreements, RNG off- take agreements and other agreements require us to make payments or adjust prices to counterparties based on past or current changes in gas price indices, project ~~- 24 -~~ productivity or other metrics and involve complex calculations. Moreover, the underlying indices governing payments under these agreements are subject to change, may be discontinued or replaced. The interpretation of these price adjustments and calculations and the potential discontinuation or replacement of relevant indices or metrics **have resulted, and in the future,** could result in disputes with the counterparties with respect to these agreements. Any such disputes could adversely affect project revenues, expense margins, customer or supplier relationships, or lead to costly litigation, the outcome of which we would be unable to predict. In order to secure contracts for new projects, we typically face a long and variable development cycle that requires significant resource commitments and a long lead time before we realize revenues. The development, design and construction process for our renewable energy projects generally lasts from 18 to 36 months, on average ~~. We frequently receive requests for proposals from potential site hosts as part of their consideration of alternatives for their proposed projects. Prior to responding to an RFP, we typically conduct a preliminary audit of the site host' s needs and assess whether the site is commercially viable based on our expected return on investment, investment payback period, and other operating metrics, as well as the necessary permits to develop a project on that site. If we are awarded a project, we then perform a more detailed review of the site' s facilities, which serves as the basis for the final specifications of the project. Finally, we negotiate and execute a contract with the site host~~ . This extended development process requires the dedication of significant time and resources from our sales and management personnel, with no certainty of success or recovery of our expenses. A potential site host may go through the entire sales process and not accept our proposal. Further, upon commencement of operations, it typically takes 12 months or longer for the project to ramp up to our expected production level. All of these factors, and in particular, increased spending that is not offset by increased revenues, can contribute to fluctuations in our quarterly financial performance and increase the likelihood that our operating results in a particular period will fall below investor expectations. We plan to expand our business in part through developing RNG recovery projects at landfills and livestock farms, but we may not be able to identify suitable locations or complete development of new projects. ~~Historically, development of new RNG projects at landfills and livestock farms has been a significant part of our growth strategy.~~ We plan to continue to develop new RNG projects at landfills and livestock farms **but** ~~to expand our project skillsets and capabilities, expand and complement our existing geographic markets, add experienced management and increase our product offerings. However,~~ we may be unable to implement this growth strategy if we cannot identify suitable landfills and livestock farms on which to develop projects, reach agreements with landfill or livestock farm owners to develop RNG projects ~~on acceptable terms~~ or arrange required financing for new projects ~~on acceptable terms~~ . While the EPA has identified an additional ~~470~~ **463** landfills as candidates for biogas projects ~~, based on our industry experience and technical knowledge and analysis, after evaluating their currently available LFG collection systems and potential production capacities~~ , we believe that approximately 38 of these sites produce sufficient quantities of LFG to support commercial- scale projects, with 25 of the approximately 38 sites being operated by Waste Management or Republic Waste, with whom we would need to negotiate with to secure sufficient LFG rights to support an RNG project. In the future, additional candidate landfills may become economically viable as their growth increases LFG production and requires installation of LFG collection systems. However, the time and effort involved in attempting to identify suitable sites and development of new projects may divert members of our management from our operations. Our dairy farm project has, and any future digester project will have, different economic models and risk profiles than our landfill facilities, and we may not be able to achieve the operating results we expect from these projects. Our dairy farm project produces significantly less RNG than our landfill facilities. As a result, we will be even more dependent on the LCFS credits and RINs produced at our dairy farm project than on the RINs produced at our landfill facilities for the project' s commercial viability. Since the number of LCFS credits for RNG generated on dairy farms is significantly greater than the number of LCFS credits for RNG generated at ~~- 25-~~ landfills, we are substantially more dependent upon the revenue from LCFS credits for the commercial viability of the dairy farm project. In the event that CARB worsens the CI score that it applies to waste conversion projects, such as dairy digesters, the number of LCFS credits for RNG generated at our dairy farm project will decline. Additionally, revenue from LCFS credits also depends on the price per LCFS credit, which is driven by various market forces, including the supply of and demand for LCFS credits, which in turn depends on the demand for traditional transportation fuel and the supply of renewable fuel from other renewable energy sources, and mandated CI targets, which determine the number of LCFS credits required to offset LCFS deficits, and which increase over time. Fluctuations in the price of LCFS credits or the number of LCFS credits assigned will have a significantly greater impact on the success of our dairy farm project than the value that RINs have on our landfill facilities. A significant decline in the value of LCFS credits could require us to incur an impairment charge on our dairy farm project and could adversely affect our business, financial condition and results of operations. While we currently focus on converting methane into renewable energy, in the future we may decide to expand our strategy to include other types of projects. Any future energy projects may present unforeseen challenges and result in a competitive disadvantage relative to our more established competitors. Our business is currently focused on converting methane into renewable energy. In the future, we may expand our strategy to include other types of projects. **For example, we recently entered into an agreement with European Energy North America under which we supply biogenic carbon dioxide for the creation of e- methanol.** We cannot assure you that we will be able to identify **- 19-** attractive opportunities outside of our current area of focus or acquire or develop such projects at a price and on terms that are attractive or that, once acquired or developed, such projects will operate profitably. In addition, these projects could expose us to increased operating costs, unforeseen liabilities or risks, and regulatory and environmental concerns associated with entering into new sectors of the energy industry, including requiring a disproportionate amount of our management' s attention and resources, which could adversely affect our business, as well as place us at a competitive disadvantage relative to more established market participants. A failure to successfully integrate such new projects into our existing project portfolio as a result of unforeseen operational difficulties or otherwise, could adversely affect our business, financial condition and results of operations. Any future acquisitions, investments or other strategic relationships that we make could disrupt our business, cause dilution to our stockholders or harm our business, financial condition or operating results. We expect future acquisitions of companies, purchases of assets and other strategic relationships to be an important part of our growth strategy. We plan to use acquisitions to expand our capabilities, expand our geographic markets, add experienced management and add to our project portfolio. However, we may not be able to identify suitable acquisition or investment candidates, reach agreements with acquisition targets on acceptable terms or arrange for any required financing for an acquisition on acceptable terms, any of which would materially impact our present strategy. While we perform due diligence on prospective acquisitions, we may not be able to discover all potential operational deficiencies in such projects. Further, if we are successful in consummating acquisitions, those acquisitions could subject us to a number of risks, including: • the purchase prices we pay could significantly deplete our cash reserves or result in dilution to our existing stockholders; • we may find that the acquired companies or assets do not improve our customer offerings or market position as planned; • we may have difficulty integrating the operations and personnel of the acquired companies; • key personnel and customers of the acquired companies may terminate their relationships with the acquired companies as a result of or following the acquisition; • we may experience additional financial and accounting challenges and complexities in areas such as tax planning and financial reporting; ~~- 26-~~ • we may experience delays in construction and development or regulatory approvals impacting, among other projects, the Pico, Apex or Montauk Ag development cycle; • we may incur additional costs and expenses related to inflation and complying with additional laws, rules or regulations in new jurisdictions; • we may assume or be held liable for risks and liabilities (including for environmental-related costs) as a result of our acquisitions, some of which we may not discover during our due diligence or adequately adjust for in our acquisition arrangements; • our ongoing business and management' s attention may be disrupted or diverted by transition or integration issues and the complexity of managing geographically diverse enterprises; • we may incur one- time write- offs or restructuring charges in connection with an acquisition; • we may acquire goodwill and other intangible assets that are subject to amortization or impairment tests, which could result in future charges to earnings; and • we may not be able to realize the cost savings or other modeled financial benefits we anticipated. Any of these factors could adversely affect our business, financial condition and operating results. Our renewable fuel projects may be exposed to the volatility of the price of RINs. The price of RINs is driven by various market forces, including **regulatory action,** gasoline prices and the availability of renewable fuel from other renewable energy sources and conventional energy sources. **For example, following the EPAs release of the 2023 RVO in December 2022, the market price of a D3 RIN declined from $ 2. 43 on the date of the release to $ 1. 88 in February 2023. Furthermore,** ~~Refiners~~ **refiners** are permitted to carry- over up to 20 % RINs generated for one calendar year after the RINs are generated to satisfy their RVOs. As a result, we are only able to sell RINs on a forward basis for the year in which the RINs are generated and the following year. We may be unable to manage the risk of volatility in RIN pricing for all or a portion of our revenues from RINs, which would expose us to the volatility of commodity prices with respect to all or the portion of RINs that we are unable to sell through forward contracts, including risks resulting from changes in regulations, general economic conditions and changes in the level of renewable energy generation. We expect to have quarterly variations in the revenues from the projects in which we generate revenue from the sale of RINs that we are unable to sell through forward contracts. **- 20-** Our revenues may be subject to the risk of fluctuations in commodity prices. The operations and financial performance of projects in the renewable energy sectors may be affected by the prices of energy commodities, such as natural gas, wholesale electricity and other energy- related products. For example, the price of renewable energy resources changes in relation to the market prices of natural gas and electricity. The market price for natural gas is sensitive to cyclical demand and capacity supply, changes in weather patterns, natural gas storage levels, natural gas production levels, general economic and geopolitical conditions (including the current ~~conflict~~ **conflicts** in **the Middle East and** Ukraine) and the volume of natural gas imports and exports. The market price of electricity is sensitive to cyclical changes in demand and capacity supply, and in the economy and geopolitical conditions (including the current ~~conflict~~ **conflicts** in **the Middle East and** Ukraine), as well as to regulatory trends and developments impacting electricity market rules and pricing, transmission development and investment to power markets within the United States and in other jurisdictions through interconnects and other external factors outside of the control of renewable energy power- producing projects. Volatility of commodity prices also creates volatility in the prices of Environmental Attributes, which are inversely related to the wholesale price of unleaded gasoline. In addition, volatility of commodity prices, such as the market price of gas and electricity, may also make it more difficult for us to raise any additional capital for our renewable energy projects that may be necessary to operate, to the extent that market participants perceive that a project' s performance may be tied directly or indirectly to commodity prices. Accordingly, the potential revenues and cash flows of these projects may be volatile and adversely affect the value of our investments. ~~- 27-~~ Our off- take agreements for the sale of RNG are typically shorter in duration than our fuel supply agreements. Accordingly, if we are unable to renew or replace an off- take agreement for a project for which we continue to produce RNG, we would be subject to the risks associated with selling the RNG produced at that project at then- current market prices. We may be required to make such sales at a time when the market price for natural gas as a whole or in the region where that project is located, is depressed. If this were to occur, we would be subject to the volatility of gas prices and be unable to predict our revenues from such project, and the sales prices for such RNG may be lower than what we could sell the RNG for under an off- take agreement. We are subject to volatility in prices of RINs and other Environmental Attributes. Volatility of commodity prices creates volatility in the price of Environmental Attributes. The value of RINs is inversely proportionate to the wholesale price of unleaded gasoline. Further, the production of RINs significantly in excess of the RVOs set by the EPA for a calendar year could adversely affect the market price of RINs, particularly towards the end of the year, if refiners and other RFS obligated parties have satisfied their RVOs for the year. A significant decline in the price of RINs and price of LCFS credits for a prolonged period could adversely affect our business, financial condition and results of operations, and could require us to take an impairment charge relating to one or more of our projects. We are exposed to the risk of failing to meet our contractual commitments to sell RINs from our production. We may sell forward a portion of our RINs under contracts to fix the revenues from such attributes for financing purposes or to manage our risk against future declines in prices of such Environmental Attributes. If our RNG projects do not generate the amount of RINs sold under such forward contracts we may be required to make up the shortfall of RINs under such forward contracts through purchases on the open market or ~~of~~ the payment of liquidated damages. Forward selling our RINs could result in realized prices monetized in a year which do not correspond directly to index prices. The failure of our hedge counterparties or significant customers to meet their obligations to us may adversely affect our financial results. To the extent we hedge our RNG revenues, our hedging transactions expose us to the risk that a counterparty fails to perform under a derivative contract. Volatility in the market index to which we hedge our RNG revenues could expose us to variability in our commodity based revenues. Disruptions in the financial markets could lead to sudden decreases in a counterparty' s liquidity, which could make them unable to perform under the terms of the derivative contract and we may not be able to realize the benefit of the derivative contract. Any default by the counterparty to these derivative contracts could adversely affect our business, financial condition and results of operations. We also face credit risk because we sell our RNG to a limited number of significant customers who do not post collateral. The inability or failure of our significant customers to meet their obligations to us or their insolvency or liquidation may adversely affect our financial results. **- 21-** Regulatory Risks The reduction or elimination of governmental economic incentives for renewable energy projects or other related policies could adversely affect our business, financial condition and results of operation. We depend, in part, on Environmental Attributes, which are 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. RINs are created through the RFS program administered by the EPA, which requires transportation fuel sold in the United States to contain a minimum volume of renewable fuel and has historically ~~- 28-~~ permitted refineries and importers of transportation fuel to satisfy their RVOs by purchasing either (i) D5 RINs and cellulosic waiver credits (" CWCs ") or (ii) D3 RINs. In a December 1, 2022 proposed rule, EPA proposed to not utilize its cellulosic waiver authority for the years 2023- 2025. However, if actual production is lower than the RVO, the EPA will have discretion to utilize CWC. RECs are created through state law requirements for utilities to purchase a portion of their energy from renewable energy sources. **76 % and** 70 ~~% and 62~~ % of our operating revenues for **2023 and** 2022 ~~and 2021~~ , respectively, were generated from the sale of Environmental Attributes. These government economic incentives could be reduced or eliminated altogether, or the categories of renewable energy qualifying for such government economic incentives could be changed. These renewable energy program incentives are subject to regulatory oversight and could be administratively or legislatively changed in a manner that could adversely affect our operations. Further, the generation of LCFS credits on our dairy farm project is expected to increase the percentage of our revenues generated from Environmental Attributes. Reductions in, changes to, or eliminations or expirations of governmental incentives could result in decreased demand for, and lower revenues from, our projects. Changes in the level or structure of the RPS of a state for electricity could also result in a decline in our revenues or decreased demand for, and lower revenues from, our electricity projects. We may be unable to obtain, modify or maintain the regulatory permits, approvals and consents required to construct and operate our projects. Our operations are subject to various federal, state and local EHS laws and regulations, including those relating to the release, emission or discharge of materials into the air, water and ground, the generation, storage, handling, use, transportation and disposal of hazardous materials and wastes, the health and safety of our employees and other persons, and the generation of RINs and LCFS credits. These laws and regulations impose numerous obligations applicable to our operations, including the acquisition of permits before construction and operation of our projects; the restriction of types, quantities and concentration of materials that can be released into the environment; the limitation or prohibition of our activities on certain lands lying within wilderness, wetlands and other protected areas; the application of specific health and safety criteria addressing worker protection; and the imposition of substantial liabilities for pollution resulting from the ownership or operation of our properties. These laws, regulations and permits can require expensive pollution control equipment or operational changes to limit actual or potential impacts to the environment. Numerous governmental entities have the power to enforce difficult and costly compliance measures or corrective actions pursuant to these laws and regulations and the permits issued under them. We may be required to make significant capital and operating expenditures on an ongoing basis, or to perform remedial or other corrective actions at our properties, to comply with the requirements of these environmental laws and regulations or the terms or conditions of our permits. Failure to comply with these laws and regulations may result in the assessment of sanctions, including administrative, civil or criminal penalties, the imposition of investigatory or remedial obligations, and the issuance of orders limiting or prohibiting some or all of our operations. In addition, we may experience delays in obtaining or be unable to obtain required environmental regulatory permits or approvals, which may delay or interrupt our operations and limit our growth and revenue. Our operations inherently risk incurring significant environmental costs and liabilities due to the need to manage waste from our processing facilities. Spills or other releases of regulated substances, including spills and releases that occur in the future, could expose us to material losses, expenditures and liabilities under applicable environmental laws, rules and regulations. Under certain of such laws and regulations, we could be held strictly liable for the removal or remediation of previously released materials or property contamination, regardless of whether we were responsible for the release or contamination and even if our operations met previous standards in the industry at the time they were conducted. In connection with certain acquisitions, we could acquire, or be required to provide indemnification against, environmental liabilities that could expose us to material losses. In addition, claims for damages to persons or property, including natural resources, may result from the EHS impacts of our operations. Our insurance may not cover all environmental risks and costs or may not provide sufficient coverage if an environmental claim is made against us. ~~- 29-~~ New laws, changes to existing laws, new interpretations of existing laws, increased governmental enforcement of environmental laws or other developments could require us to make significant additional expenditures. Continued government and public emphasis on environmental issues can be expected to result in increased future investments for environmental controls at our plants. Present and future environmental laws and regulations, and interpretations of those laws and regulations, applicable to our **- 22-** operations, more vigorous enforcement policies and discovery of currently unknown conditions may require substantial expenditures that could have a material adverse effect on our results of operations and financial condition. In January 2021, President Biden issued an executive order directing all federal agencies to review and take action to address any federal regulations, orders, guidance documents, policies, and any similar agency actions promulgated during the prior administration that may be inconsistent with the current administration' s policies and to address climate change. The federal agencies review of previous agency actions remain ongoing. In January 2021, President Biden also issued an executive order solely targeting climate change. Pursuant to these executive orders, on February 19, 2021 the United States formally rejoined the Paris Climate Agreement, an international treaty that provides for the cutting of carbon emissions every five years, beginning in 2023. In August 2022, President Biden signed into law the Inflation Reduction Act, which includes incentives for development and production of renewable energy. These incentives include grants, loan guaranties, development funding, investment tax credits, and production tax credits. At this time, we cannot predict the outcome of any of these executive actions on our operations. Our ability to generate revenue from sales of RINs and LCFS credits depends on our strict compliance with these federal and state programs, which are complex and can involve a significant degree of judgment. If the agencies that administer and enforce these programs disagree with our judgments, otherwise determine that we are not in compliance, conduct reviews of our activities or make changes to the programs, then our ability to generate or sell these credits could be temporarily restricted pending completion of reviews or as a penalty, permanently limited or lost entirely, and we could also be subject to fines or other sanctions. Moreover, the inability to sell RINs and LCFS credits could adversely affect our business. In order to construct, modify and operate our projects, we will need to obtain or may need to modify numerous environmental and other regulatory permits, approvals and consents from federal, state and local governmental entities, including air permits, wastewater discharge permits, stormwater permits, permits or consents related to the management of municipal solid waste landfills and permits or consents related to the management and disposal of waste. A number of these permits, approvals and consents must be obtained prior to the start of development of a project. Other permits, approvals and consents are required to be obtained at, or prior to, the time of first commercial operation or within prescribed time frames following commencement of commercial operations. Any failure to successfully obtain or modify the necessary environmental and other regulatory permits, approvals and consents on a timely basis could delay the construction, modification or commencement of commercial operation of our projects. In addition, once a permit, approval or consent has been issued or acquired for a project, we must take steps to comply with the conditions of each permit, approval or consent conditions, including conditions requiring timely development and commencement of the project. Failure to comply with certain conditions within a permit, approval or consent could result in the revocation or suspension of such permit, approval or consent; the imposition of penalties; or other enforcement action by governmental entities. We also may need to modify permits, consents or approvals we have already obtained to reflect changes in project design or requirements, which could trigger a legal or regulatory review under a standard more stringent than the standard under which the permits, approvals or consents were originally issued. Obtaining and modifying necessary permits, approvals and consents is a time- consuming and expensive process, and we may not be able to obtain or modify them on a timely or cost **-** effective basis or at all. In the event that we fail to obtain or modify all necessary permits, approvals or consents, we may be forced to delay construction or operation of a project or abandon the project altogether, which could adversely affect our business, financial condition and results of operations. In addition, we may be required to make capital expenditures on an ongoing basis to comply with increasingly stringent federal, state, provincial and local EHS laws, regulations and permits. ~~- 30-~~ Negative attitudes toward renewable energy projects from the U. S. government, other lawmakers and regulators, and activists could adversely affect our business, financial condition and results of operations. Parties with an interest in other energy sources, including lawmakers, regulators, policymakers, environmental and advocacy organizations or other activists may invest significant time and money in efforts to delay, repeal or otherwise negatively influence regulations and programs that promote renewable energy. Many of these parties have substantially greater resources and influence than we have. Further, changes in U. S. federal, state or local political, social or economic conditions, including a lack of legislative focus on these programs and regulations, could result in their modification, delayed adoption or repeal. Any failure to adopt, delay in implementing, expiration, repeal or modification of these programs and regulations, or the adoption of any programs or regulations that encourage the use of other energy sources over renewable energy, could adversely affect our business, financial condition and results of operations. In addition, in June 2019, the EPA issued the final Affordable Clean Energy (" ACE ") rule and repealed the Clean Power Plan (the " CPP "), which had previously established standards to limit carbon dioxide **(CO_2)** emissions from existing fossil- fueled power generation facilities. Under the ACE rule, emissions from electric utility generation facilities would be regulated only through the use of various " inside the fence " or onsite efficiency improvements and emission control technologies. In contrast, the CPP allowed facility owners to reduce emissions with " outside the fence " measures, including those associated with renewable energy projects. On January 19, 2021, the United States Court of Appeals for the D. C. Circuit vacated the ACE rule and remanded the rule back to EPA **- 23-** for reconsideration of the " best system of emission reduction. " On February 22, 2021, the D. C. Circuit subsequently issued an order allowing EPA to promulgate new standards in lieu of reviving the CPP. In June 2022, **however,** the U. S. Supreme Court reversed the D. C. Circuit' s decision on the **ACE** ~~Affordable Clean Energy~~ rule and remanded the case back to the D. C. Circuit. The U. S. Supreme Court restricted the EPA' s authority to regulate ~~GHG~~ **GHGs** from existing power plants under Section 111 (d). The U. S. Supreme Court concluded that Congress did not grant the EPA authority under the CAA to demand generation- shifting to achieve reduction of GHG emissions, but the court did not hold that the EPA is limited in future rulemakings to just the heat- rate improvements that made up the ACE rule. **On remand from the Supreme Court, the D. C. Circuit in October 2022 upheld EPA' s repeal of the CPP, and it granted the parties' motion to hold the remaining challenges to the ACE rule in abeyance, as EPA indicated it intended to repeal the ACE rule and issue a new proposed regulation for GHG from electric generating units. To ensure that the ACE rule is not implemented in the interim period, EPA issued a direct final rule in March 2023, delaying the deadlines for states to submit implementation plans for the ACE rule. On May 23, 2023, the EPA published a proposed rule that would vacate the ACE rule, establish**

emissions guidelines in the form of CO2 emissions limitations for certain existing fossil- fueled power generation facilities and would require states to develop state plans that establish standards of performance for such facilities that are at least as stringent as the EPA' s emissions guidelines. Depending on various facility- specific factors, the bases of proposed emissions guidelines range from routine methods of operation to shutting down certain types of units in the early 2030s, to carbon capture and sequestration or co- firing low- GHG hydrogen starting in the 2030s. The EPA is expected to publish a final rule in the first half of 2024, which is expected to face legal challenges similar to prior challenges to the ACE rule and the CPP. We are unable to predict the future course of the **EPA' s proposed rule and any related** litigation ~~on remand~~ , nor the direction that the EPA may take in the future to regulate GHG emissions from existing fossil fuel- fired generation facilities. ~~On August 16, 2022, President Biden signed into law the Inflation Reduction Act, which includes an amendment to the CAA defining GHGs as air pollutants. On September 8, 2022, the EPA announced the opening of a non-rulemaking docket for public comments on the EPA' s efforts to reduce GHG emissions from existing fossil- fuel fired electric generating units. Comments may be submitted to the EPA until March 27, 2023.~~ The impact of ~~the~~ **these potential developments** ~~disposition of this litigation or a new rule regulating GHG emissions on our operations~~ is unclear. Revenue from any projects we complete may be adversely affected if there is a decline in public acceptance or support of renewable energy, or regulatory agencies, local communities, or other third parties delay, prevent, or increase the cost of constructing and operating our projects. Certain persons, associations and groups could oppose renewable energy projects in general or our projects specifically, citing, for example, misuse of water resources, landscape degradation, land use, food scarcity or price increase and harm to the environment. Moreover, regulation may restrict the development of renewable energy plants in certain areas. In order to develop a renewable energy project, we are typically required to obtain, among other things, environmental impact permits or other authorizations and building permits, which in turn require environmental impact studies to be undertaken and public hearings and comment periods to be held during which any person, association or group may oppose a project. Any such opposition may be taken into account by government officials responsible for granting the relevant permits, which could result in the permits being delayed or not being granted or being granted solely on the condition that we carry out certain corrective measures to the proposed project. Opposition to our projects' requests for permits or successful challenges or appeals to permits issued for our projects could adversely affect our operating plans. ~~- 31-~~ As a result, we cannot guarantee that the renewable energy plants we currently plan to develop or, to the extent applicable, are developing, will ultimately be authorized or accepted by the local authorities or the local population. For example, the local population could oppose the construction of a renewable energy plant or infrastructure at the local government level, which could in turn lead to the imposition of more restrictive requirements. This type of negative response may lead to legal, public relations or other challenges that could impede our ability to meet our construction targets, achieve commercial operations for a project on schedule, address the changing needs of our projects over time or generate revenues. In certain jurisdictions, if a significant portion of the local population were to mobilize against a renewable energy plant, it may become difficult, or impossible, for us to obtain or retain the required building permits and authorizations. Moreover, such challenges could result in the cancellation of existing building permits or even, in extreme cases, the dismantling of, or the retroactive imposition of changes in the design of, existing renewable energy plants. Authorization for the use, construction, and operation of systems and associated transmission facilities on federal, state, and local lands will also require the assessment and evaluation of mineral rights, private rights- of- way, and other easements; environmental, agricultural, cultural, recreational, and aesthetic impacts; and the likely mitigation of adverse effects to these and other resources and uses. The inability to obtain the required permits and other federal, state and local approvals, and any excessive delays in obtaining such permits and approvals due, for example, to litigation or third- party appeals, could potentially prevent us from successfully constructing and operating such projects in a timely manner and could result in the potential forfeiture of any deposit we have made with respect to a given project. Moreover, project approvals subject to project modifications and conditions, including mitigation requirements and costs, could affect the financial success of a given project. Changing regulatory requirements and the discovery of unknown site conditions could also adversely affect the financial success of a given project. A decrease in acceptance of renewable energy plants by local populations, an increase in the number of legal challenges, or an unfavorable outcome of such legal challenges could adversely affect our business, financial condition and results of operations. We may also be subject to labor unavailability due to multiple simultaneous projects in a geographic region. If we are unable to grow and **- 24-** manage the capacity that we expect from our projects in our anticipated timeframes, it could adversely affect our business, financial condition and results of operations. Existing regulations and policies, and future changes to these regulations and policies, may present technical, regulatory and economic barriers to the generation, purchase and use of renewable energy, and may adversely affect the market for credits associated with the production of renewable energy. The market for renewable energy is influenced by U. S. federal, state and local government regulations and policies concerning renewable energy. These regulations and policies are continuously being modified, which could result in a significant future reduction in the potential demand for renewable energy, including RINs, RECs and LCFS credits, renewable energy project development and investments. Renewable Fuel Standards for 2023 through 2025 remain subject to finalization. Any new government regulations applicable to our renewable energy projects or markets for renewable energy may result in significant additional expenses or related development costs and, as a result, could cause a significant reduction in demand for our renewable energy. For additional information on regulatory developments, see " Item 7A. — Management' s Discussion and Analysis of Financial Condition and Results of Operations — Key Trends — Regulatory, Environmental and Social Trends. " In order to benefit from RINs and LCFS credits, our RNG projects are required to be registered and are subject to regulatory audit. We are required to register an RNG project with the EPA and relevant state regulatory agencies. Further, we qualify our RINs through a voluntary Quality Assurance Plan, which typically takes from three to five months ~~- 32-~~ from first injection of RNG into the commercial pipeline system. Although no similar qualification process currently exists for LCFS credits, we expect such a process to be implemented and would expect to seek qualification on a state- by- state basis under such future programs.

Changes to the LCFS program require annual verification of the CI score assigned to a project. Annual verification could significantly affect the profitability of a project, particularly in the case of a livestock farm project. Delays in obtaining registration, RIN qualification, and any future LCFS credit qualification, or CI rescoring through CARB annual audits, of a new project could delay future revenues from the project and could adversely affect our cash flow. Further, we typically make a large investment in the project prior to receiving the regulatory approval and RIN qualification. By registering each RNG project with the EPA' s voluntary Quality Assurance Plan, we are subject to quarterly third- party audits and semi- annual on- site visits of our projects to validate generated RINs and overall compliance with the RFS program. We are also subject to a separate third party' s annual attestation review. The Quality Assurance Plan provides a process for RIN owners to follow, for an affirmative defense to civil liability, if used or transferred Quality Assurance Plan verified RINs were invalidly generated. A project' s failure to comply could result in remedial action by the EPA, including penalties, fines, retirement of RINs, or termination of the project' s registration, any of which could adversely affect our business, financial condition and results of operations. For additional information on recent developments in this area, including the Pico facility' s CI score, see " Item 7A. — Management' s Discussion and Analysis of Financial Condition and Results of Operations — Key Trends — Regulatory, Environmental and Social Trends. " Our business is subject to the risk of extreme or changing weather patterns. Extreme weather patterns related to climate change could cause changes in rainfall and storm patterns and intensities, water shortages and changing temperatures, which could result in significant volatility in the supply and prices of energy. In addition, legislation and increased regulation regarding climate change could impose significant costs on us and our suppliers, including costs related to capital equipment, environmental monitoring and reporting and other costs to comply with such regulations. Furthermore, extreme weather events, such as lightning strikes, ice storms, tornados, extreme wind, hurricanes and other severe storms, wildfires and other unfavorable weather conditions or natural disasters, such as floods, fires, earthquakes, and rising sea- levels, could adversely affect the input and output commodities associated with the renewable energy sector. Such weather events or natural disasters could also require us to temporarily or permanently shut down the equipment associated with our renewable energy projects, such as our access to power and our power to biogas collection, separation and transmission systems, which would impede the ability of our projects to operate and decrease production levels and our revenue. Operational problems, such as degradation of our project' s equipment due to wear or weather or capacity limitations or outages on the electrical transmission network, could also affect the amount of energy that our projects are able to deliver. Any of these events, to the extent not fully covered by insurance, could adversely affect our business, financial condition and results of operations **.** These events could result in significant volatility in the supply and prices of energy. This volatility may create fluctuations in commodity or energy prices and earnings of companies in the renewable energy sectors. See " — Operational Risks — " The concentration in revenues from five of our projects and geographic concentration of our projects expose us to greater risks of production interruptions from severe weather or other interruptions of production or transmission " for additional information. **- 25-** Our business is subject to risks arising out of climate change, which could result in increased operating costs. Numerous proposals have been made and are likely to continue to be made at the international, national, regional and state levels of government to monitor and limit existing emissions of GHGs and eliminate future GHG emissions. Governmental and public concern arising from GHG emissions has resulted in increasing regulatory, political, financial and litigation risks in the United States and globally that target predominantly fossil fuel- related energy entities or their operations, which may have indirect effects on other companies or industries, including the renewable energy industry. **The** ~~- 33- In the~~ United States ~~,~~ **has** ~~no~~ **not implemented** comprehensive federal climate change legislation ~~has been implemented~~ . The EPA has adopted rules that, among other things, establish permit reviews for GHG emissions from certain large stationary sources, require the monitoring and annual reporting of GHG emissions from specified sources in the U. S., implement standards reducing emissions of methane, a form of GHG, from specified oil and gas sectors, and together with the U. S. Department of Transportation, implement GHG emissions limits on vehicles manufactured for operation in the United States. While these rules largely do not directly impact our operations, they do represent a concerted effort at the federal **agency** level to reduce emissions of GHGs in an effort to mitigate adverse effects associated with climate change, which could in turn result in increased demand for renewable energy. Additionally, in August 2022 the Inflation Reduction Act of 2022 was signed into law, which appropriates significant federal funding for renewable energy initiatives and, for the first time ever, imposes a fee on GHG emissions from certain facilities in the oil and natural gas sector. The emissions fee and renewable and low carbon energy funding provisions of the law could accelerate the transition away from fossil fuels, which could in turn have an indirect adverse effect on our business and results of operations. Under the Biden Administration, it is anticipated that efforts by the EPA or other federal agencies to restrict GHG emissions will continue. Additionally, various states and groups of states have adopted or are considering adopting legislation, regulations or other regulatory initiatives that are focused on such areas as GHG cap and trade programs, carbon taxes, reporting and tracking programs, and restriction of emissions. As a result, there exists the possibility of executive orders being issued or federal legislation or regulatory initiatives being adopted that could result in further restrictions on fossil fuels and have a further indirect effect on the demand for renewable energy and our products. **In addition, on March 6, 2024, the SEC adopted new rules mandating significantly expanded climate- related disclosures in SEC filings, including disclosures relating to certain climate- related risks and related governance matters, climate- related metrics and Scope 1 and 2 GHG emissions, if material, information about climate- related targets and goals, transition plans, if any, and certain attestation requirements. The rules include certain phase- in compliance dates based a filer' s status under applicable SEC rules. Under the phase- in dates included in the SEC' s rules, assuming that we continue to be an " accelerated filer " as defined in SEC rules, we would become subject to the new disclosure requirements commencing with our Annual Report on Form 10- K for the fiscal year beginning January 1, 2026, except for the following disclosure requirements: (i) requirements to disclose certain material expenditures incurred and material impacts on financial estimates and assumptions relating to mitigation activities, transition plans and targets and goals, to which we would become subject**

commencing with our Annual Report on Form 10- K for the fiscal year beginning January 1, 2027 and (ii) requirements to disclose Scope 1 and 2 GHG emissions metrics that we determine to be material, to which we would become subject commencing with our Quarterly Report on Form 10- Q for the fiscal quarter ending June 30, 2029 (in relation to the fiscal year beginning January 1, 2028). In addition, commencing with our Quarterly Report on Form 10- Q for the fiscal quarter ending June 30, 2032, we will be required to obtain and file with the SEC a " limited assurance " attestation report from an independent attestation service provider covering the Scope 1 and 2 GHG emissions metrics that we disclose (if any). We are currently assessing the impact these SEC' s new rules will have on us. In addition, a group of 10 state attorneys general have already filed a petition in the U. S. Court of Appeals for the Eleventh Circuit asking the court to vacate the SEC' s rules, and it is widely expected that the rules will face additional legal challenges. For these reasons, we cannot currently predict with certainty the timing and costs of implementation or any potential adverse impacts resulting therefrom. However, assuming that the rules take effect in the form adopted by the SEC, we expect to incur significant additional costs relating to the assessment and disclosure of climate- related matters, including costs relating to establishment of additional internal controls, monitoring, collecting, analyzing and reporting the new metrics and implementing systems and procuring additional internal and external personnel with the requisite skills and expertise to serve those functions. These additional costs or changes in operations could have a material adverse effect on our business, financial condition, results of operations and cash flows. We may also face increased litigation risks related to disclosures made pursuant to the rules. In addition, enhanced climate- related disclosure requirements could accelerate the trend of certain investors and lenders restricting or seeking more stringent conditions with respect to their investments in carbon- intensive sectors. The SEC' s new climate- related disclosure rules will require public companies to disclose the capitalized costs, expenditures expensed, and losses related to carbon offsets and RECs if used as a material component of the company' s plans to achieve its disclosed climate- related targets or goals. It is possible that these disclosure requirements could make RECs less attractive to customers, which could negatively impact demand and market prices for RECs. Although the RECs we currently produce are sold under long- term PPAs with prices that are not subject to adjustment based on market prices, if demand and market prices for RECs decrease, then our ability to sell additional RECs in the future at attractive prices may be negatively affected.- 26- Cybersecurity and Information Technology Risks A failure of our IT and data security infrastructure could have a material adverse effect on our business and operations. We rely upon the capacity, reliability and security of our IT and data security infrastructure and our ability to expand and continually update this infrastructure in response to the changing needs of our business. Our existing IT systems and any new IT systems may not perform as expected. We also face the challenge of supporting our older systems and implementing necessary upgrades. If we experience a problem with the functioning of an important IT system or a security breach of our IT systems, including during system upgrades or new system implementations, the resulting disruptions could have a material adverse effect on our business. We and some of our third- party vendors receive and store personal information in connection with our human resources operations and other aspects of our business. **Our** ~~Despite our implementation of reasonable security measures, our~~ IT systems **and** ~~, like~~ those of ~~other companies~~ **our third- party vendors** , are vulnerable to damages from computer viruses, natural disasters, fire, power loss, telecommunications failures, personnel misconduct, human error, unauthorized access, physical or electronic security breaches, cyber- attacks (including malicious and destructive code, phishing attacks, ransomware, and denial of service attacks), and other similar disruptions **. We continue to develop our processes relating to identification, mitigation and response to potential cybersecurity threats, and such processes may prove to be inadequate** . Such attacks or security breaches may be perpetrated by bad actors internally or externally (including computer hackers, persons involved with organized crime, or foreign state or foreign state- supported actors). Cybersecurity threat actors employ a wide variety of methods and techniques that are constantly evolving, increasingly sophisticated, and difficult to detect and successfully defend against. Cybersecurity incidents **involving our IT systems or those of our third- party vendors** could expose us to claims, litigation, regulatory or other governmental investigations, administrative fines and potential liability. Any system failure, accident or security breach could result in disruptions to our operations. A material network breach in the security of our IT systems **or those of our third- party vendors** could include the theft of our trade secrets, customer information, human resources information or other confidential data, including but not limited to personally identifiable information, that could have a material adverse effect on our business, financial condition, or results of operations. To the extent that any material disruptions or security breaches result in a loss or damage to our data, or an inappropriate disclosure of confidential, proprietary or customer information, it could materially cause damage to our reputation, affect our ~~- 34-~~ relationships with our customers and strategic partners, lead to claims against us from governments and private plaintiffs, and ultimately have a material adverse effect on our business. While we have been the previous target of cyberattacks and security breaches, none of these attacks or breaches to date have had a material adverse effect on **us** ~~the Company~~ . We cannot guarantee that future cyberattacks, if successful, will not have a material effect on our business or financial results. Many governments have enacted laws requiring companies to provide notice of cyber incidents involving certain types of data, including personal data. Any compromise of our security could result in a violation of applicable domestic and foreign security, privacy or data protection, consumer and other laws, regulatory or other governmental investigations, enforcement actions, and legal and financial exposure, including potential contractual liability that could have a material adverse effect on our business. In addition, we may be required to incur significant costs to protect against and remediate damage caused by these disruptions or security breaches in the future that could have a material adverse effect on our business. We rely on the technology, infrastructure, and software applications of certain third parties in order to host or operate some of our business. Additionally, we rely on computer hardware purchased in order to operate our business. We do not have control over the operations of the facilities of the third parties that we use **. In addition, as of the date of this Report, we have not implemented formal processes to oversee and identify risks from cybersecurity threats associated with our use of third parties** . If any of these third- party services experience errors, disruptions, security issues, or other performance deficiencies, if these services, software, or hardware fail or become unavailable due to extended outages, interruptions, defects, or otherwise, or if they are no longer available on commercially reasonable terms or prices (or at all), these issues could result in material errors or defects in our platforms (including causing our platforms to fail), our revenue and margins could materially decline, or our reputation and brand to be materially damaged. Additionally, we could be exposed to material legal or contractual liability, our expenses could materially increase, our ability to manage our operations could be materially interrupted, and our processes for servicing our customers could be materially impaired until equivalent services or technology, if available, are identified, procured, and implemented, all of which may take significant time and resources, increase our costs, and could materially and adversely affect our business. Many of these third- party providers ~~that~~ attempt to impose limitations on their liability for such errors, disruptions, defects, performance deficiencies, or failures, and if **such limitations are** enforceable, we may have additional liability to our customers or third- party providers that could have a material adverse effect on our business. A failure to maintain our relationships with our third- party providers (or obtain adequate replacements), and to receive services from such providers that do not contain any material errors or defects, could adversely affect our ability to deliver effective products and solutions to our customers and adversely affect our business and results of operations. Our business could be negatively affected by security threats, including cybersecurity threats and other disruptions. **- 27-** As a renewable energy producer, we face various security threats, including among others, computer viruses, malware, **ransomware,** telecommunication and electrical failures, cyber- attacks or cyber- intrusions over the internet, attachments to emails, persons with access to systems inside our organization, cybersecurity threats to gain unauthorized access to sensitive information or to expose, exfiltrate, alter, delete or render our data or systems unusable, threats to the security of our projects and infrastructure or third- party facilities and infrastructure, such as processing projects and pipelines, natural disasters, threats from terrorist acts and war ~~. We take various steps to identify and mitigate potential cybersecurity threats~~ . As cyber incidents become more frequent and the sophistication of threat actors increases, our associated cybersecurity costs **have and** are expected **to continue** to increase. Specifically, we expect to implement several incremental cybersecurity improvements over the next 18 to 36 months to enhance our defensive capabilities and resilience. Despite our ongoing and anticipated cybersecurity efforts, a successful cybersecurity incident could lead to additional material costs, including those related to the loss of sensitive information, repairs to infrastructure or capabilities essential to our operations, responding to litigation or regulatory investigations, and those related to a material and adverse impact on our reputation, financial position, results of operations, or cash flows ~~.- 35- Our implementation of various procedures and controls to monitor and mitigate these security threats, and to increase security for our information projects and infrastructure, may result in materially increased capital and operating costs. Moreover, there can be no assurance that such procedures and controls will be sufficient to prevent security breaches from occurring. Cybersecurity attacks, in particular, are becoming more sophisticated and include, but are not limited to, malicious software, attempts to gain unauthorized access to data and systems and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information, and corruption of data. These events could lead to financial losses from remedial actions, loss of business or potential liability which can have a material adverse effect on our business and results of operations~~ . Third- Party Partner Risks Failure of third parties to manufacture quality products or provide reliable services in a timely manner could cause delays in developing and operating our projects, which could damage our reputation, adversely affect our partner relationships or adversely affect our growth. Our success depends on our ability to develop and operate projects in a timely manner, which depends in part on the ability of third parties to provide us with timely and reliable products and services. In developing and operating our projects, we rely on products meeting our design specifications and components manufactured and supplied by third parties, and on services performed by subcontractors. We also rely on subcontractors to perform substantially all of the construction and installation work related to our projects, and we often need to engage subcontractors with whom we have no experience. If any of our subcontractors are unable to provide services that meet or exceed our customers' expectations or satisfy our contractual commitments, our reputation, business and operating results could be harmed. In addition, if we are unable to avail ourselves of warranties and other contractual protections with providers of products and services, we may incur liability to our customers or additional costs related to the affected products and services, which could adversely affect our business, financial condition and results of operations. Moreover, any delays, malfunctions, inefficiencies or interruptions in these products or services could adversely affect the quality and performance of our projects and require considerable expense to maintain and repair our projects. This could cause us to experience interruption in our production and distribution of renewable energy and generation of related Environmental Attributes, difficulty retaining current relationships and attracting new relationships, or harm our brand, reputation or growth. Our projects rely on interconnections with and access to electric distribution and transmission facilities and gas transportation pipelines that are owned and operated by third parties, and as a result, are exposed to risks related to such facilities' development and operational curtailment risks. Our projects are interconnected with electric distribution and transmission facilities owned and operated by regulated utilities necessary to deliver the Renewable Electricity that we produce. Our RNG projects are similarly interconnected with gas distribution and interstate pipeline systems required to deliver RNG **.** A failure or delay in the operation or development of these distribution or transmission facilities could result in a loss of revenues or breach of contract because such a failure or delay could limit the amount of RNG and Renewable Electricity that our operating projects deliver or delay the completion of our construction projects. In addition, certain of our operating projects' generation may be curtailed without compensation due to distribution and transmission limitations, reducing our revenues and impairing our ability to capitalize fully on a particular project' s potential. Such a failure or curtailment at levels above our expectations could impact our ability to satisfy our supply agreements and adversely affect our business. Additionally, we experience work interruptions from time to time due to federally required maintenance shutdowns. We ~~may acquire projects with their own interconnections to available transmission and distribution networks. In some cases, these projects may cover significant distances. A failure in our operation of these- 36- projects that~~

~~causes the projects to be temporarily out of service, or subject to reduced service, could result in lost revenues because it could limit the amount of Renewable Electricity and RNG our operating projects are able to deliver. We~~ are dependent upon our relationships with Waste Management and Republic Services for the operation and maintenance of landfills on which several of our RNG and Renewable Electricity projects operate. We currently operate ~~eight~~ **seven** renewable energy projects (~~seven~~ **six** RNG projects and one Renewable Electricity project) on landfills operated by Waste Management and two RNG projects on landfills operated by Republic Services. Our projects located on Waste Management **operated landfills represented 37. 3 %** and **38. 9 % of our revenue in 2023 and 2022, respectively. Our projects located on** Republic Services operated landfills represented ~~a significant proportion~~ **22. 2 % and 25. 1 %** of our revenue in **2023 and** 2022 **, respectively** . We are dependent upon Waste Management and Republic Services to operate and maintain their landfill facilities and provide a continuous supply of waste for conversion to RNG and Renewable Electricity. Further, we consider our relationship with these landfill operators an important factor in our growth strategy for additional projects. In the event that we fall out of favor with either of these landfill **-28-** operators due to a dispute, problems with our operations at one of their facilities or otherwise, the landfill operator may seek to terminate the related project and be less inclined to work with us on future projects. Additionally, Waste Management and Republic Services could seek to develop their own waste- to- renewable energy conversion projects at other existing landfill locations in lieu of contracting with us for these projects. Failure to maintain these favorable relationships could adversely affect our business, growth strategy, financial condition and results of operations. We have significant customer concentration, with a limited number of customers accounting for a substantial portion of our revenues. **In 2023, sales to Valero, GE Warren and HF Sinclair represented approximately 22. 0 %, 11. 7 % and 11. 7 %, respectively of our operating revenue.** For 2022, sales to ExxonMobil, Valero, and the City of Anaheim represented approximately 32. 0 %, 17. 0 %, and 7 ~~. 6 %, respectively of our operating revenues. For 2021, sales to Victory Renewables, LLC, Valero, and City of Anaheim represented approximately 13. 1 %, 12. 4 %, and 9~~ . 6 %, respectively of our operating revenues. Five customers made up approximately **70. 7 % and** 69 **. 0** ~~% and 68~~ % of our accounts receivable as of December 31, **2023 and** 2022 ~~and 2021~~ , respectively. Revenues from our largest customers may fluctuate from time to time based on our customers’ business needs, market conditions or other factors outside of our control. If any of our largest customers terminates its relationship with us, such termination could adversely affect our revenues and results of operations. Capital and Credit Risks Our senior credit facility may not be sufficient to meet our financial needs and contains financial and operating restrictions that may limit our business activities and our access to other forms of credit. Our senior credit facility consists of an $ 80. 0 million principal amount term loan, of which $ ~~72~~ **64** . 0 remains outstanding as of December 31, ~~2022~~ **2023** , and a $ 120. 0 million revolving credit line, which is undrawn as of December 31, ~~2022~~ **2023** . This facility may not be sufficient to meet our financial needs as our business grows. The senior credit facility matures in December 2026 and we may be unable to extend or replace it on acceptable terms, or at all. Furthermore, the credit agreement governing our facility (the “ Amended Credit Agreement ”) imposes business restrictions and contains other covenants that require us to meet specified financial ratios and financial tests. Under the Amended Credit Agreement, we are required to maintain: • a fixed charge coverage ratio of at least 1. 20 to 1. 00; and • a total leverage ratio of not more than 3. ~~50 to 1. 00 as of the end of any fiscal quarter from December 31, 2021 through June 29, 2023, 3.~~ 25 to 1. 00 as of the end of any fiscal quarter from June 30, 2023 through June 29, 2024 ~~,~~ and 3. 00 to 1. 00 after June 30, 2024. ~~- 37-~~ The Amended Credit Agreement is subject to customary events of default, and contemplates that we would be in default if, for any fiscal quarter (x) the average monthly D3 RIN price is less than $ 0. 80 per RIN and (y) the consolidated EBITDA for such quarter is less than $ 6. 0 million. Additional information regarding the senior credit facility and the Amended Credit Agreement can be found in Item 7 “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources. ” Our failure to comply with these covenants could result in the declaration of an event of default and cause us to be unable to borrow under the Amended Credit Agreement. In addition to preventing additional borrowings under the Amended Credit Agreement, an event of default, if not cured or waived, could result in the acceleration of the maturity of indebtedness outstanding under the facility, which would require us to immediately repay all amounts outstanding. If an event of default occurs, we may not be able to cure it within any applicable cure period, or at all. As of December 31, ~~2022~~ **2023** , we were in compliance with all covenants. Variable rate indebtedness under our Amended Credit Agreement may adversely affect our business, financial condition and results of operations. Borrowings under our Amended Credit Agreement are at variable rates of interest, particularly the Bloomberg Short- Term Bank Yield Index Rate (“ BSBY ”), which will fluctuate with changing market conditions. If BSBY increases, our interest expense will mechanically increase, which could adversely affect our cash flow and our ability to service our indebtedness and fund our operations. Additionally, BSBY is ~~one of~~ a relatively new ~~series of~~ reference rates ~~, and certain regulatory authorities have indicated that BSBY may suffer from the same or similar deficiencies that LIBOR suffered from~~ . Therefore, based on its limited historical performance and other available information, the future performance of BSBY cannot be accurately predicted, which could result in increases in our interest expense that may adversely impact the amount of interest payments under the Amended Credit Agreement. **In addition, on November 15, 2023, the Bloomberg Index Services Limited announced that the permanent cessation of BSBY and all its tenors will be effective on November 15, 2024. Under the terms of our Amended Credit Agreement, the first alternative reference rate to be used upon the cessation of BSBY is Term SOFR, as administered by CME Group Benchmark Administration Limited, plus a “ SOFR Adjustment ” equal to (i) 0. 11448 % per annum for borrowings with a one- month duration and (ii) 0. 26161 %- 29- per annum for borrowings of a three- month duration (or other durations). Assuming the reference rate under our Amended Credit Agreement transitions to Term SOFR plus the applicable SOFR Adjustment following cessation of BSBY, if Term SOFR increases, our interest expense will mechanically increase, which could adversely affect our cash flow and our ability to service our indebtedness and fund our operations.** We may be required to write- off or impair capitalized costs or intangible assets in the future or we may incur restructuring costs or other charges, each of which would harm our earnings. In accordance with GAAP, we capitalize certain expenditures and advances relating to our acquisitions, pending acquisitions, project development costs, interest costs related to project financing and certain energy assets. In addition, we have considerable unamortized assets. In ~~2022~~ **2023**, we recorded impairment charges of $ **0. 9 million of which $ 0. 8 million related to specifically identified RNG machinery and feedstock processing equipment that were no longer in operational use and $ 0. 1 related to obsolete REG critical spares. In 2022, we recorded impairment charges of $** 2. 1 million related to our estimate of future cash flows ~~no~~ **not** exceeding the carrying amount of ~~an~~ **a** Renewable Electricity facility and discrete charges of $ 1. 4 million and $ 1. 1 million related to the ongoing development of the Montauk Ag Renewables and an asset component of an RNG facility. In 2021, we recorded impairment charges of $ 0. 8 million related to the ongoing Renewable Electricity facility decommissioning and $ 0. 4 million related to certain assets at one RNG facility ~~. In 2020, we recorded impairment charges of $ 0. 3 million related to our digester joint venture~~ . In addition, from time to time in future periods, we may be required to incur a charge against earnings in an amount equal to any unamortized capitalized expenditures and advances, net of any portion thereof that we estimate will be recoverable, through sale or otherwise, relating to: (i) any operation or other asset that is being sold, permanently shut down, impaired or has not generated or is not expected to generate sufficient cash flow; (ii) any pending acquisition that is not consummated; (iii) any project that is not expected to be successfully completed; and (iv) any goodwill or other intangible assets that are determined to be impaired. A material write- off or impairment change could adversely affect our ability to comply with the financial covenants under the Amended Credit Agreement, and otherwise adversely affect our business, financial condition and results of operations. ~~Our ability to use our U. S. net operating loss carryforwards to offset future taxable income may be subject to certain limitations. As of December 31, 2022, Montauk had U. S. federal net operating loss (" NOL ") carryforwards of approximately $ 12. 1 million that were incurred in 2018 or later taxable years and, therefore, can generally be carried forward indefinitely to offset 80 % of taxable income in a future year. Our ability to utilize our U. S. NOL carryforwards is dependent upon our ability to generate taxable income in future periods.- 38- On January 1, 2020, the minority investor of MEC, Johnstown LFG Holdings, Inc. (via assignment of shares from MEC on December 9, 2019), was bought out by MEH, converting MEC from a partnership to a disregarded entity for U. S. federal income tax purposes, which is currently wholly owned by MEH. This transaction allowed Monmouth Energy Inc., a subsidiary of MEC, to file as part of our consolidated federal tax group. Monmouth Energy, Inc. has NOLs of approximately $ 13. 0 million that are limited for use under the separate return limitation year rules due to the fact that they were generated prior to Monmouth Energy Inc. joining our consolidated group. In addition, our U. S. NOL carryforwards and certain other tax attributes may be limited if we have experienced or experience an " ownership change " under Section 382 of the Internal Revenue Code of 1986, as amended (the " Code "), which generally occurs if one or more stockholders or groups of stockholders who own at least 5 % of our shares increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling period that begins on the later of three years prior to the testing date and the date of the last ownership change. Similar rules may apply under state tax laws. Previous issuances and sales of MNK' s ordinary shares or of our common stock, and future issuances and sales of our common stock (including certain transactions involving our common stock that are outside of our control) could have caused or could cause an " ownership change. " If an " ownership change " either had occurred or were to occur, Section 382 of the Internal Revenue Code of 1986, as amended (the Code) would impose an annual limit on the amount of pre- ownership change NOL carryforwards and other tax attributes we could use to reduce our taxable income, potentially increasing and accelerating our liability for income taxes, and also potentially causing certain tax attributes to expire unused. It is possible that such an ownership change could materially reduce our ability to use our U. S. NOL carryforwards or other tax attributes to offset taxable income, which could adversely affect our profitability.~~ Emerging Growth Company Risks For as long as we are an emerging growth company, we will not be required to comply with certain requirements that apply to other public companies. We are an emerging growth company, as defined in the JOBS Act. For as long as we are an emerging growth company, which may be up to five full fiscal years following January 22, 2021, the completion of the IPO, unlike other public companies, we will not be required to, among other things: (i) provide an auditor' s attestation report on management' s assessment of the effectiveness of our system of internal control over financial reporting pursuant to Section 404 (b) of the Sarbanes- Oxley Act; (ii) comply with any new requirements adopted by the PCAOB requiring mandatory audit firm rotation or a supplement to the auditor' s report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer; (iii) provide certain disclosures regarding executive compensation required of larger public companies; or (iv) hold nonbinding advisory votes on executive compensation and any golden- parachute payments not previously approved. In addition, the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 7 (a) (2) (B) of the Securities Act of 1933, as amended (the " Securities Act "), for adopting new or revised financial accounting standards. We intend to take advantage of the longer phase- in periods for the adoption of new or revised financial accounting standards permitted under the JOBS Act until we are no longer an emerging growth company. If we were to subsequently elect instead to comply with these public company effective dates, such election would be irrevocable pursuant to the JOBS Act. We will remain an emerging growth company for up to five years after January 22, 2021, the date of the IPO, although we will lose that status sooner if we have more than $ 1. 07 billion of revenues in a fiscal year, have more than $ 700. 0 million in market value of our common stock held by non- affiliates, or issue more than $ 1. 0 billion of non- convertible debt over a three- year period. For so long as we rely on any of the exemptions available to emerging growth companies, you will receive less information about our executive compensation and internal control over financial reporting than issuers that ~~- 39-~~ are not emerging growth companies. We cannot predict whether investors will find our common stock less attractive because we will rely on these exemptions. If some investors find our common stock to be less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile. If we identify material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, we may be unable to accurately or timely report our financial condition or results of operations, which may adversely affect our business. We are required to comply with the SEC' s rules implementing Sections 302 and 404 of the Sarbanes- Oxley Act, which require management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of controls over financial reporting. As an emerging growth company, our independent registered public accounting firm will not be required to formally attest to the effectiveness of our internal controls over financial reporting pursuant to **- 30-** Section 404 until the date we are no longer an emerging growth company. At such time, our independent registered public accounting firm may issue a report that is adverse in the event that it is not satisfied with the level at which our controls are documented, designed or operating. To comply with the requirements of being a public company, we have undertaken various actions, including implementing additional internal controls and procedures and hiring additional accounting or internal audit staff, increasing the use of external specialists and may need to take additional actions in the future. Testing and maintaining internal controls can divert our management’ s attention from other matters that are important to the operation of our business. If we identify material weaknesses in our internal controls over financial reporting or are unable to comply with the requirements of Section 404 or assert that our internal controls over financial reporting are effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal controls over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected. In addition, we could become subject to investigations by the SEC or other regulatory authorities, which could require additional financial and management resources. Common Stock Risks Our ~~stock price may be volatile, and the value of our common stock may decline. The market price of our common stock may be highly volatile and may fluctuate or decline substantially as a result of a variety of factors, some of which are beyond our control, including: • actual or anticipated fluctuations in our operating results due to factors related to our businesses; • success or failure of our business strategies; • our quarterly or annual earnings or those of other companies in our industries; • our ability to obtain financing as needed; • announcements by us or our competitors of significant acquisitions or dispositions; • changes in accounting standards, policies, guidance, interpretations or principles; • the failure of securities analysts to cover our common stock; • changes in earnings estimates by securities analysts or our ability to meet those estimates; • the operating and stock price performance of other comparable companies; • investor perception of our company or our industry; • overall market fluctuations; - 40- • results from any material litigation or government investigation; • changes in senior management or key personnel; • changes in laws and regulations (including energy, environmental and tax laws and regulations) affecting our business; • natural disasters, health- related crises, and weather conditions disrupting our business operations; • the trading volume of our common stock; • changes in capital gains taxes and taxes on dividends affecting stockholders; • identification of material weaknesses or otherwise failing to maintain effective internal controls; and • changes in the anticipated future growth rate of our business. Broad market and industry fluctuations, as well as general economic, political, regulatory and market conditions, may also adversely affect the market price of our common stock. Our~~ shares of common stock may trade on more than one market and this may result in price variations. The Company’ s common stock is traded on the Nasdaq Capital Market under the ticker symbol of “ MNTK ” and on the JSE under the ticker symbol of “ MKR. ” Trading in our common stock takes place in USD on the Nasdaq Capital Market and ZAR on the JSE, and at different times, resulting from different time zones, trading days and public holidays in the United States and South Africa. The trading prices of our common stock on these two markets may differ due to these and other factors. Any decrease in the price of our common stock on either exchange could cause a corresponding decrease in the trading price of the common stock on the other exchange. Future sales of our common stock in the public market could cause the market price of our common stock to decline. Sales of a substantial number of shares of our common stock in the public market, or the perception that these sales might occur, could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. Many of our existing equity holders have substantial unrecognized gains on the value of the equity they hold ~~based upon the price of the IPO,~~ and ~~therefore they~~ may take steps to sell their shares or otherwise secure the unrecognized gains on those shares. Additionally, pursuant to the terms of the ~~Second~~ **Fourth** Amended **and Restated** Promissory Note ~~(as amended)~~, MNK is required to use the proceeds from any sale of the ~~800~~ **976** , ~~000~~ **623** shares of our common stock ~~previously~~ pledged as security for MNK’ s loan obligations to repay the amounts due under the ~~Second Amended Promissory~~ Note ~~(as amended)~~. These sales may have a downward impact on the prevailing market price of our common stock. **The maturity of the loan has been extended until 2033 but** MNK ~~is currently~~ **will continue to** ~~evaluating~~ **evaluate** ~~a number of~~ options to complete the sale of these shares including but not limited to register sale or underwritten offering in the US ~~,~~ **or** direct sale to a South African investor ~~, or extending the term of the loan~~. We also have default provisions in the underlying note whereby MNK can satisfy the note by delivering the shares back to us as permitted by applicable law. We are unable to predict the timing of or the effect that such sales, by MNK or by other shareholders, may have on the prevailing market price of our common stock. We are a “ controlled company ” within the meaning of the Nasdaq rules and, as a result, qualify for, and intend to rely on, exemptions and relief from certain governance requirements. ~~Certain stockholders~~ - **Stockholder affiliates of Mr** ~~, which are Messrs~~. Copelyn ~~’ s~~ and **Mr.** Govender ~~’ s respective affiliates,~~ have entered into a Consortium Agreement whereby ~~the~~ **they** ~~parties thereto agreed~~ - **agree** to act **together when** ~~in concert with respect to~~ voting our common stock in the election of directors, among other matters. The parties to the Consortium Agreement beneficially owned, in the aggregate, approximately 52. 3 % of our common stock as of February 28, ~~2023~~ **2024** . As a result, we are a “ controlled company ” within the meaning of the Nasdaq corporate governance standards. Under these ~~- 41-~~ corporate governance standards, a company of which more than 50 % of the voting power in the election of directors is held by an individual, group or another company is a “ controlled company ” and may elect not to comply with certain corporate governance requirements. For example, controlled companies are not required to have: • a board that is composed of a majority of “ independent directors, ” as defined under the Nasdaq rules; • a compensation committee that is composed entirely of independent directors; and • director nominations that are made, or recommended to the full board of directors, by its independent directors, or by a nominations / governance committee that is composed entirely of independent directors. We may rely on any or all of these exemptions so long as we remain a controlled company. **- 31-** The concentration of our capital stock ownership may limit our stockholders' ability to influence corporate matters and may involve other risks. As a result of the Consortium Agreement, certain ~~of our~~ stockholders control matters requiring stockholder approval, including the election of our directors and approval of significant corporate transactions. This concentration of ownership may also have the effect of delaying or preventing a change in control ~~of us~~ that may be otherwise viewed as beneficial by stockholders other than management. Accordingly, other stockholders may not have any influence over significant corporate transactions and other corporate matters. There is also a risk that certain controlling stockholders may have interests which are different from other stockholders and that they will pursue an agenda which is beneficial to themselves at the expense of other stockholders. ~~Provisions of our Amended and Restated Certificate of Incorporation, Amended and Restated Bylaws, and Delaware law may prevent or delay an acquisition of us, which could decrease the trading price of our common stock. Certain provisions of our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws, together with applicable Delaware law, may discourage, delay or prevent a merger or acquisition that our stockholders consider favorable. These provisions may discourage, delay or prevent certain types of transactions involving an actual or a threatened acquisition or change in control of us, including unsolicited takeover attempts, even though the transaction may offer our stockholders the opportunity to sell their common stock at a price above the prevailing market price.~~ Certain of our directors reside outside of the United States and it may be difficult to enforce judgments against them in the United States. Two of our directors, all of our executive officers and all of our operating assets reside in the United States. ~~Certain of our directors~~ **Directors** ~~, including John A.~~ Copelyn, ~~Theventheran (Kevin) G.~~ Govender, ~~Mohamed H.~~ Ahmed and ~~Yunis~~ Shaik are residents of South Africa ~~. Another director, Michael A. Jacobson, is a resident of Australia~~ . As a result, it may not be possible for you to effect service of legal process, within the United States or elsewhere, upon certain of our directors, including matters arising under U. S. federal securities laws. This may make it difficult or impossible to bring an action against these individuals in the United States in the event that a person believes that their rights have been violated under applicable law or otherwise. Even if an action of this type is successfully brought, the laws of the United States and ~~of~~ South Africa ~~or Australia~~ may render a judgment unenforceable. ~~- 42-~~ General Risk Factors Our issuance of additional capital stock in connection with financings, acquisitions, investments, our equity incentive plans or otherwise will dilute stockholders. We expect to issue additional capital stock in the future that will result in dilution to stockholders. We expect to grant equity awards to employees, directors and consultants under our equity incentive plans. We may also raise capital through equity financings in the future. As part of our business strategy, we may acquire or make investments in companies and issue equity securities to pay for any such acquisition or investment. Any such issuances of additional capital stock may cause stockholders to experience significant dilution of their ownership interests and the per share value of our common stock to decline. If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our share price and trading volume could decline. The trading market for our common stock will be influenced by the research and reports that securities or industry analysts publish about us. ~~Securities and industry analysts do not currently, and may never, publish research focused on us. If no securities or industry analysts commence coverage of us, the price and trading volume of our common stock likely would be adversely affected.~~ If securities or industry analysts initiate coverage and one or more of the analysts who cover us downgrade our common stock or publish inaccurate or unfavorable research about our company, our common stock share price would likely decline. If analysts publish target prices for our common stock that are below historical sales prices or the then- current public price of our common stock, it could cause our stock price to decline significantly. Further, if one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our common stock could decrease, which might cause our common stock price and trading volume to decline. We are highly dependent on our senior management team and other highly skilled personnel, and if we are not successful in attracting or retaining highly qualified personnel, we may not be able to successfully implement our business strategy. Our success depends, in significant part, on the continued services of our senior management team and on our ability to attract, motivate, develop and retain a sufficient number of other highly skilled personnel, including engineering, design, finance ~~, marketing, sales~~ and support personnel. Our senior management team has extensive experience in the renewable energy industry, and we believe that their depth of experience is instrumental to our continued success. The loss of any one or more members of our senior management team, for any reason, including resignation or retirement, could impair our ability to execute our business strategy and adversely affect our business, financial condition and results of operations. Competition for qualified highly skilled personnel can be strong, and we cannot assure you that we will be successful in attracting or retaining such personnel now or in the future. Any inability to recruit, develop and retain qualified employees may result in high employee turnover and may force us to pay significantly higher wages, which may harm our profitability. Additionally, we do not carry key personnel insurance for any of our management executives, and the loss of any key employee or our inability to recruit, develop and retain these individuals as needed, could adversely affect our business, financial condition and results of operations. **- 32-** Our ability to pay regular dividends on our common stock is subject to the discretion of our Board of Directors. Our common stock will have no contractual or other legal right to dividends. The payment of future dividends on our common stock will be at the discretion of our Board of Directors and will depend on, among other things, our earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends and other considerations that our Board of Directors deems relevant. Accordingly, we may not make, or may have to reduce or eliminate, the payment of dividends on our common stock, which could adversely affect the market price of our common stock. ~~- 43-~~