

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **November 13, 2023**

OPAL Fuels Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation)

001-40272

(Commission File Number)

98-1578357

(IRS Employer Identification No.)

**One North Lexington Avenue, Suite 1450
White Plains, New York**

(Address of principal executive offices)

10601

(Zip Code)

Registrant's telephone number, including area code: **(914) 705-4000**

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of each class</u> | <u>Trading Symbol(s)</u> | <u>Name of each exchange on which registered</u> |
|--|--------------------------|--|
| Class A common stock, par value \$0.0001 per share | OPAL | The Nasdaq Stock Market LLC |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition

On November 13, 2023, OPAL Fuels Inc. (the "Company") issued a press release regarding its financial results for the three and nine months ended September 30, 2023. A copy of the press release is furnished as Exhibit 99.1 hereto.

The information disclosed under this Item 2.02 of this Current Report on Form 8-K, including the exhibit, is being "furnished" and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of such section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing. By filing this Current Report on Form 8-K and furnishing this information, the Company makes no statement or admission as to the materiality of any information in this Item 2.02 or the exhibit attached hereto.

This Current Report on Form 8-K, including the exhibit, contains forward-looking statements within the meaning of the federal securities laws. These forward looking statements are based on current expectations and are not guarantees of future performance. Further, the forward-looking statements are subject to the limitations listed in Exhibit 99.1 and in the other SEC reports of the Company, including that actual events or results may differ materially from those in the forward-looking statements.

Additionally, to supplement the Company's unaudited condensed consolidated financial statements presented in accordance with accounting principles generally accepted in the United States of America ("GAAP") in Exhibit 99.1, the Company uses a non-GAAP financial measure that it calls adjusted EBITDA ("Adjusted EBITDA"). This non-GAAP measure adjusts net income for realized and unrealized gain on interest rate swaps, net loss attributable to non-redeemable non-controlling interests, transaction costs and one-time non-recurring charges, non-cash charges, gain on deconsolidation of variable interest entities, amortization of basis differences in equity method investments, major maintenance for Renewable Power and unrealized loss (gain) for derivative instruments. Management believes this non-GAAP measure provides meaningful supplemental information about the Company's performance, for the following reasons: (1) it allows for greater transparency with respect to key metrics used by management to assess the Company's operating performance and make financial and operational decisions; (2) the measure excludes the effect of items that management believes are not directly attributable to the Company's core operating performance and may obscure trends in the business; and (3) the measure is used by institutional investors and the analyst community to help analyze the Company's business. In future quarters, the Company may adjust for other expenditures, charges or gains to present non-GAAP financial measures that the Company's management believes are indicative of the Company's core operating performance.

Non-GAAP financial measures are limited as an analytical tool and should not be considered in isolation from, or as a substitute for, the Company's GAAP results. The Company expects to continue reporting non-GAAP financial measures, adjusting for the items described below (and/or other items that may arise in the future as the Company's management deems appropriate), and the Company expects to continue to incur expenses, charges or gains like the non-GAAP adjustments described below. Accordingly, unless expressly stated otherwise, the exclusion of these and other similar items in the presentation of non-GAAP financial measures should not be construed as an inference that these costs are unusual, infrequent, or non-recurring. Adjusted EBITDA is not a recognized term under GAAP and does not purport to be an alternative to GAAP net income or any other GAAP measure as an indicator of operating performance. Moreover, because not all companies use identical measures and calculations, the Company's presentation of Adjusted EBITDA may not be comparable to other similarly titled measures used by other companies. Reconciliations of the non-GAAP financial measure to its most directly comparable GAAP financial measure can be found in the exhibit.

Item 9.01. Financial Statements and Exhibits

| Exhibit Number | Description |
|----------------|---|
| 99.1 | Press release, issued by OPAL Fuels Inc., dated November 13, 2023 |
| 104 | Cover Page Interactive Data File |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: November 13, 2023

OPAL Fuels Inc.

By: /s/ John Coghlin

Name: John Coghlin

Title: General Counsel



FOR IMMEDIATE RELEASE

OPAL Fuels Reports Third Quarter 2023 Results

WHITE PLAINS, N.Y. – (November 13, 2023) – [OPAL Fuels Inc.](#) (“OPAL Fuels” or the “Company”) (Nasdaq: OPAL), a leading vertically integrated producer and distributor of renewable natural gas (RNG) for use as a transportation fuel and renewable electricity, today announced financial and operating results for the three and nine months ended September 30, 2023.

“During the third quarter OPAL Fuels continued to make strong progress on our long-term strategic growth plans while delivering solid operating and financial results,” said co-CEO Adam Comora. “Production from RNG projects in operation continues to be on target. Many of the headwinds that we were experiencing for projects in construction are now behind us. Additionally, we closed on a \$500 million credit facility that provides a clear funding pathway for our RNG production projects and growing number of company-owned fueling stations. OPAL Fuels remains well positioned to capitalize on strengthening end markets – both upstream and downstream – as a leading vertically integrated RNG company.”

Other significant third quarter developments include signing of a joint venture with South Jersey Industries (SJI) to develop two RNG projects (the first of which is Atlantic County Landfill which recently entered construction), and commencement of operations of the Emerald RNG Project, a joint venture with GFL where our ownership share represents approximately 1.3 million MMBtu of annual design capacity. The Company now has 5.2 million MMBtu of annual design capacity online across 8 projects, more than tripling our design capacity over the last two years, and an additional 4.4 million MMBtu of design capacity from projects currently in construction.

“We are pleased with this quarter’s performance and remain confident our recent achievements position us well to continue executing on our growth plans. We have also enhanced our disclosures with additional information regarding RNG production and monetization. The additional disclosures should help investors in thinking about both the near and longer-term earnings power of the business,” said co-CEO Jonathan Maurer.

Financial Highlights

- Revenues for the three and nine months ended September 30, 2023, were \$71.1 million and \$169.1 million, up 7% and 0.2% compared to same periods last year.
- Net income for the three and nine months ended September 30, 2023, was \$0.2 million and \$106.9 million compared to \$5.4 million and \$0.6 million in the comparable periods last year.
- Basic net earnings per share attributable to Class A common shareholders for the three and nine months ended September 30, 2023, was \$(0.01) and \$0.59, respectively compared to \$(0.04) and \$(0.04) in the comparable periods last year.
- Based on the change in presentation described below, Adjusted EBITDA¹ for the three and nine months ended September 30, 2023, was \$16.5 million and \$19.9 million compared to \$17.7 million and \$33.0 million in the comparable periods last year.
 - After corresponding with the SEC staff, the Company has decided to no longer include the value of stored RNG and unsold environmental credits held for sale (“RNG Pending Monetization”) in its presentation of Adjusted EBITDA. The Company previously presented Adjusted EBITDA in this way to match the value of RNG produced during the reporting period with its associated costs of production in the same reporting period and including the value of unsold environmental credits. The Company now presents this RNG Pending Monetization and environmental credit sales activity in the period with a new summary table.
- At September 30, 2023, RNG Pending Monetization totaled \$33.5 million.

¹ This is a non-GAAP measure. A reconciliation of non-GAAP financial measure to comparable GAAP measure has been provided in the financial tables included in this press release. An explanation of this measure and how it is calculated is also included below under the heading “Non-GAAP Financial Measures.”

Operational Highlights

- The portfolio of RNG operating projects is performing well with an average utilization of inlet gas rate of 84%, which is in line with management's expectations.
- The Emerald RNG project came on-line during the third quarter. This project represents approximately 1.3 million MMBtu of annual design capacity and brings the aggregate annual design capacity of our portfolio of operating projects to 5.2 million MMBtu.^{2,3}
- RNG produced was 0.7 million and 2.0 million MMBtu, for the three and nine months ended September 30, 2023, an increase of 21% and 26% compared to the prior-year periods.
- RNG sold as transportation fuel was 10.9 million and 30.3 million GGEs, respectively, for the three and nine months ended September 30, 2023, an increase of 65% and 52% compared to the prior-year periods.
- The Fuel Station Services segment sold, dispensed, and serviced an aggregate of 33.1 million and 98.0 million GGEs of transportation fuel for the three and nine months ended September 30, 2023, an increase of 8% and 18% compared to the prior-year periods.

Construction Update

- OPAL Fuels' share of annual design capacity for our six projects in construction is approximately 4.4 million MMBtu.
- We expect the Prince William RNG project to commence commercial operations in the first quarter of 2024. This project, owned 100% by OPAL Fuels, represents approximately 1.7 million MMBtu of annual design capacity.
- Regulatory permits have been granted for the Sapphire RNG project, which is now proceeding with the physical construction phase. We anticipate commencing commercial operations in the third quarter of 2024. This project represents approximately 800,000 MMBtu for OPAL Fuels' 50% ownership share of annual design capacity.

² Design capacity is the annual design output for each facility and may not reflect actual production from the projects, which depends on many variables including, but not limited to, quantity and quality of the biogas, operational up-time of the facility, and actual productivity of the facility.

³ Represents OPAL Fuels' proportional share with respect to RNG projects owned with joint venture partners.

- Construction of our Polk County RNG project, owned 100% by OPAL Fuels, continues on schedule. Regulatory permits have been granted and we anticipate commercial operations to begin in the fourth quarter of 2024. This project represents approximately 1.1 million MMBtu of annual design capacity.
- Our two dairy projects in California are expected to be commissioned in the third quarter (Hilltop) and fourth quarter (Vander Schaaf) of 2024, respectively.⁴
- We announced the start of construction at the Atlantic RNG project, the first project under our 50/50 joint venture with South Jersey Industries (SJI), located in Egg Harbor Township, New Jersey. This project represents approximately 0.3 million MMBtu of annual design capacity. This project is expected to commence commercial operations in mid-2025.

Development Update

- We continue to target placing 2.0 million MMBtu of RNG projects (representing OPAL Fuels' proportional ownership) into construction by the end of 2023.
- Our Advanced Development Pipeline⁵ comprises 7.9 million MMBtu of feedstock biogas per year.

⁴ Achievement of these commissioning dates is subject to receipt of certain permits and successful resolution of a series of change order requests from the Engineering, Procurement and Construction contractor responsible for the design and construction of the projects' facilities, which the Company has disputed. For more information, please see the Company's Quarterly Report on Form 10-Q for the three months ended September 30, 2023.

⁵ The Company's Advanced Development Pipeline ("ADP") comprises projects that have been qualified and are reasonably expected to be in construction within the next twelve to eighteen months. The MMBtu associated with these projects is presented as anticipated design capacity. Anticipated design capacity is the Company's currently anticipated annual design output for each facility and may not reflect actual production from the projects, which depends on many variables including, but not limited to, quantity and quality of the biogas, operational up-time of the facility, and actual productivity of the facility.

2023 Guidance Update

As mentioned above, we no longer include the value of RNG Pending Monetization in our presentation of Adjusted EBITDA.

- Based on the updated reporting presentation, the Company currently estimates that Adjusted EBITDA for the full year 2023 will range between \$60 and \$63 million.
- At December 31, 2023, RNG Pending Monetization is expected to range between \$20-22 million.
- We expect to monetize approximately \$8.5 million in ITC credits, which is our share of the ITC credits generated by the Emerald RNG project, in the fourth quarter, which is included in our Adjusted EBITDA guidance.
- We expect full year 2023 capital expenditures, excluding investments in unconsolidated entities, to total approximately \$135 million. Additionally, our share of the capital expenditures for 2023 in Emerald and Sapphire for the period after deconsolidation is expected to be approximately \$25.0 million.
- RNG produced in 2023 is anticipated to range between 2.7 million MMBtu and 2.9 million MMBtu.⁶ RNG sold as transportation fuel is anticipated to range between 45 million GGEs and 50 million GGEs.⁷

⁶ Reflects OPAL Fuels proportional ownership with respect to RNG projects owned with joint venture partners.

⁷ Includes volumes sold in OPAL Fuel's proprietary dispensing network as well as third party stations that are serviced and maintained by OPAL Fuels.

Results of Operations

| (\$ thousands of dollars) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|----------------------------------|-----------|---------------------------------|------------|
| | (Unaudited) | | (Unaudited) | |
| | 2023 | 2022 | 2023 | 2022 |
| Revenue | | | | |
| RNG Fuel | \$ 20,088 | \$ 18,293 | \$ 37,468 | \$ 48,815 |
| Fuel Station Services | 37,305 | 35,771 | 88,089 | 87,376 |
| Renewable Power | 13,708 | 12,486 | 43,543 | 32,623 |
| Total Revenue | \$ 71,101 | \$ 66,550 | \$ 169,100 | \$ 168,814 |
| Net income | \$ 227 | \$ 5,369 | \$ 106,931 | \$ 560 |
| Adjusted EBITDA ⁽¹⁾ | | | | |
| RNG Fuel | \$ 19,359 | \$ 8,618 | \$ 21,503 | \$ 28,583 |
| Fuel Station Services | 6,420 | 13,199 | 10,813 | 14,368 |
| Renewable Power | 6,039 | 6,937 | 22,267 | 14,066 |
| Corporate | (15,357) | (11,039) | (34,652) | (23,994) |
| Consolidated Adjusted EBITDA ⁽¹⁾ | \$ 16,461 | \$ 17,715 | \$ 19,931 | \$ 33,023 |
| RNG Fuel volume produced (Million MMBtus) | 0.7 | 0.6 | 2.0 | 1.5 |
| RNG Fuel volume sold (Million GGEs) | 10.9 | 6.6 | 30.3 | 19.9 |
| Total volume delivered (Million GGEs) | 33.1 | 30.6 | 98.0 | 83.1 |

⁽¹⁾ This is a non-GAAP measure. A reconciliation of non-GAAP financial measure to comparable GAAP measure has been provided in the financial tables included in this press release. An explanation of this measure and how it is calculated is also included below under the heading "Non-GAAP Financial Measures."

RNG Facility Capacity and Utilization Summary

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|----------------------------------|------|---------------------------------|------|
| | 2023 | 2022 | 2023 | 2022 |
| RNG Fuel Capacity and Utilization | | | | |
| Design Capacity (Million MMBtus) ⁽¹⁾ | 1.3 | 1.0 | 3.9 | 2.9 |
| Volume of Inlet Gas (Million MMBtus) | 0.8 | 0.7 | 2.2 | 1.7 |
| Inlet Design Capacity Utilization ⁽²⁾⁽³⁾ | 79 % | 78 % | 77 % | 72 % |
| RNG Fuel volume produced (Million MMBtus) | 0.7 | 0.6 | 2.0 | 1.5 |
| Utilization of Inlet Gas % ⁽³⁾⁽⁴⁾ | 84 % | 85 % | 85 % | 87 % |

⁽¹⁾ Design Capacity for RNG facilities is measured as the volume of feedstock biogas that the facility is capable of accepting at the inlet and processing during the associated period. Design Capacity is presented as OPAL's ownership share (i.e., net of joint venture partners' ownership) of the facility and is calculated based on the number of days in the period. New facilities that come online during a quarter are pro-rated for the number of days in commercial operation.

⁽²⁾ Inlet Design Capacity Utilization is measured as the weighted average of Volume of Inlet Gas, divided by the total Design Capacity. The Volume of Inlet Gas varies over time depending on, among other factors, (i) the quantity and quality of waste deposited at the landfill, (ii) waste management practices by the landfill, and (iii) the construction, operations and maintenance of the landfill gas collection system used to recover the landfill gas. The Design Capacity for each facility will typically be correlated to the amount of landfill gas expected to be generated by the landfill during the term of the related gas rights agreement. The Company expects Inlet Design Capacity Utilization to be in the range of 75-85% on an aggregate basis over the next several years. Typically, newer facilities perform at the lower end of this range and demonstrate increasing utilization as they mature.

⁽³⁾ Data not available for the Company's dairy projects, i.e., Sunoma and Biotown.

⁽⁴⁾ Utilization of Inlet Gas is measured as weighted average of RNG Fuel Produced divided by Volume of Inlet Gas. Utilization of Inlet Gas varies over time depending on availability and efficiency of the facility and the quality of landfill gas (i.e., concentrations of methane, oxygen, nitrogen, and other gases). The Company generally expects Utilization of Inlet Gas to be in the range of 80% - 90%.

RNG Pending Monetization Summary

| | Three Months Ended | | | | | |
|--|--------------------|-----------------------|------------------|--------------------|-----------------------|-----------------|
| | September 30, 2023 | | | September 30, 2022 | | |
| | RNG Fuel | Fuel Station Services | Total | RNG Fuel | Fuel Station Services | Total |
| Stored Gas Metrics ⁽¹⁾ | | | | | | |
| Beginning balance Stored RNG | 232,434 | 38,861 | 271,295 | 91,681 | 35,386 | 127,067 |
| Add: RNG production (MMBtus) | 688,039 | 63,371 | 751,410 | 622,394 | 28,016 | 650,410 |
| Less: Current period RNG volumes dispensed | (656,235) | (48,284) | (704,519) | (615,960) | (15,034) | (630,994) |
| Ending Balance Stored RNG (MMBtus) | 264,238 | 53,948 | 318,186 | 98,115 | 48,368 | 146,483 |
| Value of ending balance Stored RNG using quarter end price ^{(1) (2)} | \$ 11,846 | \$ 6,140 | \$ 17,986 | \$ 4,156 | \$ 439 | \$ 4,595 |
| RIN Metrics | | | | | | |
| Beginning balance | 5,472 | 1,571 | 7,043 | 38 | — | 38 |
| Add: Generated in current period | 6,786 | 1,960 | 8,746 | 4,766 | 1,284 | 6,050 |
| Less: Sales | (8,404) | (2,399) | (10,803) | (4,804) | (1,284) | (6,088) |
| Ending RIN credit balance (Available for sale) | 3,854 | 1,132 | 4,986 | — | — | — |
| D3 RIN price at quarter end | \$ 3.02 | \$ 3.02 | \$ 3.02 | \$ 2.77 | \$ 2.77 | \$ 2.77 |
| Value of RINS using quarter end price ⁽²⁾ | \$ 9,956 | \$ 3,107 | \$ 13,063 | — | — | — |
| LCFS Metrics | | | | | | |
| Beginning balance (net share) | — | 60 | 60 | — | 8 | 8 |
| Add: Generated in current period | 5 | 15 | 20 | — | 14 | 14 |
| Less: Sales | (5) | (2) | (7) | — | — | — |
| Ending LCFS credit balance (Available for sale) | — | 73 | 73 | — | 22 | 22 |
| LCFS credit price at quarter end | \$ 74.50 | \$ 74.50 | \$ 74.50 | \$ 63.75 | \$ 63.75 | \$ 63.75 |
| Value of LCFSs using quarter end price ⁽²⁾ | \$ — | \$ 1,718 | \$ 1,718 | \$ — | \$ 167 | \$ 167 |
| Value of RECs using quarter end price | | | \$ 744 | | | |
| Other Metrics | | | | | | |
| Average realized sales price - RIN | | | \$ 2.83 | | | \$ 3.23 |
| Average realized sales price - LCFS | | | \$ 100.00 | | | \$ 100.00 |
| Total Value of RNG Pending Monetization at quarter end | \$ 21,802 | \$ 10,965 | \$ 33,511 | \$ 4,156 | \$ 606 | \$ 4,762 |

⁽¹⁾ Reflects OPAL's ownership share of Stored RNG (i.e., net of joint venture partners' ownership) including equity method investments

⁽²⁾ Reflects OPAL's ownership share of RIN and LCFS credits (i.e., net of joint venture partners' ownership) including equity method investments and presented net of discounts and any direct transaction costs such as dispensing fees, third-party royalties and transaction costs as applicable.

Liquidity

In September we entered into a \$500 million senior secured credit facility, which provides for up to \$450 million of initial and delayed draw term loans and \$50 million of revolving credit. As of September 30, 2023, we have drawn approximately \$164.1 million under the facility.

As of September 30, 2023, our liquidity was \$359.9 million, consisting of \$326.9 million of availability under the credit facility, and \$33.0 million of cash, cash equivalents, and short-term investments.

We believe our liquidity and anticipated cash flows from operations will be sufficient to meet our existing funding needs.

Capital Expenditures and Investments by Unconsolidated Entities

During the nine months ended September 30, 2023, OPAL Fuels invested \$92.3 million across RNG projects in construction and OPAL Fuels owned fueling stations in construction as compared to \$85.2 million as of the comparable period in 2022.

For the nine months ended September 30, 2023, the Company's portion of capital expenditures in unconsolidated entities was \$14.3 million. This represents our share of capital expenditures incurred by Paragon for the Emerald and Sapphire projects post deconsolidation.

Earnings Call

A webcast to review OPAL Fuels' Third Quarter 2023 results is being held tomorrow, November 14, 2023 at 11:00AM Eastern Time.

Materials to be discussed in the webcast will be available before the call on the Company's website.

Participants may access the call at <https://edge.media-server.com/mmc/p/n7t8g8zs>. Investors can also listen to a webcast of the presentation on the company's Investor Relations website at <https://investors.opalfuels.com/news-events/events-presentations>.

Glossary of terms

“*Environmental Attributes*” refer to federal, state, and local government incentives in the United States, provided in the form of Renewable Identification Numbers, Renewable Energy Credits, Low Carbon Fuel Standard 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.

“*GGE*” refers to Gasoline gallon equivalent. The conversion ratio is 1MMBtu of natural gas equal to 7.74 GGE.

“LFG” refers to landfill gas.

“MMBtu” refers to British thermal units.

“Renewable Power” refers to electricity generated from renewable sources.

“RNG” refers to renewable natural gas.

“D3” refers to cellulosic biofuel with a 60% GHG reduction requirement.

“RIN” refers to Renewal Identification Numbers.

“EPA” refers to Environmental Protection Agency.

About OPAL Fuels Inc.

OPAL Fuels Inc. (Nasdaq: OPAL) is a leading vertically integrated producer and distributor of renewable electricity and renewable natural gas (RNG), a proven low-carbon energy source that is rapidly decarbonizing multiple sectors including the transportation and utility industries. OPAL Fuels delivers complete renewable solutions to customers and production partners. With a portfolio of 24 operating renewable fuel and renewable power projects, OPAL Fuels is positioned to advance the clean energy transition in support of renewable fuel for transportation, for utilities, for powering EV charging infrastructure, and by offering hydrogen fuel solutions. To learn more about OPAL Fuels and how it is leading the effort to capture North America’s harmful methane emissions and decarbonize the economy, please visit www.opalfuels.com.

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Forward-Looking Statements

Certain statements in this communication may be considered forward-looking statements within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that are not historical facts and generally relate to future events or OPAL Fuels’ (the “Company”) future financial or other performance metrics. In some cases, you can identify forward-looking statements by terminology such as “believe,” “may,” “will,” “potentially,” “estimate,” “continue,” “anticipate,” “intend,” “could,” “would,” “project,” “target,” “plan,” “expect,” or the negatives of these terms or variations of them or similar terminology. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. New risks and uncertainties may emerge from time to time, and it is not possible to predict all risks and uncertainties. These forward-looking statements are based upon estimates and assumptions that, while considered reasonable by the Company and its management, as the case may be, are inherently uncertain and subject to material change. Factors that may cause actual results to differ materially from current expectations include various factors beyond management’s control, including but not limited to general economic conditions and other risks, uncertainties and factors set forth in the sections

entitled “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements” in the Company's annual report on Form 10K filed on March 29, 2023, and other filings the Company makes with the Securities and Exchange Commission. Nothing in this communication should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward-looking statements will be achieved. You should not place undue reliance on forward-looking statements in this communication, which speak only as of the date they are made and are qualified in their entirety by reference to the cautionary statements herein. The Company expressly disclaims any obligations or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations with respect thereto or any change in events, conditions, or circumstances on which any statement is based.

Disclaimer

This communication is for informational purposes only and is neither an offer to purchase, nor a solicitation of an offer to sell, subscribe for or buy, any securities, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Contact information

Investors

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ICR, Inc.

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OPAL FUELS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands of U.S. dollars, except per share data)
(Unaudited)

| | September 30, 2023 | December 31, 2022 |
|--|-----------------------|----------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents (includes \$1,302 and \$12,506 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs) | \$ 15,000 | \$ 40,394 |
| Accounts receivable, net (includes \$79 and \$966 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs) | 31,000 | 31,083 |
| Accounts receivable, related party | — | 12,421 |
| Restricted cash - current (includes \$1,232 and \$6,971 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs) | 1,232 | 32,402 |
| Short term investments | 18,028 | 64,976 |
| Fuel tax credits receivable | 4,386 | 4,144 |
| Contract assets | 14,404 | 9,771 |
| Parts inventory | 11,897 | 7,311 |
| Environmental credits held for sale (includes \$29 and \$0 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs) | 4,339 | 1,674 |
| Prepaid expense and other current assets (includes \$193 and \$415 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs) | 5,013 | 7,625 |
| Derivative financial assets, current portion | 486 | 182 |
| Total current assets | 105,785 | 211,983 |
| Capital spares | 3,079 | 3,443 |
| Property, plant, and equipment, net (includes \$26,684 and \$73,140 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs) | 303,690 | 297,323 |
| Operating right-of-use assets | 12,368 | 11,744 |
| Investment in other entities | 199,466 | 51,765 |
| Note receivable - variable fee component | 2,178 | 1,942 |
| Derivative financial assets, non-current portion | 117 | 954 |
| Deferred financing costs | — | 3,013 |
| Other long-term assets | 2,108 | 1,489 |
| Intangible assets, net | 1,700 | 2,167 |
| Restricted cash - non-current (includes \$2,843 and \$2,923 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs) | 5,356 | 4,425 |
| Goodwill | 54,608 | 54,608 |
| Total assets | \$ 690,455 | \$ 644,856 |
| Liabilities and Equity | | |
| Current liabilities: | | |
| Accounts payable (includes \$603 and \$4,896 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs) | 11,309 | 22,679 |
| Accounts payable, related party (includes \$1,035 and \$433 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs) | 1,365 | 1,346 |
| Fuel tax credits payable | 3,720 | 3,320 |
| Accrued payroll | 8,313 | 8,979 |

| | | |
|--|-------------------|-------------------|
| Accrued capital expenses (includes \$0 and \$7,821 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs) | 7,355 | 11,922 |
| Accrued expenses and other current liabilities (includes \$602 and \$646 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs) | 13,779 | 9,573 |
| Contract liabilities | 7,429 | 8,013 |
| Senior Secured Credit Facility - term loan, current portion, net of debt issuance costs | — | 15,250 |
| Senior Secured Credit Facility - working capital facility, current portion | — | 7,500 |
| OPAL Term Loan, current portion | — | 27,732 |
| Sunoma Loan, current portion (includes \$1,739 and \$380 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs) | 1,739 | 380 |
| Convertible Note Payable | — | 28,528 |
| Municipality Loan | — | 76 |
| Derivative financial liability, current portion | — | 4,596 |
| Operating lease liabilities - current portion | 625 | 630 |
| Other current liabilities | — | 1,085 |
| Asset retirement obligation, current portion | 1,296 | 1,296 |
| Total current liabilities | 56,930 | 152,905 |
| Asset retirement obligation, non-current portion | 5,267 | 4,960 |
| OPAL Term Loan, net of debt issuance costs | 153,626 | 66,600 |
| Sunoma Loan, net of debt issuance costs (includes \$20,402 and \$21,712 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs) | 20,402 | 21,712 |
| Operating lease liabilities - non-current portion | 11,899 | 11,245 |
| Earn out liabilities | 4,291 | 8,790 |
| Other long-term liabilities | 1,163 | 825 |
| Total liabilities | 253,578 | 267,037 |
| Commitments and contingencies | | |
| Redeemable preferred non-controlling interests | 130,000 | 138,142 |
| Redeemable non-controlling interests | 1,158,937 | 1,013,833 |
| Stockholders' deficit | | |
| Class A common stock, \$0.0001 par value, 340,000,000 shares authorized as of September 30, 2023; 29,332,333 and 29,477,766 shares, issued and outstanding at September 30, 2023 and December 31, 2022, respectively | 3 | 3 |
| Class B common stock, \$0.0001 par value, 160,000,000 shares authorized as of September 30, 2023; None issued and outstanding as of September 30, 2023 and December 31, 2022 | — | — |
| Class C common stock, \$0.0001 par value, 160,000,000 shares authorized as of September 30, 2023; None issued and outstanding as of September 30, 2023 and December 31, 2022 | — | — |
| Class D common stock, \$0.0001 par value, 160,000,000 shares authorized as of September 30, 2023; 144,399,037 and 144,399,037 shares issued and outstanding at September 30, 2023 and December 31, 2022 | 14 | 14 |
| Additional paid-in capital | — | — |
| Accumulated deficit | (841,417) | (800,813) |
| Accumulated other comprehensive income | 70 | 195 |
| Class A common stock in treasury, at cost; 1,635,783 and 0 shares at September 30, 2023 and December 31, 2022, respectively | (11,614) | — |
| Total Stockholders' deficit attributable to the Company | (852,944) | (800,601) |
| Non-redeemable non-controlling interests | 884 | 26,445 |
| Total Stockholders' deficit | (852,060) | (774,156) |
| Total liabilities, Redeemable preferred non-controlling interests, Redeemable non-controlling interests and Stockholders' deficit | \$ 690,455 | \$ 644,856 |

OPAL FUELS INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands of U.S. dollars, except per unit data)
(Unaudited)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|----------------------------------|-------------------|---------------------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Revenues: | | | | |
| RNG fuel (includes revenues from related party of \$18,782 and \$15,481 for the three months ended September 30, 2023 and 2022, respectively; \$32,909 and \$36,326 for the nine months ended September 30, 2023 and 2022, respectively) | \$ 20,088 | \$ 18,293 | \$ 37,468 | \$ 48,815 |
| Fuel station services (includes revenues from related party of \$6,942 and \$3,855 for the three months ended September 30, 2023 and 2022, respectively; \$10,875 and \$12,698 for the nine months ended September 30, 2023 and 2022, respectively) | 37,305 | 35,771 | 88,089 | 87,376 |
| Renewable Power (includes revenues from related party of \$1,732 and \$927 for the three months ended September 30, 2023 and 2022, respectively; \$5,006 and \$3,196, for the nine months ended September 30, 2023 and 2022, respectively) | 13,708 | 12,486 | 43,543 | 32,623 |
| Total revenues | <u>71,101</u> | <u>66,550</u> | <u>169,100</u> | <u>168,814</u> |
| Operating expenses: | | | | |
| Cost of sales - RNG fuel | 8,896 | 10,872 | 24,303 | 27,043 |
| Cost of sales - Fuel station services | 31,887 | 30,837 | 79,655 | 74,130 |
| Cost of sales - Renewable Power | 11,112 | 7,645 | 28,251 | 23,593 |
| Selling, general, and administrative | 13,594 | 15,751 | 41,729 | 34,561 |
| Depreciation, amortization, and accretion | 3,739 | 3,380 | 10,934 | 10,101 |
| Total expenses | <u>69,228</u> | <u>68,485</u> | <u>184,872</u> | <u>169,428</u> |
| Operating income (loss) | <u>1,873</u> | <u>(1,935)</u> | <u>(15,772)</u> | <u>(614)</u> |
| Other (expense) income: | | | | |
| Interest and financing expense, net | (2,885) | (790) | (4,482) | (7,212) |
| Loss on debt extinguishment | (953) | — | (2,848) | — |
| Change in fair value of derivative instruments, net | (138) | (1,908) | 4,955 | (1,580) |
| Other income | 604 | 6,308 | 123,645 | 6,308 |
| Income from equity method investments | 1,726 | 3,694 | 1,433 | 3,658 |
| Income before provision for income taxes | 227 | 5,369 | 106,931 | 560 |
| Provision for income taxes | — | — | — | — |
| Net income | <u>227</u> | <u>5,369</u> | <u>106,931</u> | <u>560</u> |
| Net (loss) income attributable to redeemable non-controlling interests | (2,104) | 4,161 | 83,123 | (2,584) |
| Net loss attributable to non-redeemable non-controlling interests | (51) | (325) | (531) | (824) |
| Dividends on Redeemable preferred non-controlling interests ⁽¹⁾ | 2,782 | 2,658 | 8,394 | 5,093 |
| Net (loss) income attributable to Class A common stockholders | <u>\$ (400)</u> | <u>\$ (1,125)</u> | <u>\$ 15,945</u> | <u>\$ (1,125)</u> |
| Weighted average shares outstanding of Class A common stock: | | | | |
| Basic | 26,978,969 | 25,671,390 | 27,110,953 | 25,671,390 |
| Diluted | 26,978,969 | 25,823,772 | 27,683,855 | 25,823,772 |
| Per share amounts: | | | | |
| Basic | \$ (0.01) | \$ (0.04) | \$ 0.59 | \$ (0.04) |
| Diluted | \$ (0.01) | \$ (0.06) | \$ 0.58 | \$ (0.06) |

OPAL FUELS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of U.S. dollars)
(Unaudited)

| <i>(in thousands)</i> | Nine Months Ended September 30, | |
|--|------------------------------------|-------------|
| | 2023 | 2022 |
| Net cash provided by (used in) from operating activities | \$ 4,827 | \$ (22,004) |
| Net cash used in from investing activities | (44,918) | (219,215) |
| Net cash (used in) provided by from financing activities | (15,542) | 270,525 |
| Net (decrease) increase in cash, restricted cash, and cash equivalents | \$ (55,633) | \$ 29,306 |

Non-GAAP Financial Measures (Unaudited)

This release includes various financial measures that are non-GAAP financial measures as defined under the rules of the Securities and Exchange Commission. We believe these measures provide important supplemental information to investors to use in evaluating ongoing operating results. We use these measures, together with accounting principles generally accepted in the United States (“GAAP” or “U.S. GAAP”), for internal managerial purposes and as a means to evaluate period-to-period comparisons. However, we do not, and you should not, rely on non-GAAP financial measures alone as measures of our performance. We believe that non-GAAP financial measures reflect an additional way of viewing aspects of our operations, that when taken together with GAAP results and the reconciliations to corresponding GAAP financial measures that we also provide give a more complete understanding of factors and trends affecting our business. We strongly encourage you to review all of our financial statements and publicly filed reports in their entirety and to not solely rely on any single non-GAAP financial measure.

Non-GAAP financial measures are limited as an analytical tool and should not be considered in isolation from, or as a substitute for, the Company’s GAAP results. The Company expects to continue reporting non-GAAP financial measures, adjusting for the items described below (and/or other items that may arise in the future as the Company’s management deems appropriate), and the Company expects to continue to incur expenses, charges or gains like the non-GAAP adjustments described below. Accordingly, unless expressly stated otherwise, the exclusion of these and other similar items in the presentation of non-GAAP financial measures should not be construed as an inference that these costs are unusual, infrequent, or non-recurring. These Non-GAAP financial measures are not recognized terms under GAAP and do not purport to be alternatives to GAAP net income or any other GAAP measure as indicators of operating performance. Moreover, because not all companies use identical measures and calculations, the Company’s presentation of Non-GAAP financial measures may not be comparable to other similarly titled measures used by other companies. We strongly encourage you to review all of our financial statements and publicly filed reports in their entirety and to not solely rely on any single non-GAAP financial measure.

Adjusted EBITDA

To supplement the Company’s unaudited condensed consolidated financial statements presented in accordance with GAAP, the Company uses a non-GAAP financial measure that it calls adjusted EBITDA (“Adjusted EBITDA”). This non-GAAP measure adjusts net income for realized and unrealized gain on interest rate swaps, net loss attributable to non-redeemable non-controlling interests, transaction costs and one-time non-recurring charges, non-cash charges, gain on deconsolidation of VIEs, amortization of basis differences in equity method investments, major maintenance for Renewable Power and unrealized loss (gain) for derivative instruments. Management believes this non-GAAP measure provides meaningful supplemental information about the Company’s performance, for the following reasons: (1) it allows for greater transparency with respect to key metrics used by management to assess the Company’s operating performance and make financial and operational decisions; (2) the measure excludes the effect of

items that management believes are not directly attributable to the Company's core operating performance and may obscure trends in the business; (3) the measure better aligns revenues with expenses; and (4) the measure is used by institutional investors and the analyst community to help analyze the Company's business. In future quarters, the Company may adjust for other expenditures, charges or gains to present non-GAAP financial measures that the Company's management believes are indicative of the Company's core operating performance.

Non-GAAP financial measures are limited as an analytical tool and should not be considered in isolation from, or as a substitute for, the Company's GAAP results. The Company expects to continue reporting non-GAAP financial measures, adjusting for the items described below (and/or other items that may arise in the future as the Company's management deems appropriate), and the Company expects to continue to incur expenses, charges or gains like the non-GAAP adjustments described below. Accordingly, unless expressly stated otherwise, the exclusion of these and other similar items in the presentation of non-GAAP financial measures should not be construed as an inference that these costs are unusual, infrequent, or non-recurring. Adjusted EBITDA is not a recognized term under GAAP and does not purport to be an alternative to GAAP net income or any other GAAP measure as an indicator of operating performance. Moreover, because not all companies use identical measures and calculations, the Company's presentation of Adjusted EBITDA may not be comparable to other similarly titled measures used by other companies.

The following tables presents the reconciliation of our Net income (loss) to Adjusted EBITDA:

Reconciliation of GAAP Net income to Adjusted EBITDA
For the Three and Nine Months Ended September 30, 2023 and 2022
(In thousands of dollars)

| | Three Months Ended September 30, 2023 | | | | | Nine Months Ended September 30, 2023 | | | | |
|--|---------------------------------------|-----------------------|-----------------|--------------------|------------------|--------------------------------------|-----------------------|------------------|--------------------|------------------|
| | RNG Fuel | Fuel Station Services | Renewable Power | Corporate | Total | RNG Fuel | Fuel Station Services | Renewable Power | Corporate | Total |
| Net income (loss) ⁽¹⁾ | \$ 12,547 | \$ 5,530 | \$ 983 | \$ (18,833) | \$ 227 | \$ 9,477 | \$ 7,429 | \$ 10,584 | \$ 79,441 | \$ 106,931 |
| Adjustments to reconcile net income (loss) to Adjusted EBITDA | | | | | | | | | | |
| Interest and financing expense, net | 3,243 | (27) | 2 | (333) | 2,885 | 696 | (120) | 260 | 3,646 | 4,482 |
| Loss on debt extinguishment ⁽²⁾ | — | — | — | 953 | 953 | — | — | — | 2,848 | 2,848 |
| Net loss attributable to non-redeemable non-controlling interests | 51 | — | — | — | 51 | 531 | — | — | — | 531 |
| Depreciation, amortization and accretion | 1,325 | 917 | 1,488 | 9 | 3,739 | 3,954 | 2,555 | 4,389 | 36 | 10,934 |
| Adjustments to reflect Adjusted EBITDA from equity method investments ⁽³⁾ | 1,346 | — | — | — | 1,346 | 3,254 | — | — | — | 3,254 |
| Loss on warrant exchange | — | — | — | — | — | — | — | — | 338 | 338 |
| Unrealized (gain) loss on derivative instruments ⁽⁴⁾ | — | — | 29 | 138 | 167 | — | — | (733) | (4,006) | (4,739) |
| Non-cash charges ⁽⁵⁾ | — | — | — | 1,922 | 1,922 | — | — | — | 4,880 | 4,880 |
| One-time non-recurring charges ⁽⁶⁾ | 847 | — | 1,291 | 787 | 2,925 | 3,591 | 949 | 1,291 | 1,038 | 6,869 |
| Major maintenance for Renewable Power | — | — | 2,246 | — | 2,246 | — | — | 6,476 | — | 6,476 |
| Gain on deconsolidation of VIEs | — | — | — | — | — | — | — | — | (122,873) | (122,873) |
| Adjusted EBITDA | \$ 19,359 | \$ 6,420 | \$ 6,039 | \$ (15,357) | \$ 16,461 | \$ 21,503 | \$ 10,813 | \$ 22,267 | \$ (34,652) | \$ 19,931 |

| | Three Months Ended September 30, 2022 | | | | | Nine Months Ended September 30, 2022 | | | | |
|---|---------------------------------------|-----------------------|-----------------|--------------------|------------------|--------------------------------------|-----------------------|------------------|--------------------|------------------|
| | RNG Fuel | Fuel Station Services | Renewable Power | Corporate | Total | RNG Fuel | Fuel Station Services | Renewable Power | Corporate | Total |
| Net income (loss) ⁽¹⁾ | \$ 8,213 | \$ 12,774 | \$ 3,483 | \$ (19,101) | \$ 5,369 | \$ 24,283 | \$ 13,724 | \$ 1,314 | \$ (38,761) | \$ 560 |
| Adjustments to reconcile net income (loss) to Adjusted EBITDA | | | | | | | | | | |
| Interest and financing expense, net | 189 | 14 | 1,440 | (853) | 790 | 240 | 28 | 3,559 | 3,385 | 7,212 |
| Net loss attributable to non-redeemable non-controlling interests | 325 | — | — | — | 325 | 824 | — | — | — | 824 |
| Depreciation, amortization and accretion | 1,762 | 411 | 1,176 | 31 | 3,380 | 5,107 | 616 | 4,283 | 95 | 10,101 |
| Adjustments to reflect Adjusted EBITDA from equity method investments ⁽³⁾ | 978 | — | — | — | 978 | 978 | — | — | — | 978 |
| Unrealized (gain) loss on derivative instruments ⁽⁴⁾ | — | — | (1,012) | 2,103 | 1,091 | — | — | 252 | 2,103 | 2,355 |
| Non-cash charges ⁽⁵⁾ | — | — | — | 867 | 867 | — | — | — | 1,594 | 1,594 |
| One-time non-recurring charges ⁽⁶⁾ | 2,911 | — | — | 5,914 | 8,825 | 2,911 | — | — | 7,590 | 10,501 |
| Gain on repayment of Note Receivable and reversal of liability to non-redeemable non-controlling interest | (5,760) | — | — | — | (5,760) | (5,760) | — | — | — | (5,760) |
| Major maintenance for Renewable Power | — | — | 1,850 | — | 1,850 | — | — | 4,658 | — | 4,658 |
| Adjusted EBITDA | \$ 8,618 | \$ 13,199 | \$ 6,937 | \$ (11,039) | \$ 17,715 | \$ 28,583 | \$ 14,368 | \$ 14,066 | \$ (23,994) | \$ 33,023 |

⁽¹⁾ Net income (loss) by segment is included in our quarterly report on Form 10 Q. Net income for RNG Fuel includes our portion of net loss on our equity method investments.

⁽²⁾ Loss on debt extinguishment relates to assignment of our senior secured credit facility to Paragon and debt restructuring related to OPAL Term Loan.

⁽³⁾ Includes depreciation, amortization and accretion on equity method investments.

⁽⁴⁾ Unrealized loss on derivative instruments includes change in fair value of interest rate swaps, commodity swaps, earnout liabilities and put option on a forward purchase agreement.

⁽⁵⁾ Non-cash charges include stock-based compensation expense, certain expenses included in selling, general and administrative expenses relating to employee benefit accruals, inventory write down charges included in cost of sales - RNG fuel and loss on disposal of assets.

⁽⁶⁾ One-time non-recurring charges include certain expenses related to development expenses on our RNG facilities such as lease expenses and virtual pipe line costs, incurred during construction phase that could not be capitalized per GAAP and fees paid in connection with warrant exchange for the three and nine months ended September 30, 2023. One-time non-recurring charges includes one time transaction costs relating to the Business Combination for the three and nine months ended September 30, 2022.

