May 7, 2020

Clean Energy Reports 99.3 Million Gallons Delivered and Revenue of $86.0 Million for First Quarter of 2020

NEWPORT BEACH, Calif.--(BUSINESS WIRE)-- Clean Energy Fuels Corp. (NASDAQ: CLNE) (“Clean Energy” or the “Company”) today announced its operating results for the first quarter of 2020.

Andrew J. Littlefair, Clean Energy’s President and Chief Executive Officer, stated, “Given these unprecedented times of a global pandemic we are thankful that our workforce has remained healthy with no cases of COVID-19 to date. We are also fortunate that we went into this crisis with a strong balance sheet and have continued to operate as an essential business through the lockdown. Our thoughts go out to those individuals and companies being impacted by these macro events in the world. The COVID-19 pandemic has impacted our business in the form of declines in volumes delivered in certain market sectors due to lower activity, such as around airports and transit authorities, with less declines in refuse and over-the-road trucking as most of those sectors remain essential and active. We have seen low oil prices before, albeit not at these historic levels, which creates a headwind due to related lowering of diesel and gasoline pump prices but is also another reminder of oil’s unpredictable volatility. Meanwhile, natural gas remains steadily inexpensive and significantly better on the environment, particularly the ultra-low carbon renewable natural gas. As I said, we are fortunate we entered these unprecedented times in good financial health, principally because we have adequate cash reserves and a positive cash outlook for 2020 and beyond even under the stress we are encountering. If current conditions extend beyond the second quarter, we also can further pull back discretionary spending. We are proud of our employees and pleased that we’re keeping essential businesses fueled with ultra-low emission natural gas and continuing to operate, which we believe will help us manage our financial position through these volatile times."

The Company delivered 99.3 million gallons in the first quarter of 2020, a 4% increase from 95.2 million in the first quarter of 2019. This increase was due to growth in CNG volumes and increased sales of Redeem.

The Company’s revenue for the first quarter of 2020 was $86.0 million, an increase of 10.7% compared to $77.7 million for the first quarter of 2019. Revenue for the first quarter of 2020 included $5.4 million from U.S. federal excise tax credits for alternative fuels ("AFTC"), which applied to vehicle fuel sales made from January 1, 2020 through March 31, 2020, and an unrealized gain of $5.6 million on commodity swap and customer fueling contracts relating to the Company’s *Zero Now* truck financing program. Revenue for the first quarter of 2019 included an unrealized loss of $5.0 million on commodity swap contracts relating to the Company’s *Zero Now* program. Excluding the AFTC revenue of $5.4 million and the unrealized gain on commodity swap and customer fueling contracts of $5.6 million for the first quarter of 2020 and the unrealized loss of $5.0 million on commodity swap contracts in the first quarter of 2019, revenue for the first quarter of 2020 decreased by 9.3% to $75.0

million compared to $82.7 million for the first quarter of 2019. This was principally due to lower effective fuel prices resulting from lower natural gas prices and the fuel price mix, which is based on the variation of fuel types and locations where we deliver fuel. The lower effective fuel price was partially offset by revenue associated with higher volumes and with higher station construction revenue, which was $5.5 million for the first quarter of 2020 compared to $3.2 million for the first quarter of 2019.

On a GAAP (as defined below) basis, net income (loss) attributable to Clean Energy for the first quarter of 2020 was $1.7 million, or $0.01 per diluted share, compared to $(10.9) million, or $(0.05) per share, for the first quarter of 2019. The first quarter of 2020 was positively affected by AFTC revenue and the unrealized gain on commodity swap and customer fueling contracts, while the comparable 2019 period was negatively affected by the unrealized loss on commodity swap contracts.

Non-GAAP loss per share and Adjusted EBITDA (each as defined below) for the first quarter of 2020 was $(0.01) and $11.2 million, respectively. Non-GAAP loss per share and Adjusted EBITDA for the first quarter of 2019 was $(0.01) and $11.2 million, respectively.

Non-GAAP income (loss) per share and Adjusted EBITDA are described below and reconciled to GAAP net income (loss) per share attributable to Clean Energy and GAAP net income (loss) attributable to Clean Energy, respectively.

Non-GAAP Financial Measures

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"), the Company uses non-GAAP financial measures that it calls non-GAAP income (loss) per share ("non-GAAP income (loss) per share") and adjusted EBITDA ("Adjusted EBITDA"). Management presents non-GAAP income (loss) per share and Adjusted EBITDA because it believes these measures provide meaningful supplemental information about the Company's performance, for the following reasons: (1) these measures allow 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) these measures exclude 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) these measures are used by institutional investors and the analyst community to help analyze the Company's business. In future quarters, the Company may make adjustments 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 similar to 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. Non-GAAP income (loss) per share and Adjusted EBITDA are not recognized terms under GAAP and do not purport to be an alternative to GAAP income (loss), GAAP income (loss) per share 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 non-GAAP income (loss) per share and Adjusted EBITDA may not be comparable to other similarly titled measures used by other companies.

Non-GAAP Income (Loss) Per Share

Non-GAAP income (loss) per share, which the Company presents as a non-GAAP measure of its performance, is defined as net income (loss) attributable to Clean Energy Fuels Corp., plus stock-based compensation expense, plus (minus) loss (income) from equity method investments, and plus (minus) any loss (gain) from changes in the fair value of derivative instruments, the total of which is divided by the Company's weighted-average common shares outstanding on a diluted basis. The Company's management believes excluding non-cash expenses related to stock-based compensation provides useful information to investors regarding the Company's performance because of the varying available valuation methodologies, the volatility of the expense (which depends on market forces outside of management's control), the subjectivity of the assumptions and the variety of award types that a company can use, which may obscure trends in a company's core operating performance. Similarly, the Company believes excluding the non-cash results from equity method investments is useful to investors because these charges are not part of or representative of the core operations of the Company. In addition, the Company's management believes excluding the non-cash loss (gain) from changes in the fair value of derivative instruments is useful to investors because the valuation of the derivative instruments is based on a number of subjective assumptions, the amount of the loss or gain is derived from market forces outside of management's control, and the exclusion of these amounts enables investors to compare the Company's performance with other companies that do not use, or use different forms of, derivative instruments.

The table below shows GAAP and non-GAAP income (loss) per share and also reconciles GAAP net income (loss) attributable to Clean Energy to an adjusted net income (loss) figure used in the calculation of non-GAAP income (loss) per share:

	Three Months Ended March 31,	
(in thousands, except share and per share data)	**2019**	**2020**
Net income (loss) attributable to Clean Energy Fuels Corp.	$ (10,946)	$ 1,704
Stock-based compensation	1,246	1,054
Loss (income) from equity method investments	467	(145)
Loss (gain) from change in fair value of derivative instruments	6,584	(5,227)
Adjusted (non-GAAP) net income (loss)	$ (2,649)	$ (2,614)
Diluted weighted-average common shares outstanding	204,196,669	206,040,099
GAAP income (loss) per share	$ (0.05)	$ 0.01
Non-GAAP income (loss) per share	$ (0.01)	$ (0.01)

Adjusted EBITDA

Adjusted EBITDA, which the Company presents as a non-GAAP measure of its performance, is defined as net income (loss) attributable to Clean Energy, plus (minus) income tax expense (benefit), plus interest expense, minus interest income, plus depreciation and amortization expense, plus stock-based compensation expense, plus (minus) loss (income) from equity method investments, and plus (minus) any loss (gain) from changes in the fair value of derivative instruments. The Company's management believes Adjusted EBITDA provides useful information to investors regarding the Company's performance for the same reasons discussed above with respect to non-GAAP income (loss) per share. In addition, management internally uses Adjusted EBITDA to determine elements of executive and employee compensation.

The table below shows Adjusted EBITDA and also reconciles this figure to GAAP net income (loss) attributable to Clean Energy:

	Three Months Ended March 31,	
(in thousands, except share and per share data)	**2019**	**2020**
Net income (loss) attributable to Clean Energy Fuels Corp.	$ (10,946)	$ 1,704
Income tax expense (benefit)	60	78
Interest expense	1,891	2,210
Interest income	(580)	(381)
Depreciation and amortization	12,479	11,924
Stock-based compensation	1,246	1,054
Loss (income) from equity method investments	467	(145)
Loss (gain) from change in fair value of derivative instruments	6,584	(5,227)
Adjusted EBITDA	$ 11,201	$ 11,217

Definition of "Gallons Delivered"

The Company defines "gallons delivered" as its gallons sold as compressed natural gas ("CNG") and liquefied natural gas ("LNG"), along with its gallons associated with providing operations and maintenance services, in each case delivered to its customers in the applicable period, plus the Company's proportionate share of gallons delivered by joint ventures in the applicable period. RNG sold as vehicle fuel, is sold under the brand name Redeem™ and is included in the CNG or LNG amounts as applicable based on the form in which it was sold.

The table below shows gallons delivered for the three months ended March 31, 2019 and 2020:

	Three Months Ended March 31,	
Gallons Delivered (in millions)	**2019**	**2020**
CNG	78.5	84.1
LNG	16.7	15.2
Total	95.2	99.3

Sources of Revenue

The following table shows the Company's sources of revenue for the three months ended March 31, 2019 and 2020:

	Three Months Ended March 31,	
Revenue (in millions)	**2019**	**2020**
Volume-related [1]	$ 74.5	$ 75.1
Station construction sales	3.2	5.5
AFTC	—	5.4
Total revenue	$ 77.7	$ 86.0

(1) For the three months ended March 31, 2020, volume-related revenue includes an unrealized gain from the change in fair value of commodity swap and customer fueling contracts of $5.6 million. For the three months ended March 31, 2019, volume-related revenue includes an unrealized loss from the change in fair value of commodity swap contracts of $5.0 million.

2020 Outlook

Given the evolving uncertainties surrounding the impact of the COVID-19 pandemic on the economy, and any specific impact to our company, as well as the volatility in oil markets, we are updating our 2020 outlook. Our outlook considers principally a decline in volumes delivered related to reduced transportation activities in certain market sectors such as around airports and transit authorities, and to a lesser degree refuse and over-the-road trucking. These volume declines will also impact our level of AFTC eligible volumes and lower our AFTC revenue. We are currently assuming these declining volumes extend through June 30, 2020. If there is no recovery going into the third quarter of 2020 toward flat to low single digit percentage volume increases on a year over year basis, we will need to revise our outlook, as we will need to mitigate the impact of COVID-19 on our business as we progress through the second quarter and into the third. GAAP net income (loss) for 2020 is expected to be approximately a loss of $11.0 million, assuming no unrealized gains or losses on commodity swap and customer fueling contracts. Changes in diesel and natural gas market conditions resulting in unrealized gains or losses on the Company’s commodity swap contracts could significantly impact the Company’s estimated GAAP net income for 2020. Adjusted EBITDA for 2020 is expected to be approximately $45.0 million. These expectations also exclude the impact of any acquisitions, divestitures, transactions or other extraordinary events including a prolonged or resurgence of the COVID-19 pandemic that extends beyond the second quarter of 2020. Additionally, the expectations regarding 2020 Adjusted EBITDA assume the calculation of this non-GAAP financial measure in the same manner as described above and without adjustments for any other items that may arise during 2020 and that management deems appropriate to exclude. These expectations are forward-looking statements and are qualified by the statement under “Safe Harbor Statement” below.

(in thousands)	2020 Outlook
GAAP Net income (loss) attributable to Clean Energy Fuels Corp.	$ (11,000)
Income tax expense (benefit)	—
Interest expense	5,500
Interest income	(2,000)
Depreciation and amortization	48,500
Stock-based compensation	4,000
Loss (income) from equity method investments	—
Loss (gain) from change in fair value of derivative instruments	—
Adjusted EBITDA	$ 45,000

Today's Conference Call

The Company will host an investor conference call today at 4:30 p.m. Eastern time (1:30 p.m. Pacific). Investors interested in participating in the live call can dial 1.877.407.4018 from the U.S. and international callers can dial 1.201.689.8471. A telephone replay will be available approximately two hours after the call concludes through Sunday, June 7, 2020, by dialing 1.844.512.2921 from the U.S., or 1.412.317.6671 from international locations, and entering Replay Pin Number 13701585. There also will be a simultaneous, live webcast available on the Investor Relations section of the Company's web site at www.cleanenergyfuels.com, which will be available for replay for 30 days.

About Clean Energy

Clean Energy Fuels Corp. is North America's leading provider of the cleanest fuel for the transportation market. Through its sales of Redeem™ renewable natural gas (RNG), which is derived from biogenic methane produced by the breakdown of organic waste, Clean Energy helps thousands of vehicles, from airport shuttles to city buses to waste and heavy-duty trucks, to reduce their amount of climate-harming greenhouse gas by at least 70% and up to 300% depending on the RNG feedstock. Clean Energy can deliver Redeem through compressed natural gas (CNG) and liquefied natural gas (LNG) to its network of approximately 550 fueling stations across the U.S. and Canada. Clean Energy builds and operates CNG and LNG fueling stations for the transportation market, owns natural gas liquefaction facilities in California and Texas, and transports bulk CNG and LNG to non-transportation customers around the U.S. For more information, visit www.CleanEnergyFuels.com.

Safe Harbor Statement

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements about, among other things, the Company's outlook for fiscal 2020, the expected impact of the COVID-19 pandemic on the Company's business, including volumes delivered, and liquidity, the Company's outlook on its cash position in fiscal 2020 and beyond, and the effect, if any, of the foregoing on the Company's performance, financial condition and ability to execute its strategic initiatives.

Forward-looking statements are statements other than historical facts and relate to future events or circumstances or the Company's future performance, and they are based on the

Company's current assumptions, expectations and beliefs concerning future developments and their potential effect on the Company and its business. As a result, actual results, performance or achievements and the timing of events could differ materially from those anticipated in or implied by these forward-looking statements as a result of many factors including, among others: the COVID-19 pandemic and the measures taken to prevent its spread and the related impact on our operations, liquidity and financial condition; the Company's history of net losses and the possibility the Company incurs additional net losses in the future; the willingness of fleets and other consumers to adopt natural gas as a vehicle fuel, and the rate and level of any such adoption; future supply, demand, use and prices of crude oil, gasoline, diesel, natural gas, and other vehicle fuels, including overall levels of and volatility in these factors; natural gas vehicle and engine cost, fuel usage, availability, quality, safety, convenience, design, performance and residual value, as well as operator perception with respect to these factors, in general and in the Company's key customer markets, including heavy-duty trucking; the Company's ability to execute its *Zero Now* truck financing program, a key strategic initiative related to the market for natural gas heavy-duty trucks, and the effect of this initiative on the Company's business, prospects, performance and liquidity; the Company's ability to capture a substantial share of the market for alternative vehicle fuels and vehicle fuels generally and otherwise compete successfully in these markets, including in the event of improvements in or perceived advantages of non-natural gas vehicle fuels or engines powered by these fuels or other competitive developments; the availability of environmental, tax and other government regulations, programs and incentives that promote natural gas, such as AFTC, or other alternatives as a vehicle fuel, including long-standing support for gasoline- and diesel-powered vehicles and growing support for electric and hydrogen-powered vehicles that could result in programs or incentives that favor these or other vehicles or vehicle fuels over natural gas; future availability of capital, which may include equity or debt financing, in the amounts and at the times needed to fund any growth in the Company's business and the repayment of its debt obligations (whether at or before their due dates) or other expenditures, as well as the terms and other effects of any such capital-raising transaction; the effect of, or potential for changes to greenhouse gas emissions requirements or other environmental regulations applicable to vehicles powered by gasoline, diesel, natural gas or other vehicle fuels and crude oil and natural gas fueling, drilling, production, transportation or use; the Company's ability to manage and grow its RNG business, including its ability to continue to receive revenue from sales of tradable credits the Company generates by selling conventional and renewable natural gas as vehicle fuel and the effect of any increase in competition for RNG supply; the Company's ability to manage and grow its business of transporting and selling CNG for non-vehicle purposes via virtual natural gas pipelines and interconnects; the Company's ability to accurately predict natural gas vehicle fuel demand in the geographic and customer markets in which it operates and effectively calibrate its strategies, timing and levels of investments to be consistent with this demand; the Company's ability to recognize the anticipated benefits of its CNG and LNG fueling station network; construction, permitting and other factors that could cause delays or other problems at station construction projects; the Company's ability to manage the safety and environmental risks inherent in its operations; the Company's compliance with all applicable government regulations; the Company's ability to execute and realize the intended benefits of any acquisitions, divestitures, investments or other strategic relationships or transactions; and general political, regulatory, economic and market conditions.

The forward-looking statements made in this press release speak only as of the date of this press release and the Company undertakes no obligation to update publicly such forward-looking statements to reflect subsequent events or circumstances, except as otherwise required by law. The Company's periodic reports filed with the Securities and Exchange Commission (www.sec.gov), including its Annual Report on Form 10-K filed on March 10, 2020, contain additional information about these and other risk factors that may cause actual results to differ materially from the forward-looking statements contained in this press release, and such risk factors may be amended, supplemented or superseded from time to time by other reports the Company files with the Securities and Exchange Commission.

Clean Energy Fuels Corp. and Subsidiaries
Condensed Consolidated Balance Sheets
(In thousands, except share and per share data; Unaudited)

	December 31, 2019	March 31, 2020
Assets		
Current assets:		
Cash, cash equivalents and current portion of restricted cash	$ 49,222	$ 69,526
Short-term investments	56,929	29,830
Accounts receivable, net of allowance of $2,412 and $2,566 as of December 31, 2019 and March 31, 2020, respectively	61,760	58,685
Other receivables	84,898	81,722
Inventory	29,874	29,725
Prepaid expenses and other current assets	11,109	10,950
Derivative assets, related party	—	3,783
Total current assets	293,792	284,221
Operating lease right-of-use assets	28,627	27,951
Land, property and equipment, net	323,912	315,892
Long-term portion of restricted cash	4,000	4,000
Notes receivable and other long-term assets, net	31,622	33,393
Long-term portion of derivative assets, related party	3,270	8,762
Investments in other entities	26,305	24,896
Goodwill	64,328	64,328
Intangible assets, net	1,229	1,002
Total assets	$ 777,085	$ 764,445
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of debt	$ 56,013	$ 56,030
Current portion of finance lease obligations	615	696
Current portion of operating lease obligations	3,359	3,530
Accounts payable	27,376	21,351
Accrued liabilities	67,697	66,531
Deferred revenue	7,338	7,839

Derivative liabilities, related party	164	—
Total current liabilities	162,562	155,977
Long-term portion of debt	32,872	31,558
Long-term portion of finance lease obligations	2,715	2,909
Long-term portion of operating lease obligations	26,206	25,184
Other long-term liabilities	9,701	9,800
Total liabilities	234,056	225,428
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.0001 par value. 1,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock, $0.0001 par value. 304,000,000 shares authorized; 204,723,055 shares and 202,783,616 shares issued and outstanding as of December 31, 2019 and March 31, 2020, respectively	20	20
Additional paid-in capital	1,203,186	1,198,802
Accumulated deficit	(668,232)	(666,528)
Accumulated other comprehensive loss	(1,566)	(3,481)
Total Clean Energy Fuels Corp. stockholders' equity	533,408	528,813
Noncontrolling interest in subsidiary	9,621	10,204
Total stockholders' equity	543,029	539,017
Total liabilities and stockholders' equity	$ 777,085	$ 764,445

Clean Energy Fuels Corp. and Subsidiaries
Condensed Consolidated Statements of Operations
(In thousands, except share and per share data; Unaudited)

	Three Months Ended March 31,	
	2019	**2020**
Revenue:		
Product revenue	$ 68,448	$ 75,702
Service revenue	9,250	10,304
Total revenue	77,698	86,006
Operating expenses:		
Cost of sales (exclusive of depreciation and amortization shown separately below):		
Product cost of sales	54,430	46,673
Service cost of sales	4,398	6,259
Change in fair value of derivative warrants	1,614	405
Selling, general and administrative	18,434	18,259
Depreciation and amortization	12,479	11,924
Total operating expenses	91,355	83,520
Operating income (loss)	(13,657)	2,486

Interest expense	(1,891)	(2,210)
Interest income	580	381
Other income, net	2,670	175
Income (loss) from equity method investments	(467)	145
Income (loss) before income taxes	(12,765)	977
Income tax expense	(60)	(78)
Net income (loss)	(12,825)	899
Loss attributable to noncontrolling interest	1,879	805
Net income (loss) attributable to Clean Energy Fuels Corp.	$ (10,946)	$ 1,704
Income (loss) per share:		
Basic	$ (0.05)	$ 0.01
Diluted	$ (0.05)	$ 0.01
Weighted-average common shares outstanding:		
Basic	204,196,669	204,992,555
Diluted	204,196,669	206,040,099

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