

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2022

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Beard Energy Transition Acquisition Corp.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-41098
(Commission File Number)

86-1990354
(I.R.S. Employer
Identification No.)

595 Madison Avenue, 29th Floor
New York, NY
(Address of principal executive offices)

10022
(Zip Code)

(713) 446-6259

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Units, each consisting of one share of Class A Common Stock and one-half of one warrant	BRD.U	The New York Stock Exchange
Class A common stock, par value \$0.0001 per share	BRD	The New York Stock Exchange
Warrants, each whole warrant exercisable for one share of Class A Common Stock at an exercise price of \$11.50 per share	BRD.WS	The New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company
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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of May 5, 2022 23,001,250 shares of Class A common stock, par value \$0.0001 per share, and 5,751,250 shares of Class V common stock, par value \$0.0001 per share, were issued and outstanding.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

BEARD ENERGY TRANSITION ACQUISITION CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2022 (Unaudited)	December 31, 2021
Assets:		
Current assets:		
Cash	\$ 1,525,893	\$ 1,732,774
Prepaid expenses	692,215	708,821
Total current assets	2,218,108	2,441,595
Investments held in Trust Account	234,642,103	234,626,959
Total assets	\$ 236,860,211	\$ 237,068,554
Liabilities, Redeemable Class A Common Stock and Stockholders' Deficit:		
Current liabilities:		
Accounts payable	\$ 49,393	\$ 4,129
Accrued expenses and other current liabilities	102,067	1,790
Accrued offering costs	175,000	175,000
Franchise tax payable	228,142	178,142
Total current liabilities	554,602	359,061
Deferred underwriting fee payable	8,050,000	8,050,000
Total liabilities	8,604,602	8,409,061
Commitments and Contingencies (Note 7)		
Class A common stock subject to possible redemption, 23,001,250 shares at redemption value of \$10.20 per share	234,642,103	234,626,959
Stockholders' Deficit:		
Preferred stock, \$0.0001 par value; 1,000,000 shares authorized; no shares issued and outstanding	—	—
Class A common stock, \$0.0001 par value; 200,000,000 shares authorized; no shares issued and outstanding (excluding 23,001,250 shares subject to possible redemption)	—	—
Class V common stock, \$0.0001 par value; 20,000,000 shares authorized; 5,751,250 issued and outstanding	575	575
Additional paid-in capital	—	—
Accumulated deficit	(6,306,809)	(5,887,803)
Total Beard Energy Transition Acquisition Corp. deficit	(6,306,234)	(5,887,228)
Non-controlling interest in subsidiary	(80,260)	(80,238)
Total stockholders' deficit	(6,386,494)	(5,967,466)
Total Liabilities, Redeemable Class A Common Stock and Stockholders' Deficit	\$ 236,860,211	\$ 237,068,554

The accompanying notes are an integral part of this financial statement.

BEARD ENERGY TRANSITION ACQUISITION CORP.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended March 31, 2022	For the Period from February 8, 2021 (inception) through March 31, 2021
Operating and formation costs	\$ 369,028	\$ 4,066
Franchise tax	50,000	—
Loss from operations	\$ (419,028)	\$ (4,066)
Interest and dividend income on investments held in Trust Account	15,144	—
Net loss	\$ (403,884)	\$ (4,066)
Net loss attributable to non-controlling interest in subsidiary	22	2,033
Net loss attributable to Beard Energy Transition Acquisition Corp.	\$ (403,862)	\$ (2,033)
Basic and diluted weighted average shares outstanding, Class A common stock	<u>23,001,250</u>	<u>1,250</u>
Basic and diluted net income per share, Class A common stock	<u>\$ (0.01)</u>	<u>\$ (1.63)</u>
Basic and diluted weighted average shares outstanding, Class V common stock	<u>5,751,250</u>	<u>6,251,250</u>
Basic and diluted net loss per share, Class V common stock	<u>\$ (0.01)</u>	<u>\$ —</u>

The accompanying notes are an integral part of this financial statement.

BEARD ENERGY TRANSITION ACQUISITION CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' (DEFICIT) EQUITY
(UNAUDITED)

	Three Months Ended March 31, 2022							
	Stockholders' Deficit							
	Redeemable Class A Common Stock		Class V Common Stock		Additional Paid-in Capital	Accumulated Deficit	Non- controlling Interest in Subsidiary	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
Balance – December 31, 2021	23,001,250	\$ 234,626,959	5,751,250	\$ 575	\$ —	\$ (5,887,803)	\$ (80,238)	\$ (5,967,466)
Subsequent accretion of Class A common stock subject to redemption, to redemption amount as of March 31, 2022	—	15,144	—	—	—	(15,144)	—	(15,144)
Net loss	—	—	—	—	—	(403,862)	(22)	(403,884)
Balance – March 31, 2022	<u>23,001,250</u>	<u>\$ 234,642,103</u>	<u>5,751,250</u>	<u>\$ 575</u>	<u>\$ —</u>	<u>\$ (6,306,809)</u>	<u>\$ (80,260)</u>	<u>\$ (6,386,494)</u>

	For the Period from February 8, 2021 (inception) through March 31, 2021							
	Stockholders' Equity							
	Class A Common Stock		Class V Common Stock		Additional Paid-in Capital	Accumulated Deficit	Non- controlling Interest in Subsidiary	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance – February 8, 2021 (inception)	—	\$ —	—	\$ —	\$ —	\$ —	\$ —	\$ —
Issuance of Class A and Class V common stock to an affiliate of the Sponsor and the Sponsor (1)	1,250	—	5,751,250	575	11,925	—	—	12,500
Issuance of Class A Units in Opco to an affiliate of the Sponsor and Class B Units in Opco to the Sponsor	—	—	—	—	—	—	12,500	12,500
Net loss	—	—	—	—	—	(2,033)	(2,033)	(4,066)
Balance – March 31, 2021	<u>1,250</u>	<u>\$ —</u>	<u>5,751,250</u>	<u>\$ 575</u>	<u>\$ 11,925</u>	<u>\$ (2,033)</u>	<u>\$ 10,467</u>	<u>\$ 20,934</u>

(1) Retroactively restated for surrender of 1,437,500 shares of Class V common stock to the Company by the Sponsor for consideration in October 2021.

The accompanying notes are an integral part of this financial statement.

BEARD ENERGY TRANSITION ACQUISITION CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Three Months Ended March 31, 2022	For the Period from February 8, 2021 (inception) through March 31, 2021
Cash Flows from Operating Activities:		
Net loss	\$ (403,884)	\$ (4,066)
Adjustments to reconcile net loss to net cash used in operating activities:		
Interest and dividend income on investments held in Trust Account	(15,144)	—
Payment of formation and operating costs through due to affiliate	—	2,696
Changes in operating assets and liabilities:		
Prepaid expenses	16,606	27
Accounts payable	45,295	32
Accrued expenses	100,257	1,311
Franchise tax payable	50,000	—
Net cash used in operating activities	(206,870)	—
Cash Flows from Financing Activities:		
Advance from related party	198	—
Repayment of advance from related party	(209)	—
Net cash used in financing activities	(11)	—
Net Change in Cash	(206,881)	—
Cash - Beginning of period	1,732,774	—
Cash - End of period	\$ 1,525,893	\$ —
Supplemental disclosures of non-cash investing and financing activities:		
Deferred offering costs included in accrued offering costs	\$ —	\$ 374,880
Deferred offering costs included in due to related party	\$ —	\$ 114,546
Deferred offering costs paid by an affiliate of the Sponsor in exchange for Class A and Class V common stock and Class A Units in Opco	\$ —	\$ 25,000
Prepaid expenses included in due to affiliate	\$ —	\$ 1,000
Subsequent accretion of Class A common stock subject to redemption to redemption amount as of March 31, 2022	\$ 15,144	\$ —

The accompanying notes are an integral part of this financial statement.

BEARD ENERGY TRANSITION ACQUISITION CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS

Beard Energy Transition Acquisition Corp. (the “Company”) is a blank check company incorporated in Delaware on February 8, 2021. As used herein, “the Company” refers to Beard Energy Transition Acquisition Corp. and its majority-controlled operating subsidiary, Beard Energy Transition Acquisition Holdings LLC (the “Opco”), unless the context indicates otherwise. The Company is formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses (the “Business Combination”).

All activity for the three months ended March 31, 2022 and for the period from February 8, 2021 (inception) through March 31, 2021 relates to the Company’s formation, initial public offering (“Initial Public Offering”), and, since the closing of the Initial Public Offering, the search for a prospective initial Business Combination. The Company will not generate any operating revenues until after the completion of a Business Combination, at the earliest. The Company generates non-operating income in the form of interest income from the proceeds derived from the Initial Public Offering and a portion of the proceeds derived from the sale of Private Placement Warrants (as defined below) that were placed in the Trust Account (as defined below). The Company has selected December 31 as its fiscal year end.

The registration statement for the Company’s Initial Public Offering was declared effective on November 23, 2021. On November 29, 2021, the Company consummated the Initial Public Offering of 23,000,000 units, (the “Units” and, with respect to the shares of Class A common stock included in the Units sold, the “Public Shares”), including 3,000,000 Units issued pursuant to the exercise of the underwriter’s over-allotment option in full, generating gross proceeds of \$30,000,000, which is discussed in Note 3.

Simultaneously with the closing of the Initial Public Offering, the Company consummated the sale of 12,225,000 warrants (the “Private Placement Warrants”) at a price of \$1.00 per Private Placement Warrant in a private placement to Beard Energy Transition Acquisition Sponsor LLC (the “Sponsor”), including 1,200,000 Private Placement Warrants issued pursuant to the exercise of the underwriter’s over-allotment option in full, generating gross proceeds of \$12,225,000, which is described in Note 4.

Following the closing of the Initial Public Offering on November 29, 2021, an amount of \$34,625,500 from the net proceeds of the sale of the Units in the Initial Public Offering and a portion of the proceeds of the sale of the Private Placement Warrants was placed in a trust account (the “Trust Account”), and will be invested only in U.S. government treasury obligations with maturities of 185 days or less or in money market funds meeting certain conditions under Rule 2a-7 under the Investment Company Act, which invest only in direct U.S. government treasury obligations, until the earlier of: (i) the completion of a Business Combination and (ii) the distribution of the funds held in the Trust Account, as described below.

Transaction costs related to the issuances described above amounted to \$13,308,754, consisting of \$4,600,000 of cash underwriting fees, \$8,050,000 of deferred underwriting fees and \$658,754 of other offering costs. In addition, as of March 31, 2022 and December 31, 2021, \$1,525,893 and \$1,732,774 of cash was held outside of the Trust Account and is available for working capital purposes, respectively.

Following the Initial Public Offering, the Public Stockholders (as defined below) hold a direct economic equity ownership interest in the Company in the form of shares of Class A common stock, and an indirect ownership interest in Opco through the Company’s ownership of Class A Units of Opco. By contrast, the Initial Stockholders (as defined below) own direct economic interests in Opco in the form of Class A and Class B Units of Opco and a corresponding non-economic voting equity interest in the form of the Company’s Class V common stock, as well as a direct interest in the form of the Company’s Class A common stock. The Class A common stock forming part of the Sponsor Shares (as defined below) were purchased for \$10.00 each and, in the absence of an initial Business Combination, will generally participate in liquidation or other payments on a pari passu basis with the shares of Class A common stock purchased as part of Units in the Initial Public Offering.

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The Company will provide the holders (the "Public Stockholders") of the Public Shares with the opportunity to redeem all or a portion of their Public Shares upon the completion of a Business Combination either (i) in connection with a stockholder meeting called to approve the Business Combination or (ii) by means of a tender offer. Unless otherwise stated herein, the term "Public Shares" includes the 1,250 shares of Class A common stock of the Company held by the Sponsor and forming part of the Sponsor Shares (as defined in Note 4). The decision as to whether the Company will seek stockholder approval of a Business Combination or conduct a tender offer will be made by the Company, solely in its discretion. The Public Stockholders will be entitled to redeem their Public Shares for a pro rata portion of the amount then held in the Trust Account (initially \$10.20 per Public Share). The per-share amount to be distributed to Public Stockholders who redeem their Public Shares will not be reduced by the deferred underwriting commissions the Company will pay to the underwriter. The Public Shares are recorded at a redemption value and classified as temporary equity in accordance with the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 480, *Distinguishing Liabilities from Equity* ("ASC 480").

The holders of the Founder Shares and Sponsor Shares (the "Initial Stockholders") will not be entitled to (i) redemption rights with respect to any Founder Shares, Sponsor Shares or Public Shares held by them in connection with the completion of a Business Combination, (ii) redemption rights with respect to any Founder Shares, Sponsor Shares or Public Shares held by them in connection with a stockholder vote to approve an amendment to the Company's amended and restated certificate of incorporation (the "Amended and Restated Certificate of Incorporation") (a) in a manner that would affect the substance or timing of the Company's obligation to redeem 100% of the Public Shares if the Company has not consummated an initial Business Combination within 18 months (or 21 months, as applicable) from the closing of the Initial Public Offering or (b) with respect to any other provision relating to the rights of holders of the Class A common stock or pre-initial business combination activity or (iii) rights to liquidating distributions from the Trust Account with respect to any Founder Shares held by them if the Company fails to complete a Business Combination within 18 months (or 21 months, as applicable) from the closing of the Initial Public Offering, although they will be entitled to liquidating distributions from the Trust Account with respect to any Public Shares and any Sponsor Shares (Class A common stock and Class A Units only) they hold if the Company fails to complete a Business Combination within such time period.

The Company will have until 18 months (or 21 months, as applicable) from the closing of the Initial Public Offering (the "Combination Period") to complete a Business Combination. If the Company is unable to complete a Business Combination within the Combination Period, the Company will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account including interest earned on the funds held in the Trust Account and not previously released to pay taxes of the Company or Opco (less an amount required to satisfy taxes of the Company and Opco and up to \$100,000 of interest to pay dissolution expenses), divided by the number of then outstanding Public Shares and Class A Units of Opco (other than those held by the Company), which redemption will completely extinguish Public Stockholders' rights as stockholders (including the right to receive further liquidating distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the Company's remaining stockholders and board of directors, dissolve and liquidate, subject in each case to the Company's obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law. There will be no redemption rights or liquidating distributions with respect to the Company's warrants, which will expire without value to the holder thereof if the Company fails to complete a Business Combination within the Combination Period.

The underwriter has agreed to waive their rights to their deferred underwriting commission held in the Trust Account in the event the Company does not complete a Business Combination within the Combination Period and, in such event, such amounts will be included with the other funds held in the Trust Account that will be available to fund the redemption of the Public Shares. In the event of such distribution, it is possible that the per share value of the assets remaining available for distribution will be less than the Initial Public Offering price per Unit.

BEARD ENERGY TRANSITION ACQUISITION CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation and Condensed Financial Statement Presentation

The accompanying condensed consolidated financial statements are presented in U.S. dollars in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and pursuant to the rules and regulations of the SEC. Certain information or footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted, pursuant to the rules and regulations of the SEC for interim financial reporting. Accordingly, they do not include all the information and footnotes necessary for a comprehensive presentation of financial position, results of operations, or cash flows. In the opinion of management, the accompanying condensed consolidated financial statements include all adjustments, consisting of a normal recurring nature, which are necessary for a fair presentation of the financial position, operating results and cash flows for the periods presented. The accompanying condensed consolidated financial statements should be read in conjunction with the Company’s Form 10-K as filed with the SEC on February 25, 2022. The interim results for the three months ended March 31, 2022 are not necessarily indicative of the results to be expected for the year ending December 31, 2022 or for any future periods.

The condensed consolidated financial statements include the accounts of the Company and its majority-owned and controlled operating subsidiary after elimination of all intercompany transactions and balances as of March 31, 2022 and December 31, 2021.

Non-controlling Interest

The ownership interest of non-controlling participants in the operating subsidiary is included as a separate component of stockholders’ deficit.

The non-controlling interest in the operating subsidiary consists of Class A Units in Opco issued to an affiliate of the Sponsor and Class B Units in Opco issued to the Sponsor. Prior to an initial Business Combination, profits and losses of Opco are allocated to the holders of the Class A Units pro rata in accordance with the number of Class A Units held by such holder. Holder of the Class B Units do not participate in the profits and losses of Opco until conversion of the Class B Units to Class A Units in connection with an initial Business Combination. See Note 6 for additional details regarding Class A and Class B Units issued by Opco.

Use of Estimates

The preparation of the condensed consolidated financial statements in conformity with U.S. GAAP requires the Company’s management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The initial valuation of the Public Warrants (as defined in Note 3), Private Placement Warrants, and Class A common stock subject to redemption required management to exercise significant judgement in its estimates.

Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash and cash equivalents. The Company did not have any cash equivalents as of March 31, 2022 and December 31, 2021.

Investments Held in Trust Account

As of March 31, 2022 and December 31, 2021, the assets held in the Trust Account are comprised solely of U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act, with a maturity of 185 days or less, or investments in money market funds that invest in U.S. government securities and generally have a readily determinable fair value, or a combination thereof. Such securities and investments in money market funds are presented on the condensed consolidated balance sheets at fair value at the end of each reporting period. Gains and losses resulting from the change in fair value of these securities is included in income from

BEARD ENERGY TRANSITION ACQUISITION CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

investments held in the Trust Account in the accompanying condensed consolidated statements of operations. The estimated fair values of investments held in the Trust Account are determined using available market information.

Warrants

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in ASC 480 and ASC Topic 815, *Derivatives and Hedging* ("ASC 815"). The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's own common stock, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding. For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be recorded at their initial fair value on the date of issuance, and each balance sheet date thereafter. Changes in the estimated fair value of the warrants are recognized as a non-cash gain or loss on the condensed consolidated statements of operations. The Public Warrants and Private Placement Warrants are equity classified (see Note 5).

Offering Costs associated with the Initial Public Offering

The Company complies with the requirements of ASC Topic 340, Other Assets and Deferred Costs and SEC Staff Accounting Bulletin Topic 5A - Expenses of Offering. Offering costs consist of legal and other expenses incurred through the condensed consolidated balance sheet date that are directly related to the Initial Public Offering. Offering costs are charged against the carrying value of Class A common stock or stockholders' deficit based on the relative value of the shares of Class A common stock and the Warrants, as described below, to the proceeds received from the Units sold upon the completion of the Initial Public Offering. The Company incurred offering costs amounting to \$13,308,754, consisting of \$4,600,000 of cash underwriting fees, \$8,050,000 of deferred underwriting fees and \$658,754 of other offering costs in connection with the Initial Public Offering. As such, the Company recorded \$12,512,144 of offering costs as a reduction of temporary equity and \$796,610 of offering costs as a reduction of permanent equity.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist of a cash account in a financial institution which, at times may exceed the Federal depository insurance coverage of \$250,000. The Company has not experienced losses on this account and management believes the Company is not exposed to significant risks on such account.

Net Income (Loss) Per Common Share

Net income (loss) per common share is computed by dividing net income (loss) by the weighted-average number of shares of common stock outstanding during the period. The Company has not considered the effect of the warrants sold in the Initial Public Offering and private placement to purchase an aggregate of 23,725,000 shares in the calculation of diluted income (loss) per share, since the exercise of the warrants is contingent upon the occurrence of future events. In order to determine the net income (loss) attributable to both the Class A common stock and Class V common stock, the Company first considered the total income (loss) allocable to both sets of shares. This is calculated using the total net income (loss) less any dividends paid. For purposes of calculating net income (loss) per share, any remeasurement of the accretion to redemption value of the Class A common stock subject to possible redemption was considered to be dividends paid to the holders of the Class A common stock. Subsequent to calculating the total income (loss) allocable to both sets of shares, the Company split the amount to be allocated pro rata between Class A and Class V common stock for the three months ended March 31, 2022 and for the period from February 8, 2021 (inception) through March 31, 2021, reflective of the respective participation rights.

BEARD ENERGY TRANSITION ACQUISITION CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following tables reflect the calculation of basic and diluted net income (loss) per common share (in dollars, except per share amounts):

	For the three months ended March 31, 2022	For the period from February 8, 2021 (inception) through March 31, 2021
Net loss	\$ (403,862)	\$ (2,033)
Accretion of Class A common stock to redemption amount	(15,144)	—
Net loss including accretion of temporary equity to redemption value	\$ (419,006)	\$ (2,033)

	For the three months ended March 31, 2022		For the Period from February 8, 2021 (inception) Through March 31, 2021	
	Class A	Class V	Class A	Class V
Basic and diluted net income (loss) per share:				
Numerator:				
Net loss including accretion of temporary equity to redemption value	\$ (335,194)	\$ (83,812)	\$ (2,033)	\$ (2,033)
Accretion of Class A common stock to redemption amount	15,144	—	—	—
Net loss	<u>\$ (320,050)</u>	<u>\$ (83,812)</u>	<u>\$ (2,033)</u>	<u>\$ (2,033)</u>
Denominator:				
Weighted Average Shares	<u>23,001,250</u>	<u>5,751,250</u>	<u>1,250</u>	<u>6,251,250</u>
Basic and diluted loss per share of common stock	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (1.63)</u>	<u>\$ —</u>

As of March 31, 2022 and December 31, 2021, no Founder Shares remain subject to forfeiture, as such the Company did not have any dilutive securities and other contracts that could, potentially, be exercised or converted into common stock and share in earnings. As a result, diluted income (loss) per share is the same as basic income (loss) per share for the periods presented.

Financial Instruments

The fair value of the Company's assets and liabilities, which qualify as financial instruments under ASC Topic 820, *Fair Value Measurements and Disclosures*, ("ASC 820"), approximates the carrying amounts represented in the condensed consolidated balance sheets, primarily due to their short-term nature.

Fair Value Measurement

ASC 820 establishes a fair value hierarchy that prioritizes and ranks the level of observability of inputs used to measure investments at fair value. The observability of inputs is impacted by a number of factors, including the type of investment, characteristics specific to the investment, market conditions and other factors. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Investments with readily available quoted prices or for which fair value can be measured from quoted prices in active markets will typically have a higher degree of input observability and a lesser degree of judgment applied in determining fair value.

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The three levels of the fair value hierarchy under ASC 820 are as follows:

Level 1—Quoted prices (unadjusted) in active markets for identical investments at the measurement date are used.

Level 2—Pricing inputs are other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly. Level 2 pricing inputs include quoted prices for similar investments in active markets, quoted prices for identical or similar investments in markets that are not active, inputs other than quoted prices that are observable for the investment, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3—Pricing inputs are unobservable and include situations where there is little, if any, market activity for the investment. The inputs used in determination of fair value require significant judgment and estimation.

In some cases, the inputs used to measure fair value might fall within different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the investment is categorized in its entirety is determined based on the lowest level input that is significant to the investment. Assessing the significance of a particular input to the valuation of an investment in its entirety requires judgment and considers factors specific to the investment. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the perceived risk of that investment. See Note 9 for additional information on assets and liabilities measured at fair value.

Class A Common Stock Subject to Possible Redemption

All of the 23,000,000 shares of Class A common stock sold as part of the Units in the Initial Public Offering and the 250 shares of Class A common stock purchased by an affiliate of the Sponsor on February 9, 2021 contain a redemption feature which allows for the redemption of such Public Shares in connection with the Company's liquidation if there is a stockholder vote or tender offer in connection with a Business Combination and in connection with certain amendments to the Amended and Restated Certificate of Incorporation. In accordance with SEC and its staff's guidance on redeemable equity instruments, which has been codified in ASC 480-10-S99, redemption provisions not solely within the control of the Company require shares of common stock subject to redemption to be classified outside of permanent equity. Ordinary liquidation events, which involve the redemption and liquidation of all of the entity's equity instruments, are excluded from the provisions of ASC 480.

The Company recognizes changes in redemption value immediately as they occur and adjusts the carrying value of redeemable common stock to equal the redemption value at the end of each reporting period. Such changes are reflected in retained earnings, or in the absence of retained earnings, in additional paid-in capital. On November 29, 2021, the Company recorded an adjustment to present the redeemable Class A common stock at redemption value of \$30,362,644, of which \$24,665,315 was recorded against additional paid-in capital and \$5,697,329 was recorded in accumulated deficit. On December 31, 2021, the Company recorded a subsequent adjustment of \$1,459 to present redeemable Class A common stock at redemption value, which was recorded in accumulated deficit. On March 31, 2022, the Company recorded a subsequent adjustment of \$15,144 to present redeemable Class A common stock at redemption value, which was recorded in accumulated deficit.

Income Taxes

The Company follows the asset and liability method of accounting for income taxes under ASC Topic 740, *Income Taxes* ("ASC 740"). Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the condensed consolidated financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that included the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

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ASC 740 prescribes a recognition threshold and a measurement attribute for the financial statements recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. There were no unrecognized tax benefits and no amounts accrued for interest and penalties as of March 31, 2022 and December 31, 2021. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position. The Company is subject to income tax examinations by major taxing authorities since inception.

Recent Accounting Pronouncements

The Company's management does not believe that any recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on the accompanying condensed consolidated financial statements.

NOTE 3. INITIAL PUBLIC OFFERING

The registration statement for the Company's Initial Public Offering was declared effective on November 23, 2021. On November 29, 2021, the Company consummated the Initial Public Offering of 23,000,000 Units, including 3,000,000 Units issued pursuant to the exercise of the underwriter's over-allotment option in full, generating gross proceeds of \$230,000,000. Each Unit consisted of one share of Class A common stock and one-half of one redeemable warrant ("Public Warrant"). Each Public Warrant entitles the holder to purchase one share of Class A common stock at an exercise price of \$1.50 per whole share.

NOTE 4. RELATED PARTY TRANSACTIONS

Founder Shares and Sponsor Shares

On February 9, 2021, an affiliate of the Sponsor paid an aggregate of \$25,000 to cover certain offering expenses of the Company in exchange for the issuance of (i) 1,250 shares of the Class A common stock, (ii) 1,250 shares of the Company's Class V common stock and (iii) 1,250 Class A Units of Opco. On February 10, 2021, the Sponsor acquired 7,187,500 Class B Units of Opco (which are profits interest only units) and 7,187,500 shares of the Company's Class V common stock for consideration. Also in February 2021, the Company paid \$12,500 in exchange for 1,250 Class A Units of Opco. In October 2021, the Sponsor surrendered to the Company for consideration 1,437,500 Class B Units of Opco and 1,437,500 shares of Class V common stock, resulting in an aggregate of 5,750,000 Class B Units of Opco and 5,751,250 shares of Class V common stock issued and outstanding.

The Company refers to the 5,750,000 Class B Units of Opco (or the Class A Units of Opco into which such Class B Units will convert) and corresponding number of shares of Class V common stock collectively as the "Founder Shares". The Founder Shares consist of Class B Units of Opco (and any Class A Units of Opco into which such Class B Units are converted) and a corresponding number of shares of Class V common stock, which together will be exchangeable for shares of the Company's Class A common stock after the time of an initial Business Combination on a one-for-one basis, subject to adjustment as provided herein. The Company refers to the 1,250 shares of the Company's Class A common stock and the 1,250 Class A Units of Opco and a corresponding number of shares of the Company's non-economic Class V common stock (which together will be exchangeable into shares of Class A common stock after an initial Business Combination on a one-for-one basis) collectively as the "Sponsor Shares".

The Initial Stockholders have agreed to forfeit up to 750,000 Founder Shares to the extent that the over-allotment option is not exercised in full by the underwriter. The forfeiture will be adjusted to the extent that the over-allotment option is not exercised in full by the underwriter so that the Founder Shares will represent 20% of the Company's issued and outstanding shares after the Initial Public Offering (excluding the Sponsor Shares). Pursuant to the exercise of the underwriter's over-allotment option in full, the 750,000 Founder Shares are no longer subject to forfeiture.

The Class B Units of Opco will convert into Class A Units of Opco in connection with an initial Business Combination on a one-for-one basis, subject to adjustment for stock splits, stock dividends, reorganizations,

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recapitalizations and the like and subject to further adjustment. The Founder Shares consist of Class B Units of Opco (and any Class A Units of Opco into which such Class B Units are converted) and a corresponding number of shares of Class V common stock, which together will be exchangeable for shares of Class A common stock after the time of the initial Business Combination on a one-for-one basis (subject to adjustment for stock splits, stock dividends, reorganizations, recapitalizations and the like), and subject to further adjustment. If additional shares of Class A common stock, or equity-linked securities, are issued or deemed issued in excess of the amounts sold in the Initial Public Offering and related to the closing of a Business Combination, the number of Class A Units of Opco into which the Class B Units of Opco will convert may be adjusted (unless the holders of a majority of the outstanding Founder Shares agree to waive such adjustment with respect to any such issuance or deemed issuance) so that the number of shares of Class A common stock issuable upon exchange of all Founder Shares will equal, in the aggregate, on an as-exchanged basis, 20% of the sum of the total outstanding shares of the Company's common stock upon completion of the Initial Public Offering (excluding the Sponsor Shares and any shares issuable upon exercise of the warrants), plus all shares of Class A common stock and equity-linked securities issued or deemed issued in connection with the Business Combination (excluding any shares or equity-linked securities issued, or to be issued, in the Business Combination). In addition, the number of outstanding shares of Class V common stock will be adjusted through a stock split or stock dividend so that the total number of outstanding shares of Class V common stock corresponds to the total number of Class A Units of Opco outstanding (other than those held by the Company) plus the total number of Class A Units Opco into which the outstanding Class B Units of Opco are entitled to convert.

The Initial Stockholders have agreed, subject to limited exceptions, not to transfer, assign or sell any Founder Shares or Sponsor Shares held by them, and any shares of the Company's Class A common stock acquired upon exchange of Founder Shares or Sponsor Shares, until one year after the date of the consummation of an initial Business Combination or earlier if, subsequent to an initial Business Combination, (i) the last sale price of the Class A common stock equals or exceeds \$12.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after an initial Business Combination or (ii) the Company consummates a subsequent liquidation, merger, stock exchange or other similar transaction which results in all of the Company's stockholders having the right to exchange their shares of common stock for cash, securities or other property.

Private Placement Warrants

Simultaneously with the closing of the Initial Public Offering, the Company consummated the sale of 12,225,000 Private Placement Warrants at a price of \$1.00 per Private Placement Warrant in a private placement to the Sponsor, including 1,200,000 Private Placement Warrants issued pursuant to the exercise of the underwriter's over-allotment option in full, generating gross proceeds of \$12,225,000. Each Private Placement Warrant is exercisable to purchase one share of Class A common stock at a price of \$1.50 per share. The proceeds from the sale of the Private Placement Warrants were added to the net proceeds from the Initial Public Offering held in the Trust Account. If the Company does not complete a Business Combination within the Combination Period, the proceeds from the sale of the Private Placement Warrants will be used to fund the redemption of the Public Shares (subject to the requirements of applicable law) and the Private Placement Warrants will expire worthless.

Indemnity

The Sponsor has agreed that it will be liable to the Company if and to the extent any claims by a third party for services rendered or products sold to the Company, or a prospective target business with which the Company has entered into a written letter of intent, confidentiality or other similar agreement or business combination agreement, reduce the amount of funds in the Trust Account to below (i) \$10.20 per Public Share or (ii) such lesser amount per Public Share held in the Trust Account as of the date of the liquidation of the Trust Account, due to reductions in value of the trust assets, in each case net of the amount of interest which may be withdrawn to pay taxes of the Company or Opco, except as to any claims by a third party or prospective target business who executed a waiver of any and all rights to the monies held in the Trust Account (whether or not such waiver is enforceable) and except as to any claims under our indemnity of the underwriter of the Initial Public Offering against certain liabilities, including liabilities under the Securities Act. Moreover, in the event that an executed waiver is deemed to be unenforceable against a third party, then the Sponsor will not be responsible to the extent of any liability for such third party claims. The Company will seek to reduce the possibility that the Sponsor will have to indemnify the Trust Account due to claims of creditors by endeavoring to have all vendors, service providers, prospective target

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businesses and other entities with which the Company does business execute agreements with the Company waiving any right, title, interest or claim of any kind in or to any monies held in the Trust Account. The Company has not independently verified whether the Sponsor has sufficient funds to satisfy its indemnity obligations. The Company has not asked the Sponsor to reserve for such indemnification obligations as the Company believes the likelihood of the Sponsor having to indemnify the Trust Account is limited because the Company will endeavor to have all vendors and prospective target businesses as well as other entities execute agreements with the Company waiving any right, title, interest or claim of any kind in or to monies held in the Trust Account.

Promissory Note - Related Party

On February 9, 2021, the Sponsor agreed to loan the Company an aggregate of up to \$300,000 to cover expenses related to the Initial Public Offering pursuant to a promissory note (the "Promissory Note"). This loan was non-interest bearing and payable on the earlier of (i) August 8, 2021 or (ii) the completion of the Initial Public Offering. On September 21, 2021, the Company and the Sponsor entered into an agreement to amend and restate the Promissory Note, extending the due date to the earlier of (i) February 8, 2022 or (ii) the consummation of the Initial Public Offering. For the period from February 8, 2021 (inception) through December 31, 2021, the Company borrowed an aggregate of \$256,359 under the Promissory Note. Prior to the Initial Public Offering, the Company repaid an aggregate of \$11,633. Immediately following the Initial Public Offering, on November 30, 2021, the Company repaid the outstanding balance under the Promissory Note of \$244,726. As of March 31, 2022 and December 31, 2021, there was no balance outstanding under the Promissory Note.

Administrative Support Agreement

The Company entered into an agreement, commencing on the effective date of the Initial Public Offering, to reimburse an affiliate of the Sponsor a total of up to \$5,000 per month for administrative support as may be reasonably required by the Company. Upon the completion of an initial Business Combination, the Company will cease paying these monthly fees. The Company incurred and paid \$50,001 and \$0 in expenses under this agreement for the three months ended March 31, 2022 and for the period from February 8, 2021 (inception) through March 31, 2021, respectively.

Working Capital Loans

In order to finance transaction costs in connection with an intended Business Combination, the Sponsor or an affiliate of the Sponsor or certain of the Company's officers and directors may, but are not obligated to, loan the Company funds as may be required. ("Working Capital Loans"). If the Company completes a Business Combination, the Company would repay the Working Capital Loans out of the proceeds held in the Trust Account released to the Company. Otherwise, the Working Capital Loans would be repaid only out of funds held outside the Trust Account. In the event that a Business Combination is not completed, the Company may use a portion of the proceeds held outside the Trust Account to repay the Working Capital Loans, but no proceeds held in the Trust Account would be used to repay the Working Capital Loans. Except for the foregoing, the terms of such Working Capital Loans, if any, have not been determined and no written agreements exist with respect to such loans. The Working Capital Loans would either be repaid upon consummation of a Business Combination, without interest, or, at the lender's discretion, up to \$1,500,000 of such Working Capital Loans may be convertible into warrants of the post Business Combination entity at a price of \$1.00 per warrant. The warrants would be identical to the Private Placement Warrants. As of March 31, 2022 and December 31, 2021, there was no balance outstanding under the Working Capital Loans.

NOTE 5. WARRANTS

Public Warrants may only be exercised for a whole number of shares.

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No fractional shares will be issued upon exercise of the Public Warrants. The Public Warrants will become exercisable 30 days after the completion of a Business Combination, and are thereafter exercisable provided that the Company has an effective registration statement under the Securities Act covering the shares of Class A common stock issuable upon exercise of the Public Warrants and a current prospectus relating to them is available (or the Company permits holders to exercise their Public Warrants on a cashless basis and such cashless exercise is exempt from registration under the Securities Act). The Public Warrants will expire five years from the completion of a Business Combination, at 5:00 p.m., New York City time, or earlier upon redemption or liquidation.

The Company has agreed that as soon as practicable, but in no event later than 20 business days after the closing of an initial Business Combination, the Company will use its commercially reasonable efforts to file a post-effective amendment to the registration statement for the Initial Public Offering or a new registration statement with the SEC under the Securities Act, of the shares of Class A common stock issuable upon exercise of the warrants. The Company will use its commercially reasonable efforts to cause the same to become effective and to maintain the effectiveness of such registration statement or post-effective amendment to the registration for the Initial Public Offering, and a current prospectus relating thereto, until the expiration of the warrants in accordance with the provisions of the warrant agreement. Notwithstanding the above, if the Class A common stock is at the time of any exercise of a warrant not listed on a national securities exchange such that it satisfies the definition of a "covered security" under Section 18(b)(1) of the Securities Act, the Company may, at its option, require holders of Public Warrants who exercise their warrants to do so on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act and, in the event the Company so elects, the Company will not be required to file or maintain in effect a registration statement, but the Company will be required to use its commercially reasonable efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available. In addition, if any such registration statement has not been declared effective by the sixtieth (60th) business day following the closing of the initial Business Combination, holders of the warrants will have the right, during the period beginning on the sixty first (61st) business day after the closing of the initial Business Combination and ending upon such registration statement being declared effective by the Commission, and during any other period when the Company has failed to have maintained an effective registration statement covering the shares of Class A common stock issuable upon exercise of the warrants, to exercise such warrants on a "cashless basis."

Once the warrants become exercisable, the Company may redeem the outstanding Public Warrants for cash:

- in whole and not in part;
- at a price of \$0.01 per warrant;
- upon a minimum of 30 days' prior written notice of redemption (the "30-day redemption period"); and
- if, and only if, the last sale price of the Class A common stock equals or exceeds \$8.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which the Company sends the notice of redemption to the warrant holders.

The Company will not redeem the warrants for cash unless a registration statement under the Securities Act covering the shares of Class A common stock issuable upon exercise of the warrants is effective and a current prospectus relating to those shares of Class A common stock is available throughout the 30-day redemption period or the Company has elected to require exercise of the warrants on a "cashless basis." If and when the Public Warrants become redeemable by the Company, the Company may exercise its redemption right even if the Company is unable to register or qualify the underlying securities for sale under all applicable state securities laws.

The exercise price and number of the ordinary shares issuable upon exercise of the warrants may be adjusted in certain circumstances including consolidation, combination, reverse share split, reclassification or similar event. If (x) the Company issues additional Class A common stock or equity-linked securities for capital raising purposes in connection with the closing of the initial Business Combination at an issue price or effective issue price of less than \$9.20 per share of Class A common stock (with such issue price or effective issue price to be determined in good faith by the Company's board and, in the case of any such issuance to the Sponsor or its affiliates, without taking into account any Founder Shares held by the Sponsor or such affiliates, as applicable, prior to such issuance) (the "Newly Issued Price"), (y) the aggregate gross proceeds from such issuance represents more than 60% of the total equity proceeds, and interest thereon, available for the funding of the initial Business Combination on the date of the consummation of the initial Business Combination (net of redemptions), and (z) the volume weighted average trading price of the Class A common stock during the 20 trading day period starting on the trading day prior to the day on which the Company consummates the initial Business Combination (such price, the "Market Value") is below \$9.20 per share, (i) the exercise price of the warrants will be adjusted (to the nearest cent) to be equal to 115% of the higher of the Market Value and the Newly Issued Price, and, with respect to the Public Warrants only, (ii) the \$18.00 per share redemption trigger price described above will be adjusted (to the nearest cent) to be equal to 80% of the higher of the Market Value and the Newly Issued Price.

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The Private Placement Warrants have terms and provisions that are substantially identical to the Public Warrants, except that the Private Placement Warrants will not be redeemable by the Company and may be exercised for cash or on a “cashless basis.”

The Company accounts for the 23,725,000 warrants issued in connection with the Initial Public Offering (including 11,500,000 Public Warrants and 12,225,000 Private Placement Warrants) in accordance with the guidance contained in ASC 480 and ASC 815. Such guidance provides that the warrants described above are not precluded from equity classification. Equity-classified contracts are initially measured at fair value (or allocated value). Subsequent changes in fair value are not recognized as long as the contracts continue to be classified in equity.

NOTE 6. STOCKHOLDERS' (DEFICIT) EQUITY

Preferred stock — The Company is authorized to issue 1,000,000 shares of preferred stock with a par value of \$0.0001 per share, with such designations, voting and other rights and preferences as may be determined from time to time by the Company’s board of directors. As of March 31, 2022 and December 31, 2021 there were no shares of preferred stock issued or outstanding.

Class A common stock — The Company is authorized to issue 200,000,000 shares of Class A common stock with a par value of \$0.0001 per share. As of March 31, 2022 and December 31, 2021, there were 23,001,250 shares of Class A common stock issued and outstanding, all of which were subject to possible redemption and were classified at their redemption value outside of stockholders' deficit on the condensed consolidated balance sheets.

Class V common stock — The Company is authorized to issue 20,000,000 shares of Class V common stock with a par value of \$0.0001 per share. As of March 31, 2022 and December 31, 2021, there were 5,751,250 shares of Class V common stock issued and outstanding. On February 10, 2021, the Sponsor acquired 7,187,500 shares of the Company’s Class V common stock for no consideration. In October 2021, the Sponsor surrendered to the Company for no consideration 1,437,500 shares of Class V common stock, resulting in an aggregate of 5,751,250 shares of Class V common stock issued and outstanding. Of the 5,751,250 shares of Class V common stock outstanding, up to 750,000 shares were subject to forfeiture to the Company by the Sponsor, or its permitted transferees, for no consideration to the extent that the underwriter’s over-allotment option is not exercised, so that the Initial Stockholders would collectively own 20% of the Company’s issued and outstanding common stock after the Initial Public Offering. Pursuant to the exercise of the underwriter’s over-allotment option in full, the 750,000 shares of Class V common stock are no longer subject to forfeiture.

Common stockholders of record are entitled to one vote for each share held on all matters to be voted on by stockholders. On any other matter submitted to a vote of the Company’s stockholders, holders of Class A common stock and holders of Class V common stock will vote together as a single class on all matters submitted to a vote of the Company’s stockholders except as required by law.

Class A and Class B Units issued by Opco — The Class B Units of Opco are considered profits interest only units with no initial value. Subject to the obligation of Opco to make tax distributions and to reimburse the Company for its corporate and other overhead expenses, Opco will have the right to determine when non-liquidating distributions will be made to the holders of Opco Units and the amount of any such distributions. Opco does not anticipate making any such distributions (other than tax distributions and reimbursements of expenses) to holders of Opco Units (including the Company) prior to an initial Business Combination, other than redemptions of Class A Units of Opco held by the Company in connection with a redemption of Public Shares. If Opco authorizes a non-liquidating distribution, whether before or following the initial Business Combination, the distribution will be made to holders of Opco Units on a pro rata basis in accordance with their respective percentage ownership of Opco Units.

The Class B Units of Opco will convert into Class A Units of Opco in connection with an initial Business Combination on a one-for-one basis, subject to adjustment for stock splits, stock dividends, reorganizations, recapitalizations and the like.

In addition, following an initial Business Combination, holders of Class A Units of Opco (other than the Company) will have the right, subject to certain limitations, to exchange Class A Units of Opco (and a corresponding number of shares of Class V common stock) for, at the Company’s option, (i) shares of Class A common stock on a one-for-one basis, subject to adjustment for stock splits, stock dividends, reorganizations, recapitalizations and the like, or

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(ii) a corresponding amount of cash. The decision to make a cash payment upon an exercise of an exchange right will be made by the Company's independent directors.

In February 2021, an affiliate of the Sponsor purchased 1,250 Class A Units of Opco and the Sponsor acquired 7,187,500 Class B Units of Opco. Also in February 2021, the Company paid \$12,500 in exchange for 1,250 Class A Units of Opco. In October 2021, the Sponsor surrendered to the Company for consideration 1,437,500 Class B Units of Opco, resulting in an aggregate of 5,750,000 Class B Units of Opco issued and outstanding.

NOTE 7. COMMITMENTS AND CONTINGENCIES

Registration and Stockholder Rights Agreement

The holders of the Founder Shares, Sponsor shares, Private Placement Warrants and warrants that may be issued upon conversion of working capital loans (and any shares of the Company's Class A common stock issuable upon the exercise of the Private Placement Warrants or exchange of the Founder Shares issued upon exercise of the Private Placement Warrants and warrants that may be issued upon conversion of working capital loans and upon exchange of the Founder Shares) are entitled to registration rights pursuant to a registration rights agreement signed on the effective date of the Initial Public Offering, requiring the Company to register such securities for resale (in the case of the Founder Shares, only after the Founder Shares become exchangeable for the shares of Class A common stock). The holders of these securities, having at least \$25 million in the aggregate, are entitled to make up to three demands, excluding short form demands, that the Company register such securities. In addition, the holders have certain "piggy-back" registration rights with respect to registration statements filed subsequent to the Company's completion of the initial Business Combination and rights to require the Company to register for resale such securities pursuant to Rule 415 under the Securities Act. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

Underwriting Agreement

The underwriter purchased 3,000,000 Units to cover over-allotments at the Initial Public Offering price, less the underwriting commissions.

The underwriter was paid a cash underwriting discount of two percent (2%) of the gross proceeds of the Public Offering, or \$4,600,000. Additionally, the underwriter will be entitled to a deferred underwriting commission of 3.5%, or \$8,050,000, of the gross proceeds of the Public Offering held in the Trust Account upon the completion of the Company's initial Business Combination subject to the terms of the underwriting agreement.

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NOTE 8. FAIR VALUE MEASUREMENTS

The following tables present information about the Company's financial assets that are measured at fair value on a recurring basis as of March 31, 2022 and December 31, 2021, and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

Description	Amount at Fair Value	Level 1	Level 2	Level 3
March 31, 2022				
Assets				
Investments held in Trust Account:				
U.S. Treasury Securities Money Market Funds	\$ 234,642,103	\$ 234,642,103	\$ —	\$ —

Description	Amount at Fair Value	Level 1	Level 2	Level 3
December 31, 2021				
Assets				
Investments held in Trust Account:				
U.S. Treasury Securities Money Market Funds	\$ 234,626,959	\$ 234,626,959	\$ —	\$ —

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

References to the “Company,” “our,” “us” or “we” refer to Beard Energy Transition Acquisition Corp. The following discussion and analysis of the Company’s financial condition and results of operations should be read in conjunction with the unaudited condensed financial statements and the notes thereto contained elsewhere in this Quarterly Report on Form 10-Q (this “Quarterly Report”). Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties.

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). We have based these forward-looking statements on our current expectations and projections about future events. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions about us that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “may,” “should,” “could,” “would,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “continue,” or the negative of such terms or other similar expressions. Such statements include, but are not limited to, possible business combinations and the financing thereof, and related matters, as well as all other statements other than statements of historical fact included in this Quarterly Report. Factors that might cause or contribute to such a discrepancy include, but are not limited to, those described in our other U.S. Securities and Exchange Commission (“SEC”) filings. Except as expressly required by applicable securities law, we disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

Overview

We are a blank check company incorporated on February 8, 2021 as a Delaware corporation and formed for the purpose of effectuating a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses, which we refer to throughout this Quarterly Report as our “initial business combination”. We intend to effectuate our initial business combination using cash from the proceeds of our initial public offering (the “Public Offering”) and the warrants issued to Beard Energy Transition Acquisition Sponsor LLC (“sponsor”) in a private placement simultaneously with the closing of the Public Offering (“private placement warrants”), our capital stock, debt or a combination of the foregoing.

The issuance of additional shares of Class A common stock, Class A Units and Class B Units of Beard Energy Transition |Acquisition Holdings LLC (“Opco”) (and corresponding shares of our Class V common stock) or shares of preferred stock:

- may significantly dilute the equity interest of investors in our Public Offering, which dilution would increase if the anti-dilution provisions in the Class B Units of Opco initially acquired by our sponsor prior to our Public Offering (or the Class A Units of Opco into which such Class B Units will convert) and a corresponding number of shares of our Class V common stock (“founder shares”) resulted in an increase in the number of Class A Units of Opco into which the Class B Units of Opco will convert;
- may subordinate the rights of holders of our Class A common stock and Class V common stock (“common stock”) if preferred stock is issued with rights senior to those afforded our common stock;
- could cause a change in control if a substantial number of shares of our common stock are issued, which may affect, among other things, our ability to use our net operating loss carry forwards, if any, and could result in the resignation or removal of our present officers and directors;
- may have the effect of delaying or preventing a change of control of us by diluting the stock ownership or voting rights of a person seeking to obtain control of us; and
- may adversely affect prevailing market prices for our Class A common stock and/or warrants.

Similarly, if we issue debt securities or otherwise incur significant debt to bank or other lenders or the owners of a target, it could result in:

- default and foreclosure on our assets if our operating revenues after an initial business combination are insufficient to repay our debt obligations;
- acceleration of our obligations to repay the indebtedness even if we make all principal and interest payments when due if we breach certain covenants that require the maintenance of certain financial ratios or reserves without a waiver or renegotiation of that covenant;
- our immediate payment of all principal and accrued interest, if any, if the debt security is payable on demand;
- our inability to obtain necessary additional financing if the debt security contains covenants restricting our ability to obtain such financing while the debt security is outstanding;
- our inability to pay dividends on our Class A common stock;
- using a substantial portion of our cash flow to pay principal and interest on our debt, which will reduce the funds available for dividends on our common stock if declared, our ability to pay expenses, make capital expenditures and acquisitions and fund other general corporate purposes;
- limitations on our flexibility in planning for and reacting to changes in our business and in the industry in which we operate;
- increased vulnerability to adverse changes in general economic, industry and competitive conditions and adverse changes in government regulation;
- limitations on our ability to borrow additional amounts for expenses, capital expenditures, acquisitions, debt service requirements and execution of our strategy; and
- other purposes and other disadvantages compared to our competitors who have less debt.

Results of Operations

We have neither engaged in any operations nor generated any revenues to date. Our only activities for the three months ended March 31, 2022 and for the period from February 8, 2021 (inception) through March 31, 2021 were organizational activities, those necessary to prepare for our Public Offering, described below, and since the closing of our Public Offering, the search for a prospective initial business combination. We do not expect to generate any operating revenues until after the completion of our initial business combination. We generate non-operating income in the form of interest income on cash and cash equivalents held after our Public Offering. We incur expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance), as well as due diligence expenses.

For the three months ended March 31, 2022, we had net loss of \$403,884, which resulted from operating and formation costs of \$369,028 and franchise tax expense of \$50,000, offset in part by interest income on investments held in the trust account of \$15,144.

For the period from February 8, 2021 (inception) through March 31, 2021, we had a net loss of \$4,066, which resulted fully from operating and formation costs.

Liquidity and Capital Resources

On November 29, 2021, we consummated a Public Offering of 23,000,000 units, including 3,000,000 units issued pursuant to the exercise of the underwriter's over-allotment option in full, generating gross proceeds to the Company of \$230,000,000. Simultaneously with the consummation of our Public Offering, we completed the private sale of 12,225,000 warrants to our sponsor at a purchase price of \$1.00 per warrant, generating gross

proceeds of \$12,225,000. The proceeds from the sale of the private placement warrants were added to the net proceeds from the Public Offering held in a trust account. If we do not complete an initial business combination within 18 months (or 21 months, as applicable) from the closing of the Public Offering, the proceeds from the sale of the private placement warrants will be used to fund the redemption of the shares of our Class A common stock sold as part of the units in our Public Offering and, unless otherwise stated herein, the 1,250 shares of our Class A common stock forming part of the 1,250 Class A Units of Opco and corresponding number of shares of our Class V common stock (which together will be exchangeable into shares of Class A common stock after our initial business combination on a one-for-one basis, subject to adjustment as provided herein) and the 1,250 shares of our Class A common stock purchased by Gregory A. Beard in a private placement prior to our Public Offering (“sponsor shares”), which collectively represent 100% of the economic interests in Beard Energy Transition Acquisition Corp. (“public shares”) (subject to the requirements of applicable law) and the private placement warrants will expire worthless.

For the three months ended March 31, 2022, net cash used in operating activities was \$206,870, which was due to our net loss of \$403,884 and interest and dividend income on investments held in the trust account of \$15,144, offset in part by changes in working capital of \$212,158.

For the three months ended March 31, 2022, net cash used in financing activities of \$11 was comprised of repayment of the advance from an affiliate of our sponsor of \$209, offset in part by \$198 in proceeds from an advance from an affiliate of our sponsor.

For the period from February 8, 2021 (inception) through March 31, 2021, net cash used in operating activities was \$0, which was due to our net loss of \$4,066, offset by the payment of operating and formation costs through the due to affiliate of \$2,696 and changes in working capital of \$1,370.

As of March 31, 2022 and December 31, 2021, we had cash of \$1,525,893 and \$1,732,774 held outside the trust account, respectively. We intend to use the funds held outside the trust account primarily to identify and evaluate target businesses, perform business due diligence on prospective target businesses, travel to and from the offices, plants or similar locations of prospective target businesses or their representatives or owners, review corporate documents and material agreements of prospective target businesses, structure, negotiate and complete a business combination.

In order to fund working capital deficiencies or finance transaction costs in connection with an intended initial business combination or to finance possible costs in connection with the contribution of an addition amount to be held in the trust account if we extend our time to complete an initial business combination, our sponsor or an affiliate of our sponsor or certain of our officers and directors may, but are not obligated to, loan us funds as may be required. If we complete our initial business combination, we would repay such loaned amounts. In the event that our initial business combination does not close, we may use a portion of the working capital held outside the trust account to repay such loaned amounts but no proceeds from our trust account would be used for such repayment. Up to \$1,500,000 of such working capital loans and up to \$2,300,250 of such extension funding loans may be convertible into warrants of the post business combination entity at a price of \$1.00 per warrant at the option of the lender. The warrants would be identical to the private placement warrants, including as to exercise price, exercisability and exercise period. The terms of such loans, if any, have not been determined and no written agreements exist with respect to such loans. Prior to the completion of our initial business combination, we do not expect to seek loans from parties other than our sponsor or an affiliate of our sponsor as we do not believe third parties will be willing to loan such funds and provide a waiver against any and all rights to seek access to funds in our trust account. Based on the foregoing, management believes that we will have sufficient working capital and borrowing capacity from our sponsor or an affiliate of our sponsor, or certain of our officers and directors to meet its needs through the earlier of the consummation of an initial business combination or one year from this filing.

We have incurred and expect to continue to incur significant costs in pursuit of our acquisition plans. We may have insufficient funds available to operate our business prior to our initial business combination. Moreover, we may need to obtain additional financing to complete our business combination, either because the transaction requires more cash than is available from the proceeds held in our trust account or because we become obligated to redeem a significant number of our public shares upon completion of the business combination, in which case we may issue additional securities or incur debt in connection with such business combination. If we do not complete

our initial business combination because we do not have sufficient funds available to us, we will be forced to cease operations and liquidate the trust account.

Related Party Transactions

Administrative Support Agreement

We have entered into an Administrative Support Agreement pursuant to which we will reimburse our sponsor or an affiliate thereof in an amount equal to \$25,000 per month for administrative support made available to us, of which \$16,667 per month will be to reimburse our sponsor or an affiliate thereof for payments to Ms. James, our Chief Financial Officer. Upon completion of our initial business combination or our liquidation, we will cease paying these monthly fees.

Our sponsor, officers and directors, or any of their respective affiliates, will be reimbursed for any out-of-pocket expenses incurred in connection with activities on our behalf such as identifying potential target businesses and performing due diligence on suitable business combinations. Our audit committee will review on a quarterly basis all payments that were made to our sponsor, officers, directors or their affiliates and will determine which expenses and the amount of expenses that will be reimbursed. There is no cap or ceiling on the reimbursement of out-of-pocket expenses incurred by such persons in connection with activities on our behalf.

Related Party Loans

On February 9, 2021, the sponsor agreed to loan the Company an aggregate of up to \$300,000 to cover expenses related to the Public Offering pursuant to the Promissory Note. This loan was non-interest bearing and payable on the earlier of (i) August 8, 2021 (as subsequently extended to February 9, 2022) or (ii) the consummation of the Public Offering. On November 30, 2021, the Company repaid the Promissory Note in full. As of March 31, 2022 and December 31, 2021, there was no balance outstanding under the Promissory Note.

In addition, in order to finance transaction costs in connection with an intended initial business combination or possible costs in connection with the contribution of an additional amount to be held in the trust account if we extend our time to complete an initial business combination, our sponsor or an affiliate of our sponsor or certain of our officers and directors may, but are not obligated to, loan us funds as may be required. If we complete our initial business combination, we would repay such loaned amounts. In the event that our initial business combination does not close, we may use a portion of the working capital held outside the trust account to repay such loaned amounts but no proceeds from our trust account would be used for such repayment. Up to \$1,500,000 of such working capital loans and up to \$2,300,250 of such extension funding loans may be convertible into warrants of the post business combination entity at a price of \$1.00 per warrant at the option of the lender. Such warrants would be identical to the private placement warrants, including as to exercise price, exercisability and exercise period. The terms of such loans by our officers and directors, if any, have not been determined and no written agreements exist with respect to such loans. We do not expect to seek loans from parties other than our sponsor or an affiliate of our sponsor as we do not believe third parties will be willing to loan such funds and provide a waiver against any and all rights to seek access to funds in our trust account.

Private Placement Warrants

Our sponsor has purchased an aggregate of 12,225,000 private placement warrants at a price of \$1.00 per warrant or \$12,225,000 in the aggregate in a private placement that occurred simultaneously with the closing of our Public Offering. Each private placement warrant is exercisable to purchase for \$11.50 one share of our Class A common stock. Our sponsor will be permitted to transfer the private placement warrants held by it to certain permitted transferees, including their officers and directors and other persons or entities affiliated with or related to them, but the transferees receiving such securities will be subject to the same agreements with respect to such securities as the sponsor. Otherwise, these warrants will not, subject to certain limited exceptions, be transferable, assignable or saleable until 30 days after the completion of our business combination. The private placement warrants will be non-redeemable so long as they are held by our sponsor or their permitted transferees. The private placement warrants may also be exercised by the sponsor or their permitted transferees for cash or on a cashless basis. Otherwise, the private placement warrants have terms and provisions that are identical to those of the warrants

being sold as part of the units in our Public Offering, including as to exercise price, exercisability and exercise period.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements as of March 31, 2022 and December 31, 2021.

Contractual Obligations

Registration Rights Agreement

The holders of the founder shares, sponsor shares, private placement warrants and warrants that may be issued upon conversion of working capital loans (and any shares of our Class A common stock issuable upon the exercise of the private placement warrants or exchange of the founder shares issued upon exercise of the private placement warrants and warrants that may be issued upon conversion of working capital loans and upon exchange of the founder shares) are entitled to registration rights pursuant to a registration rights agreement signed on the effective date of our Public Offering, requiring us to register such securities for resale (in the case of the founder shares, only after the founder shares become exchangeable for the shares of Class A common stock). The holders of these securities, having at least \$25 million in the aggregate, are entitled to make up to three demands, excluding short form demands, that we register such securities. In addition, the holders have certain “piggy-back” registration rights with respect to registration statements filed subsequent to the completion of our initial business combination and rights to require us to register for resale such securities pursuant to Rule 415 under the Securities Act. We will bear the expenses incurred in connection with the filing of any such registration statements.

Underwriting Agreement

The underwriter purchased 3,000,000 units to cover over-allotments at the Public Offering price, less the underwriting commissions.

The underwriter was paid a cash underwriting discount of two percent (2%) of the gross proceeds of the Public Offering, or \$4,600,000. Additionally, the underwriter will be entitled to a deferred underwriting commission of 3.5%, or \$8,050,000, of the gross proceeds of the Public Offering held in the trust account upon the completion of our initial business combination subject to the terms of the underwriting agreement.

Critical Accounting Policies

The preparation of consolidated financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and income and expenses during the periods reported. Actual results could materially differ from those estimates. We have identified the following critical accounting policies:

Warrants

We account for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant’s specific terms and applicable authoritative guidance in Accounting Standards Codification (“ASC”) Topic 480, *Distinguishing Liabilities from Equity* (“ASC 480”) and ASC 815, *Derivatives and Hedging* (“ASC 815”). The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company’s own common stock, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding. For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be recorded at their initial fair value on the date of issuance, and each balance sheet date thereafter. Changes in the estimated fair value of the warrants are recognized as a non-cash gain or loss on the statements of operations. The

warrants sold as part of the units in our Public Offering (“public warrants”) and private placement warrants are equity classified.

Class A common stock subject to redemption

All of the 23,000,000 shares of Class A common stock sold as part of the units in our Public Offering and the 1,250 shares of Class A common stock purchased by an affiliate of our sponsor on February 9, 2021 contain a redemption feature which allows for the redemption of such shares in connection with our liquidation if there is a stockholder vote or tender offer in connection with our initial business combination and in connection with certain amendments to our amended and restated certificate of incorporation. In accordance with SEC and its staff’s guidance on redeemable equity instruments, which has been codified in ASC 480-10-S99, redemption provisions not solely within the control of the Company require shares of common stock subject to redemption to be classified outside of permanent equity. Ordinary liquidation events, which involve the redemption and liquidation of all of the entity’s equity instruments, are excluded from the provisions of ASC 480.

We recognize changes in redemption value immediately as they occur and adjusts the carrying value of redeemable common stock to equal the redemption value at the end of each reporting period. Such changes are reflected in retained earnings, or in the absence of retained earnings, in additional paid-in capital.

Net Income (Loss) Per Share of Common Stock

Net income (loss) per common share is computed by dividing net income (loss) by the weighted-average number of shares of common stock outstanding during the period. We have not considered the effect of the warrants sold in the Public Offering and private placement to purchase an aggregate of 23,725,000 shares in the calculation of diluted income (loss) per share, since the exercise of the warrants is contingent upon the occurrence of future events. In order to determine the net income (loss) attributable to both the Class A common stock and Class V common stock, we first considered the total income (loss) allocable to both sets of shares. This is calculated using the total net income (loss) less any dividends paid. For purposes of calculating net income (loss) per share, any remeasurement of the accretion to redemption value of the Class A common stock subject to possible redemption was considered to be dividends paid to the holders of the Class A common stock. Subsequent to calculating the total income (loss) allocable to both sets of shares, the Company split the amount to be allocated pro rata between Class A and Class V common stock for the three months ended March 31, 2022 and the period from February 8, 2021 (inception) through March 31, 2021, reflective of the respective participation rights.

Recent Accounting Standards

Management does not believe that any recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on our consolidated financial statements.

JOBS Act

The Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”) contains provisions that, among other things, relax certain reporting requirements for qualifying public companies. We qualify as an “emerging growth company” and under the JOBS Act are allowed to comply with new or revised accounting pronouncements based on the effective date for private (not publicly traded) companies. We are electing to delay the adoption of new or revised accounting standards, and as a result, we may not comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. As a result, our consolidated financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

As an “emerging growth company,” we are not required to, among other things, (i) provide an independent registered public accounting firm’s attestation report on our internal controls over financial reporting pursuant to Section 404, (ii) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd-Frank Wall Street Reform and Consumer Protection Act, (iii) comply with any requirement that may be adopted by the PCAOB regarding mandatory audit firm rotation or a supplement to the independent registered public accounting firm’s report providing additional information about the audit and the consolidated financial statements (auditor discussion and analysis), and (iv) disclose certain executive compensation

related items such as the correlation between executive compensation and performance and comparisons of the Chief Executive Officer's compensation to median employee compensation. These exemptions will apply for a period of five years following the completion of this offering or until we are no longer an "emerging growth company," whichever is earlier.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company as defined in Rule 12b-2 under the Exchange Act. As a result, pursuant to Item 305(e) of Regulation S-K, we are not required to provide the information required by this Item.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in company reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of March 31, 2022. Based upon their evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were effective.

Internal Control over Financial Reporting

During the most recently completed fiscal quarter, there has been no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

There is no material litigation, arbitration or governmental proceeding currently pending against us or any members of our management team in their capacity as such.

Item 1A. Risk Factors

In addition to the other information set forth in this Quarterly Report, you should carefully consider the risks discussed in Part I, Item 1A “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2021 filed with the SEC on February 25, 2022 (the “2021 Annual Report”). Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or future results. There have been no material changes in the risk factors discussed in Part I, Item 1A “Risk Factors” in the 2021 Annual Report.

Item 2. Recent Sales of Securities; Use of Proceeds from Registered Offerings

Sales of Securities

On February 9, 2021, Mr. Beard purchased 1,250 shares of our Class A common stock, 1,250 Class A Units of Opco and 1,250 corresponding shares of our Class V common stock, for an aggregate of \$25,000, and on February 10, 2021, we issued an aggregate of 7,187,500 shares of our Class V common stock to Opco for three times par value. Subsequently, our sponsor acquired founder shares comprised of an aggregate of 7,187,500 shares of our Class V common stock and 7,187,500 Class B Units of Opco for no consideration. In October 2021, our sponsor surrendered to us for no consideration 1,437,500 Class B Units of Opco and 1,437,500 shares of our Class V common stock that comprised a portion of the founder shares, which we accepted and cancelled. Such securities were issued in connection with our organization pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act.

In addition, on November 23, 2021, our sponsor purchased from us an aggregate of 12,225,000 private placement warrants at \$1.00 per warrant (for an aggregate purchase price of \$12,225,000). Each private placement warrant is exercisable to purchase one share of our Class A common stock or, in certain circumstances, one Class A Unit of Opco together with a corresponding number of shares of our non-economic Class V common stock, subject to certain adjustments. This purchase took place on a private placement basis simultaneously with the completion of our Public Offering. These issuances were made pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act.

Use of Proceeds

On November 29, 2021, we consummated the Public Offering of 23,000,000 units, including 3,000,000 units that were issued pursuant to the underwriters’ full exercise of their over-allotment option. The units were sold at a price of \$10.00 per unit, generating gross proceeds to us of \$230,000,000.

On November 23, 2021, simultaneously with the consummation of the Public Offering, we completed the private sale of 12,225,000 private placement warrants at a purchase price of \$1.00 per private placement warrant to the sponsor, generating gross proceeds to us of approximately \$12,225,000.

Citigroup Global Markets Inc. acted as book-running manager served as underwriter for the Public Offering. The securities sold in the Public Offering were registered under the Securities Act on registration statements on Form S-1 (File No. 333-254049) (together, the “Registration Statement”). The SEC declared the Registration Statement effective on November 23, 2021.

From February 8, 2021 (date of inception) through November 29, 2021 (the closing of our Public Offering), we incurred approximately \$659,000 for costs and expenses related to the Public Offering. In connection with the closing of the Public Offering, we paid a total of \$4,600,000 in underwriting discounts and commissions. In addition, the underwriters agreed to defer \$8,050,000 in underwriting discounts and commissions, which amount

will be payable upon consummation of the initial business combination. A total of \$44,726 was repaid under an unsecured promissory note (the "Promissory Note") upon completion of the Public Offering out of the \$1,500,000 of Public Offering proceeds that were allocated for the payment of offering expenses other than underwriting discounts and commissions. There has been no material change in the planned use of proceeds from the Public Offering as described in our final prospectus filed with the SEC on November 24, 2021.

After deducting the underwriting discounts and commissions (excluding the deferred portion of \$8,050,000, which amount will be payable upon consummation of the initial business combination) and offering expenses, the total net proceeds from our Public Offering and the sale of the private placement warrants were \$236,125,500, of which \$234,625,500 (or \$10.20 per share sold in the Public Offering) was placed in the trust account.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits.

Exhibit Number	Description
3.1	<u>Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 filed with the Registrant's Registration Statement on Form S-1 (File No. 333-254049), filed with the Securities and Exchange Commission on March 9, 2021).</u>
3.2	<u>Certificate of Amendment to the Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.2 filed with the Registrant's Registration Statement on Form S-1 (File No. 333-254049), filed with the Securities and Exchange Commission on March 9, 2021).</u>
3.3	<u>Amended and Restated Certificate of Incorporation of Beard Energy Transition Acquisition Corp. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-41098) filed with the SEC on November 30, 2021).</u>
3.4	<u>Amended and Restated Bylaws (incorporated by reference to Exhibit 3.4 filed with the Registrant's Registration Statement on Form S-1 (File No. 333-254049), filed with the Securities and Exchange Commission on March 9, 2021).</u>
4.1	<u>Specimen Unit Certificate (incorporated by reference to Exhibit 4.1 filed with the Registrant's Registration Statement on Form S-1 (File No. 333-254049), filed with the Securities and Exchange Commission on October 22, 2021).</u>
4.2	<u>Specimen Class A Common Stock Certificate (incorporated by reference to Exhibit 4.2 filed with the Registrant's Registration Statement on Form S-1 (File No. 333-254049), filed with the Securities and Exchange Commission on October 22, 2021).</u>
4.3	<u>Specimen Private Warrant Certificate (incorporated by reference to Exhibit 4.4 filed with the Registrant's Registration Statement on Form S-1 (File No. 333-254049), filed with the Securities and Exchange Commission on September October 22, 2021).</u>
4.4	<u>Specimen Public Warrant Certificate (incorporated by reference to Exhibit 4.3 filed with the Registrant's Registration Statement on Form S-1 (File No. 333-254049), filed with the Securities and Exchange Commission on October 22, 2021).</u>
4.5	<u>Private Warrant Agreement, dated November 23, 2021, by and between Beard Energy Transition Acquisition Corp. and Continental Stock Transfer & Trust Company, as warrant agent (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 001-41098) filed with the SEC on November 30, 2021).</u>
4.6	<u>Public Warrant Agreement, dated November 23, 2021, by and between Beard Energy Transition Acquisition Corp. and Continental Stock Transfer & Trust Company, as warrant agent (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K (File No. 001-41098) filed with the SEC on November 30, 2021).</u>
31.1	<u>Certification of Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a).</u>
31.2	<u>Certification of the Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a).</u>
32.1	<u>Certification of Chief Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350.</u>
32.2	<u>Certification of the Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350.</u>
101.INS	XBRL Instance Document
101.SCH	XBRLTaxonomy Extension Schema Document
101.CAL	XBRLTaxonomy Extension Calculation Linkbase Document

Exhibit Number	Description
101.DEF	XBRLTaxonomy Extension Definition Linkbase Document
101.LAB	XBRLTaxonomy Extension Label Linkbase Document
101.PRE	XBRLTaxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

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 thereunto duly authorized.

BEARD ENERGY TRANSITION ACQUISITION CORP.

Date: May 5, 2022

By: /s/ Gregory A. Beard
Name: Gregory A. Beard
Title: Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Gregory A. Beard, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 of Beard Energy Transition Acquisition Corp. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) [Paragraph intentionally omitted in accordance with SEC Release Nos. 34-47986 and 34-54942];
 - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 5, 2022

/s/ Gregory A. Beard
Gregory A. Beard
Chief Executive Officer and Chairman
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Sarah James, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 of Beard Energy Transition Acquisition Corp. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) [Paragraph intentionally omitted in accordance with SEC Release Nos. 34-47986 and 34-54942];

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 5, 2022

/s/ Sarah James

Sarah James
Chief Financial Officer and Chief Accounting Officer
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Beard Energy Transition Acquisition Corp. (the "Company") for the quarterly period ended March 31, 2022, as filed with the U.S. Securities and Exchange Commission (the "Report"), I, Gregory A. Beard, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) the Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certificate is being furnished solely for the purposes of 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Date: May 5, 2022

/s/ Gregory A. Beard
Gregory A. Beard
Chief Executive Officer and Chairman
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Beard Energy Transition Acquisition Corp. (the "Company") for the quarterly period ended March 31, 2022, as filed with the U.S. Securities and Exchange Commission (the "Report"), I, Sarah James, Chief Financial Officer and Chief Accounting Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) the Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certificate is being furnished solely for the purposes of 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Date: May 5, 2022

/s/ Sarah James

Sarah James

Chief Financial Officer and Chief Accounting Officer
(Principal Financial Officer)