



# Third Quarter 2022 Earnings Presentation

November 8, 2022



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# Danimer's Strategic Priorities

1

## Expand Capacity to Achieve Scale

- Increase internal production capacity
  - Kentucky started Phase II commissioning in June 2022
  - Fermentation demonstrating better than expected yield
- Increase third-party manufacturing and license agreements

2

## Lead with Innovation to Address a Broad Range of Customer Needs

- Leverage our core competency of formulation and application development
- Execute R&D (development agreements) with customers
- Technology licensing (Kemira)

3

## Grow Customer Partnerships and Product Volume Commitments

- Continue negotiating development and supply agreements with global blue-chip customers that secure future demand
- Continue to influence global regulatory and legislative initiatives

4

## Secure Cost-Effective Inputs

- Canola oil fixed price contracts
- Continue to explore alternative feedstocks
- Developing in house production capabilities of key raw materials

5

## Attain Favorable Unit Economics to Enhance Margins

- Increase capacity utilization
- Ramp up production of Rinnovo
- Reduce utility costs/chemical usage
- Continuing focus on formulations to optimize value

6

## Enhance Team Capabilities to Support Growth

- Created world class executive team
- Added Stephen Martin as Chief Legal Officer and Corporate Secretary
- Improving efficiencies through ERP

**Creating highly profitable business to supply growing unmet need for biodegradable polymers, meeting customer standards while addressing the issue of plastic waste**



## Business Highlights

- Continued execution of growth strategy to transform the plastics market
- Raised visibility of bioplastics solutions through participation at White House Summit
- PHA-based revenues increased by 26% YoY, representing 51% of product revenues
- Signed a distribution agreement with Formerra, a leader in specialty polymer formulations
- Increased activity with 5 of the top 10 global quick service restaurants
- Further strengthened leadership team with appointment of Chief Legal Officer
- Continued discussions with DOE regarding Part II Application for Loan Guarantee
- Secured additional forgivable new markets tax credit loan



# Customer Partnerships & Business Development Initiatives

## Business Development & Partnerships



- Distribution agreement with Formerra, formerly Avient, a leader in specialty polymer formulations and distribution across the globe



- Exclusive license and supply agreement to commercialize PHA based aqueous coatings to be used on paper-based food & beverage applications



- Two-year partnership to develop innovative home compostable packaging
- Initial packaging for Skittles is passing all internal tests

## Commercial Customers & Brands



## Key Messages

- PHA-based revenues increased by 26% YoY, representing 51% of revenue vs 32% in Q3 2021
- Adjusted gross profit down YoY due to combination of reduced PLA resin sales and higher fixed costs associated with increased PHA capacity
- Increase in SG&A and R&D spend includes a full quarter of costs related to Danimer Catalytic Technologies, acquired in August 2021, and increases in staffing to support scale-up

## Financial Summary

### \$MM

|                                   | 3Q'22           | 3Q'21          |
|-----------------------------------|-----------------|----------------|
| Sales                             | \$10.4          | \$13.4         |
| Adj. Cost of Sales <sup>(1)</sup> | 11.3            | 10.7           |
| <b>Adj. Gross Profit</b>          | <b>(0.8)</b>    | <b>2.6</b>     |
| R&D <sup>(1)</sup>                | 4.1             | 2.8            |
| SG&A <sup>(2)</sup>               | 7.1             | 6.4            |
| <b>Adj. EBITDAR</b>               | <b>(\$12.1)</b> | <b>(\$6.6)</b> |
| Rent <sup>(3)</sup>               | (0.9)           | (0.8)          |
| <b>Adj. EBITDA</b>                | <b>(\$12.9)</b> | <b>(\$7.4)</b> |

(1) Excludes Depreciation, Rent, and Stock-Based Compensation

(2) Excludes Stock-Based Compensation, Rent, Depreciation & Amortization and one time items

(3) Rent expense primarily results from a sale leaseback agreement associated with the Kentucky facility

# Financial Outlook

## Adjusted EBITDA

2022E Adj. EBITDA of  
(\$45) - (\$40) Million

Medium Term Path  
to Profitability

Change vs 2021A

Change vs 2022E

PHA  
Gross Margin



Total  
Gross Margin



SG&A & R&D  
as % of Sales



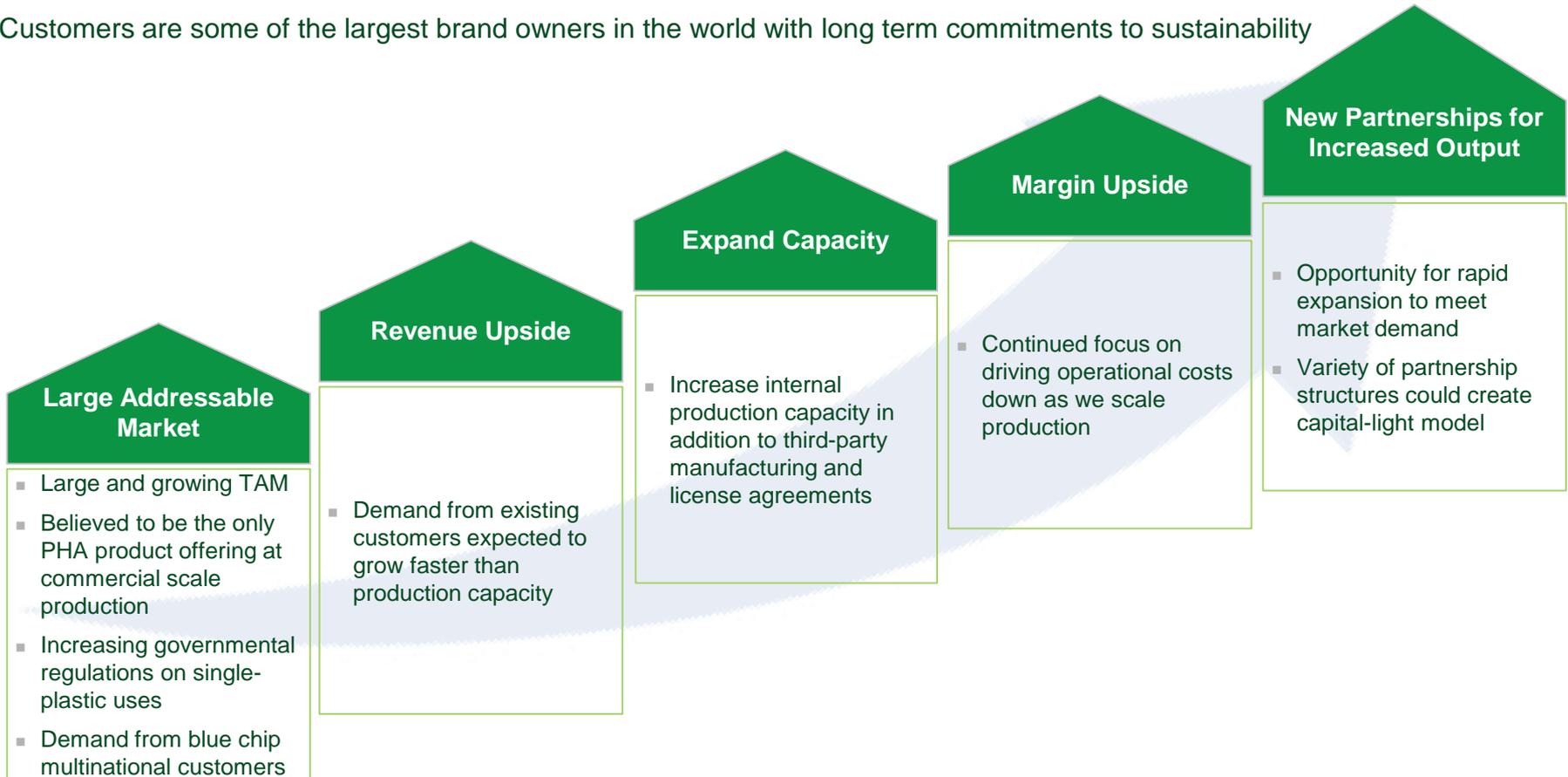
Danimer Catalytic  
Technologies Profit  
Contribution



Expect 2022E Capex of \$165 to \$170 million<sup>(1)</sup> and year end cash balance of \$60 to \$65 million

# Forward Catalysts

- Danimer is in the early stages of a long-term growth opportunity
- Global demand vastly increasing for game changing packaging alternatives
- Customers are some of the largest brand owners in the world with long term commitments to sustainability





# Appendix

# EBITDA and EBITDAR Reconciliation

|  | \$MM             |                 |                          |                  |
|--|------------------|-----------------|--------------------------|------------------|
|  |                  |                 | <u>Nine Months Ended</u> |                  |
|  | 3Q'22            | 3Q'21           | 9/30/2022                | 9/30/2021        |
| <b>Net Income (Loss)</b>                 | <b>(\$94.88)</b> | <b>\$7.83</b>   | <b>(\$151.71)</b>        | <b>(\$47.66)</b> |
| Income tax expense (benefit)             | (\$0.24)         | (\$11.42)       | (\$0.77)                 | (\$11.42)        |
| Interest expense, net                    | \$0.55           | \$0.25          | \$2.20                   | \$0.67           |
| Depreciation and amortization            | \$4.58           | \$3.18          | \$13.17                  | \$7.49           |
| Inventory reserve                        | \$0.00           | \$0.00          | \$0.50                   | \$0.00           |
| Remeasurement of private warrants        | (\$1.61)         | (\$28.39)       | (\$8.61)                 | (\$6.44)         |
| Stock-based compensation                 | \$14.30          | \$15.16         | \$42.55                  | \$35.85          |
| Impairment of goodwill                   | \$62.66          | \$0.00          | \$62.66                  | \$2.60           |
| Loss on Debt Extinguishment              | \$1.50           | \$0.00          | \$1.50                   | \$0.00           |
| Litigation and other legal related       | \$0.37           | \$0.23          | \$1.94                   | \$1.19           |
| Transaction related                      | \$0.00           | \$3.05          | \$0.00                   | \$3.78           |
| Public company one-time transition costs | \$0.04           | \$2.86          | \$0.48                   | \$3.46           |
| Loss (gain) on sale of assets            | \$0.00           | \$0.00          | \$0.00                   | \$0.03           |
| Gain on forgiveness of debt              | \$0.00           | \$0.00          | \$0.00                   | (\$1.78)         |
| Other Income, net                        | (\$0.24)         | (\$0.09)        | (\$0.32)                 | (\$0.17)         |
| <b>Adjusted EBITDA</b>                   | <b>(\$12.94)</b> | <b>(\$7.35)</b> | <b>(\$36.42)</b>         | <b>(\$12.40)</b> |
| Rent                                     | \$0.87           | \$0.78          | \$2.64                   | \$1.64           |
| <b>Adjusted EBITDAR</b>                  | <b>(\$12.07)</b> | <b>(\$6.57)</b> | <b>(\$33.78)</b>         | <b>(\$10.75)</b> |

Note:  
Totals may not foot due to rounding.

# Adjusted Gross Profit Reconciliation

\$MM

|                              | <u>Nine Months Ended</u> |                |               |               |
|------------------------------|--------------------------|----------------|---------------|---------------|
|                              | 3Q'22                    | 3Q'21          | 9/30/2022     | 9/30/2021     |
| Total Revenue                | \$10.4                   | \$13.4         | \$37.9        | \$41.0        |
| Cost of Revenue              | \$14.5                   | \$13.6         | \$36.1        | \$37.8        |
| <b>Gross Profit</b>          | <b>(\$4.1)</b>           | <b>(\$0.2)</b> | <b>\$1.8</b>  | <b>\$3.2</b>  |
| Inventory reserve            | \$0.0                    | \$0.0          | \$0.5         | \$0.0         |
| Depreciation                 | \$2.6                    | \$2.1          | \$7.1         | \$5.9         |
| Rent                         | \$0.6                    | \$0.7          | \$1.9         | \$1.3         |
| Stock-based compensation     | \$0.0                    | \$0.0          | \$0.1         | \$0.1         |
| <b>Adjusted Gross Profit</b> | <b>(\$0.8)</b>           | <b>\$2.6</b>   | <b>\$10.8</b> | <b>\$10.6</b> |