



Second Quarter 2021 Earnings Presentation

August 16, 2021



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Business Highlights

- Closed acquisition of Novomer, a bioplastics innovator
 - Acquisition advances our mission of reducing plastic waste
 - Improves cost structure
 - Increases production capacity
 - Allows for quicker penetration of addressable market
- Helped launch the U.S. Plastics Pact's Roadmap to 2025
- Completed debottlenecking initiatives at Kentucky Phase I facility
- Kentucky Phase II capacity on track for expected completion by Q2 2022
- Ordered long lead time items for Georgia Greenfield construction



Blue Chip Customers Select Danimer to Help Fulfill their ESG Commitments

MARS

 **UrthPact**[®]
Where consumption leaves no footprint




BACARDI[®]

 **Genpak**[®]

 **WinCup**[®]



 **GenZero**[™]

phade

 **Ranir**[®]
A **Perrigo** Company

Nestlé


COLUMBIA
PACKAGING GROUP



Walmart 

NSI[™]

Novomer Acquisition Highly Aligned With Long-Term Growth Strategy

Transaction Overview

- Announced ~\$152 million cash transaction in July 2021; Closed in August 2021
- Leverages its proprietary thermocatalytic conversion process to develop high-performing, carbon-efficient, cost-effective polymers and chemicals, including p(3HP), a type of PHA, under its brand name, Rinnovo™
- Extensive intellectual property portfolio with more than 240 patents and patents pending



Strategic Rationale & Expected Benefits

- ✓ **Improves Cost Structure:**
Substantially reduces CapEx / lb and production costs. Novomer's thermocatalytic conversion process is 10x faster than fermentation, offers production simplicity (fewer processing steps), and uses less energy than Danimer's historical processes. **Overall expected ROIC >35%**
- ✓ **Increases Production Capacity:**
Danimer will aim to blend an average of 30% Rinnovo™ as an input into its resins, freeing up Nodax® for use across a greater volume of finished product pounds
- ✓ **Quicker Penetration of Addressable Market:**
By incorporating Rinnovo™ into customer solutions, Danimer expects to have greater flexibility to meet an even broader range of customer needs

Transaction expected to meaningfully reduce Danimer's planned capital expenditures on a per-pound basis while increasing the anticipated overall volume of finished product it will be able to deliver

Nodax® & Rinnovo™ Characteristics and Application Examples

Nodax®

Key Operating Parameters & Characteristics

- Bio-based
- Fermentation production
- Broad range of properties
- Good barrier properties
- Good heat resistance
- Biodegradability

Application Examples

- Films
- Fibers
- Thermoformed sheet
- Injection molding
- Paper coatings

Rinnovo™

Key Operating Parameters & Characteristics

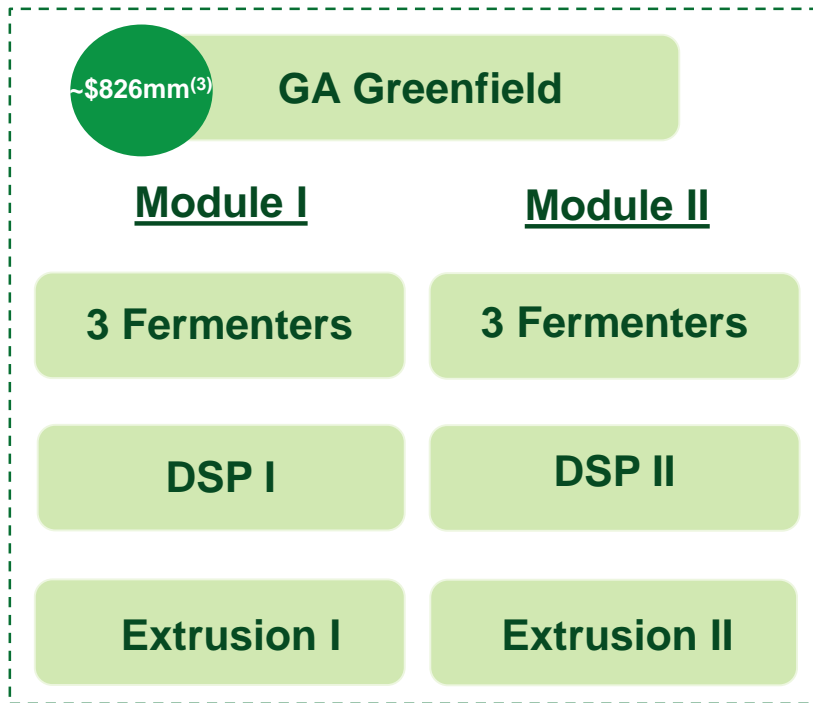
- Bio- or petro-based
- Catalytic production
- Narrower range of properties
- Strong barrier properties
- Moderate heat resistance
- Biodegradability

Application Examples

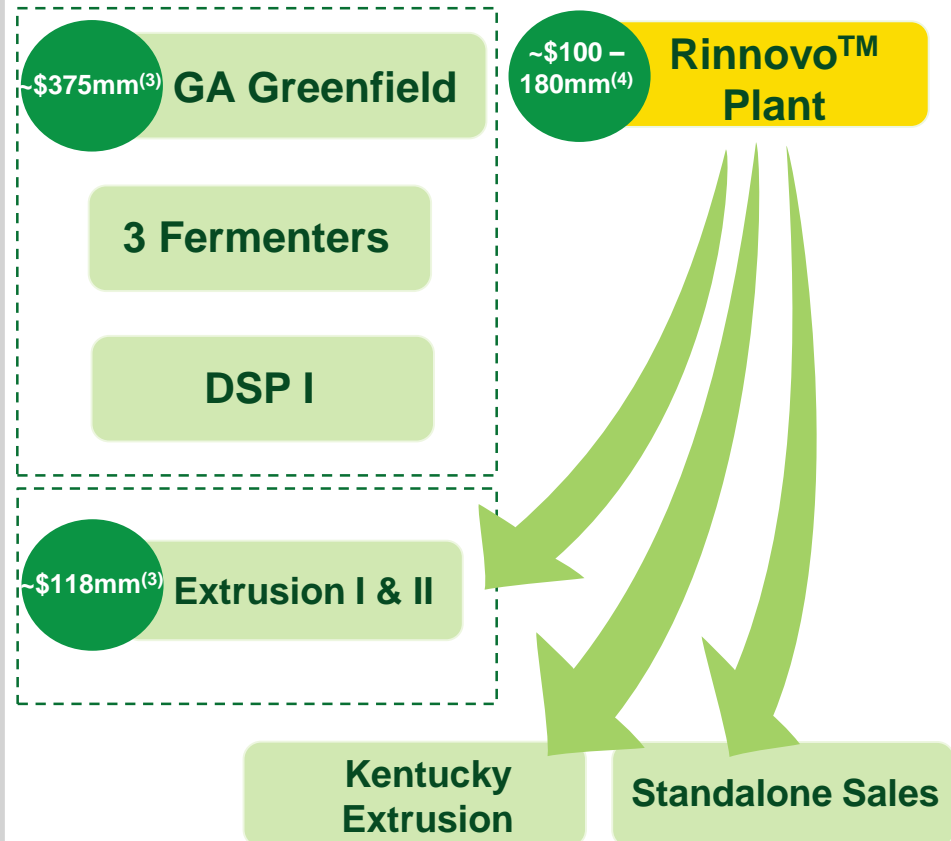
- Barrier Films
- Fibers
- Pre-cursor to superabsorbent polymers

Expansion Plan Comparison

Old Plan⁽¹⁾



New Plan⁽²⁾



Novomer Deal Dynamics to Accelerate Production and Reduce Costs

Attractive Deal Dynamics (2025E)

Return Metric	Danimer Standalone Greenfield	Danimer / Novomer Facility Network
Finished Product Capacity (lbs)	315mm	~390mm ⁽¹⁾
Growth Capex	\$826mm +/- 25%	\$600mm – \$700mm ⁽²⁾
ROIC	~25% ⁽³⁾	>35%

Kentucky Phase II Expansion: Fermentation Chiller Building Update

Kentucky Phase II: Nameplate capacity of 45MM lbs of finished product expected to be completed in Q2 2022

Pre Construction (December 2020)



Kentucky Phase II Fermentation Chiller Building

Construction Progress (August 2021)



Kentucky Phase II Fermentation Chiller Building

Kentucky Phase II Expansion: Downstream Processing Facility Update

Kentucky Phase II: Nameplate capacity of 45MM lbs of finished product expected to be completed in Q2 2022

Pre Construction (December 2020)



Kentucky Phase II Downstream Processing

Construction Progress (August 2021)



Kentucky Phase II Downstream Processing

Kentucky Phase II Expansion: Extrusion Facility Update

Kentucky Phase II: Nameplate capacity of 45MM lbs of finished product expected to be completed in Q2 2022

Pre Construction (December 2020)



Kentucky Phase II Extrusion Facility

Construction Progress (August 2021)



Kentucky Phase II Extrusion Facility

Q2 2021 Financial Summary

Key Messages

- PHA increased to 29% of revenue vs 7% in Q2 2020
- Completed warrant redemption in June, simplifying capital structure
- Costs influenced by:
 - Elevated fixed-cost absorption at our Kentucky Facility as we scale up production
 - Investments in headcount and salaries to support future expansion plans
 - Public company costs

Financial Summary

\$MM

	2Q'21	2Q'20
Sales	\$14.5	\$11.9
Adj. Cost of Sales ⁽¹⁾	10.4	7.4
Adj. Gross Profit	4.1	4.5
R&D ⁽¹⁾	1.9	1.8
SG&A ⁽²⁾	4.8	2.2
Adj. EBITDAR	(\$2.6)	\$0.4
Rent ⁽³⁾	(0.1)	(0.9)
Adj. EBITDA	(\$2.7)	(\$0.4)

(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

Modeling Assumptions for 2021



- **Volumes:** Phase I production at ~50% of nameplate capacity at the beginning of the year, expected to scale to 100% by year end
 - Phase I turnaround completed in 2Q'21 to debottleneck and accelerate scale-up
 - Phase II production expected to commence in 2Q'22
- **Operating Costs:** Total SG&A and R&D costs expected to be \$31mm for the year, including the post-acquisition period for the Novomer acquisition, and excluding D&A, stock-based compensation, and one-time items
 - Year-over-year increase due to acceleration of investments in headcount and research & development to support our rapid long-term expansion
- **Cash Taxes:** Zero cash taxes
- **Capital Expenditures:** Expected to be \$125 million to \$150 million, inclusive of investments in Novomer for the post-acquisition period

Danimer is a Next Generation Bioplastics Company

1

Highly Attractive PHA Technology Serves as a Best End-of-Life Solution for Plastics

2

Significant Tailwinds From Increased Corporate and Legislative Initiatives on Environmental Impact of Global Pollution Crisis

3

Leading PHA Innovator with Patent Protected Technology and 14 Years of Production Know-How

4

Strong Partnerships with CPG Brands, Including Pepsi and Nestle, and Key Converters such as Wincup and Genpak

5

Rapidly Growing Blue Chip Customer Base Driving Demand in Excess of Current Capacity

6

Experienced Leadership Team and Board of Directors with Proven Track Record


danimer
scientific



Appendix

EBITDA and EBITDAR Reconciliation

\$MM

	Six Months Ended			
	2Q'21	2Q'20	6/30/2021	6/30/2020
Net Income (Loss)	\$39.248	(\$1.800)	(\$55.486)	(\$3.481)
Interest expense, net	\$0.222	\$0.384	\$0.422	\$1.097
Deprecation and amortization	\$2.211	\$0.939	\$4.311	\$1.809
Remeasurement of private warrants	(\$58.740)	\$0.000	\$21.957	\$0.000
Stock-based compensation	\$14.031	\$0.155	\$20.696	\$0.303
Loss on Debt Extinguishment	\$0.000	\$0.000	\$2.604	\$0.000
Litigation and other legal related	\$0.950	\$0.000	\$0.950	\$0.000
Transaction related	\$0.724	\$0.000	\$0.724	\$0.000
Public company transition cost	\$0.397	\$0.000	\$0.604	\$0.000
Loss (gain) on sale of assets	\$0.033	(\$0.009)	\$0.033	(\$0.009)
Gain on forgiveness of debt	(\$1.776)	\$0.000	(\$1.776)	\$0.000
Other Income, net	(\$0.030)	(\$0.099)	(\$0.080)	(\$0.189)
Adjusted EBITDA	(\$2.730)	(\$0.430)	(\$5.040)	(\$0.469)
Rent	\$0.136	\$0.870	\$0.861	\$1.656
Adjusted EBITDAR	(\$2.594)	\$0.440	(\$4.179)	\$1.187

Adjusted Gross Profit Reconciliation

\$MM

	<u>Six Months Ended</u>			
	2Q'21	2Q'20	6/30/2021	6/30/2020
Total Revenue	\$14.471	\$11.873	\$27.652	\$22.471
Cost of Revenue	\$12.460	\$8.441	\$24.185	\$15.870
Gross Profit	\$2.011	\$3.432	\$3.467	\$6.601
Depreciation	\$1.951	\$0.753	\$3.790	\$1.436
Rent	\$0.083	\$0.244	\$0.613	\$0.460
Stock-based compensation	\$0.028	\$0.031	\$0.053	\$0.056
Adjusted Gross Profit	\$4.072	\$4.460	\$7.923	\$8.553