



# First Quarter 2022 Earnings Presentation

May 10, 2022



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# Danimer's Strategic Priorities

1

## Expand Capacity to Achieve Scale

- Increase internal production capacity
- Increase third-party manufacturing and license agreements (Kemira & Hyundai Oilbank collaborations)

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
- Total Corbion collaboration for PLA supply

5

## Attain Favorable Unit Economics to Enhance Margins

- Increase capacity utilization
- Ramp up production of Rinnovo
- Reduce utility costs/chemical usage
- Chevron Phillips collaboration for Rinnovo

6

## Enhance Team Capabilities to Support Growth

- Deborah McDonald as Chief Corporate Development Officer
- Keith Edwards as VP of Business Development
- Mike Hajost as Chief Financial Officer
- Anthony Austin as Chief Human Resources Officer

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

# Recent Business Highlights



## Business Highlights

- Continued execution of growth strategy to transform the bioplastics market
- PHA revenues nearly doubled driving total revenues up 12% year-over-year
- Expanded partnership with Kemira to commercialize biodegradable aqueous coatings
- Announced Hyundai Oilbank collaboration to drive global growth of PHA
- Secured agreement with EGO Products to develop soft lures for fishing industry
- Appointed Mike Hajost as CFO and Anthony Austin as Chief Human Resources Officer
- Kentucky Phase II capacity on track and expected to come online in June 2022



# Kemira License & Supply Agreement



Pioneer in renewable and sustainable biopolymers that help create biodegradable and compostable plastic products

# Kemira

Pulp & paper market leader in aqueous coatings  
Global revenue of ~US\$2.9 billion and 5,000 employees



- Entered into exclusive license and supply agreement to commercialize PHA based aqueous coatings to be used on pulp and paper in food & beverage applications
- Builds on R&D collaboration since 2020 for biodegradable aqueous coating formulations
- Offers speed-to-market and products that serve the pulp and paper market end-to-end
- Danimer expected to be immediately cash flow positive with no significant capex
- ~\$500 million relevant dispersion barrier market with expected CAGR of ~10%

# Customer Partnerships & Business Development Initiatives

## Research & Development



**Kemira**

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



**Hyundai Oilbank**

- Collaboration to jointly develop global new market opportunities and applications for PHA, starting in South Korean and Asian markets



**EGD**

- Development agreement to develop soft lures for the fishing industry in an effort to provide a biodegradable alternative for traditional plastic PVC lures

## Commercial



**GenZero**



**Starbucks**



**target**



**DUNKIN' DONUTS**



**phade**



**San Francisco Bay Coffee**  
EGG CHASER



**Lays ARTESANAS**



**Sam's CLUB**



**CVS**



**Walmart**

# Expand Capacity: Kentucky Facility Update – Phase II Nearing Completion

## Facility Expansion Update:

- Phase I (Completed 2020): \$57mm of construction costs, ~20mm lbs. of Nodax-based finished product, annually
- Phase II broke ground in December 2020 with start-up expected in Q2 2022E
  - ~\$128mm in total construction costs expected (~\$122mm has been spent as of Q1 2022)<sup>(1)</sup>
  - Additional ~45mm lbs. of finished product, bringing total facility to Nodax based finished product of ~65mm lbs. annually
- KY operations anticipated to turn profitable in 2022

## Danimer KY Facility (May 2022)



## Construction Progress (May 2022)



Fermentation Chiller Building



Downstream Processing



Extrusion Facility

# Expand Capacity: Bainbridge Greenfield Facility Update

## Commentary

- Location of Greenfield site selected in Georgia due to better utilities rates and incentives
- Broke ground in November 2021
- Some equipment has been pre-ordered to avoid higher prices, but inflation remains a concern, as does lead time for some items ordered and yet to be ordered
- We remain confident that there is ample customer demand for this capacity but we do not want to get caught in supply chain and inflationary unknowns given the cash flow implications
- We have implemented schedule changes that might mitigate potential cost over-runs and unplanned delays
- Facility start-up expected in 2024

## Greenfield Facility Overview

	Greenfield
<b>Timing</b>	■ Broke ground November 2021
<b>Capacity</b>	■ ~125mm lbs. of Nodax-based finished products expected annually
<b>Total CapEx</b>	■ \$500 - \$612mm (~\$100mm has been spent as of Q1 2022) <sup>(1)</sup>

## Greenfield Rendering



# Q1 2022 Financial Summary

## Key Messages

- PHA-based revenues more than doubled YoY, representing 52% of revenue vs 29% in Q1 2021
- Gross profit down YoY due to product mix; lower PLA-based product sales & margin partially offset by higher PHA-based product sales at improved margins
- Increased headcount in R&D and SG&A to support future expansion plans

## Financial Summary

\$MM

	1Q'22	1Q'21
Sales	\$14.7	\$13.2
Adj. Cost of Sales <sup>(1)(2)</sup>	12.2	9.3
<b>Adj. Gross Profit</b>	<b>2.6</b>	<b>3.9</b>
R&D <sup>(1)</sup>	3.3	1.5
SG&A <sup>(3)</sup>	9.0	4.0
<b>Adj. EBITDAR</b>	<b>(\$9.7)</b>	<b>(\$1.6)</b>
Rent <sup>(4)</sup>	(0.9)	(0.7)
<b>Adj. EBITDA</b>	<b>(\$10.6)</b>	<b>(\$2.3)</b>

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

(2) Excludes PLA Additive Inventory Reserve

(3) Excludes Stock-Based Compensation, Rent, Depreciation & Amortization and non-core items

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

## Adjusted EBITDA

2022E Adj. EBITDA of  
(\$45) - (\$35) 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



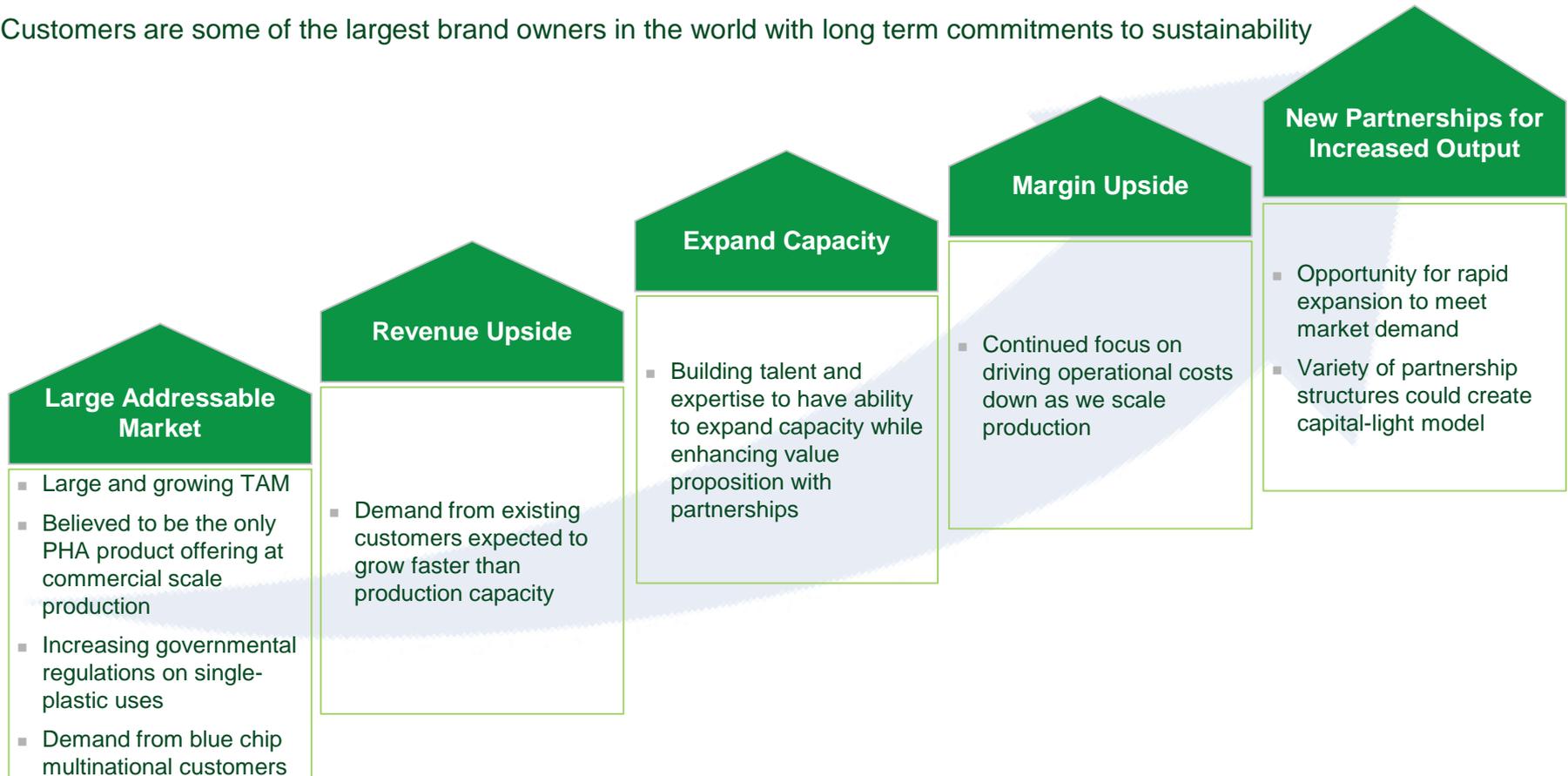
Danimer Catalytic  
Technologies Profit  
Contribution



Expect 2022E Capex of \$190 to \$200 million<sup>(1)</sup> and year end cash balance in excess of \$50 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		
	1Q'22	1Q'21
<b>Net Loss</b>	<b>(\$26.386)</b>	<b>(\$94.734)</b>
Income tax expense (benefit)	(0.291)	-
Interest expense, net	0.992	0.148
Depreciation and amortization	4.259	2.100
PLA additive inventory reserve	1.016	-
Remeasurement of private warrants	(4.995)	80.697
Stock-based compensation	13.700	6.665
Loss on Debt Extinguishment	-	2.604
Litigation and other legal related	0.760	-
Public company one-time transition costs	0.350	0.207
Other expense/income, net	(0.009)	0.002
<b>Adjusted EBITDA</b>	<b>(\$10.604)</b>	<b>(\$2.311)</b>
Rent	0.887	0.725
<b>Adjusted EBITDAR</b>	<b>(\$9.717)</b>	<b>(\$1.585)</b>

# Adjusted Gross Profit Reconciliation

\$MM

	1Q'22	1Q'21
Total Revenue	\$14.743	\$13.181
Cost of Revenue	16.065	11.725
<b>Gross Profit</b>	<b>(\$1.322)</b>	<b>\$1.456</b>
PLA additive inventory reserve	1.016	-
Depreciation	2.228	1.839
Rent	0.628	0.530
Stock-based compensation	0.029	0.026
<b>Adjusted Gross Profit</b>	<b>\$2.578</b>	<b>\$3.851</b>
	17.5%	29.2%