



# 2020 Earnings Presentation

March 29, 2021



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# Key Messages for Today



## Danimer is a next generation bioplastics company

- Danimer is a high-growth next generation eco-tech company that produces 100% biodegradable polymers for use in plastic applications
- The company's PHA was the first polymer to be certified as marine degradable



## Our addressable market is massive

- Our TAM is 500Bn lbs
- 800Bn lbs of plastic produced annually, with 650Bn lbs ending up in landfills or the ocean
- Danimer's products can replace 65% of annual plastic production



## Our growth is unrivaled

- Intense demand from blue chip multinational customers continues to grow
- This demand makes doubling Greenfield compelling



## Our strategy is unchanged

- Eliminate plastic waste from the environment
- Align growth/expansion with customer demand

# 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 13 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

  
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# Biopolymers are Fully Compostable or Degradable at the End of Life

## Bio-based

### 100% Renewable



## Traditional-based

### Non-renewable



Beginning of Life

Industrial  
Compostable

Home  
Compostable

Soil  
Degradable

Fresh Water Degradable

Marine  
Degradable

Landfills

Waste in Nature



End of Life

# Danimer is at the Forefront of Sustainability and ESG Leadership

## PHA: BEGINNING OF LIFE

Nodax® PHA is 100% renewable



## Biodegradability

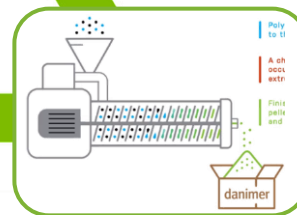
- Able to effectively biodegrade in both anaerobic and aerobic environments such as a waste treatment facility or the ocean
- PHA is 100% biodegradable in the presence of bacteria in all environments
- PLA is certified for industrial composting

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## APPLICATIONS FOR PHA

Wide application usage and 100% compostable



## PHA PLASTICS CREATION

Versatile and sustainable to replace a wide variety of traditional plastics

## Renewability

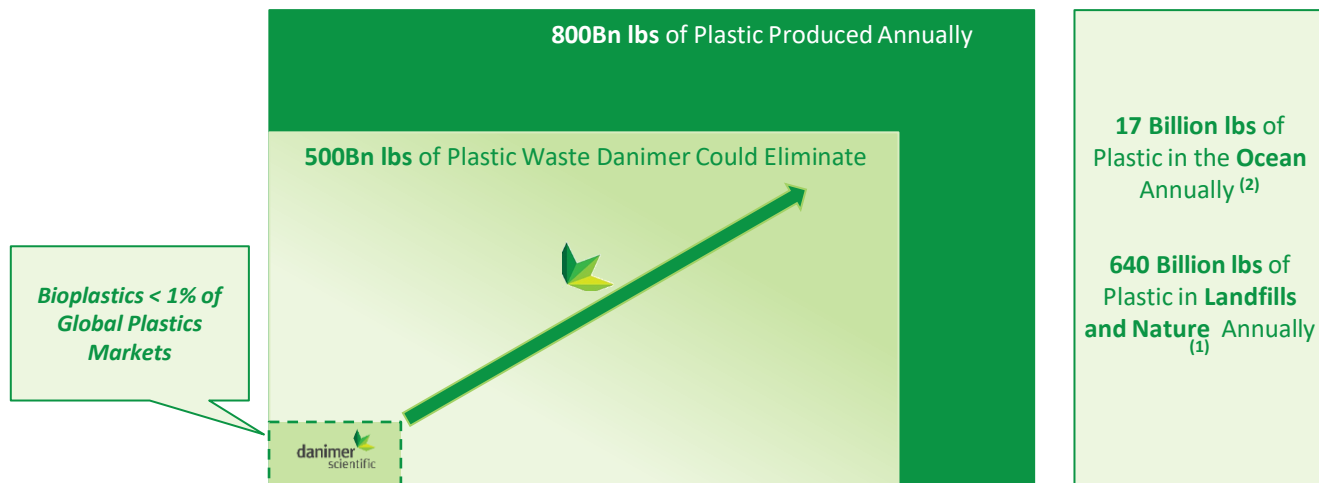
- Uses canola oil to create 100% biodegradable and compostable biopolymers
- Waste-free process utilizes 100% of the canola oil to ensure optimal sustainability
- Meets goal of full circle life cycle for plastics without relying on recycling

# Danimer is Addressing the Growing Global Plastic Pollution Crisis

## End-of-Life Pathways of All Plastics Ever Generated<sup>(1)</sup>



## Addressable Plastics Market



- Currently, bioplastics make up less than 1% of the global plastics market positioning Danimer to capture future market share<sup>(3)</sup>
- Over 75% of the global plastic production finds its way into consumer homes, with over 80% of those plastics being prime targets for PHA substitution
- PHA can be an alternative to a wide variety of petroleum based plastics like PE and PET which make up ~65% of plastic packaging production<sup>(2)</sup>



# Danimer is at an Inflection Point in its Growth

**2007**  
Bought PHA Intellectual Property from Procter & Gamble



**2015**  
Danimer's Nodax® PHA is the first polymer to be designated as marine degradable



**2018**  
R&D Agreement with Nestle (water bottles, labels & caps)



**2018**  
First Marine Degradable PHA Straws Created



**2019**  
First PHA Supply Contracts Executed



**2020**  
New Partnership with Bacardi to create a 100% biodegradable spirits bottle



**2021**  
New Partnership Agreement with Mars Wrigley to develop home compostable packaging



A history of continuous innovation and research poised for the next phase of rapid commercial expansion

**2006**  
First Compostable Extrusion Coating



**2014**  
PHA Commercial Demonstration Plant



**2016**  
R&D Agreement with PepsiCo (snack food packaging)



**2018**  
Purchase of Winchester, KY Facility (retrofitted to produce Nodax® PHA); simultaneously entered into a sale and leaseback with the current REIT owner

**2018**  
Received equity investment from PepsiCo



**2020**  
First Shipment from Kentucky Facility in March



**2020**  
Public Listing of Danimer on NYSE





# 2020 Financial Summary

## Key Messages

- Overall trajectory of business remains intact
- Phase I not scaled to plan due to COVID-19
- Costs were relatively higher in the short term from:
  - Higher Phase I costs due to lack of scale
  - Ramp costs in Kentucky facility
  - Higher transaction costs related to De-SPAC process

## Financial Summary

\$MM

	4Q'20	4Q'19	FY'20	FY'19
Sales	\$12.0	\$8.7	\$47.3	\$32.3
Adj. Cost of Sales <sup>(1)</sup>	8.5	5.2	30.7	18.4
<b>Adj. Gross Profit</b>	<b>3.5</b>	<b>3.5</b>	<b>16.6</b>	<b>14.0</b>
R&D <sup>(1)</sup>	1.9	1.7	6.5	4.3
SG&A <sup>(2)</sup>	2.9	3.3	9.8	8.2
<b>Adj. EBITDAR</b>	<b>(\$1.3)</b>	<b>(\$1.4)</b>	<b>\$0.4</b>	<b>\$1.5</b>
Rent <sup>(3)</sup>	1.0	0.8	3.6	3.1
<b>Adj. EBITDA</b>	<b>(\$2.3)</b>	<b>(\$2.2)</b>	<b>(\$3.2)</b>	<b>(\$1.6)</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

# Modeling Assumptions for 2021



- **Volumes:** Phase I production at ~50% of nameplate capacity at the beginning of the year, scaling to 100% by end of year
  - Phase I turnaround scheduled for latter part of 2Q'21 to debottleneck and accelerate scale-up
  - Phase II production to commence in 2Q'22
- **Operating Costs:** Total SG&A and R&D costs expected to be \$27MM for the year 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 due to available NOLs
- **Capital Expenditures:** \$100 million to \$125 million, primarily to invest in the planned capacity expansions and Greenfield additions

# Growing Blue Chip Customer Base Has Fueled Demand

## Select Customers

*Customer since 2006*



*Customer since 2012*



*Customer since 2016*



*Customer since 2018*



*Customer since 2019*



*Customer since 2019*



*Customer since 2020*



*Customer since 2020*



*Customer since 2020*



*Customer since 2020*



*Customer since 2020*



*Customer since 2021*



# Summarizing Our Growth Plans

**We will grow with customers' demand for our products**



- Customer-driven demand continues to be significant
- We will grow to meet this demand

**We will look to de-risk our growth**



- Focus on contracted volumes
- Customer demand in place before production begins

**Unit economics and investor returns will drive our decisions**



- We are a returns-focused company
- Our returns are well above our cost of capital



**We Are Accelerating and Increasing Our Expansion Plans**  
**Timing and Size of Future Expansions Will Follow Similar Framework**

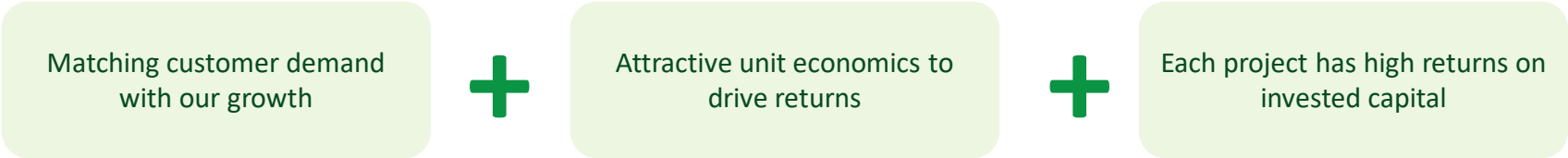
# Greenfield Expansion Announcement



- Today, Danimer is announcing the acceleration of its Greenfield Expansion Plan
- Greenfield expansion will be on a single site in Bainbridge, Georgia, consisting of 6 fermenters and 250MM total lbs. of finished product
- Previously-announced Greenfield had a nameplate capacity of 125MM lbs. of finished product
- With the expansion, Greenfield will have a nameplate capacity of 250MM lbs. of finished product, and is expected to start producing product in mid-2023
- Total capital for Greenfield is expected to be ~\$700MM (+ / - 30% estimate)
  - We will have a + / - 10% engineering estimate before breaking ground
- Cash ROIC – Year 2 returns of ~30%
- The State of Georgia is a proud supporter of Danimer's local expansion, as the Greenfield investment will create hundreds of new manufacturing jobs and lead the way towards a "green manufacturing future"



# Our Growth Plans



2019	2020	2021	2022	2023	2024	2025	2026	2027	2030
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## Phase I Kentucky (Nameplate capacity: 20MM lbs. of finished product)



## Phase II Kentucky (Nameplate capacity: 45MM lbs. of finished product)



## Greenfield Expansion (Nameplate capacity 250MM lbs. of finished product)



# Our Growth Plans (Cont'd)

*Market Demand and Unit Economics Support Additional Capacity  
of 250MM lbs of finished product  
per year*

**Additional Plants**  
(250MM lbs. of finished product each)

## Expansion Benefits

- Leverage single team
- Concurrent project planning
- Reduces lead times and costs

*Timing and construction to be  
determined as demand warrants*

1	Construction	Production
2	Construction	Production
3	Construction	Production
4	Construction	Production
5	Construction	Production
6	Construction	Production
7	Construction	Production
8	Construction	Production
9	Construction	Production
10	Construction	Production
11	Construction	Production

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## Appendix



# EBITDA and EBITDAR Reconciliation

\$MM

	4Q'20	4Q'19	FY'20	FY'19
<b>Net Loss</b>	<b>(\$7.0)</b>	<b>(\$3.8)</b>	<b>(\$12.6)</b>	<b>(\$19.5)</b>
Income tax expense (benefit)	-	(0.1)	-	4.1
Interest expense, net	0.9	0.6	2.1	3.1
Deprecation and amortization	1.8	0.9	4.6	3.5
Stock-based compensation	3.1	0.2	3.6	5.3
Other	(5.2)	-	(5.2)	1.9
Transaction related costs	4.0	-	4.3	-
<b>Adjusted EBITDA</b>	<b>(\$2.3)</b>	<b>(\$2.2)</b>	<b>(\$3.2)</b>	<b>(\$1.6)</b>
Rent	1.0	0.8	3.6	3.1
<b>Adjusted EBITDAR</b>	<b>(\$1.3)</b>	<b>(\$1.4)</b>	<b>\$0.4</b>	<b>\$1.5</b>



# Adjusted Gross Profit Reconciliation

\$MM

	4Q'20	4Q'19	FY'20	FY'19
Total Revenue	\$12.0	\$8.7	\$47.3	\$32.3
Cost of Revenue	10.8	5.8	35.9	21.2
<b>Gross Profit</b>	<b>\$1.2</b>	<b>\$2.9</b>	<b>\$11.5</b>	<b>\$11.1</b>
Depreciation	1.6	0.5	3.6	2.4
Stock-based compensation	-	-	0.1	0.1
Rent	0.7	0.1	1.4	0.4
<b>Adjusted Gross Profit</b>	<b>\$3.5</b>	<b>\$3.5</b>	<b>\$16.6</b>	<b>\$14.0</b>