



Alto Ingredients, Inc.

Investor Presentation
August 2022

Safe Harbor Statement

Statements and information contained in this communication that refer to or include Alto Ingredients' estimated or anticipated future results or other non-historical expressions of fact are forward-looking statements that reflect Alto Ingredients' current perspective of existing trends and information as of the date of the communication. Forward looking statements generally will be accompanied by words such as "anticipate," "believe," "plan," "could," "should," "estimate," "expect," "forecast," "outlook," "guidance," "intend," "may," "might," "will," "possible," "potential," "predict," "project," or other similar words, phrases or expressions. Such forward-looking statements include, but are not limited to, statements concerning: future market conditions; Alto Ingredients' expectations of generating EBITDA or Adjusted EBITDA, and incurring selling, general and administrative expenses, and generating other financial results in the stated amounts; the cost, timing and effects of, including the financial results deriving from, Alto Ingredients' capital improvement projects, including its initiative to expand protein production; the effects of expanded product and process certifications; Alto Ingredients' anticipated carbon capture and sequestration project; the benefits, including their timing, of the acquisition of Eagle Alcohol; Alto Ingredients' expectations regarding commodity price fluctuations, including the prices of corn, specialty alcohols and renewable fuels; and Alto Ingredients' other plans, objectives, expectations and intentions. It is important to note that Alto Ingredients' plans, objectives, expectations and intentions are not predictions of actual performance. Actual results may differ materially from Alto Ingredients' current expectations depending upon a number of factors affecting Alto Ingredients' business. These factors include, among others, Alto Ingredients' ability to timely and effectively complete its capital improvement and other projects and initiatives, and to operate them as expected; Alto Ingredients' ability to successfully achieve the anticipated benefits of its acquisition of Eagle Alcohol; adverse economic and market conditions, including for specialty alcohols and essential ingredients; export conditions and international demand for Alto Ingredients' products; fluctuations in the price of and demand for oil and gasoline; raw material costs, including production input costs, such as corn and natural gas; the continuing effects of the coronavirus pandemic, and its resurgence or abatement, and governmental, business and consumer responses to the pandemic; and the war in Ukraine and its effects on commodity prices, including for wheat and corn, and supply chains. These factors also include, among others, the inherent uncertainty associated with financial and other projections; the anticipated size of the markets and continued demand for Alto Ingredients' products; the impact of competitive products and pricing; the risks and uncertainties normally incident to the specialty alcohol and essential ingredient production, marketing and distribution industries; changes in generally accepted accounting principles; successful compliance with governmental regulations applicable to Alto Ingredients' production facilities, products and/or businesses; changes in laws, regulations and governmental policies; the loss of key senior management or staff; and other events, factors and risks previously and from time to time disclosed in Alto Ingredients' filings with the Securities and Exchange Commission including, specifically, those factors set forth in the "Risk Factors" section contained in Alto Ingredients' Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 10, 2022.

Mission:

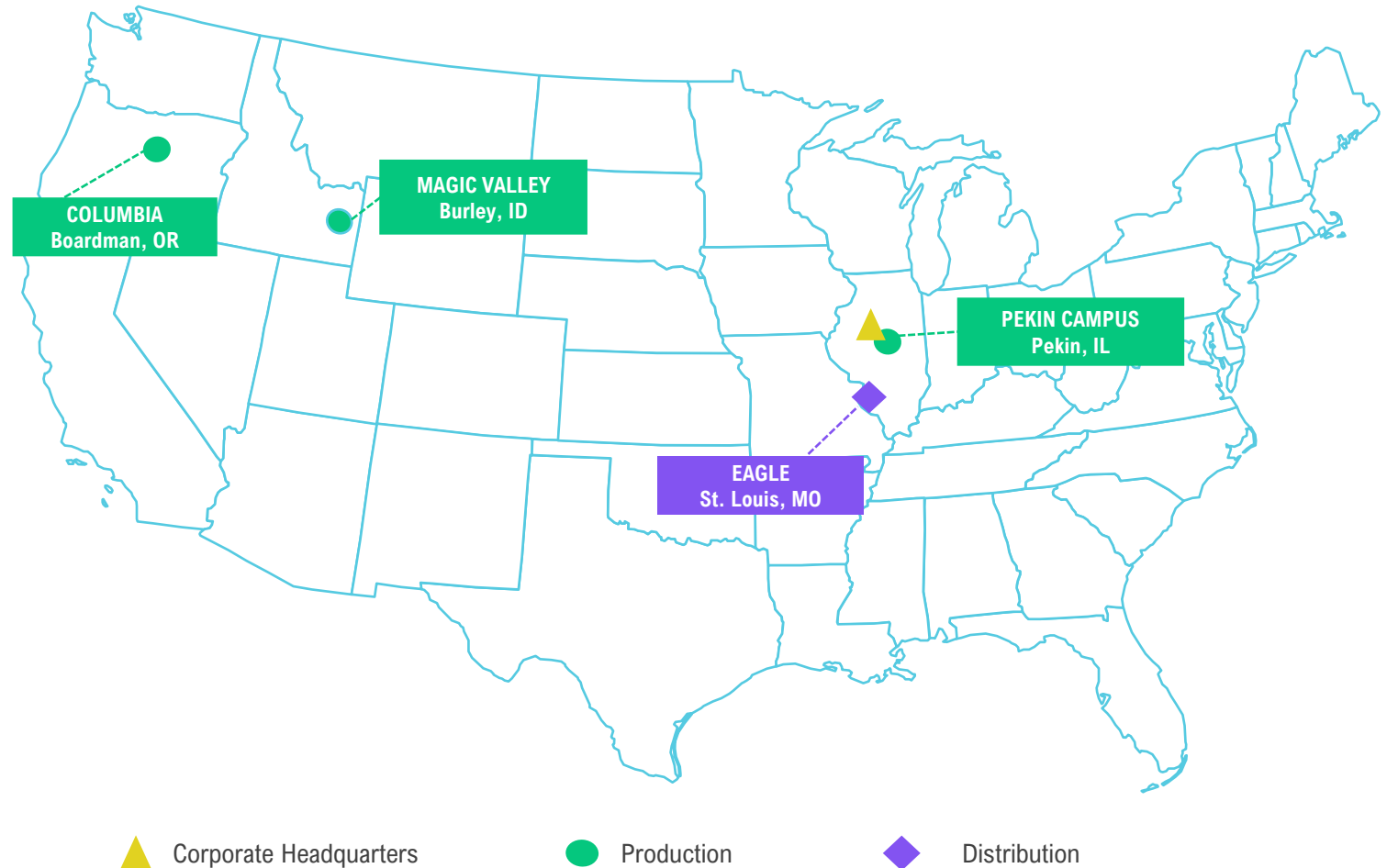
**To provide
ingredients that
make everyday
life better.**



Leveraging Unique Set of Assets to Deliver Long-term Growth

Major producer and distributor of specialty alcohols and essential ingredients, operating 1 distribution center + 3 biorefinery campuses: 1 wet and 4 dry mills able to produce 350MGY

- Increasing demand driven by durable long-term megatrends
- Serving 4 robust key markets
 - Health, Home & Beauty
 - Food & Beverage
 - Essential Ingredients
 - Renewable Fuels
- Expanding blue chip customer base, prioritizing reliability, service and quality
- Delivering financial improvement with clear strategy execution
- Executing ESG initiatives to improve performance



Delivering High Value Products in Four Key Areas

Expanding blue chip customers that prioritize reliability, service and quality

Health, Home & Beauty

- API Grade Ethyl Alcohol
 - Mouthwash
 - Cosmetics
 - Pharmaceuticals
- USP Grade Ethyl Alcohol
 - Hand Sanitizer
 - Disinfectant
 - Cleaning Products
- Industrial Grade Ethyl Alcohol



Food & Beverage

- Grain Neutral Spirits
 - Alcoholic Beverages
 - Vinegar
- Corn Oil and Corn Germ
- Carbon Dioxide
 - Beverage Carbonation
 - Dry Ice



Essential Ingredients

- Alto™ Yeast
- Corn Gluten
- Corn Condensed Distillers Solubles
- Corn Oil and Corn Germ
- Distillers Grains
- High Protein Feed



Renewable Fuels

- Ethanol
 - Transportation Fuels
- Corn Oil and Corn Germ
 - Renewable Diesel Feedstock



Specialty Alcohols and Renewable Fuel

Transforming corn into specialty alcohol used in a wide range of consumer and commercial products



GNS / Food & Beverage



API Grade Alcohol



USP Grade Alcohol



Industrial Grade Alcohol



Ethanol (Renewable Fuel)



Illustrative
End-Use
Products

Essential Ingredients

Transforming corn into essential ingredients used in wide range of consumer and commercial products



Aventine™ Yeast



Corn Gluten



High Protein Co-Product



Corn Oil and Corn Germ



Distillers Grains



Illustrative
End-Use
Products

Increasing Demand Driven by Durable Megatrends

Growing consumer preference for spirits over beer and wine

Increasing consumption of meat globally

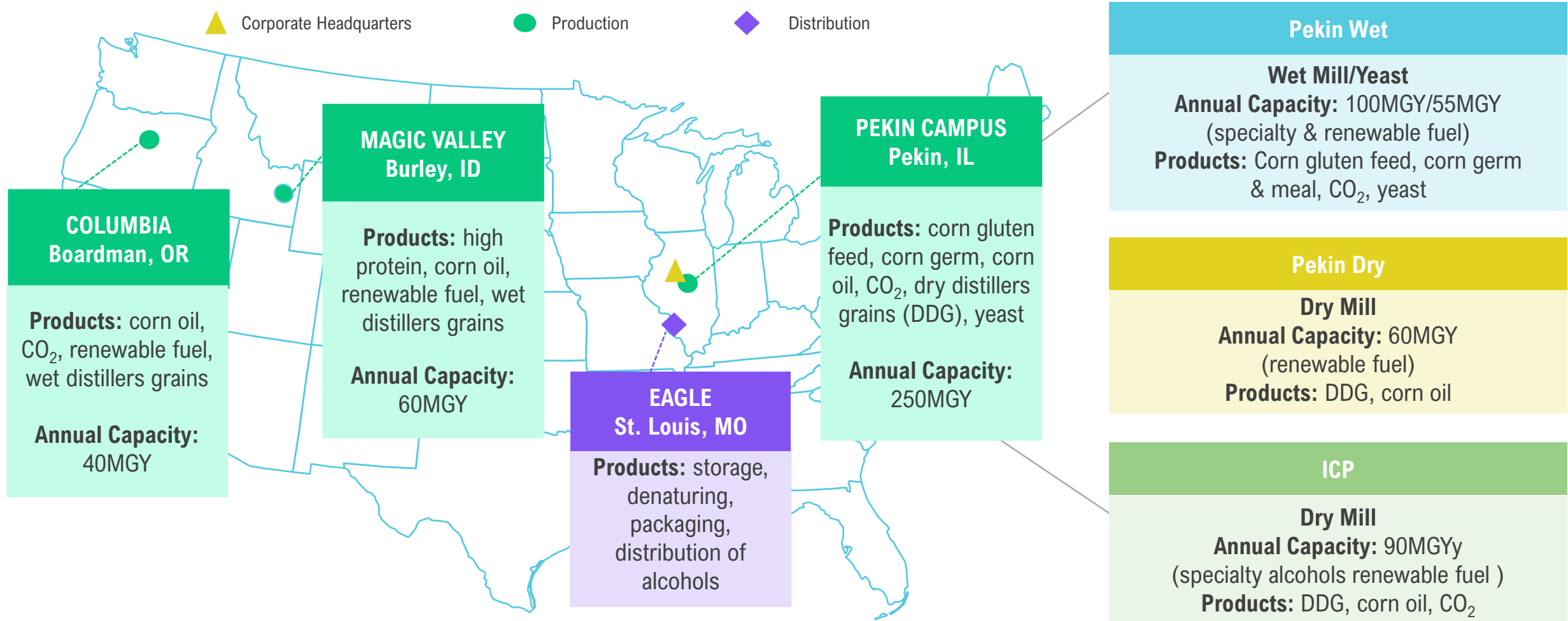
Growth in aquaculture

Increasing pet ownership

Growing use of alcohol-based disinfectants

Investing in Assets Emphasizing Specialty Alcohols

Expanding, repurposing, and improving 5 distilleries to maximize return



Expanding Enhanced High Value Protein Capabilities

Capitalizing on higher protein content animal feeds, which command higher prices

- Installing Harvesting Technology's CoPromax™
 - First at Magic Valley, ID
 - Planning rollout at 3 other dry mills
- Annual expectations at Magic Valley upon completion:
 - Produce 33,000+ tons of 50+% protein content feed
 - Increase corn oil yields ~50%, or ~9M lbs.
 - Contribute \$9.0+M in Adj. EBITDA*

* Annualized based on current market prices and the combination of additional sales of corn oil and high value proteins

Attracting Customers with Reliability, Service and Quality

Customers value long-term suppliers that consistently meet quality standards and delivery requirements

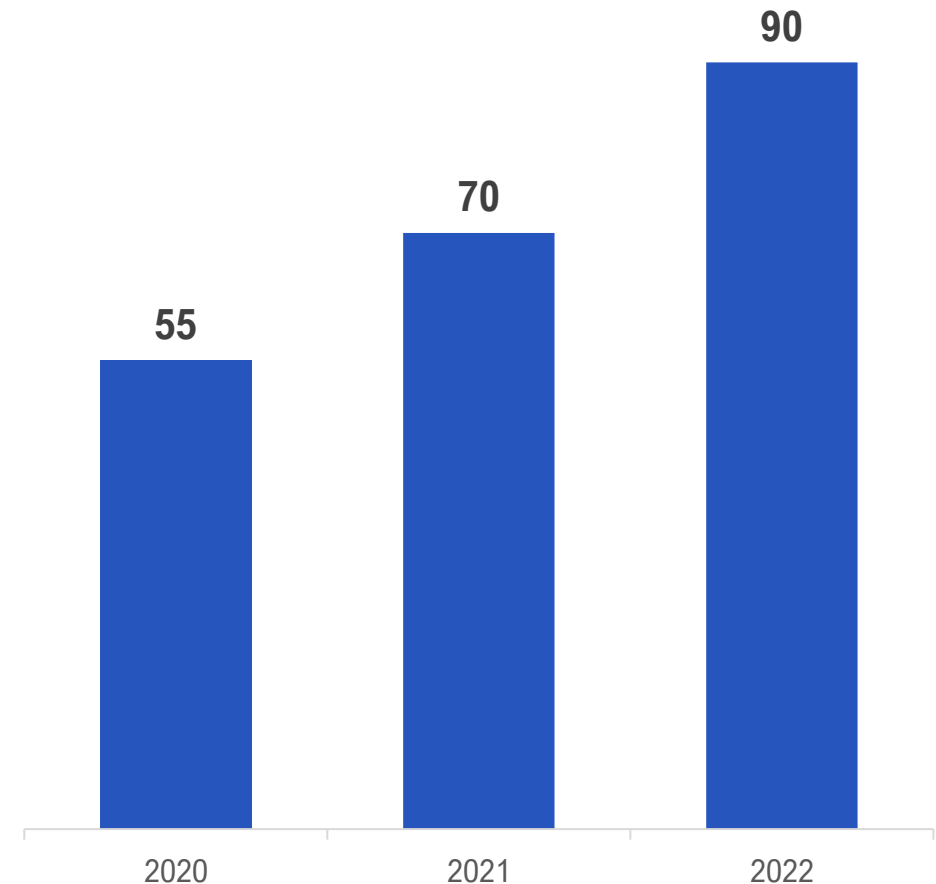
Specialty alcohols

- Require certifications
- Are more challenging to produce
- Require audit trails and paperwork
- Create significant product performance impact for a small percentage of their cost

Selected Alto Specialty Alcohol Customers



Specialty Alcohol MGY Contracted in Advance of the Year



Acquired Downstream Specialty Alcohol Distribution

Expected to increase margins, reduce volatility and create access to new markets

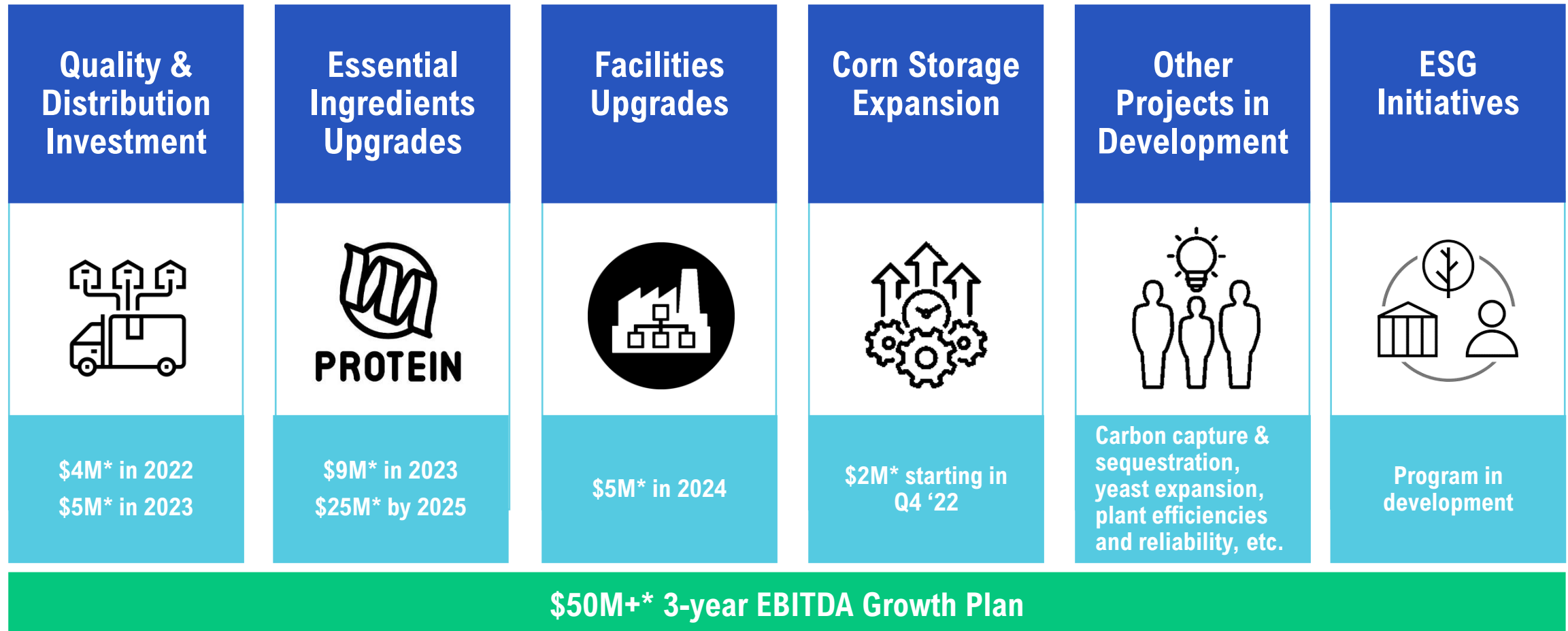
- **Acquired Eagle Alcohol headquartered in St. Louis, Missouri on January 14, 2022**
 - \$15.3M in cash plus earnout of up to \$14.0M, \$9M in cash and \$5M in common stock
 - Former president, Dan Croghan, continues to lead the business
- **Specialty alcohol break bulk distributor:**
 - Purchases bulk from suppliers, including Alto, stores, denatures and packages
 - Resells in smaller sizes (tank trucks, totes and drums) at a premium per gallon to bulk
 - Delivers products via its own dedicated trucking fleet and common carrier to customers in the beverage, food, pharma and related-process industries
- **Immediately accretive:**
 - \$35M in revenue and \$4M in Adj. EBITDA generated in 2021
 - \$8M to \$9M in Adj. EBITDA expected annually in 2023 and beyond, including synergies
- **Key benefits:**
 - Increases profit margins through vertical integration
 - Brings major new customers, particularly in the beverage market
 - Reduces freight costs and enhances delivery capabilities

Selected Eagle Customers



Fueling EBITDA Contribution & Growth

Announced 3-year strategic initiatives



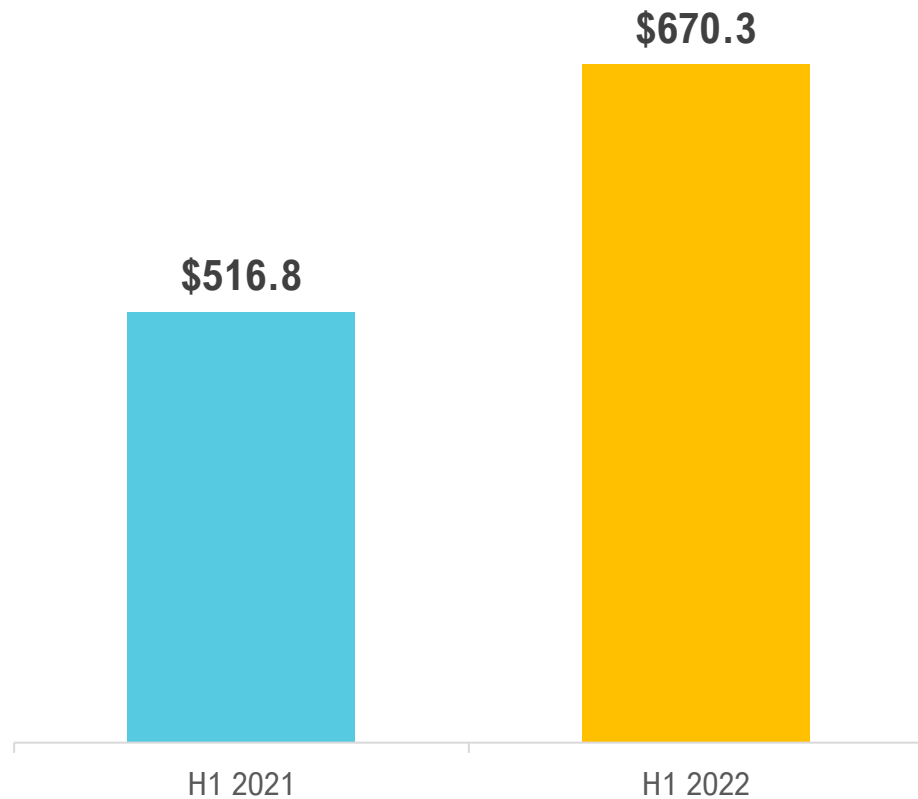
* Annualized EBITDA contribution

Improving Financial Position

Growth in Net Sales and Adjusted EBITDA

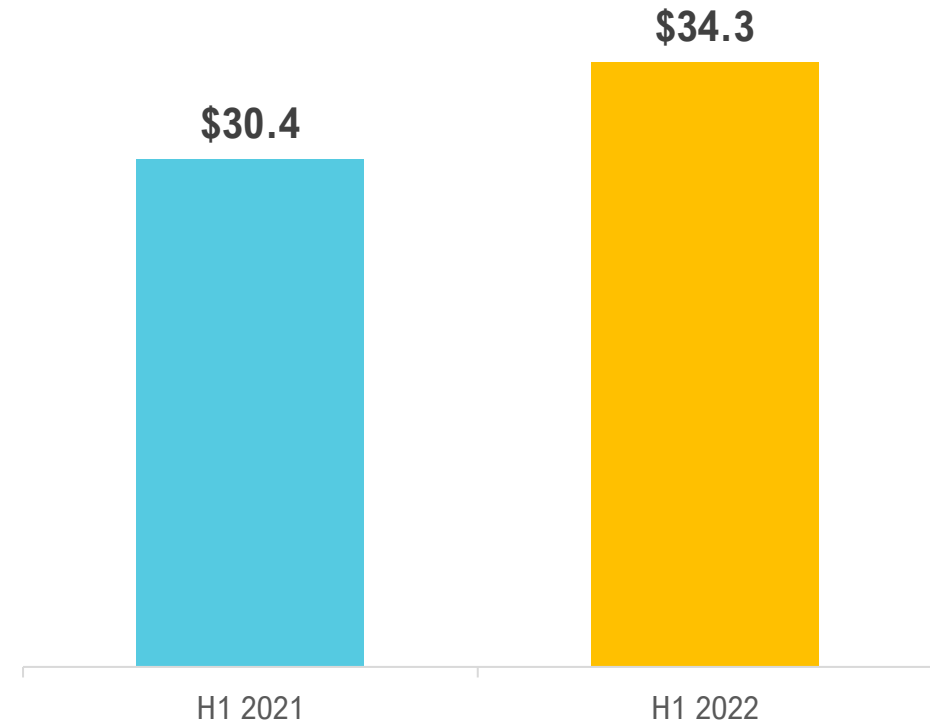
Net Sales

(\$ millions)



Adjusted EBITDA*

(\$ millions)



* Adjusted EBITDA Reconciliations in the appendix.

Balance Sheet Summary

Clean and stable balance sheet with working capital of \$178.4M

<i>unaudited, \$ in thousands</i>	June 30, 2022	Dec. 31, 2021
Cash & cash equivalents	\$ 57,376	\$ 50,612
Restricted cash	\$ 17,361	\$ 11,513
Current assets	\$ 273,488	\$ 229,526
Current liabilities	<u>(95,124)</u>	<u>(69,602)</u>
Working capital	\$ 178,364	\$ 159,924

Strategies for 2022 and Beyond



Invest to optimize specialty alcohol distribution



Expand corn storage at Pekin campus



Reinvest in existing facilities



Complete and add high value protein installations



Assess natural gas bypass at Pekin campus



Advance carbon capture and sequestration



Appendix

Statements of Operations

	Three Months Ended June 30,		Six Months Ended June 30,	
<i>unaudited, in thousands, except per share data</i>	2022	2021	2022	2021
Net sales	\$ 362,189	\$ 298,110	\$ 670,307	\$ 516,844
Cost of goods sold	353,345	282,877	656,690	487,774
Gross profit	8,844	15,233	13,617	29,070
Selling, general and administrative expenses	8,996	7,230	16,625	14,244
Asset impairments	—	1,900	—	3,100
Income (loss) from operations	(152)	6,103	(3,008)	11,726
Interest expense, net	(319)	(1,045)	(519)	(2,930)
Income from cash grant	22,652	—	22,652	—
Income from loan forgiveness	—	3,887	—	3,887
Other income (expense), net	(66)	(555)	388	385
Income before provision for income taxes	22,115	8,390	19,513	13,068
Provision for income taxes	—	—	—	—
Net income	\$ 22,115	\$ 8,390	\$ 19,513	\$ 13,068
Preferred stock dividends	\$ (315)	\$ (315)	\$ (627)	\$ (627)
Net income allocated to participating securities	(284)	(108)	(251)	(167)
Net income available to common stockholders	\$ 21,516	\$ 7,967	\$ 18,635	\$ 12,274
Net income per share, basic	\$ 0.29	\$ 0.11	\$ 0.26	\$ 0.17
Net income per share, diluted	\$ 0.29	\$ 0.11	\$ 0.26	\$ 0.17
Weighted-average shares outstanding, basic	72,936	71,260	71,690	70,808
Weighted-average shares outstanding, diluted	73,123	71,929	71,958	71,961
Adjusted EBTIDA	\$ 29,892	\$ 16,960	\$ 34,340	\$ 30,397

Experienced Leadership Team



Mike Kandris
Director and CEO
14 Years with Alto

Prior Experience & Education



Former President and COO



Executive Committee Member



Board Member

California State University, BS
in Business



Bryon McGregor
CFO
15 Years with Alto

Prior Experience & Education



Brokerage Treasurer



Project Finance Head



Director

Brigham Young University, BS
in Business Management



Jim Sneed ⁽¹⁾
Chief Commercial Officer
28 Years with Alto

Prior Experience & Education



Vice President, Ethanol
Marketing & Trading



Vice President, Marketing
& Logistics

Olivet Nazarene University, BS
in Accounting
Kellogg School of
Management, MBA



Auste Graham
General Counsel
Joined February 2022

Prior Experience & Education



Vice President, Legal,
Americas










Senior Legal Counsel

Vanderbilt University Law
School, JD

(1) In aggregate, including years with Aventine, acquired by Alto in 2015.

Senior Management with Deep Bench Strength

<p>Todd Benton⁽¹⁾ VP, Site Manager at Pekin 24 Years with Alto</p> <p>Prior Experience</p> 	<p>Dan Croghan VP, Eagle General Manger <1 Year with Alto</p> <p>Prior Experience</p> 	<p>Michael Kramer VP, Treasurer 15 Years with Alto</p> <p>Prior Experience</p> 	<p>Patrick McKenzie VP, Business Development and Engineering 12 Years with Alto</p> <p>Prior Experience</p> 
<p>Martin Michael Manager, Financial Planning and Analysis 5 Years with Alto</p> <p>Prior Experience</p> 	<p>Rob Olander VP, Corporate Controller 15 Years with Alto</p> <p>Prior Experience</p> 	<p>John Shriver⁽¹⁾ VP, Essential Ingredients 24 Years with Alto</p> <p>Prior Experience</p> 	<p>Stacy Swanson⁽¹⁾ VP, Quality & Sustainability 10 Years with Alto</p> <p>Prior Experience</p> 

(1) In aggregate, including years with Aventine, acquired by Alto in 2015.

Securing Quality Certifications

Valuable market differentiators deepen relationships and open doors to new opportunities

- Alcohols used on consumers' skin or consumed, including in pharmaceuticals, must meet stringent quality and safety standards
- Only a small number of producers earn the certifications
- Customers are reluctant to change suppliers because of potential performance and safety risks

Alto Certifications	Grade	Markets	Description
ISO-9001	USP	<ul style="list-style-type: none"> • All 	<ul style="list-style-type: none"> • World's most widely recognized quality management system certification
ICH-Q7	USP	<ul style="list-style-type: none"> • Pharmaceutical • Cosmetics • Consumer Goods • Disinfectants 	<ul style="list-style-type: none"> • International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use (ICH) is a non-profit organization that brings together regulators and industry to develop and implement guidelines for the manufacturing and registration of medicines • Q7 is a quality guideline that sets forth good manufacturing practices for active pharmaceutical ingredients
EXCiPACT GMP	USP	<ul style="list-style-type: none"> • Pharmaceutical • Cosmetics • Consumer Goods • Disinfectants 	<ul style="list-style-type: none"> • EXCiPACT is a non-profit organization that sets standards for the safety and quality of excipients, the inactive components of a drug or medication. • GMP (Good Manufacturing Practices) certification that the basic manufacturing practices and prerequisite programs are in place for an effective EXCiPACT
HACCP / GMP	Food / FCC	<ul style="list-style-type: none"> • Beverage • Vinegar • Flavor Extracts 	<ul style="list-style-type: none"> • HACCP (Hazard Analysis and Critical Control Points) is an international standard defining the requirements for effective control of food safety • GMP certification that the basic manufacturing practices and prerequisite programs are in place for an effective HACCP
SMETA – 4 Pillars	Social	<ul style="list-style-type: none"> • Customers wanting to improve responsible and sustainable practices 	<ul style="list-style-type: none"> • SMETA, the worlds leading social audit. Sedex Members Ethical Trade Audit: 4 Pillars (Labor, Safety & Health, Environmental and Business Ethics). Sedex is a leading ethical trade membership organization working to improve working conditions in global supply chains.



GAAP to Non-GAAP Reconciliation

Use of Non-GAAP Measures

Management believes that certain financial measures not in accordance with generally accepted accounting principles ("GAAP") are useful measures of operations.

The company defines Adjusted EBITDA as unaudited net income (loss) attributed to Alto Ingredients, Inc. before interest expense, interest income, provision (benefit) for income taxes, asset impairments, loss on extinguishment of debt, acquisition-related expense, fair value adjustments and depreciation and amortization expense. A table is provided at the end of this presentation that provides a reconciliation of Adjusted EBITDA to its most directly comparable GAAP measure, net income (loss) attributed to Alto Ingredients, Inc. Management provides this non-GAAP measure so that investors will have the same financial information that management uses, which may assist investors in properly assessing the company's performance on a period-over-period basis. Adjusted EBITDA is not a measure of financial performance under GAAP and should not be considered as an alternative to net income (loss) attributed to Alto Ingredients, Inc. or any other measure of performance under GAAP, or to cash flows from operating, investing or financing activities as an indicator of cash flows or as a measure of liquidity. Adjusted EBITDA has limitations as an analytical tool and you should not consider this measure in isolation or as a substitute for analysis of the company's results as reported under GAAP.

Adjusted EBITDA Reconciliation

<i>unaudited, in thousands</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net income	\$ 22,115	\$ 8,390	\$ 19,513	\$ 13,068
Adjustments:				
Interest expense	319	1,045	519	2,930
Interest income	(145)	(186)	(303)	(370)
Asset impairments	—	1,900	—	3,100
Acquisition-related expense	875	—	1,750	—
Depreciation and amortization expense	<u>6,728</u>	<u>5,811</u>	<u>12,861</u>	<u>11,669</u>
Total adjustments	<u>7,777</u>	<u>8,570</u>	<u>14,827</u>	<u>17,329</u>
Adjusted EBITDA	<u>\$ 29,892</u>	<u>\$ 16,960</u>	<u>\$ 34,340</u>	<u>\$ 30,397</u>



ALTO
INGREDIENTS