

# Fourth Quarter 2023 Earnings Presentation

March 28, 2024

**danimer**   
scientific  
*A Biotechnology Company*

# Forward-Looking Statements and Non-GAAP Financial Results

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Some of the financial information and data contained in this Presentation, such as Adjusted EBITDA, and Adjusted Gross Profit has not been prepared in accordance with United States generally accepted accounting principles (“GAAP”). The Company believes these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to the Company’s financial condition and results of operations. The Company’s management uses these non-GAAP measures for trend analyses and for budgeting and planning purposes. A reconciliation of these non-GAAP financial measures to the closest GAAP measure is included in the Appendix to the Presentation. You should review the Company’s audited financial statements prepared in accordance with GAAP, which are included in its Annual Report on Form 10-K filed with the SEC. Forward-looking non-GAAP financial measures are presented without reconciliations to GAAP measures because the GAAP financial measures are not accessible on a forward-looking basis, and reconciling information is not available without unreasonable effort due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations. For the same reasons, the Company is unable to address the probable significance of the unavailable information, which could be material to future results.

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The information contained herein is as of March 28, 2024 and does not reflect any subsequent events.

*Manufacturer and developer of PHA biopolymers and PHA-based biodegradable resins marketed under the NODAX® brand. Provider of responsible and sustainable alternatives to petroleum-based plastics across many end-use applications.*

# FAST FACTS



Founded in 2004  
(went public in 2020)



480 patents &  
pending patent applications



15 partnerships with major  
brands and distributors



257  
Teammates



2018 and 2020 recipient  
of PLASTICS Innovation  
in Bioplastics Award



Locations in Georgia,  
Kentucky and New York

# Recent Customer & Business Development Highlights

- Previously announced cutlery award expected to require ~20 million pounds of annual volume of Nodax® cutlery resins; first shipments anticipated mid-year 2024.
- Opportunities for the above cutlery award poised to expand into new geographical regions and additional end-product categories.
- Delta Cafés launching industrial-compostable coffee pods made from Nodax® -based resin. First commercial shipment made during first quarter 2024.
- Extension of research and development arrangement with Mars Wrigley for the development of compostable packaging within their Food and Nutrition and Petcare product portfolios.
- Completed JDA with Pepsi to create home compostable multi-layer films for use in snack food packaging
- Signed JDA with large QSR to develop lids and coated paper containers.
- Development of PHA biodegradable fishing lures is nearing completion; full-scale testing expected by mid 2024.



**PEPSICO**



**MARS**



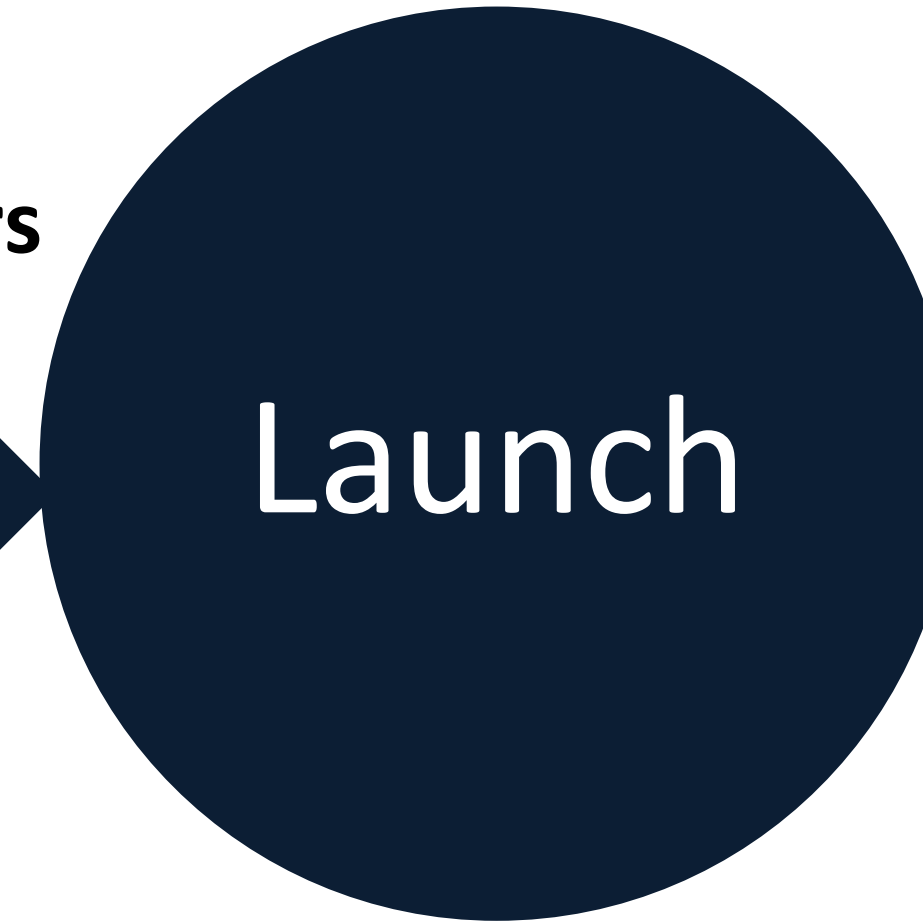
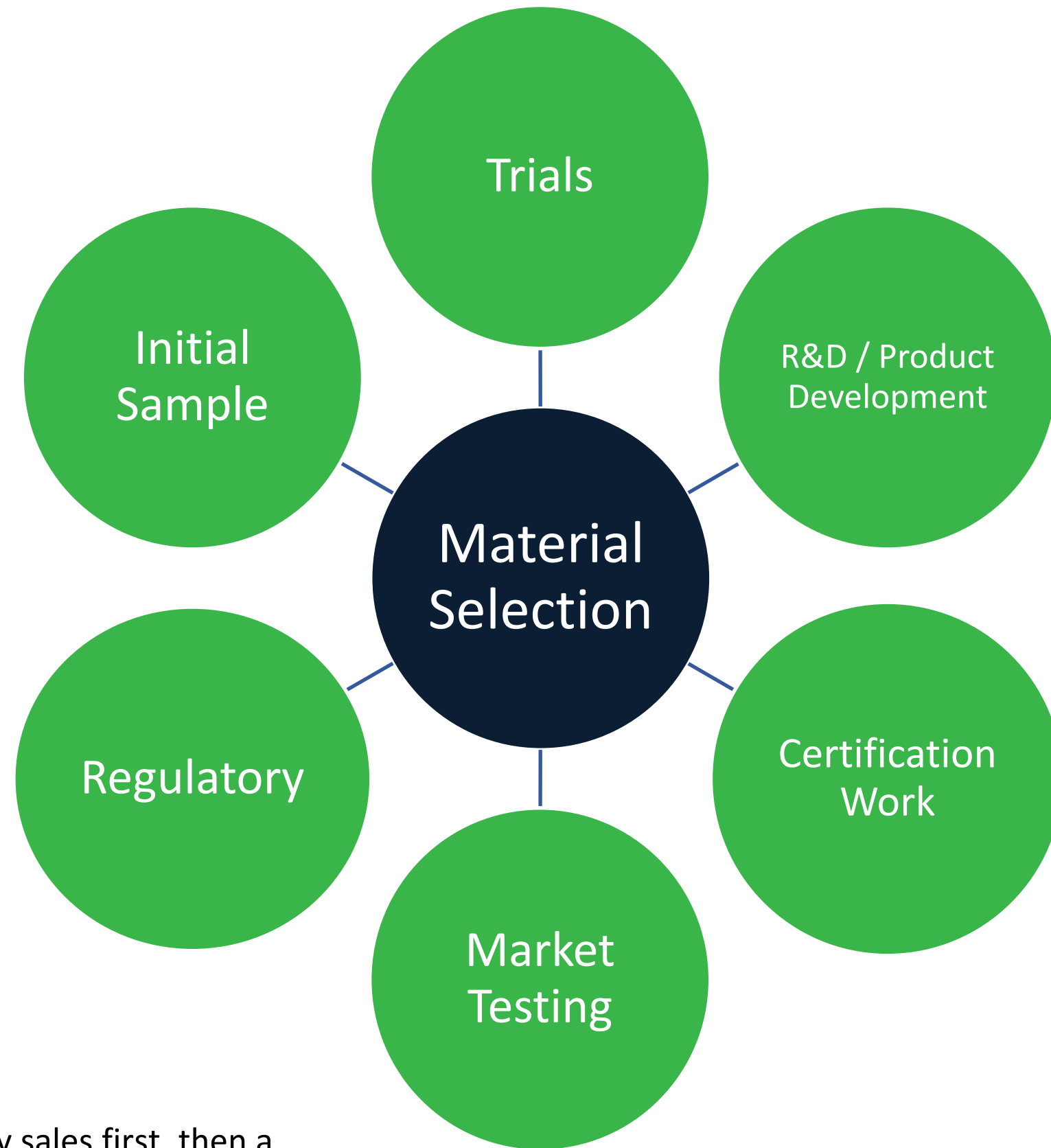
# Sales Cycle

1 – 5 Years

3 - 6 Months

1 – 5 Years

6 Months – 2 Years



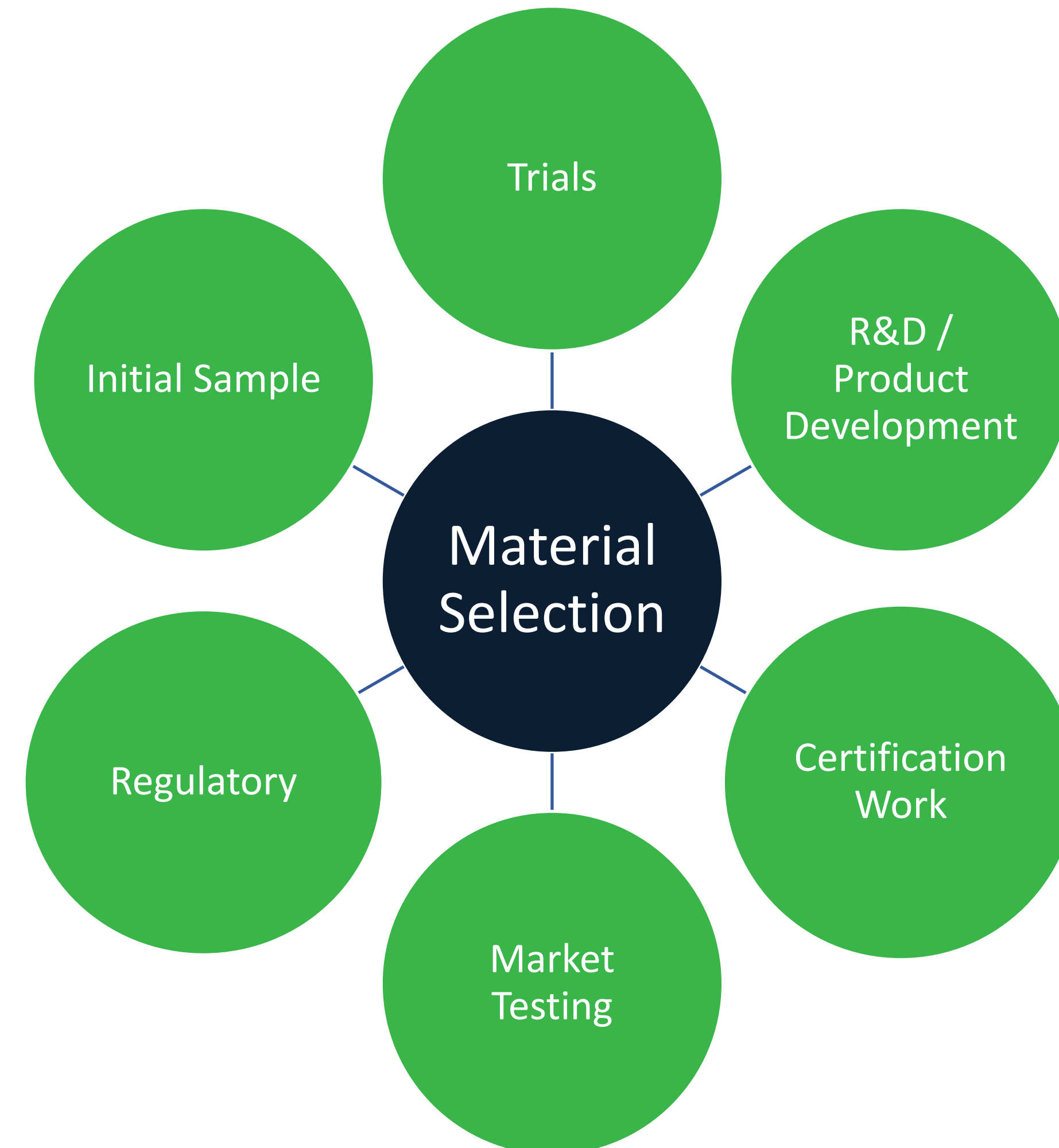
New leads are screened by sales first, then a joint committee with R&D & sales if necessary; many do not make it past this stage



# Sales Cycle (continued)

## Material Selection

- ~ 85 customers currently in “Material Selection” zone.
- Material selection zone is an iterative process, not necessarily a linear process.



# Q4 and Full Year 2023 Financial Summary

## Full Year Comments

- FY23 sales overall decreased compared to FY22 driven by higher PHA sales of \$1.8M, which did not fully offset lower PLA sales of (\$6.1M) due to the impact of the Ukraine conflict.
- Increased adjusted gross loss primarily reflects increased fixed costs associated with additional capacity in Kentucky.
- Lower R&D and SG&A spending reflects successful, comprehensive cost control initiatives.

## Financial Summary

### \$ Thousands

	Twelve Months Ended			
	4Q23	4Q22	12/31/2023	12/31/2022
Sales	\$10,945	\$15,324	\$46,684	\$53,218
Adjusted cost of sales <sup>(1)</sup>	12,162	13,360	53,171	51,323
<b>Adjusted gross (loss) profit</b>	<b>(1,217)</b>	<b>1,964</b>	<b>(6,487)</b>	<b>1,895</b>
Research and development expenses <sup>(2)</sup>	3,891	3,719	13,796	17,120
Selling, general and administrative expenses <sup>(2)</sup>	5,561	6,814	18,707	29,761
<b>Adjusted EBITDA</b>	<b>(\$10,669)</b>	<b>(\$8,569)</b>	<b>(\$38,990)</b>	<b>(\$44,986)</b>

(1) Excludes Depreciation, Stock-based compensation and non-recurring items

(2) Excludes Stock-based compensation, Depreciation & amortization and non-recurring items

# Fiscal 2024 Guidance Summary

- Adjusted EBITDA guidance range of \$(22) million to \$(32) million.
- Capital expenditures guidance range of \$8 million to \$10 million.
- Ending cash balance for fiscal 2024 in the range of \$20 million to \$25 million.
- Guidance reflects anticipated timing of revenues associated with customer product launches.

2024E Adj EBITDA of  
\$(32) – \$(22) Million

Near-Term Path to  
Profitability

Change vs 2023A

	Change vs 2023A	Near-Term Path to Profitability
PHA-Based Resin Sales	↑	↑
PHA Gross Margin	↑	↑
PLA Profit Contribution	↓	▬
Total Gross Margin	↑	↑
SG&A & R&D As % of Sales	↓	↓



# Appendix



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# Adjusted EBITDA Reconciliation

*\$ Thousands*

	Twelve Months Ended			
	4Q23	4Q22	12/31/2023	12/31/2022
<b>Net loss</b>	<b>(\$39,434)</b>	<b>(\$28,051)</b>	<b>(\$155,473)</b>	<b>(\$179,758)</b>
Stock-based compensation	12,906	14,218	55,839	56,768
Interest, net	8,509	(474)	29,641	1,723
Depreciation and amortization	7,372	7,281	29,377	20,453
Remeasurement of private warrants	(108)	(752)	(207)	(9,366)
Income taxes	2	(43)	319	(810)
Litigation and other legal related	84	146	207	2,082
Inventory reserve	-	(495)	-	-
Loss on extinguishment of royalty agreement	-	-	549	-
Strategic reorganization and related	-	-	410	-
Loss on sale of assets	-	-	246	1
Loss on loan extinguishment	-	-	102	1,500
Impairment of goodwill	-	-	-	62,663
Public company transition costs	-	-	-	481
Other, net	-	(399)	-	(723)
<b>Adjusted EBITDA</b>	<b>(\$10,669)</b>	<b>(\$8,569)</b>	<b>(\$38,990)</b>	<b>(\$44,986)</b>

# Adjusted Gross Profit Reconciliation

**\$ Thousands**

	Twelve Months Ended			
	4Q23	4Q22	12/31/2023	12/31/2022
Total revenue	\$10,945	\$15,324	\$46,684	\$53,218
Cost of revenue	17,317	18,026	73,644	63,632
<b>Gross loss</b>	<b>(6,372)</b>	<b>(2,702)</b>	<b>(26,960)</b>	<b>(10,414)</b>
Depreciation	5,153	5,161	20,386	12,249
Loss on sale of assets	-	-	77	-
Inventory reserve	-	(495)	-	-
Stock-based compensation	2	-	10	60
<b>Adjusted gross (loss) profit</b>	<b>(1,217)</b>	<b>1,964</b>	<b>(6,487)</b>	<b>1,895</b>

**THANK YOU**