



Alto Ingredients, Inc.

Q3 2024 Investor Presentation

November 6, 2024

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: Alto Ingredients' projected outlook, future performance, projected amounts of capital expenditures and repair and maintenance costs; expectations around raw material costs, including for corn and corn basis, as well as margins; Alto Ingredients' repair and maintenance programs, plant improvement and other capital projects, including carbon capture and storage (CCS) at its Pekin Campus, and other business initiatives and strategies, and their financing, costs, timing and effects, including, but not limited to, financial results that Alto Ingredients' expects to generate as a result of its programs and projects, initiatives and strategies; Alto Ingredients' expected volumes of contracted specialty alcohol for future periods and any related premiums to fuel-grade ethanol; Alto Ingredients' expectations around its new product offerings; benefits of sustainability efforts; 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 many factors affecting Alto Ingredients' business and plans. These factors include, among others, adverse economic and market conditions, including for specialty alcohols, renewable fuels, and essential ingredients; export conditions and international demand for the company's products; unexpected repair and maintenance expenses; fluctuations in the price of and demand for oil and gasoline; raw material costs, including production input costs, such as corn and natural gas, as well as corn basis; adverse impacts of inflation and supply chain constraints; and the cost, ability to fund, timing and effects of, including the financial and other results deriving from, Alto Ingredients' repair and maintenance programs, plant improvement and other capital projects, including CCS, and other business initiatives and strategies, and in particular Alto Ingredients' ability to obtain EPA and any other required approvals for its CCS project, and to timely and on satisfactory terms raise sufficient capital and source necessary equipment for the project. These factors also include, among others, the inherent uncertainty associated with financial and other projections and large-scale capital projects, including CCS; 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 alcohol production and marketing industries; derivative gains and losses; changes in generally accepted accounting principles; successful compliance with governmental regulations applicable to Alto Ingredients' facilities, products and/or businesses; changes in laws, regulations and governmental policies, including with respect to the Inflation Reduction Act's tax and other benefits Alto Ingredients expects to derive from CCS; 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 August 8, 2024.



Transforming corn
into the highest-quality,
sustainable ingredients
that make everyday
products better

Key Initiatives

Improving Profitability and Reducing Impact of Commodity Pricing

Targeting premium markets with high-quality products

Supporting the reduction in carbon emissions by pursuing CCS

Optimizing asset base & executing efficiency initiatives

Advancing traceability & sustainability certifications & programs

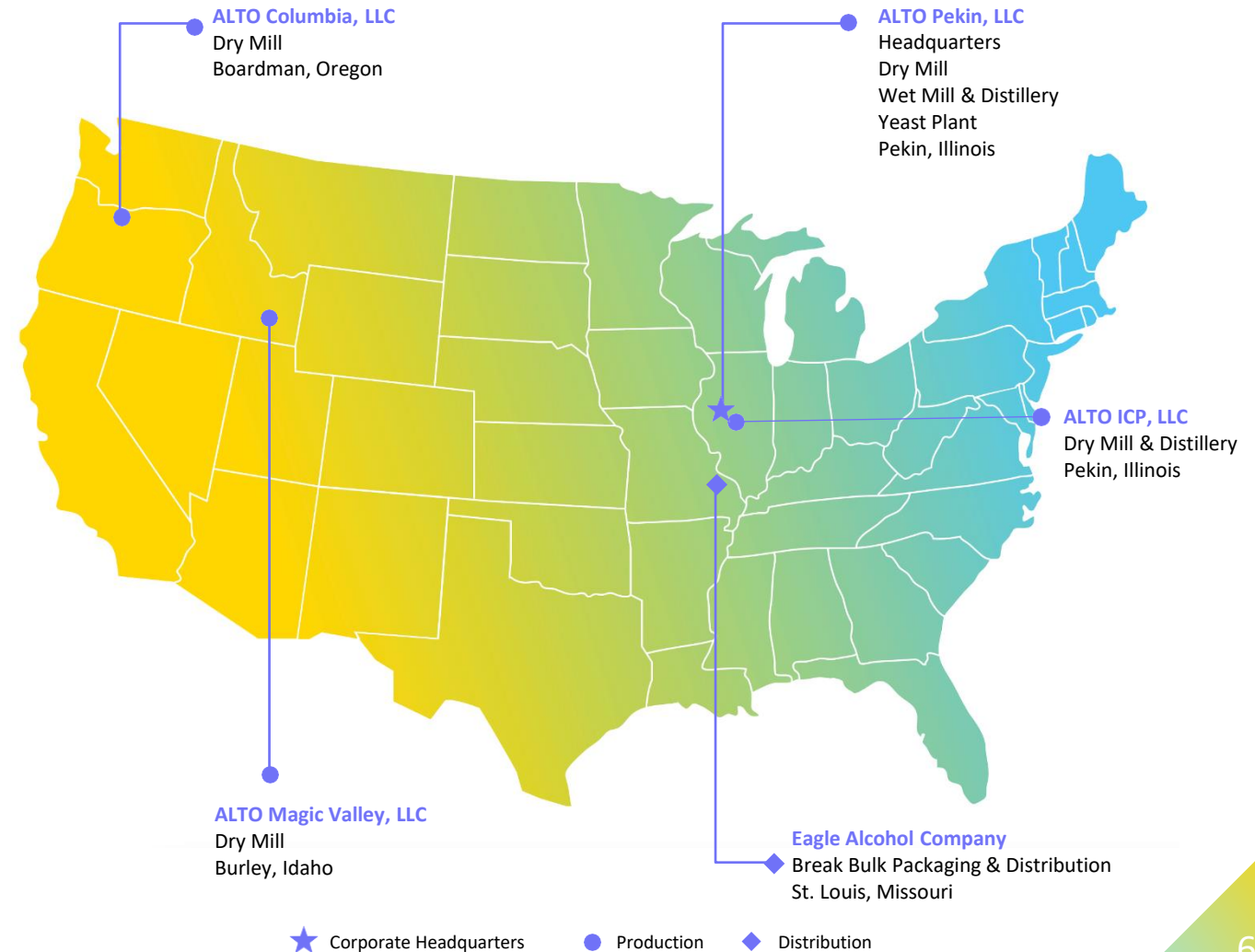
Broadening customer base

Targeting Premium Markets

Making everyday products better:

- Health, Home & Beauty
- Food & Beverage
- Industry & Agriculture
- Essential Ingredients
- Renewable Fuels

Engaging in decarbonization to support sustainability



Making Everyday Products Better



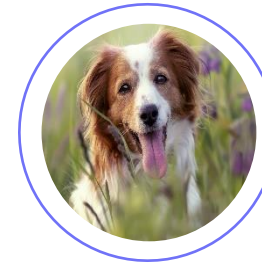
Health, Home & Beauty



Food & Beverage



Industry & Agriculture



Essential Ingredients



Renewable Fuels

Alto's 100% bio-based renewable ingredients

API Grade Ethyl Alcohol

USP Grade Ethyl Alcohol

Grain Neutral Spirits

Corn Germ

Carbon Dioxide

Industrial Grade Ethyl Alcohol

Alto Yeast™

Corn Meal, Oil, Germ & Protein Feed

High Protein DDGS

Distillers Grains

Transportation Fuel

- Ethanol

Corn Oil

- Renewable Diesel Feedstock

Sample end-use products

- Laundry detergents
- Over-the-counter medications
- Mouthwash
- Sanitizers
- Disinfectant Sprays

- Vinegar
- Grain Neutral Spirits
- Flavorings
- Sauces
- Ready-to-drink, such as hard seltzers
- Beverage Carbonation
- Dry Ice

- Automotive fluids
- Fertilizers
- Industrial feedstock (ethyl acetate, etc.)
- Inks

- Pet foods and flavorings
- Breedings
- Plant-based proteins
- Animal feeds
- Food-grade and feed-grade corn oils
- Aquaculture feeds

- E85
- Biodiesel
- Racing fuel
- 88 Octane



Pursuing Carbon Capture & Storage (CCS)

- Entered CO₂ Transportation and Sequestration Agreement (TSA) for Vault 44.01 to handle the transportation, injection and sequestration of CO₂ from the Pekin campus into the Mt. Simon sandstone formation in Illinois. Next steps:
 - Submit to EPA submission and garner approval
 - Address financing
 - Source equipment
 - Evaluate energy options for CCS and Pekin campus
- Exploring other market opportunities: sustainable aviation fuel (SAF), blue ethanol, ethanol-to-jet fuel, synthetic natural gas, etc.

Benefits of CCS

- IRA of 2022 Section 45Q tax incentive improves economics
- Mount Simon Sandstone formation, near the Illinois Basin
- Designed as dedicated relatively short-distance intrastate pipeline, which greatly limits disruption and risk concerns



Sustainability Efforts

Published Second Sustainability Report in October 2024

Earned at Pekin campus

- Safe Food/Safe Feed - a third-party product safety certification
- 2 EcoVadis Bronze Medals, 35th percentile among peers



Completed materiality survey and initial roadmap

- Strengthened environmental, health, safety and security policy and objectives
- Improved Code of Ethics and Supplier Code of Conduct
- Implemented a supplier transparency program
- Partnered with SEDEX, improving sustainability and ensuring ethical sourcing



Conducted ACD Responsible Distribution™ audit at Eagle Alcohol



Completed annual third-party Scope 1 & 2 Greenhouse Gas verifications

Certifications Create Differentiation

Deepen Relationships and Open Doors to New Customers

Specialty Alcohols & Essential Ingredients:

More challenging to produce

Required audits, equipment and testing validation,
and other prerequisite programs

Create significant product performance impact
for a small percentage of their cost



Expanding Customer Base

Customers prioritize Alto's certifications, reliability, service and quality
Sample list follows:



Health, Home & Beauty



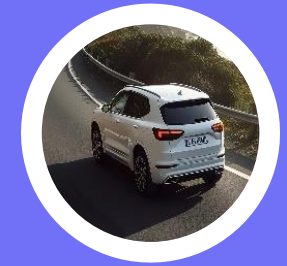
Food & Beverage



Industry & Agriculture



Essential Ingredients



Renewable Fuels



THE J.M. SMUCKER Co.



Financial Highlights

Improving Plant Performance

- Pekin Campus contributed GP of \$6.2M in Q3 2024, up from \$0.6M in Q3 2023

Strong Liquidity

- \$27M available under operating line of credit
- \$65M available under term loan, subject to certain conditions

unaudited, \$ in thousands	Sept. 30, 2024	Dec. 31, 2023
Cash & cash equivalents	\$ 33,591	\$ 30,014
Current assets	\$ 145,150	\$ 168,770
Current liabilities	\$ 45,102	\$ 65,288
Working capital	\$ 100,048	\$ 103,482



Expanding Higher-Margin Production and Improving Profitability

Targeting premium markets with high quality products

Supporting the reduction in carbon emissions by pursuing CCS

Optimizing asset base & executing efficiency initiatives

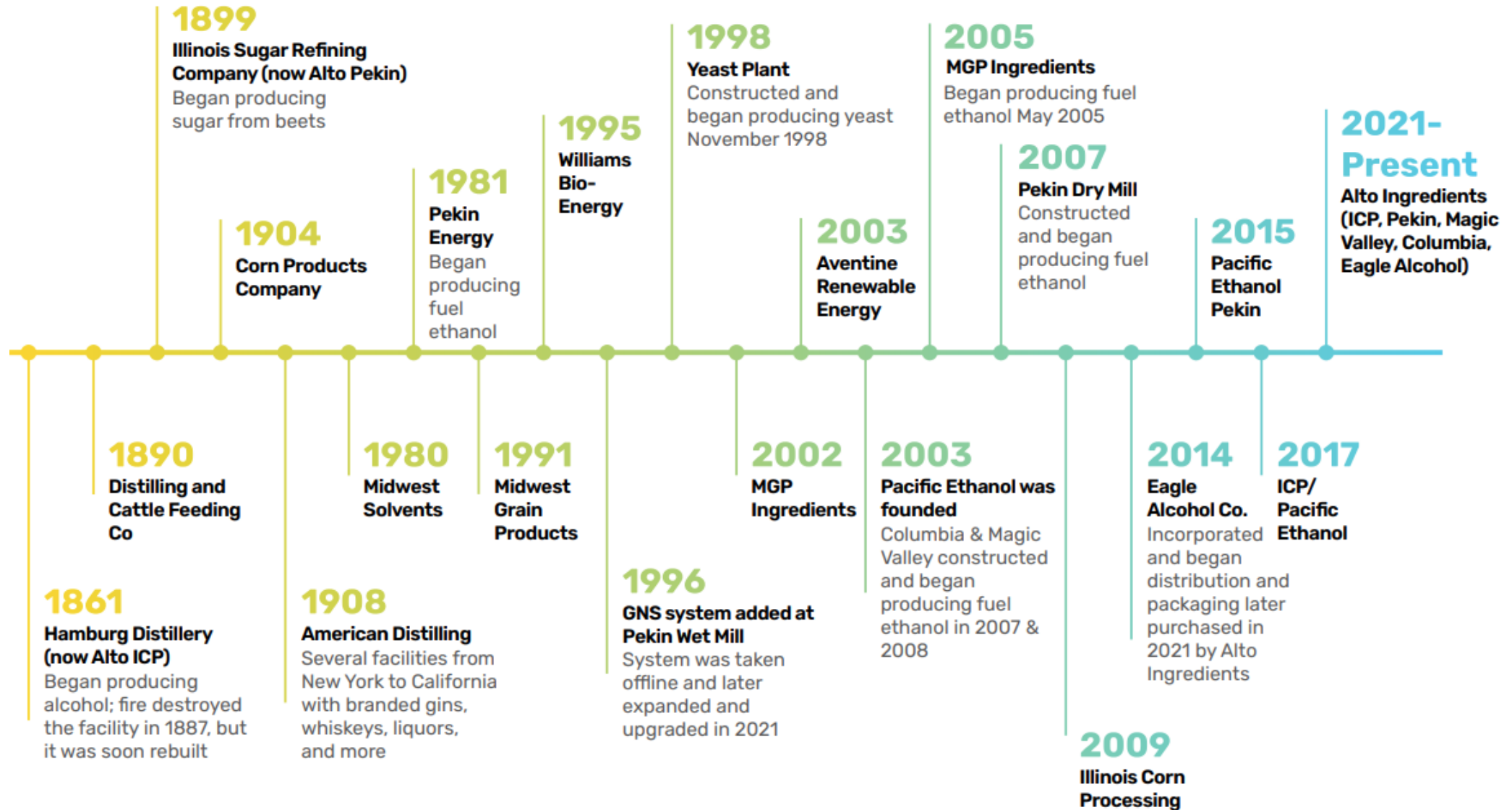
Advancing traceability & sustainability certifications & programs

Broadening customer base



Appendix

Building on a Rich Foundation



Experienced Leadership Team



Bryon McGregor
President & CEO
16 years with Alto

*Brigham Young University
BS in Business Management*



Todd Benton
Chief Operating Officer
25 years with Alto⁽¹⁾

*Eastern Illinois University
BS in Biology
Business Admin. at Bradley University*



Rob Olander, CPA
Chief Financial Officer
17 years with Alto

*Midland University
BS in Business Administration*



Jim Sneed
Chief Commercial Officer
32 years with Alto⁽¹⁾

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



Auste Graham
General Counsel
2 years with Alto

*Vanderbilt University
Law School, JD*

Prior Experience



Brokerage Treasurer



Project Finance Head



Director



Plant Manager and
Senior Process Engineering



Site Manager



Controller and Business Manager



Senior Auditor



Vice President, Ethanol
Marketing & Trading



Vice President, Marketing & Logistics



Vice President, Legal Americas



Senior Legal Counsel

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

Senior Management with Deep Bench Strength

Ed Baker
VP, Human Resources
17 years with Alto

Prior Experience



Dan Croghan
VP, Eagle General Manager
2 years with Alto

Prior Experience



Michael Kramer
VP, Treasurer
17 years with Alto

Prior Experience



Patrick McKenzie
VP, Business Development
and Engineering
13 years with Alto

Prior Experience



John Shriver
VP, Operations
25 years with Alto⁽¹⁾

Prior Experience



Stacy Swanson
VP, Quality & Sustainability
11 years with Alto⁽¹⁾

Prior Experience



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

Consolidated Statements of Operations

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net sales	\$ 251,814	\$ 318,127	\$ 728,911	\$ 949,315
Cost of goods sold	<u>245,854</u>	<u>313,966</u>	<u>717,798</u>	<u>931,137</u>
Gross profit	5,960	4,161	11,113	18,178
Selling, general and administrative expenses	(7,510)	(8,488)	(24,403)	(24,281)
Gain on sale of assets	830	—	830	—
Asset impairments	<u>—</u>	<u>—</u>	<u>—</u>	<u>(574)</u>
Loss from operations	(720)	(4,327)	(12,460)	(6,677)
Interest expense, net	(1,867)	(2,000)	(5,170)	(5,299)
Income from cash grant	—	2,812	—	2,812
Other income, net	<u>146</u>	<u>26</u>	<u>358</u>	<u>104</u>
Loss before provision for income taxes	(2,441)	(3,489)	(17,272)	(9,060)
Provision for income taxes	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net loss	<u>\$ (2,441)</u>	<u>\$ (3,489)</u>	<u>\$ (17,272)</u>	<u>\$ (9,060)</u>
Preferred stock dividends	\$ (319)	\$ (319)	\$ (950)	\$ (946)
Net loss available to common stockholders	<u>\$ (2,760)</u>	<u>\$ (3,808)</u>	<u>\$ (18,222)</u>	<u>\$ (10,006)</u>
Net loss per share, basic and diluted	<u>\$ (0.04)</u>	<u>\$ (0.05)</u>	<u>\$ (0.25)</u>	<u>\$ (0.14)</u>
Weighted-average shares outstanding, basic and diluted	<u>73,835</u>	<u>73,191</u>	<u>73,364</u>	<u>73,464</u>



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 consolidated net income (loss) before interest expense, interest income, provision for income taxes, asset impairments, unrealized derivative gains and losses, acquisition-related expense, 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). 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) 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

(in thousands) (unaudited)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net loss	\$ (2,441)	\$ (3,489)	\$ (17,272)	\$ (9,060)
Adjustments:				
Interest expense, net	1,867	2,000	5,170	5,299
Interest income	(194)	(179)	(519)	(590)
Unrealized derivative (gains) losses	6,199	8,917	(8,079)	1,517
Acquisition-related expense	675	700	2,025	2,100
Asset impairments	—	—	—	574
Depreciation and amortization expense	<u>6,058</u>	<u>5,647</u>	<u>17,860</u>	<u>17,382</u>
Total adjustments	<u>14,605</u>	<u>17,085</u>	<u>16,457</u>	<u>26,282</u>
Adjusted EBITDA	<u>\$ 12,164</u>	<u>\$ 13,596</u>	<u>\$ (815)</u>	<u>\$ 17,222</u>

Segment Results

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net Sales				
Pekin Campus, recorded as gross:				
Alcohol sales	\$ 106,459	\$ 128,554	\$ 315,494	\$ 388,629
Essential ingredient sales	41,217	51,634	127,297	169,220
Intersegment sales	<u>321</u>	<u>363</u>	<u>927</u>	<u>1,120</u>
Total Pekin Campus sales	147,997	180,551	443,718	558,969
Marketing and distribution:				
Alcohol sales, gross	\$ 54,531	\$ 58,805	\$ 179,118	\$ 215,741
Alcohol sales, net	71	74	169	292
Intersegment sales	<u>2,862</u>	<u>3,392</u>	<u>8,002</u>	<u>8,734</u>
Total marketing and distribution sales	57,464	62,271	187,289	224,767
Western production, recorded as gross:				
Alcohol sales	\$ 36,395	\$ 57,159	\$ 74,084	\$ 122,477
Essential ingredient sales	10,408	17,841	24,184	40,614
Intersegment sales	<u>8</u>	<u>37</u>	<u>(122)</u>	<u>99</u>
Total Western production sales	46,811	75,037	98,146	163,190
Corporate and other	2,733	4,060	8,565	12,342
Intersegment eliminations	<u>(3,191)</u>	<u>(3,792)</u>	<u>(8,807)</u>	<u>(9,953)</u>
Net sales as reported	\$ <u>251,814</u>	\$ <u>318,127</u>	\$ <u>728,911</u>	\$ <u>949,315</u>
Cost of goods sold:				
Pekin Campus	\$ 141,823	\$ 179,995	\$ 423,135	\$ 546,591
Marketing and distribution	53,553	58,051	176,676	212,923
Western production	49,079	73,584	112,762	165,401
Corporate and other	2,952	3,538	8,690	9,322
Intersegment eliminations	<u>(1,553)</u>	<u>(1,202)</u>	<u>(3,465)</u>	<u>(3,100)</u>
Cost of goods sold as reported	\$ <u>245,854</u>	\$ <u>313,966</u>	\$ <u>717,798</u>	\$ <u>931,137</u>
Gross profit (loss):				
Pekin Campus	\$ 6,174	\$ 556	\$ 20,583	\$ 12,378
Marketing and distribution	3,911	4,220	10,613	11,844
Western production	(2,268)	1,453	(14,616)	(2,211)
Corporate and other	(219)	522	(125)	3,020
Intersegment eliminations	<u>(1,638)</u>	<u>(2,590)</u>	<u>(5,342)</u>	<u>(6,853)</u>
Gross profit (loss) as reported	\$ <u>5,960</u>	\$ <u>4,161</u>	\$ <u>11,113</u>	\$ <u>18,178</u>