



ECOSYNTHETIX INC

Jeff MacDonald | CEO

Rob Haire | CFO

Investor Presentation Winter 2023

FORWARD LOOKING STATEMENTS

Certain statements contained in this presentation constitute forward-looking statements. All statements other than statements of historical fact may be forward-looking statements. These statements relate to, but are not limited to, future events or future performance, our expectations regarding the Company's growth, results of operations, estimated future revenues, and requirements for additional capital, production costs, future demand for latex-based products, business prospects and opportunities, our ability to successfully commercialize our products, expectations as to the amount of reduction that the Company's products may have on a manufacturer's carbon footprint. Forward-looking statements are often, but not always, identified by use of words such as "may", "will", "should", "could", "seek", "anticipate", "contemplate", "continue", "expect", "intend", "plan", "potential", "budget", "target", "believe", "estimate" and similar expressions. The forward-looking statements in this document include, but are not limited to, statements regarding the Company's expected product pipeline, plans to expand the Company's business into new markets, the Company's ability to achieve organizational efficiencies, and other statements regarding the Company's plans and expectations in 2022. Such statements reflect our current views and beliefs with respect to future events, are subject to risks and uncertainties, and are based upon a number of estimates and assumptions that, while considered reasonable by us, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Those assumptions and risks include, but are not limited to, the Company's ability to successfully allocate capital as needed and to develop new products, as well as the fact that our results of operations and business outlook are subject to significant risk, volatility and uncertainty. Many factors could cause actual results, performance or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements.

We have made material assumptions regarding, among other things: that our intellectual property rights are adequately protected; our ability to obtain the materials necessary for the production of our products; our ability to convert prospects from the industrial trial phase into full commercial customers; our ability to market products successfully to our customers; that we will continue to possess unique intellectual property rights; changes in demand for and prices of our products or the materials required to produce those products; labour and material costs remaining consistent with our current expectations; the price and availability of substitute or competitive products; and that we do not and will not infringe third party intellectual property rights. Some of our assumptions are based upon internal estimates and analysis of current market conditions and trends, management plans and strategies, economic conditions and other factors and are necessarily subject to risks and uncertainties inherent in projecting future conditions and results.

Some of the risks that could affect our future results and could cause those results to differ materially from those expressed in the forward-looking information include, among other things: the impact of the novel coronavirus (COVID-19 and its variants) pandemic on our business; an inability to protect, defend, enforce or use our intellectual property and/or infringement of third-party intellectual property; dependence on certain customers and changes in customer demand; the availability and price of natural feedstock's used in the production of our products; the inability to effectively expand our production facilities; variations in our financial results; increase in industry competition; the risk of volatility in global financial conditions, as well as significant decline in general economic conditions; our ability to effectively commercially market and sell our products; our ability to protect our know-how and trade secrets; Company growth and the impact of significant operating and capital cost increases; changes in the current political and regulatory environment in which we operate; the inability to retain key personnel; changes to regulatory requirements, both regionally and internationally, governing development, production, exports, taxes, labour standards, waste disposal, and use, environmental protection, project safety and other matters; enforcement of intellectual property rights; a significant decrease in the market price of petroleum related feedstocks; a shortage of supplies, equipment and parts; the inability to secure additional government grants; a deterioration in our cash balances or liquidity; the inability to obtain equity or debt

financing; the ability to acquire intellectual property; the risk of litigation; changes in government regulations and policies relating to our business; losses from hedging activities and changes in hedging strategy; insufficient insurance coverage; the impact of issuance of additional equity securities on the trading price of the common shares; the impact of ethical, legal and social concerns relating to genetically modified organisms and the food versus fuel debate; the risk of business interruptions; the impact of changes in interest rates; the impact of changes in foreign currency exchange; and credit risk, as well as the factors identified in the "Risk Factors" section of the Company's Annual Information Form dated February 24, 2022. Such factors are not intended to represent a complete list of the factors that could affect us. These factors should be considered carefully, and prospective investors should not place undue reliance on forward-looking information.

Impact of COVID – 19

The outbreak of COVID-19 and its variants, which was first declared by the World Health Organization to be a "pandemic" in March 2020, has impacted the Company's operations and financial results since March 2020 and the pandemic continues to have an impact. The Company serves as an essential manufacturing business and, as a result, has continued to be operational during the pandemic in order to meet the ongoing needs of customers, all of which are also essential businesses. However, the guidelines and orders enacted by federal, state and local governments during the pandemic have created and continue to create disruption in global supply chains, increasing rates of unemployment and adversely impacting many industries. The Company has experienced supply chain shortages, disruptions and inflationary pressures, which have impacted product costs and prices, and customer demand has been negatively impacted, primarily for the Company's graphic paper customers. There continue to be significant uncertainties associated with the COVID-19 pandemic, including with respect to the resurgence of new and more contagious variants of the virus; the efficacy of the vaccines introduced to combat the virus and the public acceptance of such vaccines; and the impact of COVID-19 on economic conditions, including with respect to labor market conditions, economic activity, consumer behavior, supply chain shortages and disruptions and inflationary pressure; all of which could have a material impact on the Company's financial position, results of operations and cash flows. Due to these significant uncertainties, the Company cannot reasonably estimate the full impact of COVID-19 on its future financial position, results of operations and cash flows.

IFRS and Non-IFRS Measures

This presentation makes reference to certain non-IFRS measures. These non-IFRS measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing a further understanding of results of operations of the Company from management's perspective. Accordingly, they should not be considered in isolation or as a substitute for analysis of the financial information of the Company reported under IFRS. We use non-IFRS measures such as Adjusted EBITDA to provide investors with a supplemental measure of operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS financial measures. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Our management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess its ability to meet its capital expenditure and working capital requirements.

Adjusted EBITDA as presented herein is not a recognized measure under IFRS and should not be considered as an alternative to operating income or net income as measures of operating results or an alternative to cash flows as measures of liquidity. Adjusted EBITDA is defined as consolidated net income (loss) before interest, income taxes, depreciation, amortization, impairment loss on property, plant and equipment (PP&E), accretion, and other non-cash expenses deducted in determining consolidated net income (loss).

what we do: POLYMERS FROM GREEN CHEMISTRY

Patented Formula:
Sustainable feedstocks + chemicals



Patented process:
Proprietary continuous
manufacturing process



Patented product:
Engineered biopolymer



Proprietary engineering:
Engineered solutions

OUR MULTIPLE SHOTS ON GOAL COMMERCIAL STRATEGY

- 1) WOOD COMPOSITES
- 2) PERSONAL CARE
- 3) PAPER, TISSUE / PAPERBOARD



PERSONAL CARE
hair care

PAPER & PACKAGING
label adhesives

PAPER & PACKAGING
reading and advertising paper

WOOD MATERIALS
for furniture, floors
& construction

PAPER & PACKAGING
solutions

PRODUCTS resonating:

Essential Building Block for Progress



COMMERCIALY
VIABLE

VERSATILE

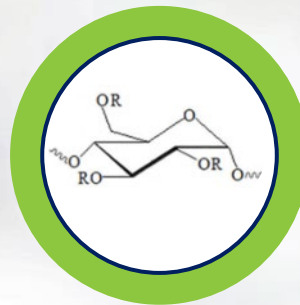
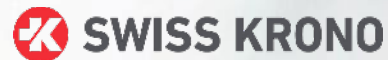
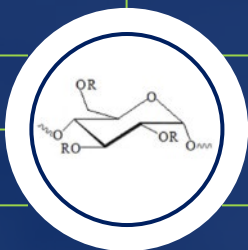
COST STABLE

FULLY SCALED

SAFE

LOW CARBON
FOOTPRINT

NATURALLY
DERIVED



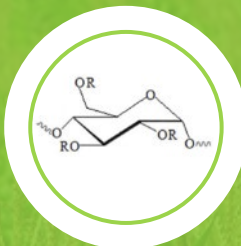
LEADING
GLOBAL
RETAILER

LEADING
GLOBAL TISSUE /
PAPERBOARD
MANUFACTURER



TOTAL ADDRESSABLE MARKETS today's potential:

ONE PLATFORM –
THREE PRODUCTS



Urea formaldehyde

\$15B

wood resin market



**SB/SA Latex
& Strength Aids**

\$1B+

pulp, paper, tissue and
paperboard markets



Polyvinylpyrrolidone

\$460M

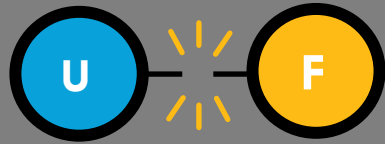
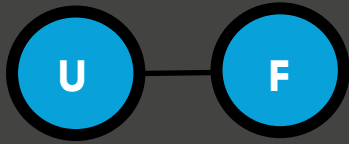
hair fixative binder market

PROGRESS ROADMAP



Accelerating
the adoption of
our biopolymer
platform, across
multiple markets
to make the
biggest impact.

UREA FORMALDEHYDE:
A HAZARDOUS INGREDIENT IN
WOOD COMPOSITE BINDERS



**THE SEARCH FOR A VIABLE
ALTERNATIVE WITHOUT
FORMALDEHYDE
(PERFORMANCE + PRICE)**



DURABIND™:

bio-based, sustainable adhesives
for formaldehyde reduction



ORIENTATED
STRAND BOARD
(OSB)



PARTICLE
BOARD



MEDIUM DENSITY
FIBERBOARD (MDF)

Reducing or
eliminating
formaldehyde
from wood glues
with sustainable
solutions that deliver
performance and
cost reductions



Wood-based Materials

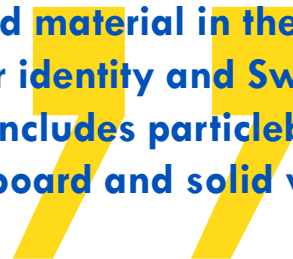
For many wood-based materials, we use a significant amount of glue to hold wood components or fibres together.

Glue used in our boards represents 5% of the total IKEA climate footprint.

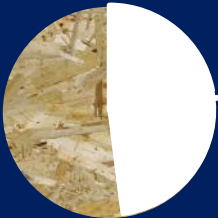
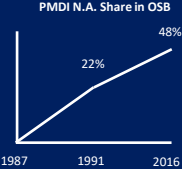
That's why moving towards bio-based glues is a key enabler to meeting our overall climate goal.



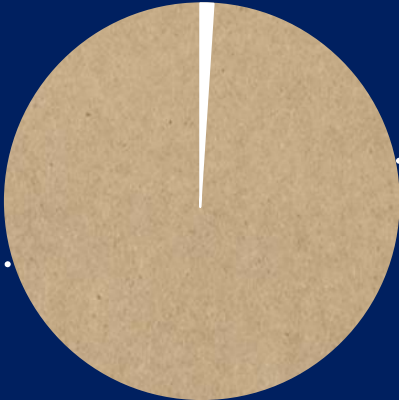
Wood is the most used material in the IKEA range. It's part of our identity and Swedish heritage and includes particleboard, fibreboard and solid wood.



MASSIVE MARKET POTENTIAL FOR A NO ADDED FORMALDEHYDE LEADER



Oriented
Strand Board



Medium Density
Fiberboard



Particle Board



\$15B
Global Wood
Resin Market



● No Added Formaldehyde
Market Share by Application

BE.YOND

Using only nature ingredients

Japanese standard

Historical considered highest achievable

New emission legislation
in Germany from 01.01.2020

Californian / USA
emission standard

European industry standard
since 1920's

0,01 ppm*



0.005 ppm
Independent third party
testing of wood composite
manufactured with DuraBind

0,03 ppm*

F****

0,05 ppm*

E0.5 (E1 D²⁰²⁰)

0,065 ppm*

CARB II / EPA TSCA Title VI

0,1 ppm*

E1

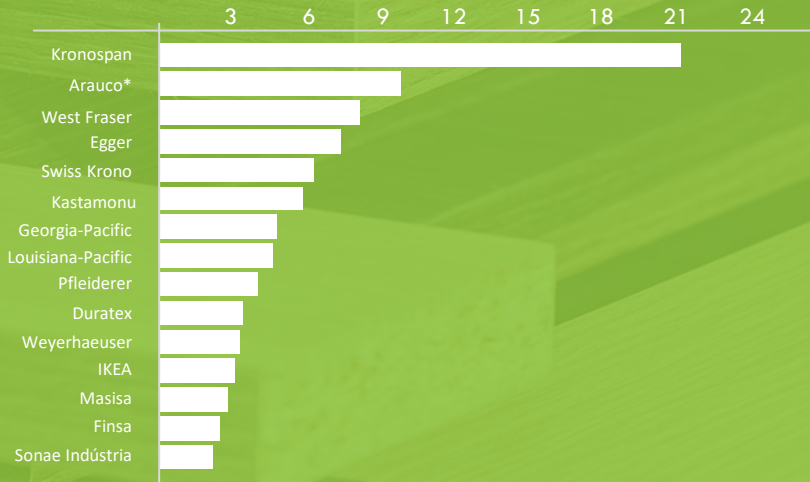
*Limits related to EN 717-1

Source: SWISS KRONO - BE.YOND - Safe and sustainable living and building, July 9, 2019

DURABIND: PERFORMANCE FOR MASS ADOPTION

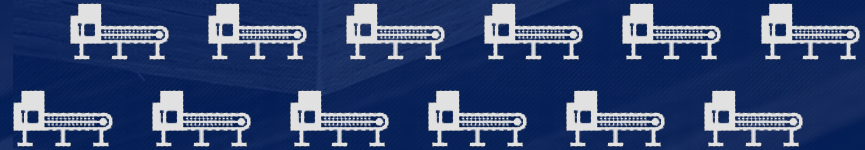
TOP 15 GLOBAL WOOD-BASED PANEL MANUFACTURERS

(Based on production capacity¹ (million m³))



1,000+

serviceable addressable
wood-panel lines globally



\$0.5M to \$3.0M+
annual revenue opportunity per line

1) Source: Arauco, including Hawkins Wright, public company filings and management estimates

* Arauco capacity includes 50% of Montes del Plato, Sonae Arauco and MAPA

OUR DRY STRENGTH RESIN for tissue/paperboard & pulp markets



**RECYCLING
RATES**

**FIBRE
LENGTH &
STRENGTH**



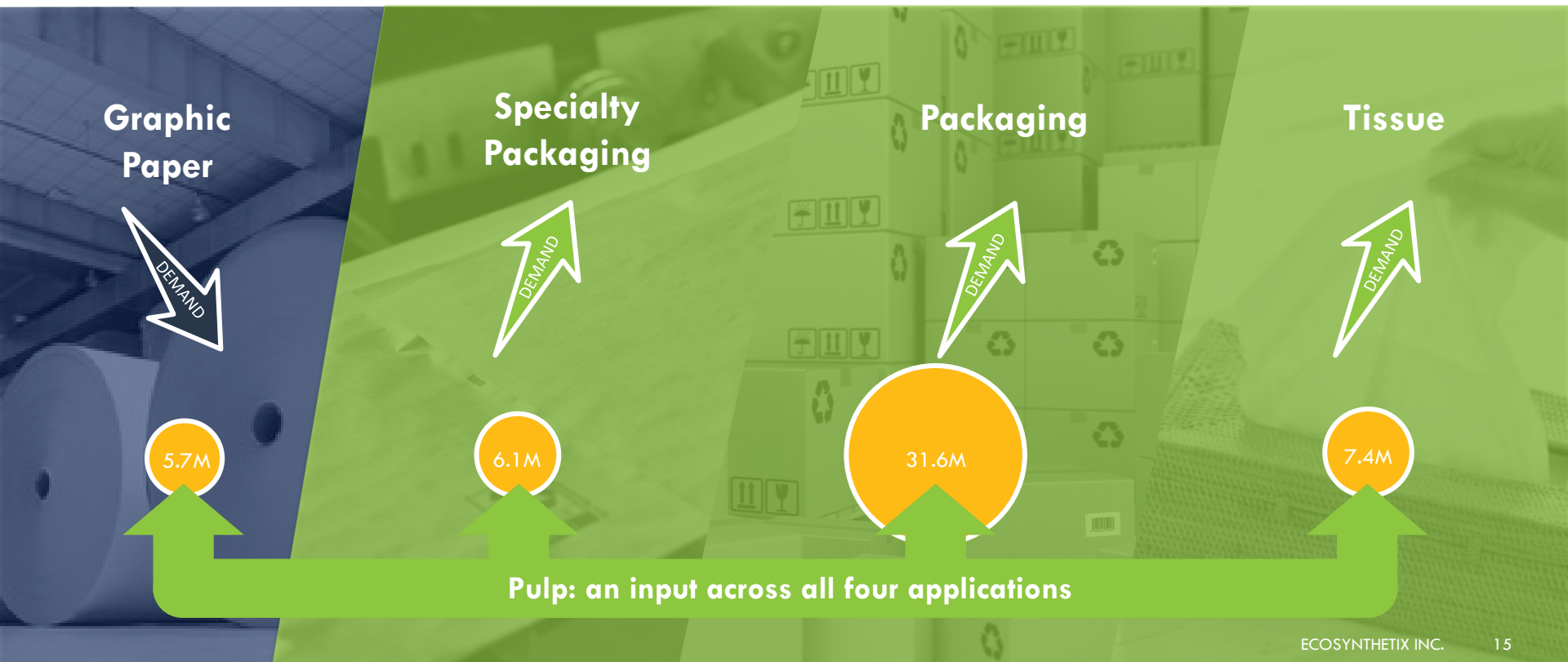
WHY OUR BIO-POLYMER

- 1) Improved strength
- 2) No negative effects on existing processing
- 3) Minimum sheet breaks
- 4) Increased production speed
- 5) Lower fibre and energy costs
- 6) Proven case studies on tissue/paperboard and pulp applications

EXPANDING ADDRESSABLE MARKETS IN PAPER

opportunities beyond graphic paper:

Paper and Board
Consumption (tonnes)



TOP 15 GLOBAL FORESTRY & PAPER COMPANIES

(Based on revenue (USD billions))



6

Commercial
accounts within leading
forestry & paper
companies

\$1B+

SB/SA Latex & Strength Aids
market for pulp, paper,
tissue and paperboard verticals

MAIZECARE – 100% NATURAL ORIGIN



DERIVED FROM NATURE, BACKED BY SCIENCE.

“MaizeCare Clarity Polymer offers hair care formulators the opportunity to design hair styling formulations that can meet growing consumer expectations for natural hair care products”

Dow Personal Care, Personal Care Magazine, June 2022

PROGRESS ON PERSONAL CARE

“...committed to bring highly performing and sustainable ingredients to the market.”

Dow press release, Sept. 6, '22



Dow continues to invest resources in go-to-market and new product launches

Two prestigious innovation awards:

- The 2022 R&D 100 Awards recognized MaizeCare™ Clarity Polymer in the Mechanical/Materials category
- The Business Intelligence Group (BIG™) named the innovative polymer a BIG™ Sustainability Product of the Year in the 2022 Sustainability Awards program

Positive signs within macro market that demand moving past pandemic

Small wins, optimism for larger opportunities

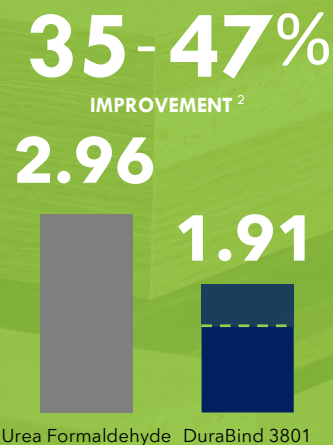
ECOSYNTHETIX: A CLIMATE POSITIVE COMPANY IN 2022

USE OF OUR BIOPOLYMERS WILL AVOID 1.5X OF OUR CARBON EMISSIONS BY 2027

CO2 REDUCTION BENEFITS FROM ECOSYNTHETIX BIOPOLYMERS VERSUS INCUMBANTS¹
(KILOGRAMS CO2 EQUIVALENT PER KILOGRAM OF PRODUCT)



PAPERBOARD MARKET



WOOD COMPOSITES MARKET



PERSONAL CARE MARKET

1) Management estimates
2) 47% improvement based on material used to replace one unit of urea formaldehyde. Unit: kg CO2e per 100 kg wood furnish

Best 50 Corporate Citizens in Canada

EcoSynthetix ranked #20 overall
by Corporate Knights



Platinum

sustainability rating awarded to
EcoSynthetix by EcoVadis

Only Top 1%

of 90,000 companies rated
receive Platinum

INFLATIONARY PRESSURES
DUE TO PANDEMIC AND
CONFLICT IN UKRAINE



DROUGHT CONDITIONS
DURING EUROPEAN
GROWING SEASON



CORN MILL STIKE
IN NORTH AMERICA



30%
LESS VOLUME IN
2023 VS. 2022¹

PRICING
DISCONNECT
FROM CBOT

**CORN STARCH
AVAILABILITY
SEVERELY
IMPACTED**

1) Roquette estimate of waxy corn availability as of October 12, 2022

ILLUSTRATIVE \$100M BIO-POLYMER COMPANY

 **SWISS KRONO**



LEADING
GLOBAL
RETAILER

LEADING
GLOBAL TISSUE /
PAPERBOARD
MANUFACTURER

\$100M
SALES

 **ECOSYNTHETIX**

E

NEW WOOD
COMPOSITES
MANUFACTURERS
WITHIN RETAILERS
SUPPLY CHAIN

D

PERSONAL CARE
MOMENTUM

C

MULTIPLE NEW
LINES IN WOOD
COMPOSITES AND
TISSUE / PAPERBOARD
AND EARLY PERSONAL
CARE WINS

B

NEW WOOD COMPOSITES
& TISSUE / PAPERBOARD LINES

A

TODAY: COMMERCIAL WITH
MARKET LEADERS IN EACH VERTICAL

A MULTIPLE SHOTS ON GOAL STRATEGY

- 1) EXPANDING VOLUMES
WITH EXISTING
ACCOUNTS
- 2) WINNING NEW
ACCOUNTS
- 3) EXPANDING MARGINS
WITH DIVERSIFICATION



QUESTIONS & ANSWERS

CORPORATE OVERVIEW

TSX Symbol

ECO

Shares Outstanding

59.3M

Market Capitalization (as at Feb. 1, 2023)

C\$213M

Net Debt

Nil

Cash Balance & Short-Term Investments (as at Sep. 30, 2022)

US\$36.9M / C\$51.1M

Q3 FINANCIAL SUMMARY

USD millions (except gross margin)	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Net Sales	\$5.0	\$4.7	\$13.4	\$13.3
Gross Profit	\$1.0	\$1.1	\$3.2	\$3.0
Gross Margin	20.6%	23.5%	24.1%	22.3%
Gross Margin adjusted for manufacturing depreciation	23.0%	27.8%	27.3%	26.7%
Adjusted EBITDA ¹ (loss)	\$(0.1)	\$(0.1)	\$(0.5)	\$(0.6)

US\$36.9 MILLION IN CASH AND SHORT-TERM INVESTMENTS (09/30/22)

1) Adjusted EBITDA is defined as consolidated net income (loss) before interest, income taxes, depreciation, amortization and other non-cash charges deducted in determining consolidated net income (loss).