



ECOSYNTHETIX INC

Jeff MacDonald | CEO

Rob Haire | CFO

Investor Presentation Winter 2022

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 products 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, continues to impact worldwide economic activity. The governments of many countries, states, cities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations and temporary closures of businesses. In addition, numerous other businesses have temporarily closed voluntarily. Such actions have created and continue to create disruption in global supply chains, increasing rates of unemployment and adversely impacting many industries.

During the year ended December 31, 2020, the impact of COVID-19 caused both the global demand for paper products to decrease and a decrease in the pricing of petroleum-related products with which the Company's products compete. This resulted in reduced sales volume, lower pricing and reduced gross profit for the Company. During the year ended December 31, 2021, the impacts of COVID-19 on sales volume and pricing partially diminished when compared to 2020 however the impact of COVID-19 on the global supply chain has resulted in increased raw material and freight costs for the Company. The impact of COVID-19 on the economy continues to keep interest rates low, reducing interest income earned on cash deposits and short-term investments. During the years ended December 31, 2021 and December 31, 2020, the Company applied for and received government assistance under the Canada Emergency Wage Subsidy (CEWS) program and the Canada Emergency Rent Subsidy (CERS) program. No other COVID-19 related risks identified below have materialized during the period and there has been no other material direct impact on operating results.

The global impact of COVID-19 continues to evolve rapidly, and in 2022, COVID-19 will likely continue to have negative material impacts on the global economy and our relevant markets. For the Company, COVID-19 may materially impact our ability to manufacture, source (including the delivery of raw materials to its facilities) or distribute our products both domestically and internationally; reduce our ability to effectively market and sell our products; reduce demand for the Company's products; result in labour shortages or social unrest; cause a significant decrease in the market price for petroleum related feedstocks which our products compete with, and cause increased credit risk. Any of these additional risks factors could have a significant negative impact on the Company's financial results. Given the dynamic nature of this outbreak, the extent to which the COVID-19 virus impacts the Company's operational results and financial performance will depend on future developments, which remain highly uncertain and cannot be accurately predicted at this time, including the duration, scope and severity of the pandemic, the actions taken to contain or mitigate its impact, and the direct and indirect economic effects of the pandemic and related containment measures, among others.

Even after the COVID-19 pandemic subsides, our business could also be negatively impacted. Future events could cause global financial conditions to suddenly and rapidly destabilize, and governmental authorities may have limited resources to respond to such future crises. Future crises may be precipitated by any number of causes, including other emerging infectious diseases, natural disasters, geopolitical instability, changes to energy prices or sovereign defaults. Any sudden or rapid destabilization of global economic conditions could negatively impact our ability to obtain equity or debt financing and may negatively impact our business and results of operations. If increased levels of volatility continue, there is a rapid destabilization of global economic conditions or a prolonged recession resulting from a pandemic, it may result in a material adverse effect on raw material prices and availability, petroleum pricing, availability of credit, investor confidence, and general financial market liquidity, all of which would likely materially affect our business.

IFRS and Non-IFRS Measures

This MD&A 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 supplementary 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

IMPACT OF OUR DIVERSIFICATION STRATEGY STARTING TO GROW

OUR MULTIPLE SHOTS ON GOAL COMMERCIAL STRATEGY

- 1) WOOD COMPOSITES
- 2) PERSONAL CARE
- 3) PAPER & PACKAGING



PERSONAL CARE
hair care

PAPER & PACKAGING
label adhesives

PAPER & PACKAGING
reading and advertising paper

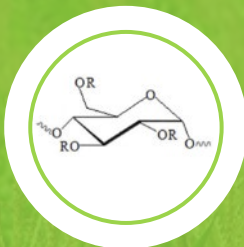
WOOD MATERIALS
for furniture, floors
& construction

PAPER & PACKAGING
solutions

TOTAL ADDRESSABLE MARKETS today's potential:



ONE PLATFORM –
THREE PRODUCTS



Urea formaldehyde

\$15B

wood resin market



SB Latex

\$4B

styrene-butadiene
latex market



Polyvinylpyrrolidone

\$350M

hair fixative binder market

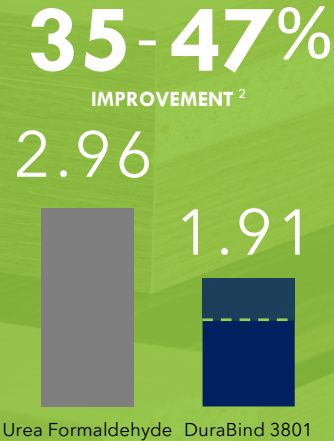
ECOSYNTHETIX: A CLIMATE POSITIVE COMPANY IN 2022

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

Platinum

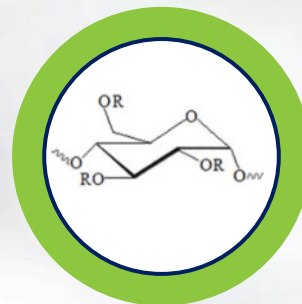
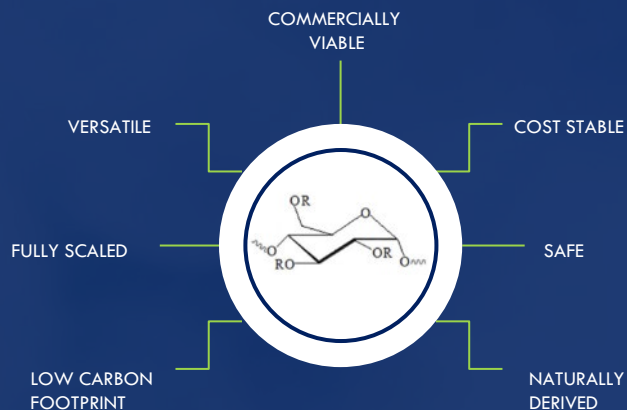
sustainability rating
awarded to EcoSynthetix
by EcoVadis

Only Top 1%
of 85,000 companies
rated receive
Platinum



PRODUCTS resonating:

Essential Building Block for Progress

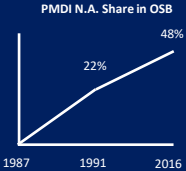


LEADING
GLOBAL
RETAILER

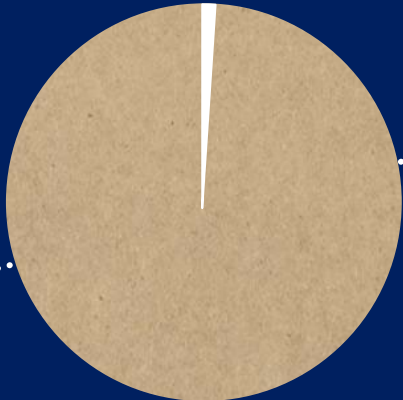


LEADING
GLOBAL
CHEMICAL
CO

MASSIVE MARKET POTENTIAL FOR A NO ADDED FORMALDEHYDE LEADER



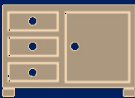
Oriented
Strand Board



Medium Density
Fiberboard



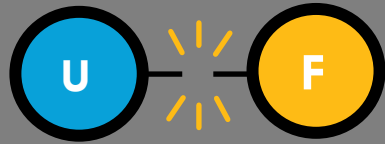
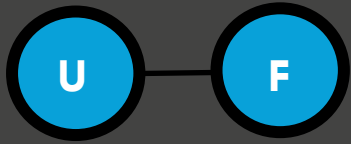
Particle Board



\$15B
Global Wood
Resin Market

● No Added Formaldehyde
Market Share by Application

UREA FORMALDEHYDE:
A HAZARDOUS INGREDIENT IN
WOOD COMPOSITE BINDERS



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



BE.YOND PARTICLE BOARD – JUST LIKE NATURE INTENDED



Emissions no higher
than a tree – so we
can live indoors
just like outdoors!

The SWISS KRONO GROUP

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

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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.

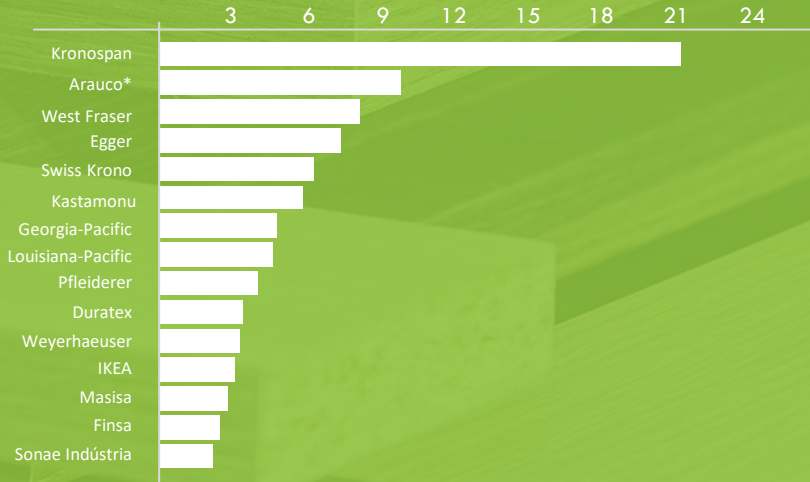


Wood is the most used material in the IKEA range. It's part of our identity and Swedish heritage and includes particleboard, fibreboard and solid wood.

DURABIND: PERFORMANCE FOR MASS ADOPTION

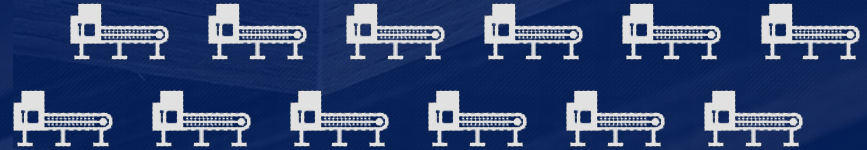
TOP 15 GLOBAL WOOD-BASED PANEL MANUFACTURERS

(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

Q4 FINANCIAL SUMMARY

<i>USD millions</i> <i>(except gross margin)</i>	Q4 2021	Q4 2020	FY 2021	FY 2020
Net Sales	\$4.9	\$3.3	\$18.2	\$13.7
Gross Profit	\$1.0	\$0.7	\$4.0	\$2.7
Gross Margin	20.7%	20.3%	21.9%	20.0%
Gross Margin adjusted for manufacturing depreciation	24.8%	27.2%	26.2%	26.0%
Adjusted EBITDA ¹ (loss)	\$(0.3)	\$(0.1)	\$(0.9)	\$(0.8)

US\$42.2 MILLION IN CASH (12/31/21)

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).

RETAILERS
PULLING SUPPLY CHAIN
TOWARD GREEN INGREDIENTS



GREAT
PARTNERS
ENGAGED



MULTIPLE
SHOTS ON GOAL
TO SUPPORT COMMERCIAL
SUCCESS



**#1 PRIORITY:
STRATEGIC WINS WITH
COMMERCIAL ACCOUNTS
IN WOOD COMPOSITES &
PERSONAL CARE**



QUESTIONS & ANSWERS

CORPORATE OVERVIEW

TSX Symbol

ECO

Shares Outstanding

59.0M

Market Capitalization (as at Mar. 4, 2022)

CDN \$325M

Net Debt

Nil

Cash Balance (as at Dec. 31, 2021)

US\$42.2M / C\$54.0M