



ECOSYNTHETIX INC

Jeff MacDonald | CEO

Rob Haire | CFO

Investor Presentation Spring 2021

FORWARD LOOKING STATEMENTS

Certain statements contained in this annual information form 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 and our ability to successfully commercialize our products. 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. 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. 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 statements include, among other things: 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 feedstocks used in the production of our products; the inability to effectively expand our production facilities; variations in our financial results; increase in industry competition; decrease in the price of substitute products; 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; 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 (as defined herein); 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 this annual information form. Such factors are not intended to represent a complete list of the factors that could affect us. In addition to the risk factors identified in the Company's Annual Information Form, as of the date of this Press Release, the Company has identified additional risks associated with the COVID-19 global pandemic which are described below. These factors should be considered carefully, and readers should not place undue reliance on forward-looking information.

Beginning in December 2019, a new strain of the coronavirus (COVID-19) has spread rapidly through the world. During the three and twelve months ended December 31, 2020, COVID-19 has 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 with. This has resulted in reduced sales volume, lower pricing and reduced gross profit for the Company. COVID-19 has also reduced the Company's ability to effectively market and trial its products with customers where on-site collaboration is preferred. During the three and twelve months ended December 31, 2020, the Company also applied for and received government assistance under the Canadian Emergency Wage Subsidy (CEWS) program. No other COVID-19 related risks identified below have materialized during the period and there has been no other impact on operating results. For the remainder of 2021, COVID-19 will likely continue to have negative material impacts on the global economy which present significant additional risk factors. For the Company, this outbreak might materially impact the Company's ability to manufacture, source (including the delivery of raw materials to its facilities) or distribute its products both domestically and internationally; reduce our ability to effectively market and sell our products; reduce demand for our products; cause a significant decrease in the market price for petroleum related feedstocks which our products are an alternative, and cause increased credit risk. Any of these additional risks factors could have a significant negative impact on the Company's financial results in 2021 and beyond. Given the dynamic nature of this outbreak, the extent to which the COVID-19 virus impacts the Company's results will depend on future developments, which remain highly uncertain and cannot be accurately predicted at this time.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying those forward-looking statements prove incorrect, actual results may vary materially from those anticipated in such forward-looking statements.

Although the forward-looking statements contained herein are based upon what we believe to be reasonable assumptions, there can be no assurance that such forward-looking information will prove to be accurate and we cannot assure that actual results will be consistent with these forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements. The information contained in this document, including the information provided under the heading "Risk Factors", identifies additional factors that could affect the Company's operating results and performance.

Forward-looking information contained herein is made as of the date of this annual information form and we disclaim any obligation to update any forward-looking information, whether as a result of new information, future events or results, except as may be required by applicable securities laws. Accordingly, readers should not place undue reliance on forward-looking information.

A photograph of a family of four (a man, a woman, and two children) sitting around a wooden table, engaged in a board game. They are all looking intently at the game board, which has various colored pieces and a die. The scene is warm and intimate, suggesting a safe and healthy home environment.

**HEALTH &
SAFETY** OF OUR
HOMES AND
WORKPLACES

what we do: POLYMERS FROM GREEN CHEMISTRY

Patented Formula:
Sustainable feedstocks + chemicals



Patented process:
Proprietary continuous
manufacturing process



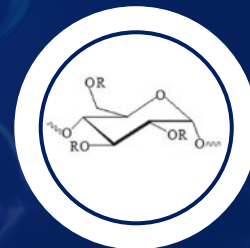
Patented product:
Engineered biopolymer



Proprietary engineering:
Engineered solutions

BIOPOLYMER PLATFORM

ESSENTIAL BUILDING BLOCK FOR PROGRESS



- COST STABLE
- COMMERCIALY VIABLE
- NATURALLY DERIVED
- SAFE
- VERSATILE
- FULLY SCALED
- LOW CARBON FOOTPRINT

PURPOSE DRIVEN
INNOVATION

THE PACE OF CHANGE ACCELERATING

EXPLOSION OF NET-ZERO COMMITMENTS IN 2020¹



Nestlé Good food, Good life

Nestlé redoubles efforts to combat climate change
...taking measures to halve its emissions by 2030 and
achieve net zero by 2050

December 3, 2020



PEPSICO

**PepsiCo Doubles Down on Climate Goal and
Pledges Net-Zero Emissions by 2040**

...targeting a reduction of absolute GHG emissions
across its value chain by more than 40% by 2030

January 14, 2021



**General Motors, the Largest U.S. Automaker,
Plans to be Carbon Neutral by 2040**

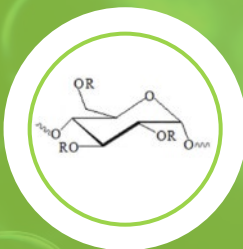
...implementing plans today to reduce the
impact associated with its supply chain

January 28, 2021

OUR PLATFORM'S potential:

Essential Building Block for Progress

ONE INNOVATION:



DOZENS OF SECTORS:



FURNITURE



PACKAGING



MINING



CONSTRUCTION



PAPER



AGRICULTURE



TRANSPORTATION



FOOD



HEALTHCARE



WASTE MANAGEMENT



PERSONAL CARE



BUILDING MATERIALS

100's OF PRODUCTS:



A MULTIPLE SHOTS ON GOAL COMMERCIAL STRATEGY

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



PERSONAL CARE
hair care

PAPER & PACKAGING
label adhesives

PAPER & PACKAGING
reading and advertising paper

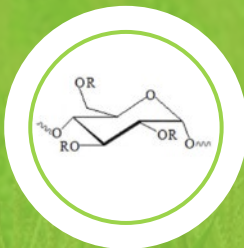
WOOD MATERIALS
for furniture, floors
& construction

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



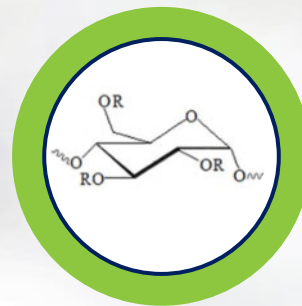
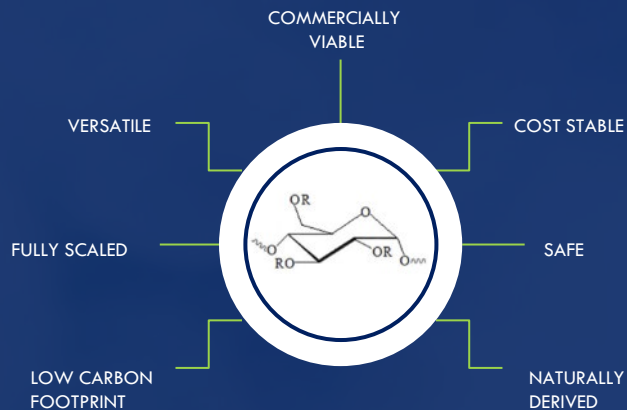
Polyvinylpyrrolidone

\$350M

hair fixative binder market

PRODUCTS resonating:

Essential Building Block for Progress



LEADING GLOBAL RETAILER



LEADING GLOBAL CHEMICAL CO

ROADMAP



Accelerating the utility of our platform biopolymer, by partnering with industry leaders with the market reach/access to make the biggest impact.

UREA FORMALDEHYDE:
A HAZARDOUS INGREDIENT IN
WOOD COMPOSITE BINDERS



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



FORMALDEHYDE RECOGNIZED AS A HUMAN CARCINOGEN

An industry poised for change

Expert Agencies Have Spoken



Formaldehyde listed as
“known to be a human carcinogen”

International Agency for Research on Cancer



Classified formaldehyde as a
“probable human carcinogen”



“Exposure to formaldehyde may
cause leukemia, particularly
myeloid leukemia, in humans”

Governments Restricting Usage & Introducing Tougher Regulation



California Environmental Protection Agency
Air Resources Board

European Environment Agency



Government of Canada / Gouvernement du Canada

Canada

Industry is Creating Standards



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

**DURABIND:
NO ADDED FORMALDEHYDE...
NO PROBLEM!**



**OBJECTIVE: TRANSFORM THE
WOOD COMPOSITES RESIN
MARKET WITH OUR PROPRIETARY,
SUSTAINABLE NAF SOLUTIONS**



The overall goal is, by 2030, to reduce greenhouse gas emissions by more than the IKEA value chain emits, while growing the IKEA business. This will be achieved without relying on carbon offsetting.

Materials

The main identified movements needed are in **bio-based glues for our wood-based products (fossil-based glue represents 6% of the total IKEA climate footprint)**, renewable energy at board factories, and significantly increasing recycled content for our main metals – steel and aluminium. Our focus is now on updating all material directions to secure that we have a full portfolio of actions to reach the required reductions.

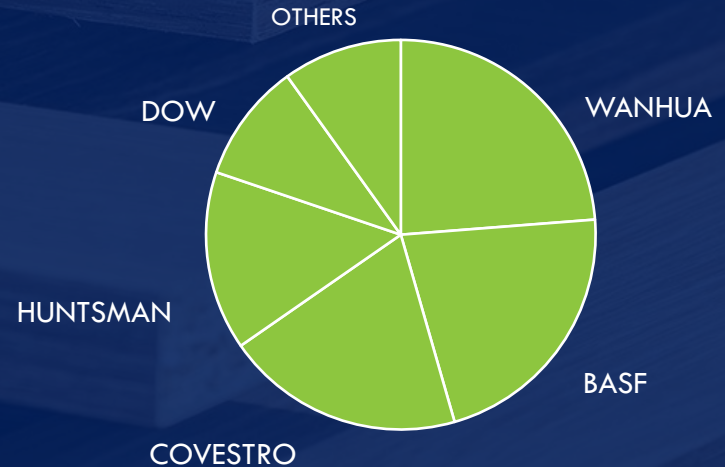
DURABIND: A CO-BINDER REPLACING FORMALDEHYDE BINDERS

+ DURABIND **=** NAF
MDI SOLUTION

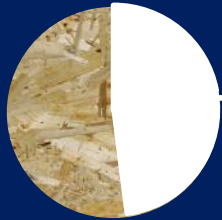
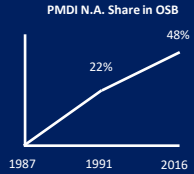
MDI MANUFACTURERS
SEARCHING FOR NEW
ADDRESSABLE MARKETS

MDI: A HIGHLY CONCENTRATED MARKET

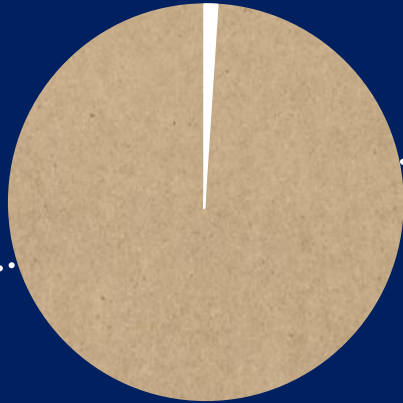
\$22B Global MDI Market (~\$1B wood composites resins)
MDI MARKET SHARE (%)



MASSIVE MARKET POTENTIAL FOR A NO ADDED FORMALDEHYDE LEADER



Oriented
Strand Board



Medium Density
Fiberboard



Particle Board



\$15B
Global Wood
Resin Market



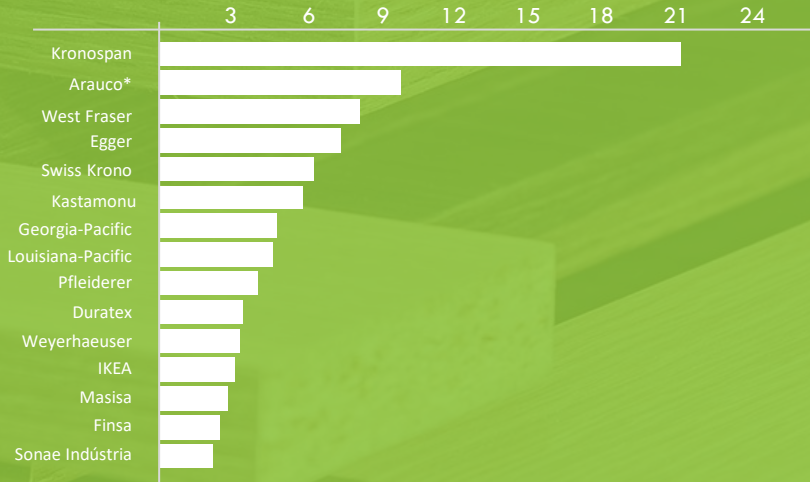
No Added Formaldehyde
Market Share by Application

Source: Transparency Market Research Report

DURABIND: PERFORMANCE FOR MASS ADOPTION

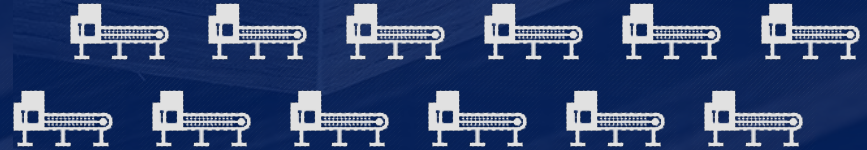
TOP 15 GLOBAL WOOD-BASED PANEL MANUFACTURERS

(Based on production capacity¹ (million m³))



1,000+

serviceable addressable
wood-panel lines globally



\$0.5M to \$3.0M

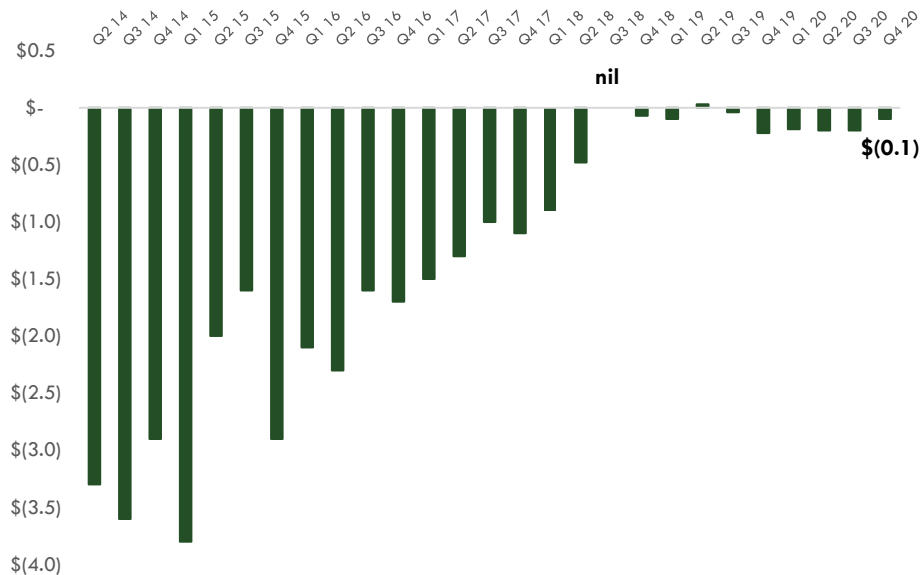
annual revenue opportunity per line

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

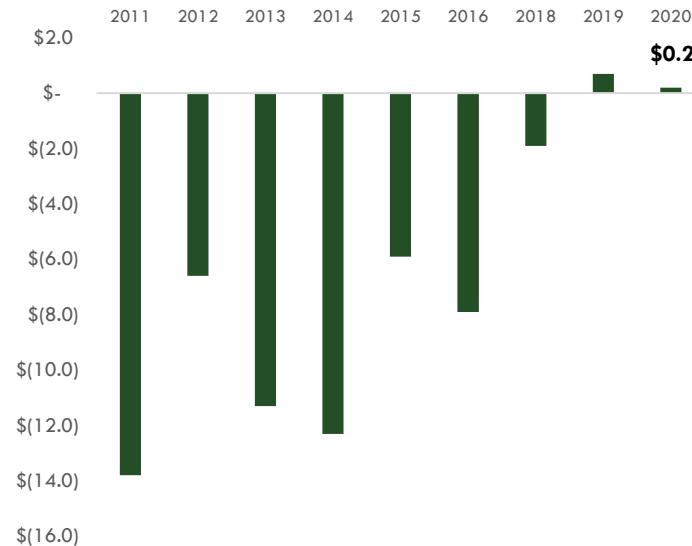
* Arauco capacity includes 50% of Montes del Plato, Sonae Arauco and MAPA

MAINTAINED POSITIVE CASH FLOW FROM OPERATIONS IN FY 2020 & FY 2019

Quarterly Adj EBITDA loss
(USD millions)



Annual Cash Flows from (used in) Operations
(USD millions)



US\$42.0 MILLION IN CASH AND SHORT-TERM INVESTMENTS (12/31/20)

RETAILERS
PULLING SUPPLY CHAIN
TOWARD GREEN INGREDIENTS



GREAT PARTNERS ENGAGED



MULTIPLE
SHOTS ON GOAL
TO SUPPORT COMMERCIAL
SUCCESS



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



QUESTIONS & ANSWERS

CORPORATE OVERVIEW

TSX Symbol

ECO

Shares Outstanding

57.2M

Market Capitalization (as at Mar 17, 2021)

CDN \$252M

Net Debt

Nil

Cash Balance (as at Dec 31, 2020)

USD \$42.0M / CDN \$53.8M