



ECOSYNTHETIX INC

Jeff MacDonald | CEO

Rob Haire | CFO

2024 Q1 Earnings Results

May 7, 2024

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 2024. Such statements reflect our current views and beliefs with respect to future events, are subject to risks and uncertainties, and are based upon several 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 or services 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 conflict in Ukraine including the potential expansion of the conflict into other countries or regions; the availability and price of natural feedstocks used in the production of our products; agricultural risks that could impact crop yields and bio-based materials; a significant decrease in the market price of petroleum related feedstocks; inflationary pressures that may affect labor, raw materials, energy, agricultural commodities and other input costs; fluctuations in energy costs used to run production facilities; the inability to effectively expand our production facilities; dependence on certain customers and changes in customer demand; credit and concentration risk associated cash and cash equivalents as

well as accounts receivable; the risk of volatility in global financial conditions, as well as significant decline in general economic conditions; increase in industry competition; variations in our financial results; our ability to effectively commercially market and sell our products; the inability to retain key personnel; the inability to develop new technologies and products; an inability to protect, defend or use our intellectual property and/or infringement of third-party intellectual property; enforcement of intellectual property rights; the ability to acquire intellectual property; the risk of litigation with respect to intellectual property and other matters; our ability to protect our know-how and trade secrets; 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; the impact of infectious disease outbreaks on our business including a resurgence of COVID-19; changes in government regulations and policies relating to our business; a shortage of supplies, equipment and parts; a breach in cyber-security; company growth and the impact of significant operating and capital cost increases; changes in the current political and regulatory environments in which we operate; the inability to secure additional government grants; a deterioration in our cash balances or liquidity; the inability to obtain equity or debt financing; insufficient product liability insurance; 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 volatile market price for common shares; the impact of changes in interest rates; the impact of changes in foreign currency exchange; losses from hedging activities and changes in hedging strategy, as well as the factors identified in the "Risk Factors" section of the Company's Annual Information Form dated February 27, 2024. 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.

IFRS and Non-IFRS Measures

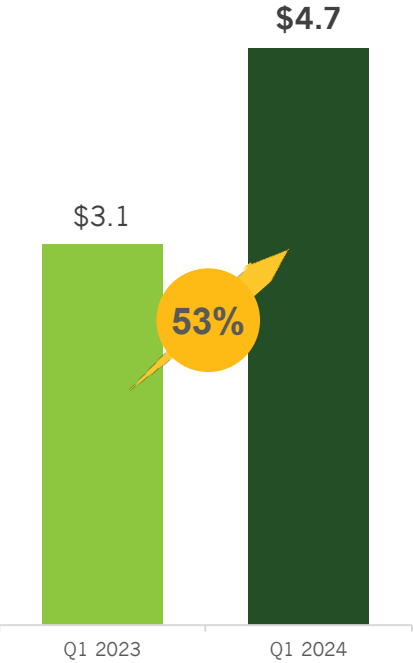
This MD&A makes reference to certain non-IFRS measures. These non-IFRS measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing a further understanding of the 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), gain or loss on disposals of PP&E, accretion, and other non-cash expenses deducted in determining consolidated net income (loss).

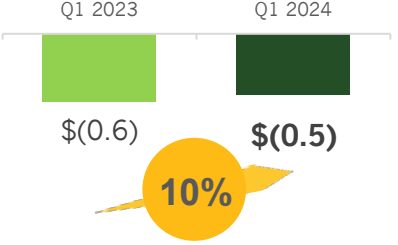
STRONGER DEMAND DROVE HIGHER VOLUMES

(USD millions)

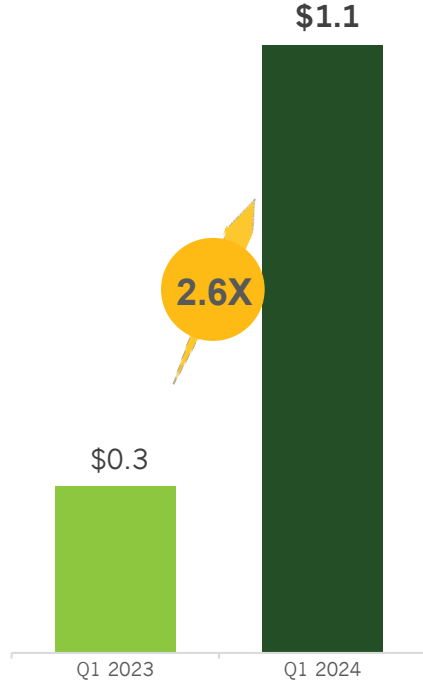
Net Sales



Adj EBITDA (loss)



Cash provided by operating activities



ON A PATH TO ACHIEVE POTENTIAL OPPORTUNITIES AHEAD OF US

SURFLOCK PROGRESS:

Improving strength and delivering cost reductions through use of lower cost fibers



PULP

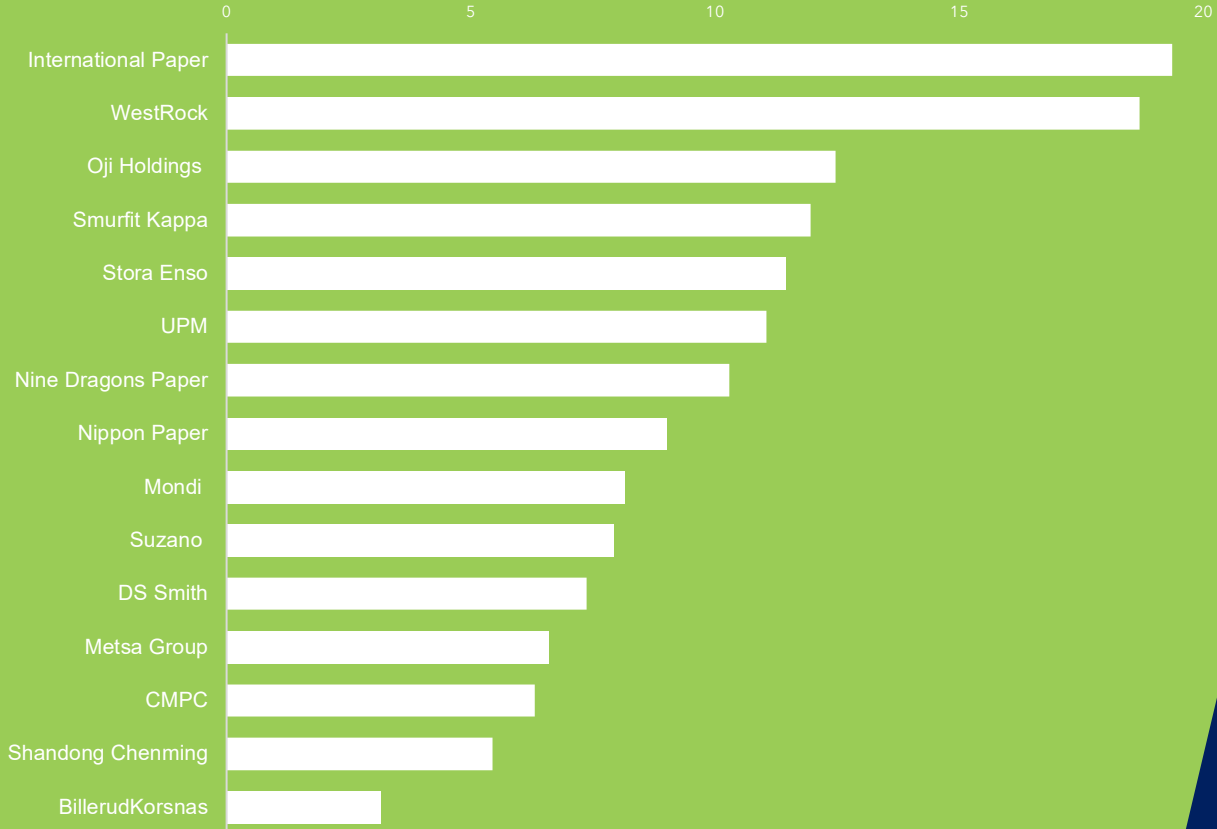
- Global pulp producer expanding its multi-stage trial
- Established customer support unit for their enhanced strength offering
- Another larger order shipped in Q1
- Multiple locations participating in this stage of the trial
- Results expected by June/July

TISSUE & PAPERBOARD

- Strong trial activity in Europe
- New prospects engaged in North America

TOP 15 GLOBAL FORESTRY & PAPER COMPANIES

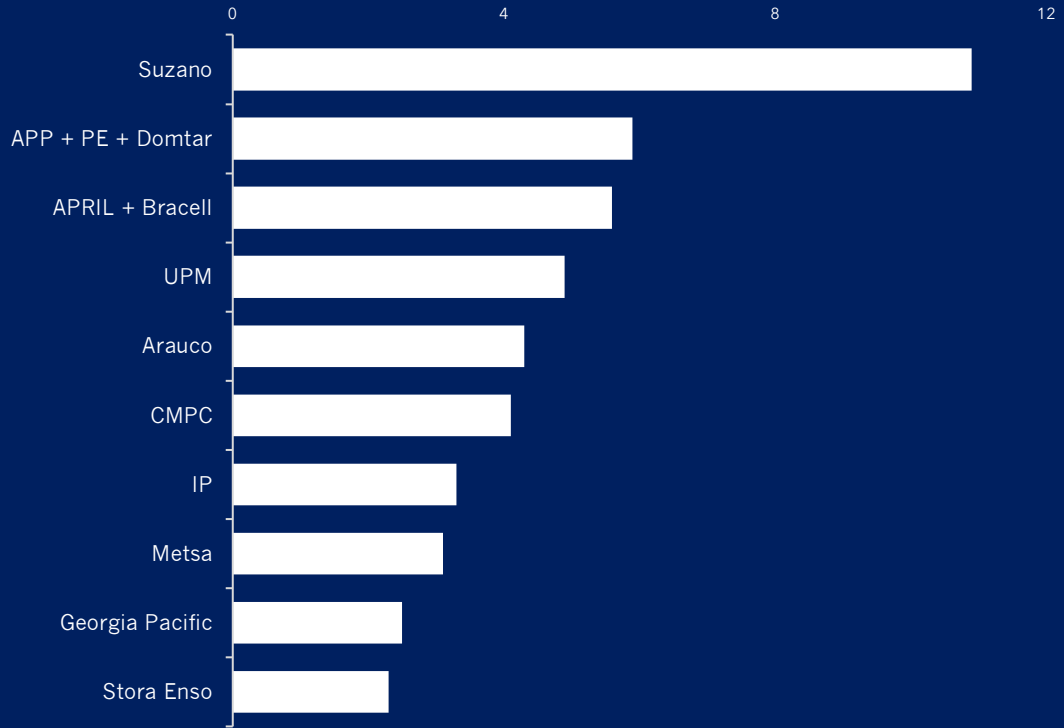
(Based on revenue (USD billions))



Source: Statista – Global leading forestry and paper companies

TOP 10 GLOBAL PULP COMPANIES

(Market pulp capacity (tonnes millions))



Source: Hawkins Wright, August 2023. Market pulp capacity including hardwood and softwood volumes (Includes AraucoMAPA and UPM Paso de los Torostotal capacities)

THE COMPLEXITY OF INDUSTRIAL TRIALS

Raw material



End product



Quality and variability of recycled feedstock extremely diverse

Output involves multiple different grades across quality, thickness, and end use

SurfLock™ strength aids optimized across each of these variables

Step-by-step process; adjust, run, measure, adjust

Trials scheduled alongside commercial production

Distribution partners or internal team members support prospects throughout a trial

WOOD COMPOSITES PROGRESS:

DuraBind™ the clear incumbent
in the biobased glue market



Supporting and expanding commercial usage at our key strategic account

Strategic account engaging their supply chain partners as a catalyst event for new demand

Identified first supply chain prospect, working together and applying learnings of all three parties on a new trial program

Product development focused on enhancing economics of DuraBind

PROGRESS ON OUR ALL-NATURAL POLYMERS FOR PERSONAL CARE



5-year contract renewal with Dow for our all-natural ingredients in personal care

Dow has established goals for this next stage of commercialization

Goals demonstrate Dow's commitment and the importance of bringing all-natural ingredients to personal care

Optimistic that the larger opportunities are near term

Targeting a meaningful share of the \$460M hair fixative market, plus new applications beyond hair care

NEW PRODUCTION LINE AT COI IN BURLINGTON



New line to serve North America

Offers greater control and flexibility across supply chain and manufacturing process

Increased collaboration and improved cycle time driving learnings, development work and testing

Relationship with toll manufacturing partner in the Netherlands unchanged; will continue to serve Europe and Asia

U.S. CORN PRICING CONTINUES TO IMPROVE



\$6.43
corn/bushel
Jun 2023
vs.
\$4.19
Mar 2024

Q1 2024 FINANCIAL SUMMARY

<i>USD millions (except gross margin)</i>	Q1 2024	Q1 2023
Net Sales	\$4.7	\$3.1
Gross Profit	\$1.1	\$0.6
Gross Margin	24.2%	20.1%
Gross Margin adjusted for manufacturing depreciation	29.2%	32.6%
Adjusted EBITDA ¹ (loss)	\$(0.5)	\$(0.6)

US\$33.7 MILLION IN CASH AND SHORT-TERM INVESTMENTS (03/31/24)

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BUILDING TO \$100M+ IN SALES

\$100M
SALES



ACHIEVABLE WITH EXISTING PARTNERS



LEADING GLOBAL
MANUFACTURER/
RETAILER

LEADING
GLOBAL TISSUE /
PAPERBOARD
MANUFACTURERS



QUESTIONS & ANSWERS