



**Origin Materials, Inc.
1Q24 Earnings Conference Call Script
May 14, 2024**

Operator

Thank you for standing by, this is the conference operator. Welcome to the Origin Materials First Quarter 2024 Earnings Call. As a reminder, all participants are in listen-only mode and the conference is being recorded. After the presentation, there will be an opportunity to ask questions. To join the question queue, you may press * then 1 on your telephone keypad. Should you need assistance during the conference call you may signal an operator by pressing * and 0.

At this time, for opening remarks and introductions, I would like to turn the call over to Ryan Smith, Co-Founder and Chief Product Officer. Please go ahead.

Ryan Smith, Co-Founder and Chief Product Officer, Origin Materials

Thank you. Good afternoon and thank you for joining us, everyone. Speaking first today is Origin's Co-CEO, Rich Riley. He will be followed by Co-CEO and Co-Founder John Bissell and CFO Matt Plavan. After that we will open the call to questions from analysts and discuss questions submitted as part of our "Ask Origin" campaign.

Ahead of this call, Origin has issued its 2024 first quarter press release and presentation which we will refer to today. These can be found on the Investor Relations section of our website at originmaterials.com.

Please note that during our discussion today we will be making forward-looking statements based on current expectations and assumptions, which are subject to risks and uncertainties. These statements reflect our views as of today, should not be relied upon as representative about views of any subsequent date, and we undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements in light of new information or future events. These statements are subject to a variety of risks and uncertainties that could cause actual results to differ materially from expectations. For further discussion on the material risks and other important factors that could affect our financial results, please refer



Origin Materials, Inc.
1Q24 Earnings Conference Call Script
May 14, 2024

to our filings with the SEC including our Quarterly Report on Form 10-Q filed today. During today's call, we will discuss non-GAAP financial measures, which we believe are useful as supplemental measures of Origin Materials' performance. These non-GAAP measures should be considered in addition to and not as substitutes for, or in isolation from GAAP results. You will find additional disclosures regarding the non-GAAP financial measures discussed on today's call in our press release issued this afternoon and our filings with the SEC, which will be posted to our website. The webcast of this call will also be available on the Investor Relations section of our company website.

With that, I will turn the call over to Rich.

Rich Riley, Co-CEO, Origin Materials

Thank you, Ryan. And thank you, everyone, for joining us.

Today we are reaffirming our path to profitability, which is entirely independent of the scale-up of our biomass conversion technology and related manufacturing plant construction. We are reaffirming that as we execute our business plan to achieve sustained profitability, we believe our cash runway is sufficient to eliminate the need for an equity capital raise.

Origin ended the first quarter with just over \$146 million dollars in cash and cash equivalents and marketable securities. Consistent with our prioritization of revenue-generating projects with the greatest contribution to near-term cash and our continued deferral of research expenses or other programs targeting longer-term paybacks, today we are reaffirming our expected 2024 net cash burn of between \$55 million and \$65 million dollars. We continue to make strong commercialization progress with Origin's caps and closures business, which we expect will begin to generate revenue within the next 9 months with significant gross profit generation beginning in 2025 and a healthy growth trajectory thereafter. As such, we continue to forecast a solid minimum cash floor on our way



Origin Materials, Inc.
1Q24 Earnings Conference Call Script
May 14, 2024

to sustained profitability, and hence the expectation that we will not require additional equity capital.

During the first quarter we made strong progress on our journey to profitability, led by our groundbreaking PET caps and closures business. We announced a few of our caps and closures manufacturing partners including PackSys Global and IMDvista, and we continued to make good progress with prospective and as yet unannounced customers who are excited about our revolutionary caps offering and the benefits it brings for recycling circularity and performance.

Today we are announcing that we have accelerated the procurement of multiple additional high-throughput caps production lines to complement the initial line which we have already purchased. We aim to bring our first manufacturing system online during the fourth quarter 2024. At full capacity following ramp-up, our initial systems are expected to generate between \$45 million and \$65 million in annual revenue. The caps and closures opportunity is massive – an over \$65 billion dollar market, with currently engaged prospective customers alone consuming tens of billions of caps per year. We look forward to rapidly standing up additional lines addressing multiple product types, including tethered beverage caps and caps for non-beverage home goods applications.

Today we are also announcing a caps and closures technical milestone, with the completion of a successful capping trial on a commercial bottle line applying Origin PET caps – in fact, Origin caps made with 100% recycled PET – to thousands of filled beverage containers. I'll let John speak to that in greater detail.

We also announced the initial product line-up our PET caps and closures manufacturing platform. We are starting with the world's first CSD (or Carbonated Soft Drink) PET cap, the lightest of its kind ever produced at commercial scale. There are hundreds of different kinds of caps and closures in container packaging. But the PCO 1881 neck finish is considered a leading standard for carbonated soft drinks and is often used for other products such as juices or even still or sparkling water.



Origin Materials, Inc.
1Q24 Earnings Conference Call Script
May 14, 2024

Because of the ubiquity of bottles using the PCO 1881 finish, it's an area where our PET cap can make a tremendous difference by improving recycling circularity and product performance in a massive addressable market. We followed that initial product announcement by introducing the first-ever tethered PET cap. Cap tethering mandates are coming into effect later this year in Europe through the EU Single-Use Plastic Directive. Tethered caps are designed to stay connected to the container and thereby improve cap collection rates for recycling. We look forward to our 1881-compatible caps being available in Q4 later this year with ramp-up to follow throughout 2025.

Apart from our caps and closures business, we continue to grow the long-term value of the Origin platform by engaging potential strategic partners around the scale-up of our biomass conversion technology, including exploring high value application development initiatives that could generate near-term revenue. Other technologies with near-term revenue-generating potential are also in development at Origin. Like our PET caps and closures, these new applications enabled by Origin technologies are not dependent on Origin 1 or Origin 2 for production and sale, but are capable of using materials these plants are designed to produce. We look forward to providing more detail on these initiatives in the future.

With that, I'll turn it over to John.

John Bissell, Co-CEO and Co-Founder, Origin Materials

Thank you, Rich, and good afternoon, everyone.

As Rich indicated, we're incredibly excited about the progress we're making at Origin. In particular, our caps and closures business is driving us toward profitability, and we are pleased with its progress, both technical and commercial.



Origin Materials, Inc.
1Q24 Earnings Conference Call Script
May 14, 2024

As a recap of the value of this business: We anticipate that our PET caps and closures business will be transformative for packaging. We announced this initiative in August 2023 after quietly developing the program for several years as a natural outgrowth of Origin’s polymer expertise and platform development efforts. This initiative is squarely on-mission for Origin, as we are transitioning a hard-to-recycle material into an easy-to-recycle one, in support of the global transition to sustainable materials. We are positioned to be first to market with a commercially scalable PET cap – something the industry has long sought but never achieved. Notably, Origin’s PET caps and closures are expected to be cost-competitively produced with any type of PET, making “made with 100% recycled PET” possible from cap to container. They perform better than today’s HDPE and polypropylene caps in ways that can improve product shelf life, they can be made from recycled PET, or rPET, and they are designed for circularity – with no additives used to modify the polymer. For a wide variety of containers our technology enables the lightest cap, reducing plastic waste and improving sustainability.

We are working with world-class manufacturing partners to bring this technology breakthrough to market. This quarter we announced a few of them.

We announced our partnership with PackSys Global, the leading packaging machine producer for plastic closure slitting machines, to produce the world’s first PET cap and closure manufacturing system. PackSys Global is a respected leader in packaging machines for the cosmetics, beverage, pharmaceutical, and packaging industries with facilities in North America, Europe, and Asia that has operated for over fifty years.

We announced our partnership with IMDvista, a global leader in high-speed testing systems, headquartered in Switzerland with locations around the world including the United States, Germany, and Taiwan with systems in use on every continent. IMDvista manufactures advanced camera systems that inspect thousands of closures



Origin Materials, Inc.
1Q24 Earnings Conference Call Script
May 14, 2024

per minute, and which in the future are expected to give Origin the ability to inspect billions of caps per year.

As Rich alluded to, today we are announcing another technical milestone with the completion of a capping trial on a commercial bottling line applying Origin rPET caps to thousands of filled beverage containers. A trial like this, where we use a commercial bottling line to apply our caps to thousands of bottles, is a great opportunity to not only collect data, but observe and learn how our product performs in the context of a high-throughput commercial bottling line. The trial went well and we look forward to parsing the data in the weeks ahead to inform and fine tune our design for future production runs. For our trial run, we used Origin caps made with recycled PET, a material which performs just the same as virgin PET for this application. The recycled PET is off-the-shelf, meaning we don't use any additives to modify the PET polymer for our process.

Shifting to the scale-up of our biomass conversion technology beyond Origin 1: for Origin 2, we continue to engage customers as part of our asset light strategy for technology scale up. As we indicated last quarter, timelines and economic forecasts will depend on the partner and the deal structure, which can explore a range of scenarios and locations including Geismar, Louisiana and Asia brownfield scenarios, with updates to be provided as we finalize those partnerships. Despite near-term macroeconomic challenges, to which we are adapting through less capital-intensive revenue generating initiatives, customer demand remains strong, as reflected by our total offtake agreements and capacity reservations in excess of \$10 billion dollars. We continue to engage with multiple parties to explore a variety of plant designs and evaluate potential brownfield sites. We continue to perform development work including testing and optimizing various feedstocks to generate information that could influence our scale-up strategy.

As we deliver samples and testing data to partners, we continue to gain market feedback including that our carbon black, derived from our HTC intermediate, is



Origin Materials, Inc.
1Q24 Earnings Conference Call Script
May 14, 2024

currently the most promising alternative to fossil carbon black for rubber reinforcement, such as for tire applications. The reason is simple: The performance of Origin's carbon black sets it apart from other sustainable rubber reinforcement alternatives that are being considered for making renewable tires.

Origin 1, our plant in Sarnia, Ontario, Canada continues to provide valuable insights into the scale up of our biomass conversion technology. We achieved a major milestone this quarter by converting sustainable wood residues at our plant into versatile chemical intermediates. The introduction of wood residues marked an evolution from the corn starch-based production we had employed since commencement of plant operations in October of last year. We are using locally sourced, Forest Stewardship Council (FSC) controlled wood residues produced by a sawmill as a byproduct of lumber and wood flooring production. From that mill's wood chips, shavings, and sawdust we produced our sustainable intermediates, which can be used to make a wide variety of products that normally would be made from petroleum.

As we operate the plant, we continue to get confirmation of the expected operating parameters for items such as reactors, pumps, and heat exchangers. Our early batch runs have been helpful in determining wood handling and transfer parameters, biomass slurry transfer behavior, reactor batch loading sequence optimization, and reactor thermal performance, just to name a few. To share an example of the kind of typical process adjustments you make during this part of running the plant: We recently adjusted how we control the air flow in the woody biomass conveyance system, and in doing so achieved the design performance of the wood mill. This is exactly the kind of learning we expected to gain by operating Origin 1, and we will incorporate this valuable information into future plant designs.

The plant is first and foremost an asset used to support Origin market development, including customer materials testing and formulation in preparation for Origin 2 scale-up. Strategic partners remain engaged as we collaborate in market



Origin Materials, Inc.
1Q24 Earnings Conference Call Script
May 14, 2024

development activities. All of this is exciting progress for our customers and our team as we continue to execute in our mission to drive the once in a planet transition to sustainable materials.

With that, I'll turn it over to Matt.

Matt Plavan, CFO, Origin Materials

Thanks, John. And good afternoon, everyone.

We have provided the quarter results in the tables of the earnings release, so I will focus my comments on a couple of key financial highlights.

We ended the quarter with \$146 million dollars in cash and equivalents and marketable securities, for a net burn of approximately \$12 million dollars. On a quarter run-rate basis, this is in line with our net cash burn guidance for the year of between \$55 and \$65 million dollars.

Origin's first quarter revenue was \$6.8 million, up substantially from the \$1.7 million in the prior year quarter and also on a quarterly run-rate basis in line with our revenue guidance for the year, which is between \$25 and \$35 million dollars. Also as expected, these revenues are primarily comprised of what we refer to as supply chain activation revenue, generated in conjunction with the initiation and initial scale-up of Origin 1 operations.

Looking ahead, as just highlighted by John and Rich, we expect the onset of new revenue from our caps and closure initiative to be within 9 months from now. And, to provide investors with additional context as to the quantum of revenue we expect, Rich indicated earlier in the call that our initial cap manufacturing lines are projected to create an aggregate capacity at scaled production for between \$45 million and \$65 million dollars in annual cap and closures revenue, depending upon product mix. Furthermore, in order to fully serve our expected caps demand in 2025, we will need



Origin Materials, Inc.
1Q24 Earnings Conference Call Script
May 14, 2024

to expand our production capacity beyond that of our initial lines and therefore intend to acquire additional equipment lines before year end. We believe the equipment is highly financeable with attractive return on invested capital cycles and we are in active discussions with both customers and a number of well-established equipment financing companies. The associated debt servicing cost for these lines is baked into our existing forward cash flow and profitability guidance, the specifics of which I will reiterate in a moment.

Before I do, however, I'd like to highlight what a positive quarter we had engaging with our investors. As outlined in the earnings release today, we announced several fundamental milestones during the quarter revealing proprietary and compelling aspects of our products, our partners, and strategies for near-term growth and prosperity through the caps and closures market. During the quarter, we seized the opportunity to proactively engage with numerous new institutional investors, research analysts, and our broad base of retail investors to discuss these advances in greater detail and to answer the many thoughtful questions along the way. We believe our efforts were a big success, we look forward to more of the same with continued progress, and we thank our investors for their sincere engagement and dedicated support, especially the support we've seen across forums like LinkedIn, X (formerly known as Twitter), Discord, and various message boards.

With that, I'd like to reiterate and reaffirm our financial guidance, starting with 2024 specifics, including:

- Revenue of \$25 to \$35 million dollars
- And net cash burn between \$55 million and \$65 million dollars
- Beyond 2024, we anticipate caps and closures revenue in 2025 to be significant, recurring in nature, and with a margin growth profile that will drive us to overall cash positive operations within our existing cash resources,



Origin Materials, Inc.
1Q24 Earnings Conference Call Script
May 14, 2024

eliminating the need for an equity capital raise on our way to sustained profitability.

Now, I'd like to open the call for questions. Operator, may we have the first question, please?