

AMYRIS, INC. REPORTS FIRST QUARTER 2023 FINANCIAL RESULTS

- **Core revenue of \$56.1 million exceeded Q1 guidance of \$49.9 million**
- **Cash operating expense down 4% compared to Q1 2022 and down 24% versus Q4 2022**
- **Completed strategic partnership with Givaudan on April 3 for \$200 million upfront cash**

EMERYVILLE, Calif., May 9, 2023 /PRNewswire/ -- Amyris, Inc. (Nasdaq: AMRS), a leading synthetic biotechnology company accelerating the world's transition to sustainable consumption through its Lab-to-Market™ technology platform and clean beauty consumer brands, today announced financial results for the first quarter ended March 31, 2023.

Q1 2023 Core revenue of \$56.1 million decreased 3% compared to Q1 2022 and exceeded guidance by 12%. Consumer revenue of \$34.2 million decreased 1% compared to Q1 2022, as the company focused on liquidity and cost efficiencies to seek to maximize returns on marketing expense. Technology Access revenue of \$21.9 million was down 5% compared to Q1 2022. R&D collaboration revenue increased 3% compared to Q1 2022 with the addition of new contract research programs. Gross profit of \$11.6 million (21% of revenue) increased \$1.0 million (2 percentage points) versus Q1 2022 and improved \$17.8 million (29 percentage points) sequentially versus Q4 2022 due to lower freight expenses as well as a favorable mix of higher margin revenue. Cash operating expense of \$112.8 million improved 4% compared to Q1 2022 and improved 24% sequentially compared to Q4 2022. Principal drivers for the improvement were reduced consumer brand selling expense and lower freight costs.

The company continues to execute its strategic agenda with a keen focus on cost efficiency, capital structure, and liquidity. The company is in the process of a strategic review of all aspects of its cost structure in support of the company's Fit-to-Win initiatives, with the objective to accelerate cost and efficiency improvements. Use of cash for operating and investing activities decreased sequentially for each of the past five quarters beginning with \$199.7 million in Q1 2022 through \$94.8 million in Q1 2023 as the result of a focused effort on cost containment and the need to navigate liquidity constraints.

The company expanded its Technology Access partnerships by closing the strategic transaction with Givaudan for the worldwide licensing of certain cosmetic ingredients, the highest per molecule transaction completed in the company's history. The transaction yielded up to \$350 million, with \$200 million of upfront cash received and used for general corporate purposes as well as to fund the \$49 million purchase of Aprinova joint venture interests, which enabled the Givaudan transaction. During the first quarter and as part of consumer portfolio prioritization, the company exited the EcoFabulous™ brand and reorganized the Beauty Labs business.

"During Q1, we were very focused on our liquidity and cost control efforts," commented John Melo, President and Chief Executive Officer. "We expanded the Fit-to-Win scope to all aspects of our operations and entered into a strategic review of our cost structure and liquidity plans to continue to support growth across the portfolio and achieve profitability. We have much more to do on our Fit-to-Win agenda. To fully leverage our assets and drive enterprise value, we are focused on efficiency, lowering costs, and simplifying our portfolio."

Income Statement

<u>(millions and %)</u>	Q122A	Q222A	Q322A	Q422A	2022A	Q123A	YoY% Change	QoQ % Change
Consumer	34.6	43.0	46.6	52.8	176.9	34.2	-1 %	-35 %
Technology Access	23.2	22.2	24.6	23.0	92.9	21.9	-5 %	-5 %
Core revenue¹	57.7	65.2	71.1	75.8	269.8	56.1	-3 %	-26 %
Non-GAAP Gross Profit	10.6	11.1	6.7	(6.2)	22.2	11.6	9 %	288 %

Non-GAAP Cash Operating Expense	(117.1)	(136.7)	(137.8)	(148.3)	(539.9)	(112.8)	4 %	24 %
Adjusted EBITDA	(106.5)	(125.6)	(131.0)	(154.5)	(517.7)	(101.2)	5 %	34 %

¹ Core revenue comprises Consumer and Technology Access revenue. Technology Access includes ingredient product revenue, R&D collaboration, and technology licenses. Core revenue excludes strategic transactions. Totals may not foot due to rounding.

Q1 2023 Financial Highlights

- Core revenue of \$56.1 million decreased 3% compared to Q1 2022. Core revenue included Consumer revenue of \$34.2 million, which decreased 1% relative to Q1 2022, and Technology Access revenue of \$21.9 million, which decreased 5% compared to Q1 2022.
- Q1 Consumer revenue decline was driven by lower Biossance® revenue due to lower marketing and media spend, offset in part by the launch of our 4U by Tia™ brand at Walmart as well as increased MenoLabs® direct-to-consumer revenue. In Q1 2023, direct-to-consumer sales represented 48% of total consumer revenue, compared to 53% in Q4 2022. Biossance®, Pipette®, JVN, and Rose Inc.® products were available in more than 15,750 physical locations compared to approximately 3,000 in Q1 2022.
- Q1 Technology Access revenue included Ingredients product revenue of \$8.9 million, which decreased 18% compared to Q1 2022, reflecting continuing supply and working capital constraints as the business transitioned from higher cost toll manufacturing to lower cost internal sourcing from the new fermentation plant in Brazil. R&D collaboration revenue of \$3.6 million improved relative to the prior year with growth driven by several new contract research programs. Technology license revenue from earn-outs totaled \$9.5 million.
- Non-GAAP gross profit of \$11.6 million in Q1 2023 was 21% of revenue. Non-GAAP gross profit improved from \$10.6 million or 18% of revenue in Q1 2022, reflecting lower freight expenses as well as a favorable mix of higher margin revenue.
- Non-GAAP cash operating expense of \$112.8 million was 4% lower than Q1 2022 and 24% lower than Q4 2022, primarily due to lower marketing and media spend as a result of cost focus and working capital constraints.
- Adjusted EBITDA of (\$101.2) million represented a \$5.3 million improvement over Q1 2022 and a \$53.3 million sequential improvement over Q4 2022 due to lower operating expenses, including lower marketing and media spend.
- Q1 2023 net loss was \$193.3 million (\$0.53 loss per diluted share or \$0.34 loss per diluted share when excluding the below referenced items) compared to a net loss of \$107.3 million (\$0.37 loss per diluted share) in Q1 2022. This included a favorable non-cash change in fair value of acquisition-related contingent consideration of \$28.5 million (\$0.08 per diluted share) and non-cash asset impairments totaling \$95.4 million (\$0.26 per diluted share) related to exiting the EcoFabulous brand and reorganizing the Beauty Labs business. In addition, non-cash mark-to-market adjustments related to changes in the fair value of debt and derivatives were \$3.6 million unfavorable in Q1 2023 (\$0.01 per diluted share) and \$22.6 million favorable in Q1 2022 (\$0.07 per diluted share).
- Total cash at the end of Q1 2023 was \$17.5 million compared to \$70.6 million at the end of Q4 2022.

Financial Status and Outlook

Our current outlook for the full year 2023, including revenue guidance provided by the company on March 15, 2023, remains unchanged.

In connection with the company's ongoing strategic review, as previously communicated on April 24, 2023, the company is focused on cost efficiency, capital structure, and liquidity required to fund the business.

The company updated its going concern disclosure in its quarterly report on Form 10-Q and has signed forbearance agreements with the company's lenders, Foris Ventures, LLC, Perrara Ventures, LLC, and DSM Finance B.V. relating to the maturity of an aggregate \$92.5 million of debt principal. The lenders have agreed to forbear from exercising any rights and remedies with respect to certain payment defaults until June 23, 2023.

FINANCIAL RESULTS AND NON-GAAP INFORMATION

To supplement our financial results and guidance presented in accordance with U.S. generally accepted accounting principles (GAAP), we use certain non-GAAP financial measures that we believe are helpful in understanding our financial results. These non-GAAP financial measures are among the factors management uses in planning and forecasting future periods. These non-GAAP financial measures also facilitate management's internal comparisons to Amyris' historical performance as well as comparisons to the operating results of other companies. Management believes these non-GAAP financial measures, when considered together with financial information prepared in accordance with GAAP, can enhance investors' and analysts' abilities to meaningfully compare our results from period to period, identify operating trends in our business, and track and model our financial performance. In addition, our management believes that these non-GAAP financial measures allow for greater transparency into the indicators used by management to understand and evaluate our business and make operating decisions.

Non-GAAP financial information is not prepared under a comprehensive set of accounting rules, and therefore, should only be read in conjunction with financial information reported under GAAP in order to understand Amyris' operating performance. A reconciliation of the non-GAAP financial measures presented in this release to the most directly comparable GAAP financial measure, is provided in the tables attached to this press release.

Our Non-GAAP financial measures include the following:

Non-GAAP Gross Profit is calculated as GAAP revenue less cost of products sold excluding certain inventory write-offs, manufacturing capacity fee adjustments, stock-based compensation expense, depreciation, and amortization.

Non-GAAP Cash Operating Expense is calculated as GAAP Operating Expense excluding stock-based compensation, depreciation, amortization, M&A transaction expense, change in fair value of acquisition-related contingent consideration, restructuring, and impairment.

EBITDA is calculated as GAAP net income (loss) excluding interest expense, income taxes, depreciation and amortization.

Adjusted EBITDA is calculated as EBITDA excluding income/loss attributable to noncontrolling interest, gain/loss from change in fair value of derivative instruments, gain/loss from change in fair value of debt, other income/expense, gain/loss from investment in affiliate, inventory write-offs, M&A transaction expense, stock-based compensation expense, manufacturing capacity fee adjustment, change in fair value of acquisition-related contingent consideration, restructuring, and impairment.

About Amyris

Amyris (Nasdaq: AMRS) is a leading synthetic biotechnology company, transitioning the Clean Health & Beauty and Flavors & Fragrances markets to sustainable ingredients through fermentation and the company's proprietary Lab-to-Market™ technology platform. This Amyris platform leverages state-of-the-art machine learning, robotics and artificial intelligence, enabling the company to rapidly bring new innovation to market at commercial scale. Amyris ingredients are included in over 20,000 products from the world's top brands, reaching more than 300 million consumers. Amyris also owns and operates a family of consumer brands that is constantly evolving to meet the growing demand for sustainable, effective and accessible products. For more information, please visit <http://www.amyris.com>.

Amyris, the Amyris logo, EcoFabulous and Lab-to-Market are trademarks or registered trademarks of Amyris, Inc. or its subsidiaries in the U.S. and/or other countries.

Forward-Looking Statements

This release contains forward-looking statements, and any statements other than statements of historical fact could be deemed to be forward-looking statements. These forward-looking statements include, among other things, statements regarding future events, such as Amyris' successful execution of its strategic agenda including Fit-to-Win initiatives; its 2023 outlook and goals, including cost reduction initiatives, growth, profitability and other financial and business goals; and Amyris' expectations regarding the ongoing strategic review of its cost structure and 2023 plan and the timing of completion thereof. These statements are based on management's current expectations and actual results and future events may differ materially due to risks and uncertainties, including risks related to Amyris'

liquidity and ability to operate as a going concern, risks related to its financing activities including successfully obtaining waivers and amendments of outstanding loan agreements, risks related to potential delays or failures in completing planned strategic transactions and dispositions, risks related to potential delays or failures in development, regulatory approval, launch, production and commercialization of products, risks related to global economic trends, inflation and policy measures undertaken to address inflation, the COVID-19 pandemic and any other geopolitical events, including the Ukraine conflict, resulting in global economic, financial and supply chain disruptions that may negatively impact Amyris' business operations and financial results or cause market volatility, risks related to Amyris' reliance on third parties particularly in the supply chain, and other risks detailed from time to time in filings Amyris makes with the Securities and Exchange Commission, including Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Amyris disclaims any obligation to update information contained in these forward-looking statements, whether as a result of new information, future events, or otherwise.

Financial Tables Follow

Amyris, Inc.

CONSOLIDATED BALANCE SHEETS

<u>(In thousands)</u>	March 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 11,245	\$ 64,437
Restricted cash	71	71
Accounts receivable, net	36,842	45,775
Accounts receivable - related party, net	10,836	6,608
Contract assets	3,872	806
Contract assets - related party	33,679	36,638
Inventories	109,021	111,880
Prepaid expenses and other current assets	38,095	40,146
Total current assets	243,661	306,361
Property, plant and equipment, net	189,645	182,224
Restricted cash, noncurrent	6,135	6,090
Recoverable taxes from Brazilian government entities	30,189	29,472
Right-of-use assets under financing leases, net	147	152
Right-of-use assets under operating leases, net	100,721	97,216

Goodwill	50,456	142,575
Intangible assets, net	45,063	46,938
Other assets	13,662	13,904
Total assets	\$ 679,679	\$ 824,932

Liabilities, Mezzanine Equity and Stockholders' Deficit

Current liabilities:

Accounts payable	\$ 200,067	\$ 190,486
Accrued and other current liabilities	81,068	73,565
Financing lease liabilities	14	13
Operating lease liabilities	2,484	2,255
Contract liabilities	33	26
Debt, current portion	1,968	1,916
Related party debt, current portion	185,160	118,886
Total current liabilities	470,794	387,147

Long-term debt, net of current portion	675,855	674,891
Related party debt, net of current portion	77,962	97,350
Financing lease liabilities, net of current portion	44	48
Operating lease liabilities, net of current portion	90,986	86,195
Derivative liabilities	4,140	5,403
Acquisition-related contingent consideration	2,241	34,555
Other noncurrent liabilities	5,725	7,053
Total liabilities	1,327,747	1,292,642

Commitments and contingencies

Mezzanine equity:

Contingently redeemable common stock	-	5,000
Contingently redeemable noncontrolling interest	26,058	28,892

Stockholders' deficit:

Common stock	37	36
Additional paid-in capital	2,465,802	2,455,567
Accumulated other comprehensive loss	(56,682)	(64,114)
Accumulated deficit	(3,073,520)	(2,880,178)
Total Amyris, Inc. stockholders' deficit	(664,363)	(488,689)

Noncontrolling interest	(9,763)	(12,913)
Total stockholders' deficit	(674,126)	(501,602)
Total liabilities, mezzanine equity and stockholders' deficit	\$ 679,679	\$ 824,932

Amyris, Inc.

CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31,	
	2023	2022
(In thousands, except shares and per share amounts)		
Revenue:		
Renewable products	\$ 40,224	\$ 43,465
Licenses and royalties	9,482	9,313
Collaborations, grants and other	6,377	4,931
Total revenue	56,083	57,709
Cost and operating expenses:		
Cost of products sold	51,081	48,995
Research and development	26,765	26,358
Sales, general and administrative	95,870	106,916
Change in fair value of acquisition-related contingent consideration	(28,503)	-
Restructuring	1,013	-
Impairment	95,386	-
Total cost and operating expenses	241,612	182,269
Loss from operations	(185,529)	(124,560)
Other income (expense):		
Interest expense	(12,983)	(5,263)
Gain from change in fair value of derivative instruments	1,263	1,815
Gain (loss) from change in fair value of debt	(4,854)	20,796
Other expense, net	(533)	(3,052)
Total other income (expense), net	(17,107)	14,296
Loss before income taxes and loss from investment in affiliate	(202,636)	(110,264)

Benefit from income taxes	860	820
Loss from investment in affiliate	-	(789)
Net loss	(201,776)	(110,233)
Loss attributable to noncontrolling interest	8,434	2,928
Net loss attributable to Amyris, Inc. common stockholders	\$ (193,342)	\$ (107,305)
Weighted-average shares of common stock outstanding used in computing loss per share of common stock, basic	365,603,738	312,896,452
Loss per share attributable to common stockholders, basic	\$ (0.53)	\$ (0.34)
Weighted-average shares of common stock outstanding used in computing loss per share of common stock, diluted	365,603,738	323,711,682
Loss per share attributable to common stockholders, diluted	\$ (0.53)	\$ (0.37)

Amyris, Inc.

**EBITDA AND ADJUSTED EBITDA
(Unaudited)**

(In thousands)	Three Months Ended March 31,	
	2023	2022
Net loss attributable to Amyris, Inc. common stockholders	\$ (193,342)	\$ (107,305)
Interest expense	12,983	5,263
Income taxes	(860)	(820)
Depreciation and amortization	5,851	3,292
EBITDA	(175,368)	(99,570)
Inventory write-off	4,211	(94)
Change in fair value of acquisition-related contingent consideration	(28,503)	-
Restructuring	1,013	-
Impairment	95,386	-
Manufacturing capacity fee adjustment	-	1,412
M&A transaction expense	566	1,835
Stock-based compensation expense	5,785	11,588
Gain from change in fair value of derivative instruments	(1,263)	(1,815)

Loss (gain) from change in fair value of debt	4,854	(20,796)
Other expense, net	533	3,052
Loss from investment in affiliate	-	789
Loss attributable to noncontrolling interest	(8,434)	(2,928)
Adjusted EBITDA	\$ (101,220)	\$ (106,527)

Amyris, Inc.

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL INFORMATION (Unaudited)

(In thousands)	Three Months Ended March 31,	
	2023	2022
NON-GAAP GROSS PROFIT		
Revenue		
Renewable products	\$ 40,224	\$ 43,465
Licenses and royalties	9,482	9,313
Collaborations, grants and other	6,377	4,931
Total revenue	\$ 56,083	\$ 57,709
Cost of products sold		
Manufacturing capacity fee adjustment	-	(1,412)
Inventory write-off	(4,211)	94
Stock-based compensation expense	(66)	(78)
Depreciation and amortization	(2,324)	(490)
Non-GAAP cost of products sold	\$ 44,480	\$ 47,109
Non-GAAP gross profit	\$ 11,603	\$ 10,600
Non-GAAP gross profit %	21 %	18 %

NON-GAAP CASH OPERATING EXPENSE

Research and development expense	\$ 26,765	\$ 26,358
Sales, general and administrative expense	95,870	106,916
Change in fair value of acquisition-related contingent consideration	(28,503)	-

Restructuring	1,013	-
Impairment	95,386	-
GAAP operating expense	190,531	133,274
Stock-based compensation expense	(5,719)	(11,510)
Depreciation and amortization	(3,527)	(2,802)
M&A transaction expense	(566)	(1,835)
Change in fair value of acquisition-related contingent consideration	28,503	-
Restructuring	(1,013)	-
Impairment	(95,386)	-
Non-GAAP cash operating expense	\$112,823	\$117,127

SOURCE Amyris, Inc.

For further information: Investors: Argot Partners, Jason Finkelstein, amyris@argotpartners.com, +1 (212) 600-1902;
Media: Amyris, Inc., Lauren White, lwhite@amyris.com, +1 (202) 320-8677

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