LanzaTech

Nasdaq: LNZA

A Carbon Recycling Company

2Q 2023 EARNINGS PRESENTATION
August 9, 2023

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Forward Looking Statements

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Financial Information; Non-GAAP Financial Measures

To supplement our financial statements presented in accordance with US GAAP and to provide investors with additional information regarding our financial results, we have presented adjusted EBITDA, a non-GAAP financial measure. Adjusted EBITDA is not based on any standardized methodology prescribed by US GAAP and is not necessarily comparable to similarly titled measures presented by other companies.

We define adjusted EBITDA as our net loss, excluding the impact of depreciation, interest income, net, stockbased compensation, change in fair value of warrant liabilities, change in fair value of SAFE liabilities, change in fair value of the prepaid forward contract derivative and Fixed Maturity Consideration, transaction costs on issuance of Forward Purchase Agreement, (gain) loss from equity method investees and other one-time costs related to the Business Combination and initial securities registration. We monitor and have presented in this Quarterly Report adjusted EBITDA because it is a key measure used by our management and the Board to understand and evaluate our operating performance, to establish budgets, and to develop operational goals for managing our business. We believe adjusted EBITDA helps identify underlying trends in our business that could otherwise be masked by the effect of certain expenses that we include in net loss. Accordingly, we believe adjusted EBITDA provides useful information to investors, analysts, and others in understanding and evaluating our operating results and enhancing the overall understanding of our past performance and future prospects.

Adjusted EBITDA is not prepared in accordance with US GAAP and should not be considered in isolation of, or as an alternative to, measures prepared in accordance with US GAAP. There are a number of limitations related to the use of adjusted EBITDA rather than net loss, which is the most directly comparable financial measure calculated and presented in accordance with US GAAP. For example, adjusted EBITDA: (i) excludes stock-based compensation expense because it is a significant non-cash expense that is not directly related to our operating performance; (ii) excludes depreciation expense and, although this is a non-cash expense, the assets being depreciated and amortized may have to be replaced in the future; (iii) excludes gain or losses on equity method investee; and (iv) excludes certain income or expense items that do not provide a comparable measure of our business performance. In addition, the expenses and other items that we exclude in our calculations of adjusted EBITDA may differ from the expenses and other items, if any, that other companies may exclude from adjusted EBITDA when they report their operating results. In addition, other companies may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison.

For the three months ended March 31, 2023, the Company did not exclude from Adjusted EBITDA certain one-time costs related to the Business Combination and initial securities registration that occurred during the period. This represents costs incurred related to the Business Combination that do not meet the direct and incremental criteria per SEC Staff Accounting Bulletin Topic 5.A to be charged against the gross proceeds of the transaction, but they are not expected to recur in the future, as well as costs incurred subsequent to deal close related to our initial securities registration. To conform with the adjusted EBITDA measure as described above, and provide a more useful view of the Company’s operating performance, the Company determined that these costs should be excluded from the adjusted EBITDA measure for the period in which they occurred.

The Company does not provide a reconciliation of forward-looking non-GAAP financial measures to the most comparable U.S. GAAP financial measures on a forward-looking basis because the Company is unable to predict with reasonable certainty the ultimate outcome of pending litigation, unusual gains and losses, foreign currency exchange gains or losses and potential future asset impairments, as well as discrete taxable events, without unreasonable effort. These items are uncertain, depend on various factors, and could have a material impact on U.S. GAAP results for the guidance period.

AGENDA / TABLE OF CONTENTS

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2023 EXECUTION PRIORITIES

	Q2 2023 STATUS	
1 SAFETY FIRST Zero lost time injuries	Green	
2 GLOBAL PRODUCTION Grow total installed nameplate capacity by ~100% to enable >300 KTA of waste-based ethanol Commercial operations across multiple feedstocks & geographies including China, Europe, and India	Green	
3 COMMERCIAL GROWTH Meet revenue guidance of \$80M-\$120M	Yellow	Tighten 2023 revenue range to \$80M-\$100M
4 ADJUSTED EBITDA Reduce 2023 adjusted EBITDA loss y/y by 10-20%: 2023E adjusted EBITDA guidance of \$(65)M-\$(55)M Pathway to adjusted EBITDA positive by the end of 2024	Yellow	Update 2023 adjusted EBITDA guidance to \$(75)M-\$(65)M On track for positive adjusted EBITDA by end of 2024
5 PROCESS COMPETITIVENESS Ongoing optimization of profit/ton of CO_2 abatement Demonstrate 1+ non-ethanol microbe at scale	Green	

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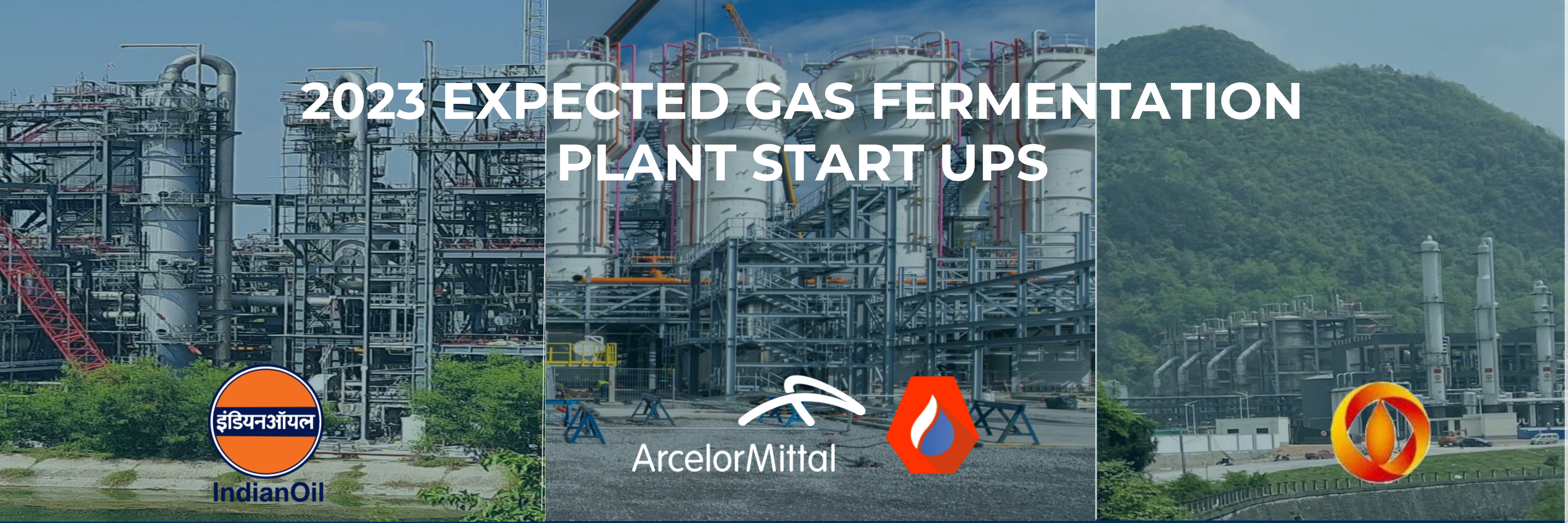
GLOBAL PRODUCTION UPDATE

2023 EXPECTED GAS FERMENTATION PLANT START UPS



Project/Partner	Carbon Source	Actual or Anticipated Start Date	Ethanol Production Volume (tons/year)	CO_2 Abated (tons/year)	Location
Shougang Steel JV	Ferroalloy Off Gas	2Q 2023	60,000	~120,000	China
IndianOil	Refinery Off Gas	3Q 2023	33,500	~60,000	India
ArcelorMittal	Steel Off Gas	4Q 2023	64,000	~125,000	Belgium
TOTAL			**157,500**		

Current installed nameplate capacity of 150,000 tons/year at 3 operating commercial facilities

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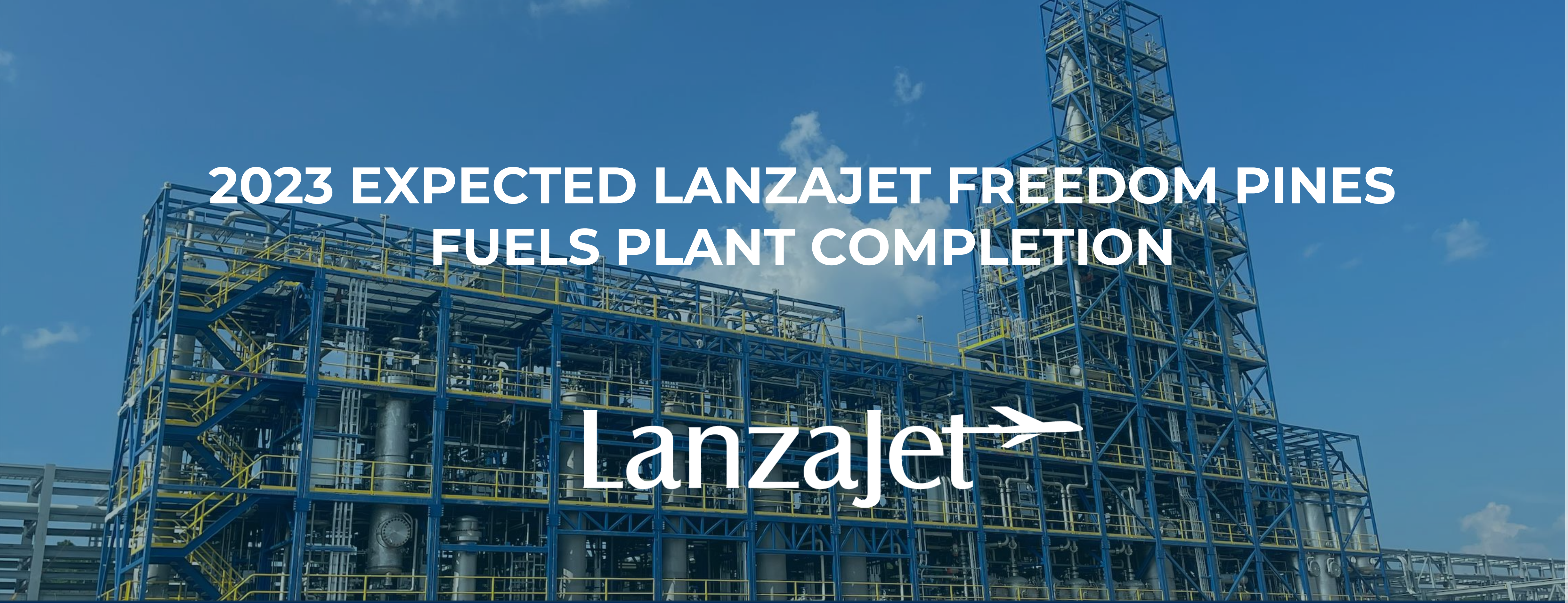

2023 EXPECTED LANZAJET FREEDOM PINES FUELS PLANT COMPLETION

LanzaJet

The 10MGPY Sustainable Aviation Fuel project – the LanzaJet Freedom Pines Fuels Project – remains on schedule to reach mechanical completion by end of 2023 and commence operations in early 2024

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COMMERCIAL GROWTH

STRONG PIPELINE THAT POSITIONS THE COMPANY FOR CONTINUED GROWTH AND SCALE

ACTIVE CUSTOMER BIOREFINING PROJECT PIPELINE[1]

60+
Active Engagements with Positive Technoeconomic Results

Several projects between these stages

20+
Early-Stage Engineering

2 projects moved into advanced engineering

10
Advanced Engineering

4
Construction

5
Operating[2]

From TEA to Construction Completion: ~24-36 months
Repeatability, modularization, and templatizing narrows the timeline, lowers costs, and allows for several opportunities to proceed concurrently

PROJECT DEVELOPMENT & PIPELINE STAGE GATES

Techno Economic Analysis (TEA)	• Customer under NDA • Detailed data provided by customer, informing key inputs for modeling, costing, and LCA analysis for the opportunity
Early-Stage Engineering	• Customer advances to paid feasibility study • Provides additional layer of project detail and scoping
Advanced Engineering	• Basic engineering package purchased allowing for detailed engineering and FEED work • LanzaTech works closely with EPC through detailed engineering process
Construction	• Construction commences, with LanzaTech involved • Customer purchases key proprietary componentry and equipment • LanzaTech provides startup services and operational training during commissioning and startup
Operating	• Project completes commissioning and enters full time operations • LanzaTech receives recurring revenue streams associated with licensing royalties, sales of microbes & media, and sales of software services • LanzaTech seeks to secure offtake from licensed plants for CarbonSmart™ supply

[1] Biorefining project pipeline as of August 1, 2023; [2] Includes 3 commercial scale operating plants in China, Suncor ERA in Canada, and Sekisui 1/10th in Japan. Suncor ERA and Sekisui 1/10th are demonstration-scale plants.

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OVERVIEW OF 2Q 2023 FINANCIAL RESULTS

OVERVIEW OF 2Q 2023 FINANCIAL RESULTS

Summary Financial Results[1]

	Three Months Ended June 30th		Change
(in millions)	2023	2022	2023 vs. 2022
Total Revenue	**$12.9**	**$9.9**	**$3.1**
Cost of Revenues	$(10.8)	$(7.4)	$(3.4)
SG&A	$(12.5)	$(7.2)	$(5.3)
Net Loss	**$(26.8)**	**$(15.9)**	**$(10.9)**
Adjusted EBITDA	**$(23.8)**	**$(17.9)**	**$(5.9)**

	June 2023	March 2023	Change
Total Cash and Investments	**$161.1**	**$194.9**	**($33.8)**

Commentary

Revenue:

- Revenue up 31% YoY in 2Q 2023, primarily from sales of engineering services from existing customers indicating progression of projects through the pipeline

Gross Profit:

- Gross margin of 16% in 2Q 2023. YoY decline due to impact of cost-share dynamics on Project Dragon, a UK government funded project

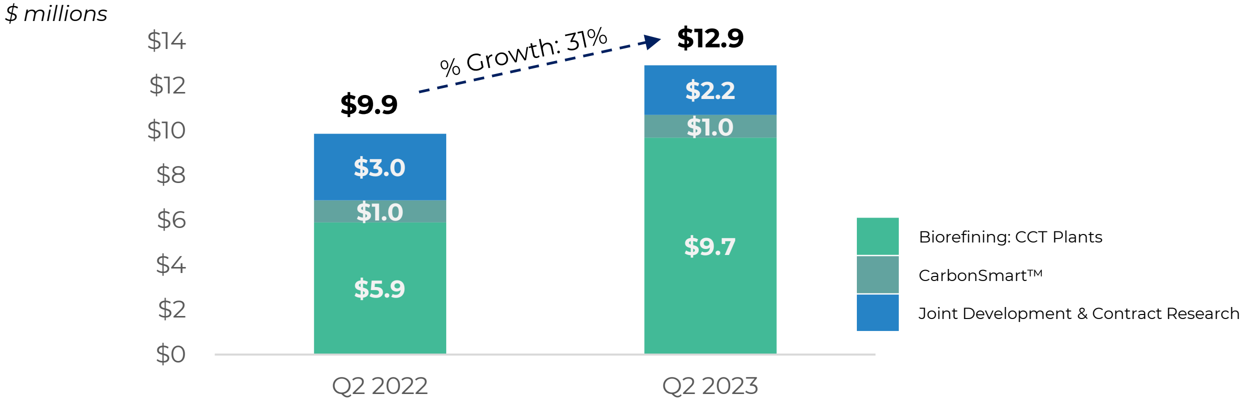
Net Loss

- Net Loss of $(26.8) million driven by higher operating costs

Cash

- Total cash and investments of $161.1 million. Quarterly cash burn impacted by $5.5 million of LanzaJet loan disbursement

2Q 2023 Disaggregated Revenue[2]



- **Biorefining: CCT Plants** revenue increased 64% YoY to $9.7 million driven by increases in engineering and other services revenue
- **CarbonSmart™** performance remained stable YoY at $1 million. Anticipated planned campaigns in second half 2023 expected to drive full year CarbonSmart™ revenue
- **Joint Development & Contract Research** revenue declined approximately $1 million YoY to $2.2 million, due to contract milestone timings

[1,2] *Numbers may not add up due to rounding*

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FORECASTING OUR BUSINESS

KEY FINANCIAL DRIVERS

Guiding principles to what drives our financials:

- Focus on years, not quarters – *project development timelines are lengthy and subject to fluctuation*
- Gross margin to grow over the medium and long term, particularly as revenue mix in Biorefining segment shifts to recurring revenue as more projects start up
- Consider our 3 business areas separately – Biorefining, CarbonSmart™, Joint Development & Contract Research

Biorefining

- Anchor on Basic Engineering Package (BEP) starts
- Main stage gate prior to FID
- Non-recurring revenues via project development stages (near-term)
- Recurring revenues via project operating stage (outer years)

CarbonSmart™

- Expect significant growth as installed nameplate capacity grows
- Forecast margin expansion over next several years as efficiencies are gained in the conversion processes

Joint Development & Contract Research

- Expect continued, modest growth
- Expect to maintain current margin profile
- Smaller percentage of total mix over time due to faster growth in other business lines

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BIOREFINING PROJECT STAGE GATES, PROBABILITIES, AND TIMELINE

BIOREFINING PROJECT OPPORTUNITY LIFECYCLE

Probability of Stage Advancement	Active Engagements with Positive Technoeconomic ("TEA") Results	Stage-Based Revenue	
50-60%	**Early-Stage Engineering**	~$1M - $5M between Early-Stage and Advanced Engineering	**~12 Months** to Reach Construction
70-80%	**Advanced Engineering**		
80-90%	**Construction**	~$15M - $20M for Equipment ~$1M - $3M for Startup Services	**~12-24 Months** of Construction
~100%	**Operating**	~$8M (Annual Recurring)	

Unit-level economics shown represent 50,000 ton/year production facility

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PIPELINE DRIVES CONTINUED GROWTH INTO 2024 AND BEYOND

2023 BIOREFINIG PIPELINE POSITIONS LANZATECH FOR ROBUST 2024 AND 2025 PERFORMANCE…

- There are currently +80 projects in early-stage development, which feed into the 2024 and 2025 BEP projections shown below

	2024	2025
Advanced Engineering -Basic Engineering Package "BEPs"	12-15	15-20

…AT ATTRACTIVE UNIT ECONOMICS.

- Plant economics shown are indicative of a single-unit, which size to be a plant producing ~50,000 tons per year of ethanol
- Non-recurring revenue is comprised of engineering services, sales of equipment, and startup services
- Recurring revenue is comprised of licensing royalties, microbes & media sales, sales of software and analytics services, as well as sales from CarbonSmart™ offtake volumes

Average Plant Unit Economics						20-yr. Life
($ millions)	T-2	T-1	COD	T+1	Long-Term	of Plant
Assumed Plant Size (tpa)	50,000	50,000	50,000	50,000	50,000	50,000
Non-recurring Revenue	$2	$10	$6	$0	$0	$18
Recurring Revenue	0	0	4	8	8	164
Revenue	**$2**	**$10**	**$10**	**$8**	**$8**	**$182**
Non-recurring Gross Profit	$1	$2	$1	$0	$0	$4
Recurring Gross Profit	0	0	3	7	7	143
Gross Profit	**$1**	**$2**	**$4**	**$7**	**$7**	**$147**
% margin	*50%*	*20%*	*40%*	*88%*	*88%*	*81%*

Gross Margin NPV-10 / Avg. Plant	**$53**

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APPENDIX:
ADDITIONAL FINANCIAL INFORMATION

RESULT OF OPERATIONS – THREE AND SIX MONTHS ENDED JUNE 30, 2023

(In thousands, except for per share amounts)	Three Months Ended June 30, 2023	2022	Change 2023 vs. 2022	%
Total revenue	12,917	9,852	3,065	31 %
Cost of revenue	(10,827)	(7,427)	(3,400)	46 %
Gross Profit	**$ 2,090**	**$ 2,425**	**$ (335)**	**(14)%**
Operating expenses:				
Research and development	(18,908)	(13,237)	(5,671)	43 %
Depreciation expense	(1,348)	(1,163)	(185)	16 %
Selling, general and administrative expense	(12,452)	(7,146)	(5,306)	74 %
Total operating expenses	**$ (32,708)**	**$ (21,546)**	**$ (11,162)**	**52 %**
Loss from operations	(30,618)	(19,121)	(11,497)	60 %
Interest income, net	1,701	$ (5)	1,706	N/M
Other income (expense), net	2,001	$ 102	1,899	N/M
Total other income (expense), net	3,702	97	3,605	N/M
Loss before income taxes	**$ (26,916)**	**$ (19,024)**	**$ (7,892)**	**41 %**
Income tax benefit	—	—	—	N/M
Gain from equity method investees, net	130	3,095	(2,965)	(96) %
Net loss	**$ (26,786)**	**$ (15,929)**	**$ (10,857)**	**68 %**
Other comprehensive loss:				
Foreign currency translation adjustments	96	(355)	451	127 %
Comprehensive loss	**$ (26,690)**	**$ (16,284)**	**$ (10,406)**	**64 %**
Net loss per share - basic and diluted	(0.14)	(2.77)		
Weighted-average number of common shares outstanding - basic and diluted	195,537,601	9,222,214		

(In thousands, except for per share amounts)	Six Months Ended June 30, 2023	2022	Change 2023 vs. 2022	%
Total revenue	22,563	17,709	4,854	27 %
Cost of revenues	(18,617)	(13,256)	(5,361)	40 %
Gross Profit	**$ 3,946**	**$ 4,453**	**$ (507)**	**(11)%**
Operating expenses:				
Research and development	(35,194)	(25,598)	(9,596)	37 %
Depreciation expense	(2,605)	(2,222)	(383)	17 %
Selling, general and administrative expense	(29,287)	(12,224)	(17,063)	140 %
Total operating expenses	**$ (67,086)**	**$ (40,044)**	**$ (27,042)**	**68 %**
Loss from operations	(63,140)	(35,591)	(27,549)	77 %
Interest income, net	1,915	(5)	1,920	N/M
Other income (expense), net	(28,395)	76	(28,471)	N/M
Total other income (expense), net	(26,480)	71	(26,551)	N/M
Loss before income taxes	**$ (89,620)**	**$ (35,520)**	**$ (54,100)**	**152 %**
Income tax benefit	—	—	—	N/M
(Loss) gain from equity method investees, net	(478)	2,813	(3,291)	(117) %
Net loss	**$ (90,098)**	**$ (32,707)**	**$ (57,391)**	**175 %**
Other comprehensive loss:				
Foreign currency translation adjustments	47	(383)	430	112 %
Comprehensive loss	**$ (90,051)**	**$ (33,090)**	**$ (56,961)**	**172 %**
Net loss per share - basic and diluted	(0.60)	(5.63)		
Weighted-average number of common shares outstanding - basic and diluted	156,472,730	9,222,870		

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RECONCILIATION OF NET LOSS TO ADJUSTED EBITDA

Reconciliation of Net Loss to Adjusted EBITDA

(In thousands)	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Net Loss	$ (63,312)	$ (16,778)
Depreciation	1,257	1,059
Interest income	(214)	—
Stock-based compensation expense and change in fair value of SAFE and warrant liabilities (1)	(17,474)	678
Change in fair value of the prepaid forward contract derivative and Fixed Maturity Consideration	51,109	—
Transaction costs on issuance of Forward Purchase Agreement	451	—
Loss from equity method investees, net	608	282
Adjusted EBITDA	$ (27,575)	$ (14,759)
One-time costs related to the Business Combination and initial securities registration (2)	$ 4,062	$ —
Adjusted EBITDA (Recast)	$ (23,513)	$ (14,759)

(1) Stock-based compensation expense represents expense related to equity compensation plans

(2) Represents costs incurred related to the Business Combination that do not meet the direct and incremental criteria per SEC Staff Accounting Bulletin Topic 5.A to be charged against the gross proceeds of the transaction, but are not expected to recur in the future, as well as costs incurred subsequent to deal close related to our initial securities registration.

Reconciliation of Net Loss to Adjusted EBITDA

(In thousands)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Net Loss	$ (27,996)	$ (15,929)	$ (91,308)	$ (32,707)
Depreciation	1,348	1,163	$ 2,605	$ 2,222
Interest income, net	(1,701)	5	(1,915)	5
Stock-based compensation expense and change in fair value of SAFE and warrant liabilities (1)	21,526	(30)	4,052	648
Change in fair value of the prepaid forward contract derivative and Fixed Maturity Consideration	(16,870)	—	34,239	—
Transaction costs on issuance of Forward Purchase Agreement	—	—	451	—
(Gain) loss from equity method investees, net	(130)	(3,095)	478	(2,813)
One-time costs related to the Business Combination and initial securities registration(2)	—	—	4,062	—
Adjusted EBITDA	**(23,823)**	**(17,886)**	**(47,336)**	**(32,645)**

(1) Stock-based compensation expense represents expense related to equity compensation plans

(2) Represents costs incurred related to the Business Combination that do not meet the direct and incremental criteria per SEC Staff Accounting Bulletin Topic 5.A to be charged against the gross proceeds of the transaction, but are not expected to recur in the future, as well as costs incurred subsequent to deal close related to our initial securities registration.

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