

Investor Presentation

Elevating Essential Products



Q1 2021 Results

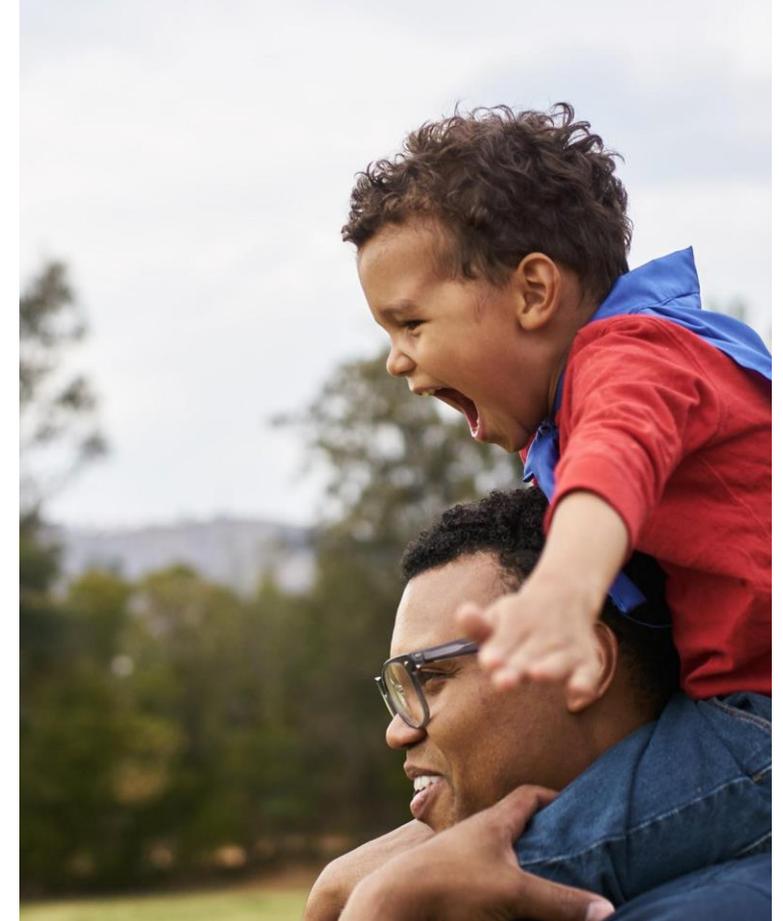
May 12, 2021

Disclaimer

Statements and information contained in this communication that refer to or include Alto Ingredients' estimated or anticipated future results or other non-historical expressions of fact are forward-looking statements that reflect Alto Ingredients' current perspective of existing trends and information as of the date of the communication. Forward looking statements generally will be accompanied by words such as "anticipate," "believe," "plan," "could," "should," "estimate," "expect," "forecast," "outlook," "guidance," "intend," "may," "might," "will," "possible," "potential," "predict," "project," or other similar words, phrases or expressions. Such forward-looking statements include, but are not limited to, statements concerning future market conditions; Alto Ingredients' new business focus on specialty alcohols and essential ingredients and its effects; Alto Ingredients' expectations of generating gross profit and incurring selling, general and administrative expenses in the stated amounts; the sale of Alto Ingredients' Madera, California production facility, and proceeds and cost-savings resulting from the sale; the cost, timing and effects of Alto Ingredients' capital improvement projects, its anticipated carbon capture and sequestration project, and its initiatives to expand protein production; Alto Ingredients' expectations regarding repayment of indebtedness and debt levels; and Alto Ingredients' other plans, objectives, expectations and intentions. It is important to note that Alto Ingredients' plans, objectives, expectations and intentions are not predictions of actual performance. Actual results may differ materially from Alto Ingredients' current expectations depending upon a number of factors affecting Alto Ingredients' business. These factors include, among others, Alto Ingredients' ability to timely and effectively complete its capital improvement and other projects and initiatives, and to operate them as expected; Alto Ingredients' ability to close the sale of its fuel-grade ethanol production facility in Madera, California, which is subject to customary and other closing conditions; adverse economic and market conditions, including for specialty alcohols and essential ingredients; export conditions and international demand for Alto Ingredients' products; fluctuations in the price of and demand for oil and gasoline; raw material costs, including production input costs, such as corn and natural gas; the continuing effects – both positive and negative – of the novel coronavirus. These factors also include, among others, the inherent uncertainty associated with financial and other projections; the anticipated size of the markets and continued demand for Alto Ingredients' products; the impact of competitive products and pricing; the risks and uncertainties normally incident to the specialty alcohol and essential ingredient production and marketing industries; changes in generally accepted accounting principles; successful compliance with governmental regulations applicable to Alto Ingredients' distilleries, products and/or businesses; changes in laws, regulations and governmental policies; the loss of key senior management or staff; and other events, factors and risks previously and from time to time disclosed in Alto Ingredients' filings with the Securities and Exchange Commission including, specifically, those factors set forth in the "Risk Factors" section contained in Alto Ingredients' Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 26, 2021.

Who We Are

- Major producer of specialty alcohols and essential ingredients
 - Six facilities consisting of a distillery, a wet mill, a yeast plant and four dry mills
 - 450 MGY of alcohol production capacity (160 MGY idled)
- Focused on four key markets
 - Health, Home & Beauty
 - Food & Beverage
 - Essential Ingredients
 - Renewable Fuels
- Unique capabilities to produce specialty alcohols – 140 MGY GNS, USP, API and Industrial grades
- Customers include major food & beverage and consumer products companies



Our Four Focus Areas

High value products...used by "Blue Chip" customers

Health, Home & Beauty

- Mouthwash
- Cosmetics
- Pharmaceuticals
- Hand Sanitizer
- Disinfectant
- Cleaning Products
- Industrial Grade Ethyl Alcohol



Food & Beverage

- Alcoholic Beverages
- Vinegar
- Corn Oil and Corn Germ
- Carbon Dioxide
- Beverage Carbonation
- Dry Ice



Essential Ingredients

- Aventine™ Yeast
- Corn Gluten Meal
- Corn Condensed Distillers Solubles
- Corn Oil and Corn Germ
- Distillers Grains



Renewable Fuels

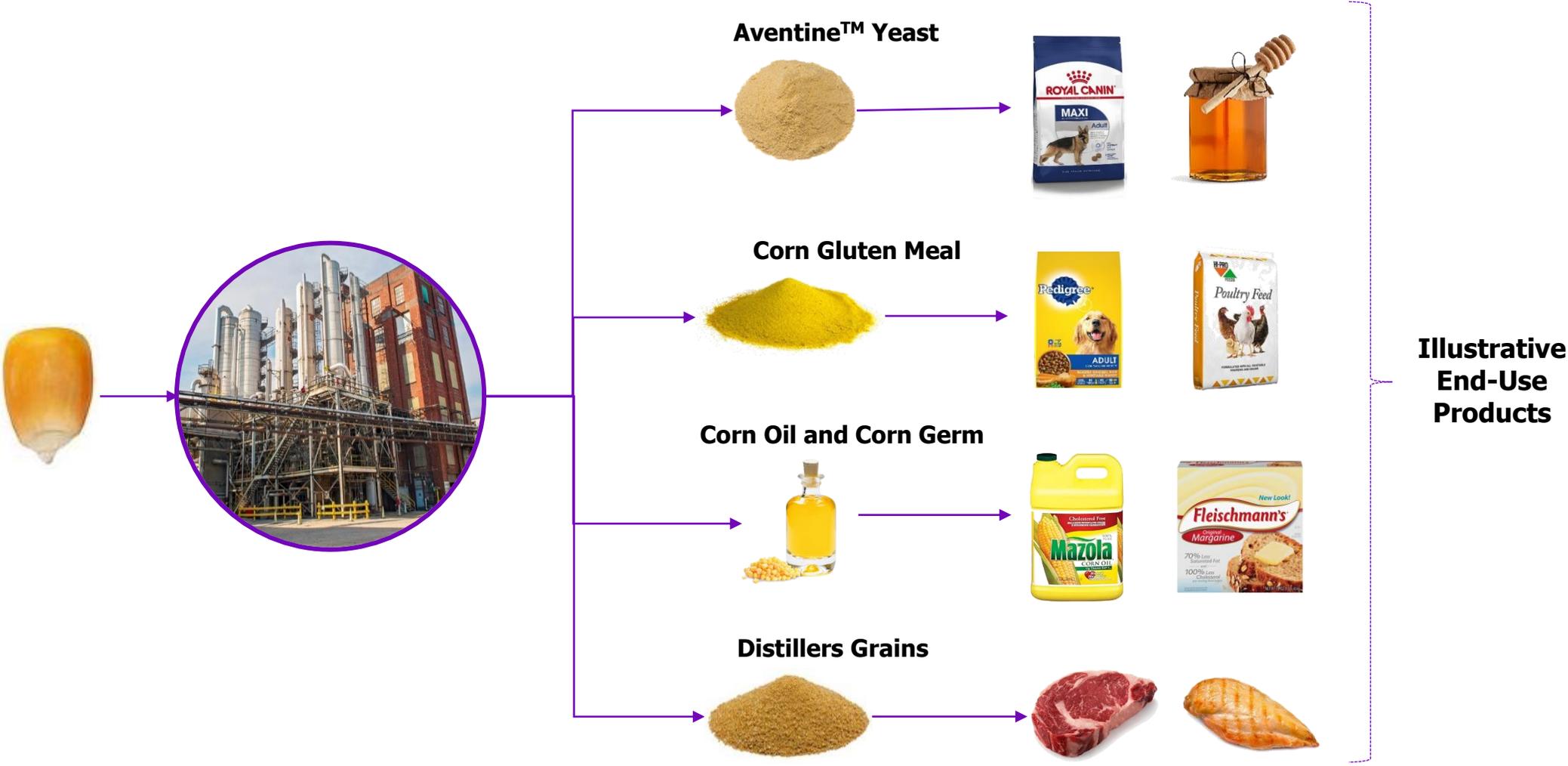
- Ethanol
 - Transportation Fuels
- Corn Oil and Corn Germ
 - Biodiesel Feedstock



What We Do – Alcohols



What We Do – *Essential Ingredients*



Premium to Renewable Fuel Ethanol

Key Drivers of Price Premium Over Ethanol

- More complex products to manufacture
- Greater investments in QA and certifications required
- Quality and consistency is very important
 - End-products are for human consumption or applied to the skin
 - Product recall averse
- Customers less price sensitive than fuel buyers
 - Used to secular rather than cyclical price movements (i.e. modest annual increases)
- Opaque pricing – not quoted commodities

Operating Results Summary

	Three Months Ended March 31,	
	2021	2020
Net sales	\$ 218,734	\$ 311,404
Cost of goods sold	<u>204,897</u>	<u>324,294</u>
Gross profit (loss)	13,837	(12,890)
Selling, general and administrative expenses	7,014	10,212
Asset impairment	<u>1,200</u>	<u>-</u>
Income (loss) from operations	5,623	(23,102)
Fair value adjustments	-	673
Interest expense, net	(1,885)	(5,307)
Other income, net	<u>940</u>	<u>580</u>
Income (loss) before benefit for income taxes	4,678	(27,156)
Benefit for income taxes	<u>-</u>	<u>-</u>
Consolidated net income (loss)	4,678	(27,156)
Net loss attributed to noncontrolling interests	-	<u>2,056</u>
Net income (loss) attributed to Alto Ingredients, Inc.	<u>\$ 4,678</u>	<u>\$ (25,100)</u>
Preferred stock dividends	\$ (312)	\$ (315)
Net income (loss) available to common stockholders	<u>\$ 4,366</u>	<u>\$ (25,415)</u>
Net income (loss) per share, basic and diluted	<u>\$ 0.06</u>	<u>\$ (0.47)</u>
Weighted-average shares outstanding, basic	<u>70,351</u>	<u>53,828</u>
Weighted-average shares outstanding, diluted	<u>72,464</u>	<u>53,828</u>
Adjusted EBITDA	<u>\$ 13,623</u>	<u>\$ (12,350)</u>

* A reconciling table for Adjusted EBITDA is available in the Appendix of this presentation

Balance Sheet Summary

<i>(\$ in thousands)</i>	3/31/21	12/31/20
Cash & cash equivalents	\$ 44,146	\$ 47,667
Current assets	241,588	214,046
Total assets	501,116	476,818
Current liabilities	112,750	86,927
Total liabilities	199,434	180,583
Stockholders' equity	301,682	296,235
Total liabilities & stockholders' equity	\$ 501,116	\$ 476,818

Key Takeaways

Transitioning to More Stable, Higher Margin Businesses

- Successfully transitioned production to ~50% specialty alcohols
- Focused on health, home & beauty, food and beverage, and essential ingredients markets going forward
- Investing in QA / certifications to expand addressable customers and markets

Good Visibility on Near-Term Results

- Specialty alcohol sales contracted annually in advance
- Began 2021 with 70 million gallons of specialty alcohol production contracted at fixed prices
- Long-term tailwinds from continued growth in demand for specialty alcohols and essential ingredients

Improving Balance Sheet and Conservative Financial Policies

- Reduced debt by \$146 million during 2020
- Now net term debt free and targeting debt free in 2021
- Proceeds from future asset sales will be used to further retire debt, bolster liquidity and fund needed capital projects.

Use of Non-GAAP Measures

- Management believes that certain financial measures not in accordance with generally accepted accounting principles ("GAAP") are useful measures of operations.
- The company defines Adjusted EBITDA as unaudited net income (loss) attributed to Alto Ingredients, Inc. before interest expense, provision (benefit) for income taxes, asset impairments, loss on extinguishment of debt, purchase accounting adjustments, fair value adjustments, and depreciation and amortization expense. A table is provided at the end of this presentation that provides a reconciliation of Adjusted EBITDA to its most directly comparable GAAP measure, net income (loss) attributed to Alto Ingredients, Inc. Management provides this non-GAAP measure so that investors will have the same financial information that management uses, which may assist investors in properly assessing the company's performance on a period-over-period basis. Adjusted EBITDA is not a measure of financial performance under GAAP, and should not be considered as an alternative to net income (loss) attributed to Alto Ingredients, Inc. or any other measure of performance under GAAP, or to cash flows from operating, investing or financing activities as an indicator of cash flows or as a measure of liquidity. Adjusted EBITDA has limitations as an analytical tool and you should not consider this measure in isolation or as a substitute for analysis of the company's results as reported under GAAP.

Adjusted EBITDA Reconciliation

<i>(figures in thousands)</i>	3 Mos. 3/31/21	3 Mos. 3/31/20
Net income (loss) attributed to Alto Ingredients, Inc.	\$4,678	\$(25,100)
Adjustments:		
Interest expense	1,885	5,307
Asset impairment	1,200	-
Fair value adjustments	-	(673)
Depreciation and amortization expense*	<u>5,860</u>	<u>8,116</u>
Total adjustments	<u>8,945</u>	<u>12,750</u>
Adjusted EBITDA	<u>\$ 13,623</u>	<u>\$(12,350)</u>

* Adjusted for noncontrolling interest

Thank you.