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CODEXIS®
PROTEIN ENGINEERING EXPERTS™

February 26, 2019 Investor Call
FY'18 Results; 2019 Guidance and Outlook
Nasdaq: CDXS

Forward-Looking Statements

- These slides and the accompanying oral presentation contain forward-looking statements that involve risks and uncertainties. These statements relate to future events or our future financial or operational performance and involve known and unknown risks, uncertainties and other factors that could cause our actual results, levels of activity, performance or achievement to differ materially from those expressed or implied by these forward-looking statements. Forward-looking statements include all statements that are not historical facts. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “could,” “would,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “projects,” “predicts,” “potential” or the negative of these terms, and similar expressions and comparable terminology intended to identify forward-looking statements. These forward-looking statements represent our estimates and assumptions only as of the date hereof, and, except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.
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2018 Full Year Results

Fifth Consecutive Year of Building Momentum for Codexis

\$60.6m

2018 Total Revenue
+21% vs 2017

✓ Met

Performance vs Annual Guidance
Fifth Consecutive Year

\$35.0m

2018 R&D Revenue
+50% vs 2017

51%

2018 Product Margin
Up From 46% in 2017

2018 Strategic Deliverables

- ✓ **Step-out Y-O-Y Revenue Expansion on Top of Solid Pharma Mfr Base**
 - Performance Enzymes → Pharma Mfr \$39.2m **+7%**
 - Performance Enzymes → Non-Pharma \$7.9m **+39%**
 - Novel Biotherapeutics \$13.5m **+76%**
- ✓ **Strategic Deliverables in Performance Enzymes**
 - Commercialized enzymes for Tate & Lyle stevia sweetener in **< 2yrs**
 - Eight pharma customers with revenues > \$1m (**+33%** from six in 2017)
 - Porton partnership expands customer access: deal to \$2.8+ rev in **< 1yr**
 - Breaking into **MDx**: DNA Ligase first revs; DNA Polymerase poised
- ✓ **Novel Biotherapeutic Segment Credibly Established**
 - Successfully completed company's **first-ever** clinical trial – CDX-6114 for PKU
 - Phase 1a and solid dose formulation results → **Nestlé's 1Q'19 opt-in**
 - **5 more BioTx programs** advance towards partnerable events
- ✓ **One of Nation's Best & Brightest Firms to Work For – 2nd Yr in Row**
- ✓ **Ends Year with Strengthened Balance Sheet: \$50m+ Cash; No Debt**

Select FY 2018 P&L and Balance Sheet Info

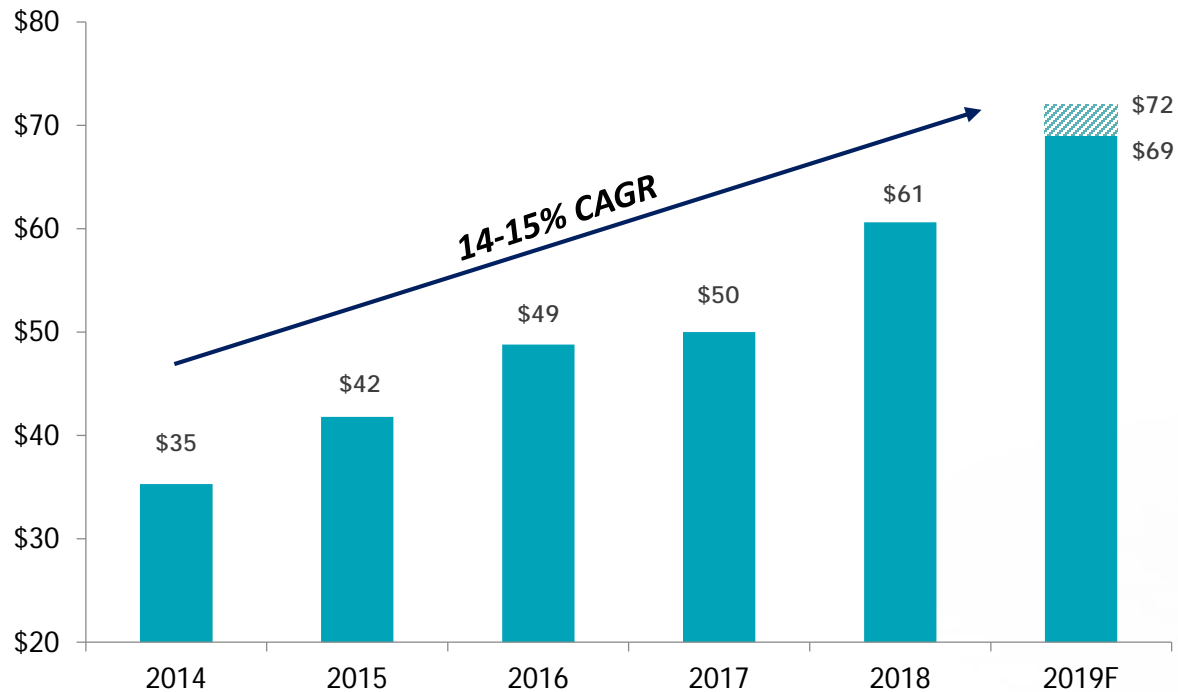
(\$ millions)

P&L	For the Year Ended		
	2018	2017	% change
Total revenues	60.6	50.0	21%
Product revenues	25.6	26.7	-4%
R&D revenues	35.0	23.3	50%
Gross margin % on product revenues	51%	46%	11%
Total operating expenses (R&D + SG&A)	59.3	58.7	1%
GAAP net income/(loss)	(10.9)	(23.0)	53%
Non-GAAP net income/(loss)*	(1.8)	(14.9)	88%

Balance Sheet	At the Year End		
	2018	2017	\$ change
Cash and cash equivalents	53.0	31.2	70%

Codexis 2019 Financial Outlook

Total Revenue (\$ million)



2019 Annual Guidance Introduced

Total Revenues: \$69 - 72m (+14-19% vs 2018)

Product Sales: \$26 - 29m (2018 = \$25.6m)

Product Gross Margin: 48 - 52% (2018 = 51%)

Additional Insights Into 2019 Financial Outlook

Revenues: ~ 40% in 1H'19 / ~ 60% in 2H'19

R&D + SG&A Expenses: ~ \$18m/qtr; ~ Smooth Quarterly

2019 Strategic Objectives

Continue Business Acceleration on Multiple Fronts

Relentless Focus on CodeEvolver[®], AI-Driven Acceleration of Protein Discoveries

- ✓ Reinforce our powerful, product-commercializing uniqueness in the world's growing synthetic biology landscape

Significant Acceleration of Announcable Deal Flow Underpins Another Solid Double Digit Revenue Growth Year

- ✓ Growth in new R&D partnering deals across both segments → new application verticals & clients
- ✓ Continued widening and deepening of major pharma relationships, and the beginning of CodeEvolver[®] licensing backend sales
- ✓ Continued advancement of Performance Enzyme pipeline → growth of both pre-commercial and commercial installations
- ✓ The year, we will make our mark in establishing growing, profitable sales in molecular diagnostic markets
- ✓ More than offsetting y-o-y headwinds: Tate & Lyle stevia (2019 prod sales < 2018 R&D revs); Nestlé Health Sciences CDX-6114

Break-out Progress for Novel Biotherapeutics Pipeline

- ✓ At least two of the five programs (beyond PKU) will reach partnerable status (locked and on way to IND) by the end of 2019

Smart Spending Investments Enable Growth Acceleration in 2019 & Beyond

- ✓ Growth in R&D headcount and external spending to accelerate Novel Biotherapeutic pipeline advancement towards IND
- ✓ Additional R&D hiring to enable expanded protein discovery capacity for growth in partner-funded programs
- ✓ Impacts of revenue growth and spending investments largely offset each other on bottom-line and cash balance y-o-y



Thank you

Supplemental Information

Reconciliation of GAAP to Non-GAAP Financial Measures

(Unaudited) (In Thousand)	<u>Twelve months ended December 31,</u>	
	<u>2018</u>	<u>2017</u>
Net income (loss)		
Net income (loss) - GAAP	\$ (10,878)	\$ (22,996)
Non-GAAP adjustments:		
Depreciation expense ^(a)	1,147	1,042
Employee stock-based compensation ^(b)	7,889	7,091
Net income (loss) - Non-GAAP	<u>\$ (1,842)</u>	<u>\$ (14,863)</u>

These non-GAAP financial measures exclude the following items:

(a) **Depreciation expense:** we provide non-GAAP information which excludes depreciation expense related to the depreciation of property and equipment. We believe that eliminating this expense from our non-GAAP measures is useful to investors, because the acquisition of property and equipment, and the corresponding depreciation expense, can be inconsistent in amount and can vary from period to period.

(b) **Stock-based compensation:** we provide non-GAAP information which excludes expenses for stock-based compensation. We believe the exclusion of this item allows for financial results that are more indicative of our operations. We also believe that the exclusion of stock-based compensation expense provides for a better comparison of Codexis' operating results to prior periods as the calculations of stock-based compensation vary from period to period and company to company due to different valuation methodologies, subjective assumptions and the variety of award types.