

Bolt Projects Holdings: 18 Months of Transformational Change

Bolt's business has been re-imagined and rebuilt into a model expected to drive attractive margins and growth while requiring modest capital

At Bolt, we believe that the best days of our planet are ahead of us. This conviction has guided our mission since day one: to create way better materials for a way better world. Over the past 18 months, we have undertaken a deep transformation to position Bolt to fulfill this mission for the long term. This transformation has been largely invisible to our supporters, antagonists, and fans, but our mission statement remains as true to us today as it did in 2009 when David, Ethan and I conceived of this business in San Francisco over sandwiches:

At Bolt, we believe that the best days of our planet are ahead of us. Because where some see a tree, we see a template.

Where some see a flower, we see a framework. Where some see a spider's web, we see a solution.

This is where billions of years of evolution meets the newest advances in biotechnology. Where we unlock nature's blueprints and cultivate materials that

are more beneficial to people and this amazing ecosystem we call home. This is the recipe for a more promising future. And we'll be supplying the ingredients.

Inspired by nature. Propelled by science. Driven to create way better materials for a way better world.

Background on Bolt's transformation

Bolt Threads was founded 15 years ago to make 'Way Better Materials for a Way Better World': a technological quest to make the ingredients in everyday products better both for humanity and our planet. Over the past 18 months, we have restructured the business to keep Bolt Threads on the path of responsible growth.

The core of responsible growth is a focus on competitive products, attractive margins, and a clear path to generate free cash flow. While the "growth at any cost" model can be effective for making an initial market impact, it is not a sustainable strategy for achieving long-term, sustainable growth. Our focus is on building a solid foundation for sustained growth, ensuring scalability and profitability over time.



So, we looked back to a portfolio of 15 years of innovation and learning about how to create materials for the 21st century with biotechnology. We saw an opportunity where all stakeholders, consumers, brands and capital markets, could have their interests aligned when our technological revolution is supported by operational excellence and supply chain reliability. We believe that building on these core tenets will be rewarded by all stakeholders:

- High-return sectors with over \$3+ billion in near-term addressable market opportunity
- Substantial margin potential
- Proven scalable processes
- Verifiable customer demand
- Strong growth prospects in the decades ahead
- High barriers to entry using an intellectual property strategy that has not been an emphasis in cosmetics
- Modest capital investment requirements

Bolt's opportunity in this transformation

We have chosen to deliver cutting-edge technology to the Beauty and Personal Care industry as our core business. Our Vegan Silk Technology platform is core to Bolt and houses our most mature commercial product, b-silk™, that has been used in commercial cosmetics products satisfying customers since 2019.

Over the past 18 months, our strategic re-evaluation coincided with several factors that significantly expanded the market opportunity for b-silk. What began as a promising ingredient in 2018 has now evolved into a much larger commercial opportunity than we initially envisioned. As the cornerstone of our product portfolio, b-silk and the Vegan Silk Technology platform is positioned to drive our company's growth and transformation over the next decade

Over the past few years, we've combined our knowledge of b-silk's powerful benefits with the growing shift in both regulations and consumer preferences for replacing chemistry with safer, more sustainable ingredients. In 2019 and 2020, as we developed our skincare brand, eighteenB, we tested b-silk's performance on 18 different claims, showing strong results in areas like barrier protection and film formation.



Regulatory pressure and consumer preference shift a >\$3B key ingredient

In 2022 the legislative and regulatory landscape was radically changing around long-lived ingredients in daily-use cosmetic and personal care products. Specifically microplastics and silicone elastomers saw significant regulation in the European Union zero-waste legislation that passed in 2023 and is slated to go into effect by June 1, 2027. This new set of regulations will reshape the landscape for silicone elastomers usage in the beauty and personal care industry.

In addition, the current consumer trend has sought silicone-free products. This trend has been long desired as a consumer buzzword and sought out by individual purchasers in mass and specialty retail. However cosmetic and personal care brands have struggled to make formulations that meet performance expectations without silicone elastomers.

This new regulatory landscape, amplified by consumer preference, is shifting a \$3B+ market in silicone elastomers for beauty and personal care, creating an open invitation for biodegradable alternative materials to meet and surpass the performance of this key class of ingredients.

Although there are other alternative materials on the market, none of them have been able to combine biodegradability, film formation and sensorial performance in addition to functional properties. These features are something our Vegan Silk technology uniquely combines and has proven across multiple cosmetics products. We had strong evidence that b-silk could meet beauty and personal care brand expectations and customer needs at a competitive price, giving us the chance to capture a significant share of this market over time. To capitalize this opportunity, we carefully evaluated the existing business model and made key adjustments to position ourselves for success.

What changes to meet the moment for Bolt and b-silk

To meet this opportunity, we saw the performance and capex-lite production potential in b-silk but required a detailed re-evaluation of how Bolt was structured to succeed in this focus on beauty and personal care markets. We had to choose what to stop doing, what to continue doing, and what to start doing.

Stop: Stopping initiatives that were off target

Several legacy activities had to stop in order to lower the expenses and drive the focus on the market opportunity for b-silk

We exited our legacy fashion and footwear products in fibers and mycelium leather

Eliminate fixed costs and shed approximately \$60M in future liabilities associated with the old business model: multi-site leases, services, external and internal operations, etc.



Re-sized the organization to fit the new model (~94% headcount reduction)

Reviewed and rationalized our Intellectual Property portfolio to support the new model and patent families that could be part of our future product offerings.

Continue: Continue by doubling down on what was working for b-silk

B-silk has already demonstrated to provide key differentiation and benefits to our initial customers and 18 benefits had completed clinical validation. To meet the opportunity space many of these activities needed to be continued and doubled down on the winning capabilities we developed:

Compliance: Maintain Global registration and Regulatory Compliance with all relevant commercial geographies starting with North America, EU, China and Japan,

Messaging: Develop clear messaging on how b-silk delivers Product Differentiation, based on efficacy, safety and sustainability to educate customers and their consumers

Supply: Focus on building supply chain security and robustness with our network of biomanufacturing partners to meet the dual mandate of our customers' supply needs and Bolt's capex-lite model

Sustainability: demonstrate our Sustainability commitment and provide Transparency on that commitment to customers

Start: what new capabilities and differentiation are needed to win in this blue ocean

A single focus on the beauty and personal care industry starting with b-silk requires some expanded capabilities to deliver on the expectations of customers. In addition, we strive to delight customers with our products and the value we can deliver to them and their consumers. To support this, we started by:

Customer Care: Establishing a strong Customer Care approach including in-house Formulation Support during formula development stage and tap into our established network of formulation specialists who can advise on b-silk formulation issues.

Science-backed claims support: We developed strong claim substantiation, using analytical and consumer panel testing, including the sensorial properties needed to compete with silicone elastomers.



Focused and Structured the Customer Funnel: We developed and deployed a robust B2B sales process with multi entry targets into the BPC industry This includes discipline around our decision criteria for the allocation of resources to sales process and business development at each step of the sales process.

Powered by Bolt, the Go-To Ingredient Brand: We believe brand is key for science backed ingredients to allow both brands and consumers to convey trust and quality. Bolt has a long history of successful branded ingredient work from creation to adoption by partners in fibers, leather, and beauty. We built a new brand identity around b-silk and Bolt to convey our quality, depth of commitment and as a desirable technology partner for the BPC industry. Using the Powered by Bolt brand identity allows our customers to tap into our depth of credibility and quality behind our ingredients.

Capital market strategy transformation

This focus on beauty and personal care industry also provided an opportunity to re-examine our capital structure and strategy. We determined that a public market strategy was the best path forward to allow new equity investors to join the journey through trusted, efficient and low transaction cost markets. As a 15-year journey this also allows long-time equity holders an option for liquidity at their election. To support this, we drafted a plan in 3 parts:

- Merged with Golden Arrow Merger Corporate in a deSPAC transaction
- Structured and closed a \$35M PIPE to provide the capital to enact the new strategy
- Built a public-company Board of Directors and supporting processes

A focused path that delivers for customers, planet and shareholders

In summary we spent the past 18 months re-imagining what can be and transforming Bolt into that business. The goal in that transformation was to ingest 15 years of learning and build a business that continues to reflect our mission while relentlessly serving the interests of consumers, brands and shareholders. This has meant we came through the other side with a focused product area in a single target of a large industry need. The goal is to grow profitably and responsibly to deliver sustainable biotechnology to our customers and profits to our shareholders. Gone are the days of fashion, footwear, accessories, beauty and personal care. Here to stay is a relentless focus on beauty and personal care and the near term >\$3B opportunity to replace silicone in haircare, skincare and color cosmetics.

We have a broad technology platform that can bring the best of what nature has to offer from 3.8 billion years of evolution. Yet we can develop our products going forward through tapping the matured network of contract partners to find the right specialist for what we need. As a smart American once said, the only person smarter than anyone is everyone. And that is how we have built a model to outcompete with our



product development. In the near term our Vegan Silk Technology platform has produced the first three game-changing products and is expected to continue delivering customer wins for many years to come.

Going forward we as a management team strive to build a great business for our shareholders. We are dedicated to minimizing overhead, building on a capex-lite (or capex-free) model. We will continue to maximize gross margins, and drive to free cash flow to continue delivering growth and value to shareholders.

We are humbled by the support our customers, employees and shareholders have shown for our mission over the past 15 years. Whether you've been here for 15 years, or less than one year, we are excited to have you as part of the Bolt story as we continue to power the future of consumer beauty with the Way Better Materials that we need for a Way Better World.

Cautionary Statements Regarding Forward-Looking Statements

This communication contains forward-looking statements within the meaning of the federal securities laws. All statements other than statements of historical facts contained in this communication, including, without limitation, statements regarding the Company's products, new capabilities, market potential and market adoption, cost reductions, business strategy and plans and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "anticipate," "believe," "budget," "continue," "could," "estimate," "expect," "forecast," "intend," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "strive," "will" or the negatives of these terms or variations of them or similar terminology. Forward-looking statements include, without limitation, the Company's expectations concerning the outlook for the business, productivity, plans, and goals for future operational improvements and capital investments, operational performance, future market conditions or economic performance and developments in the capital and credit markets, and expected future financial performance, as well as any information concerning possible or assumed future results of operations of the Company.

Forward-looking statements involve a number of risks, uncertainties, and assumptions, and actual results or events may differ materially from those projected or implied in those statements. Important factors that could cause such differences include, but are not limited to: the Company's history of net losses and ability to achieve or maintain profitability in the future; the Company ability to execute its business plan and adequately control its expenses or raise additional capital on favorable terms, if at all; the Company's ability to continue as a going concern; the Company ability to generate sufficient cash to service all of its debt obligations; the Company's dependence on sales of its b-silk™ product; the Company's ability to manage growth effectively; the Company's reliance on a single or limited manufacturing partners and manufacturing facilities for the production of b-silk™; costs of and availability for b-silk™ and the Company's future products that are out of the Company's control; pricing pressures if the Company's costs of producing b-silk™ materially increase; the Company's limited experience in marketing and selling b-silk™; market acceptance of from consumer product companies; the Company's ability to protect adequately its patents and other intellectual property assets; government regulations and private party actions relating to the marketing and advertising of cosmetic products that include b-silk™ or other



products the Company develops may restrict, inhibit or delay its ability to sell such products; and the other risks and uncertainties discussed under the caption “Risk Factors” included in the Company’s prospectus on Form 424(b)(8) filed with the SEC on October 2, 2024, as such factors may be updated from time to time in its other filings with the SEC, including without limitation the Company’s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2024, accessible on the SEC’s website at www.sec.gov and the Investors section of the Company’s website at www.boltthreads.com.

The Company cautions you against placing undue reliance on forward-looking statements, which reflect current beliefs and are based on information currently available as of the date a forward-looking statement is made. Forward-looking statements set forth herein speak only as of the date they are made. The Company undertakes no obligation to revise forward-looking statements to reflect future events, changes in circumstances, or changes in beliefs, except as otherwise required by law.

1 ingredients that that persist for many years, decades, or more in the environment

2 Regulation (EU) 2023/2055, and Regulation 2024/1328

