



Q3 2021 UPDATE



— November 4, 2021 —

IMPORTANT INFORMATION FOR UNITHOLDERS

On October 15, 2021, Enviva announced the acquisition of its former sponsor, Enviva Holdings, LP (“Holdings”), and the elimination of incentive distributions rights (the “Simplification Transaction”). Enviva also announced plans to convert from a master limited partnership to a corporation under the name of Enviva Inc. by the end of the year (the “Conversion”).

This communication does not constitute a solicitation of any vote or approval.

In connection with the Conversion, Enviva filed a proxy statement with the U.S. Securities and Exchange Commission (the “SEC”). Enviva also plans to file other documents with the SEC regarding the Conversion. After the proxy statement has been cleared by the SEC, a definitive proxy statement will be mailed to the unitholders of Enviva. UNITHOLDERS OF ENVIVA ARE URGED TO READ THE PROXY STATEMENT (INCLUDING ALL AMENDMENTS AND SUPPLEMENTS THERETO) AND OTHER DOCUMENTS RELATING TO THE CONVERSION THAT WILL BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE CONVERSION. Unitholders will be able to obtain free copies of the proxy statement and other documents containing important information once such documents are filed with the SEC, through the website maintained by the SEC at <http://www.sec.gov>.

Participants in the Solicitation

Enviva and its general partner’s directors and executive officers may be deemed to be participants in the solicitation of proxies from the unitholders of Enviva in connection with the proposed transaction. Information about such directors and executive officers is set forth in Enviva’s Annual Report on Form 10-K filed with the SEC on February 25, 2021. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement and other relevant materials to be filed with the SEC when they become available.

FORWARD-LOOKING STATEMENTS

Cautionary Note Concerning Forward-Looking Statements

The information included herein and in any oral statements made in connection herewith include “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of present or historical fact included herein, regarding the Conversion, Enviva’s ability to consummate the Conversion, the benefits of the Conversion and Enviva’s future financial performance following the Conversion, as well as Enviva’s strategy, future operations, financial position, estimated revenues, and losses, projected costs, prospects, plans, and objectives of management are forward-looking statements. When used herein, including any oral statements made in connection herewith, the words “could,” “should,” “will,” “may,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “project,” the negative of such terms, and other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on management’s current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. Except as otherwise required by applicable law, Enviva disclaims any duty to revise or update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date hereof. Enviva cautions you that these forward-looking statements are subject to risks and uncertainties, most of which are difficult to predict and many of which are beyond the control of Enviva. These risks include, but are not limited to: (i) the volume and quality of products that we are able to produce or source and sell, which could be adversely affected by, among other things, operating or technical difficulties at our wood pellet production plants or deep-water marine terminals; (ii) the prices at which we are able to sell our products; (iii) our ability to successfully negotiate, complete, and integrate acquisitions, including the associated contracts, or to realize the anticipated benefits of such acquisitions; (iv) failure of our customers, vendors, and shipping partners to pay or perform their contractual obligations to us; (v) our inability to successfully execute our project development, expansion, and construction activities on time and within budget; (vi) the creditworthiness of our contract counterparties; (vii) the amount of low-cost wood fiber that we are able to procure and process, which could be adversely affected by, among other things, disruptions in supply or operating or financial difficulties suffered by our suppliers; (viii) changes in the price and availability of natural gas, coal, or other sources of energy; (ix) changes in prevailing economic conditions; (x) unanticipated ground, grade or water conditions; (xi) inclement or hazardous environmental conditions, including extreme precipitation, temperatures, and flooding; (xii) fires, explosions, or other accidents; (xiii) changes in domestic and foreign laws and regulations (or the interpretation thereof) related to renewable or low-carbon energy, the forestry products industry, the international shipping industry, or power, heat, or combined heat and power generators; (xiv) changes in the regulatory treatment of biomass in core and emerging markets; (xv) our inability to acquire or maintain necessary permits or rights for our production, transportation, or terminaling operations; (xvi) changes in the price and availability of transportation; (xvii) changes in foreign currency exchange or interest rates, and the failure of our hedging arrangements to effectively reduce our exposure to the risks related thereto; (xviii) risks related to our indebtedness; (xix) our failure to maintain effective quality control systems at our wood pellet production plants and deep-water marine terminals, which could lead to the rejection of our products by our customers; (xx) changes in the quality specifications for our products that are required by our customers; (xxi) labor disputes, unionization or similar collective actions; (xxii) our inability to hire, train or retain qualified personnel to manage and operate our business and newly acquired assets; (xxiii) the Conversion may not occur, and even if it were to be completed, we may fail to realize the anticipated benefits; (xxiv) the possibility of cyber and malware attacks; (xxv) our inability to borrow funds and access capital markets; and (xxvi) viral contagions or pandemic diseases, such as COVID-19.

Should one or more of the risks or uncertainties described herein and in any oral statements made in connection therewith occur, or should underlying assumptions prove incorrect, actual results and plans could differ materially from those expressed in any forward-looking statements. Additional information concerning these and other factors that may impact Enviva’s expectations and projections can be found in Enviva’s periodic filings with the SEC. Enviva’s SEC filings are available publicly on the SEC’s website at www.sec.gov.

Industry and market data

This presentation has been prepared by Enviva and includes market data and other statistical information from third-party sources, including independent industry publications, government publications or other published independent sources. Although Enviva believes these third-party sources are reliable as of their respective dates, Enviva has not independently verified the accuracy or completeness of this information. Some data is also based on Enviva’s good faith estimates, which are derived from its review of internal sources as well as the third-party sources described above.

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ENVIVA

HIGH GROWTH AND DURABLE LONG-TERM CASH FLOWS

~6.2 Million MTPY¹ of Fully Contracted Production Capacity

World's largest industrial-grade wood pellet producer
Committed to net zero by 2030²

\$21+ Billion³ Take-Or-Pay Contracted Backlog

Total weighted-average remaining term of 14.5 years

Building Fully Contracted Plants at Expected ~5x EBITDA Multiple

Visibility into doubling contracted production capacity under existing sales and asset development pipelines⁴

Robust Long-Term Demand

Growing, multi-billion-dollar new customer contract pipeline driven by energy transition and industrial decarbonization underway

Attractive Dividend Yield

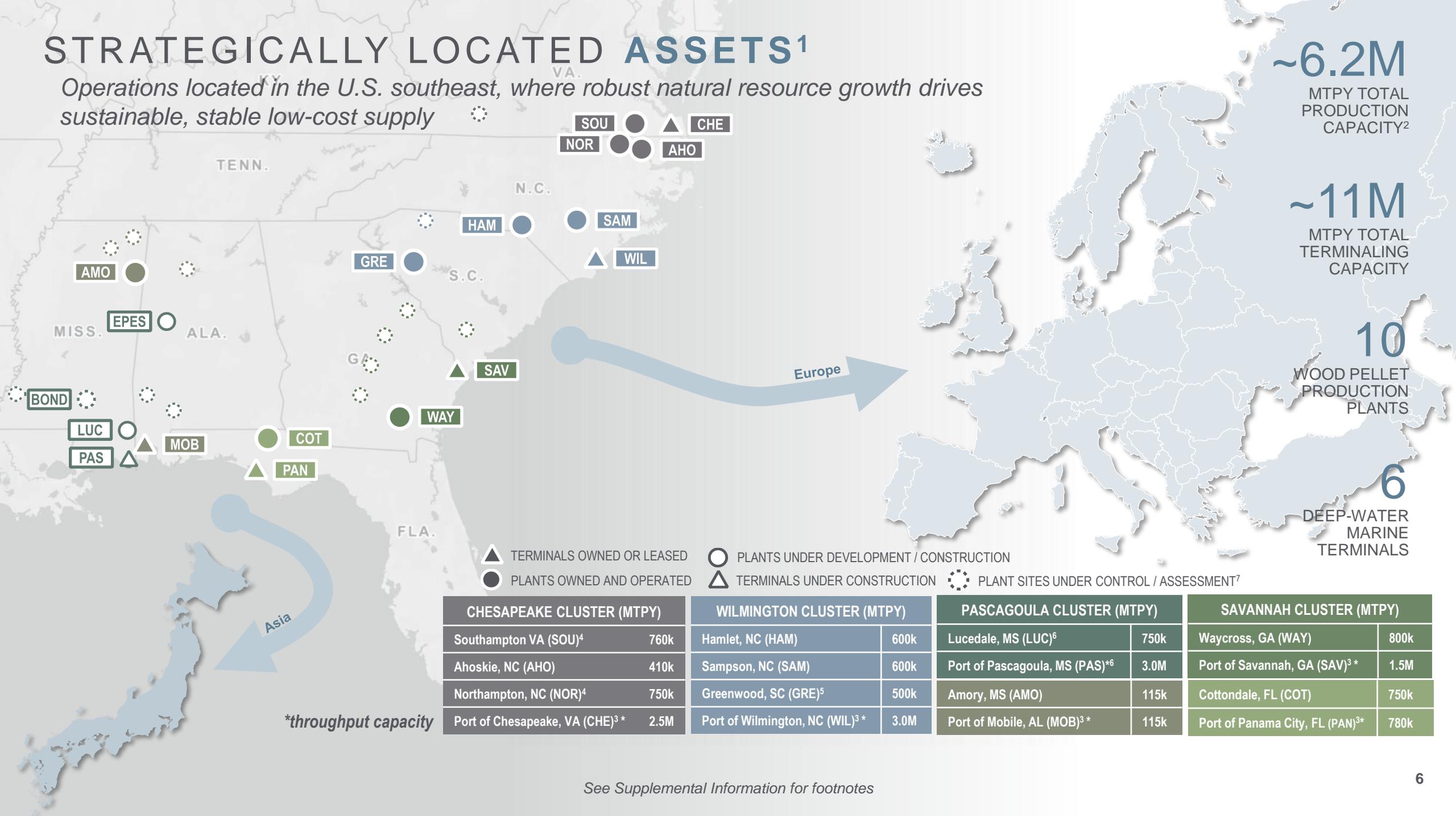
Stable dividends growing from \$3.30 in 2021 to \$3.62 in 2022⁵

Conservative Financial Framework

Prioritizing conservative leverage and transitioning to self-funding while preserving financial flexibility to optimize growth and return of capital

STRATEGICALLY LOCATED ASSETS¹

Operations located in the U.S. southeast, where robust natural resource growth drives sustainable, stable low-cost supply



~6.2M
MTPY TOTAL PRODUCTION CAPACITY²

~11M
MTPY TOTAL TERMINALING CAPACITY

10
WOOD PELLET PRODUCTION PLANTS

6
DEEP-WATER MARINE TERMINALS

- ▲ TERMINALS OWNED OR LEASED
- PLANTS UNDER DEVELOPMENT / CONSTRUCTION
- PLANTS OWNED AND OPERATED
- △ TERMINALS UNDER CONSTRUCTION
- ⊙ PLANT SITES UNDER CONTROL / ASSESSMENT⁷

**throughput capacity*

CHESAPEAKE CLUSTER (MTPY)		WILMINGTON CLUSTER (MTPY)		PASCAGOULA CLUSTER (MTPY)		SAVANNAH CLUSTER (MTPY)	
Southampton VA (SOU) ⁴	760k	Hamlet, NC (HAM)	600k	Lucedale, MS (LUC) ⁵	750k	Waycross, GA (WAY)	800k
Ahoskie, NC (AHO)	410k	Sampson, NC (SAM)	600k	Port of Pascagoula, MS (PAS) ⁶	3.0M	Port of Savannah, GA (SAV) ^{3*}	1.5M
Northampton, NC (NOR) ⁴	750k	Greenwood, SC (GRE) ⁵	500k	Amory, MS (AMO)	115k	Cottondale, FL (COT)	750k
Port of Chesapeake, VA (CHE) ^{3*}	2.5M	Port of Wilmington, NC (WIL) ^{3*}	3.0M	Port of Mobile, AL (MOB) ^{3*}	115k	Port of Panama City, FL (PAN) ^{3*}	780k



Q3 2021 HIGHLIGHTS

Q3 2021 HIGHLIGHTS¹

\$62.9M

ADJUSTED EBITDA

\$49.5M

DISTRIBUTABLE
CASH FLOW

\$48.38

ADJUSTED GROSS
MARGIN \$/MT

\$0.84

DISTRIBUTION PER UNIT

IMPORTANT STEPS FORWARD

- Successfully completed a transformative Simplification Transaction and on track to convert to a traditional corporation by December 31, 2021⁴
- Recorded a net loss of \$0.1 million for 3Q21; achieved \$62.9 million adjusted EBITDA for 3Q21 as compared to \$54.4 million in 3Q20
- Declared 25th consecutive quarterly distribution increase since IPO; 8.4% distribution increase per common unit as compared to 3Q20²
- Reaffirmed full-year guidance, including 2021 and 2022 dividend per share of \$3.30 and \$3.62, respectively

HIGHLY VISIBLE GROWTH

- Announced first direct industrial contract with a European customer to supply wood pellets to be refined into feedstock for the production of sustainable aviation fuel (SAF) and other renewable fuels like biodiesel³
- Construction of Lucedale plant nearing completion, commissioning beginning in 4Q21
- Contracted revenue backlog of \$21 billion, with 14.5 years total weighted-average remaining term⁵, complemented by similarly large customer pipeline⁶
- Announced agreement with GreenGasUSA to decarbonize natural gas-related emissions in our operations⁷

FINANCIAL GUIDANCE¹

Double-digit growth forecasted for adjusted EBITDA and distributable cash flow

\$ millions, unless noted	2021 ²	2022
Net Income	\$4.0 – \$14.0	\$42.0 – \$67.0
Adjusted EBITDA	\$225.0 – \$235.0	\$275.0 – \$300.0
Distributable Cash Flow	\$165.0 – \$175.0	\$210.0 – \$235.0
Dividend per Common Share	\$3.30/share	\$3.62/share

*2021 guidance does not reflect a potential recast of historical results, which may be required under GAAP due to the Simplification Transaction.

“The future has never been brighter for Enviva. With our transformative Simplification Transaction and Conversion, along with our expanding production capacity underpinned by our existing assets, the plant expansions underway, and the commissioning of the Lucedale plant and Pascagoula terminal, we are entering 2022 with increased size and scale, a significantly improved cost of capital, and a broadening customer base.”

- John Keppler (Chairman and CEO)

GUIDANCE HIGHLIGHTS



~25% Forecasted Adjusted EBITDA Growth

At the midpoint of guidance ranges, 2022 adjusted EBITDA growth over 2021 is 25%



~30% Forecasted DCF⁴ Growth

At the midpoint of guidance ranges, 2022 DCF growth over 2021 is ~30%; targeting positive free cash flow post-2022, depending on cadence of capital investments



~10% Forecasted Dividend Growth

Dividend guidance preserved, with \$3.30/share expected for 2021, and \$3.62 expected for 2022



Cost Reductions Underway⁵

Evaluating synergies and streamlining initiatives to further improve cost structure and reduce SG&A costs, which we expect to decline over time

CAPITALIZATION AND FINANCIAL FRAMEWORK

FINANCIAL PRIORITIES

ROBUST DIVIDEND COVERAGE

Long-term target of 1.5x or greater dividend coverage¹

CONSERVATIVE LEVERAGE²

Fully contracted business with only ~22% debt to total capitalization³

SELF-FUNDED GROWTH FINANCING⁴

Cash preservation from IDR elimination and lower investment multiples enable transition to fully self-funding growth model

ATTRACTIVE DIVIDEND YIELD

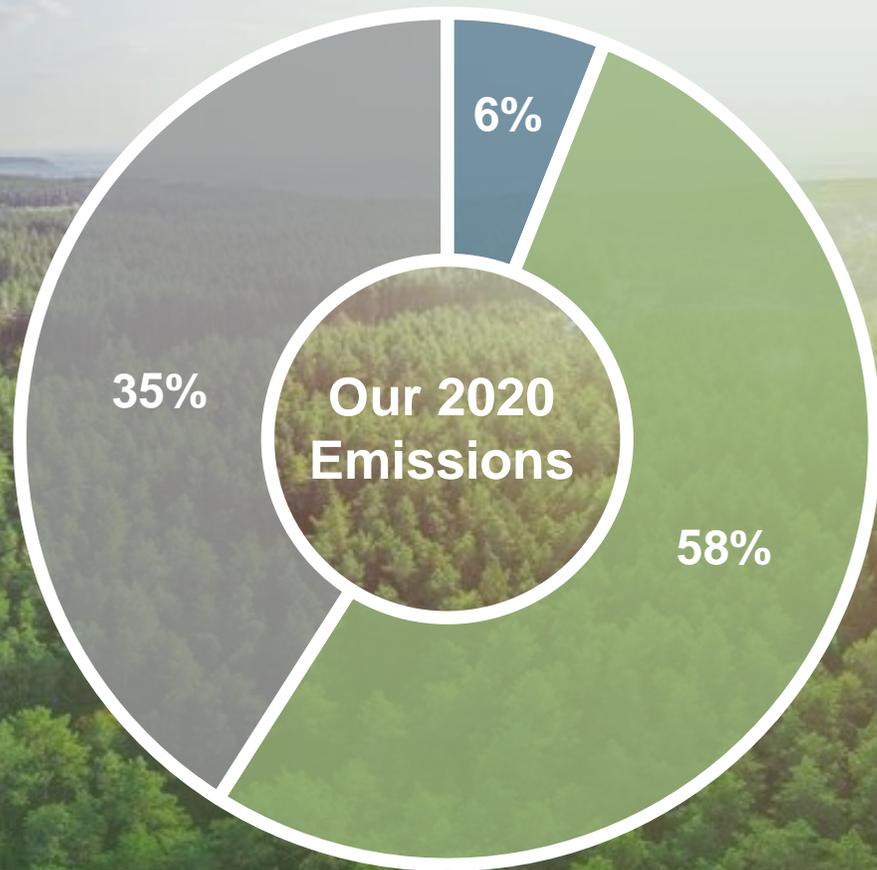
Stable growing cash flows enhance financial flexibility and the ability to increase dividends and return of capital to shareholders over time

Transitioning to an organic growth story with the ability to fully self-fund asset expansions over time is expected to reduce future capital market needs

<i>\$ millions</i>	
EVA Capitalization	As of September 30, 2021
Cash and Cash Equivalents	12
Revolving Credit Facility	345
Senior Notes	747
Other Debt	55
Net Debt	\$ 1,135
Common Shares ⁵	4,086
Total Capitalization	\$ 5,221

NET ZERO PROMISE

COMMITTED TO NET ZERO IN OUR OPERATIONS BY 2030



SCOPE 1 EMISSIONS¹

WE WILL REDUCE, ELIMINATE, OR OFFSET ALL OF OUR DIRECT EMISSIONS

- Recently announced contract with GreenGasUSA which is expected to reduce Scope 1 emissions by 75% on an annual basis by replacing natural gas with renewable natural gas

SCOPE 2 EMISSIONS¹

WE WILL SOURCE 50% RENEWABLE ENERGY BY 2025, AND 100% BY 2030

- Enviva joined the Renewable Energy Buyers Alliance, a business consortium committed to large-scale purchases of clean renewable energy, and we are evaluating solar installations at multiple plants

SCOPE 3 EMISSIONS¹

WE WILL SEEK TO DRIVE INNOVATIVE GHG REDUCTIONS IN OUR SUPPLY CHAIN

- Enviva signed an agreement with Mitsui O.S.K Lines to develop and deploy an environmentally friendly bulk carrier to reduce the GHG emission in the transport of our sustainable wood pellets²

ENVIVA

POSITIONED TO CONTINUE PROVIDING SUPERIOR RETURNS

World's Largest Industrial Wood Pellet Producer¹

- High-growth renewable energy company with strong, durable, cash flows underpinned by long-term, take-or-pay contracts with credit-worthy counterparties
- Substantial distributable cash flow accretion forecasted
- Solid dividend with ability to grow over time²
- Conservative financial policies to ensure balance sheet strength³
- Index eligibility significantly expanded and corporate structure investable across all geographies

Fully Contracted Assets

- ~6.2 million metric tons per year of fully-contracted production capacity¹
- Visibility into doubling production capacity with current sales and asset development pipelines⁴
- Potential to develop fully contracted plants at ~5x adjusted EBITDA project investment multiple⁵
- Highly-accretive expansion opportunities identified across existing asset fleet

Robust Long-term Demand

- Global energy transition underway in which wood biomass plays a key role in stabilizing grid-critical power and heat generation assets
- Massive decarbonization of industry underway, where wood biomass is a large-scale solution available today
- Bioenergy with carbon capture and storage (BECCS) is a valuable negative-emissions solution expected to be increasingly deployed as governments and industrial customers drive to net-zero emissions

EVA outperformed the MSCI ESG Index by 84% on a total return basis over the last 3 years⁶

EVA outperformed the S&P 500 by 95% on a total return basis over the last 3 years⁶

EVA outperformed the Alerian MLP TR Index by 173% on a total return basis over the last 3 years⁶

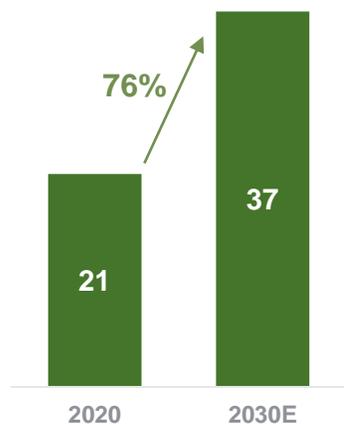


APPENDIX

STRONG & GROWING INTERNATIONAL DEMAND

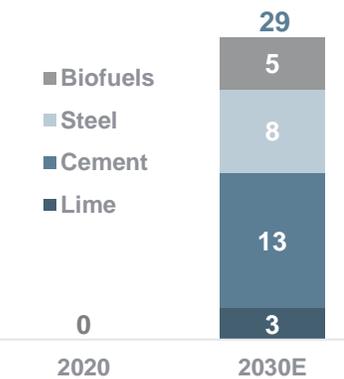
Serving critical energy generation and industrial markets undertaking large-scale decarbonization

Expected Global Wood Pellet Demand for Heat & Power Generation (Million MTPY)¹



EVA's long-term contracted growth currently in power and heat applications enables energy transition by providing a dispatchable renewable resource to power energy grids

Expected Global Wood Pellet Demand for Industrial Applications (Million MTPY)²



Emerging industrial decarbonization opportunity further accelerates EVA growth profile in applications ranging from green steel to sustainable aviation fuel

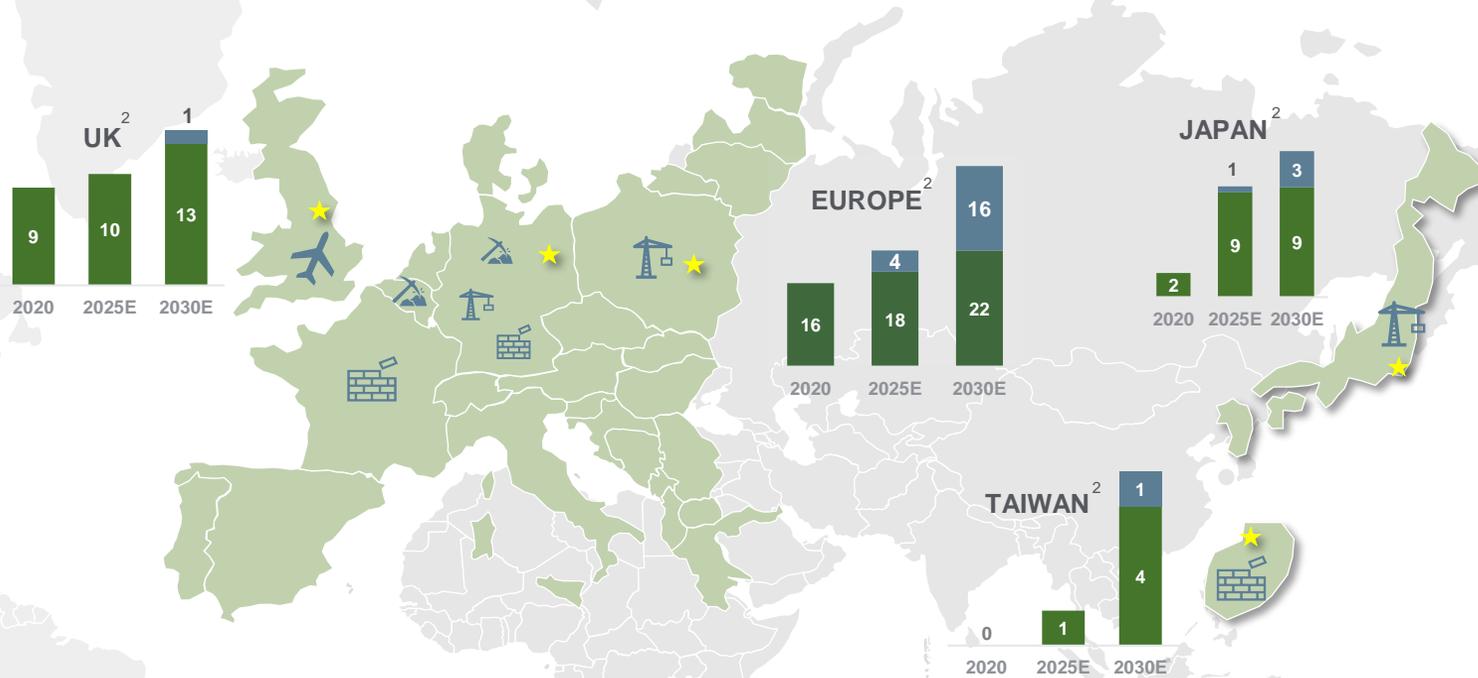
★ Enviva offices

Sources of Wood Pellet Demand (Million MTPY)

■ Industrials ■ Power/Heat (including BECCS)

Current Industrial Opportunities

Steel Cement Lime Biofuels



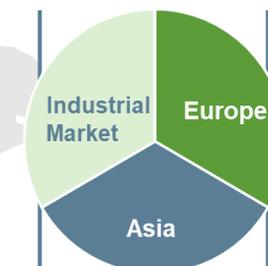
2030 Estimated Global Wood Pellet Demand – By Country³



AS THE WORLD'S LARGEST SUPPLIER, ENVIVA IS UNIQUELY POSITIONED TO MONETIZE GROWING DECARBONIZATION OPPORTUNITIES IN ENERGY AND INDUSTRY

EVA Outlook

2030
\$20B+ Robust and Diversified Market⁶



EVA 2025 Contract Mix
~40 Customers
Target Revenue ~\$2B⁵



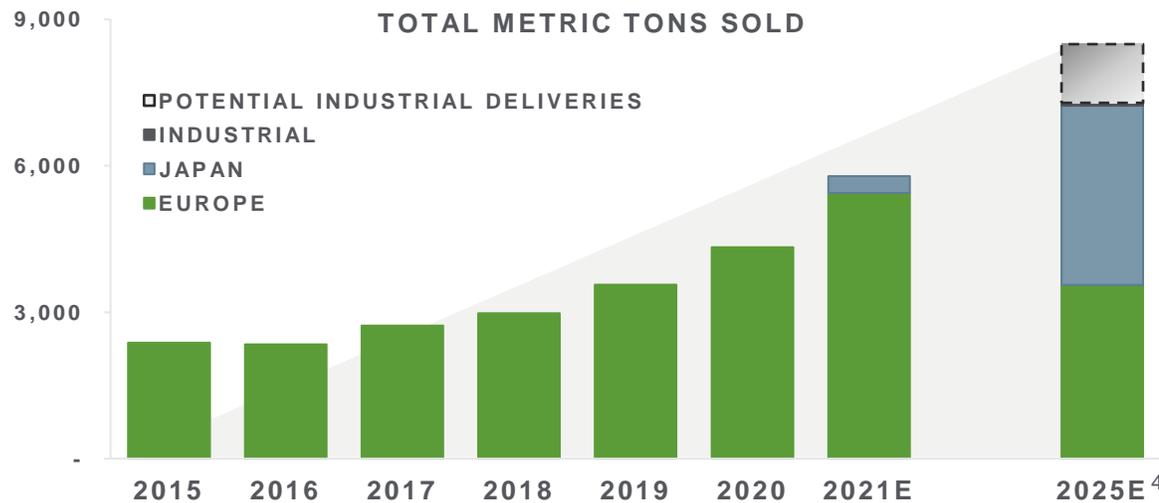
EVA 2021 Contract Mix
~20 Customers
Expected Revenue ~\$1B⁴



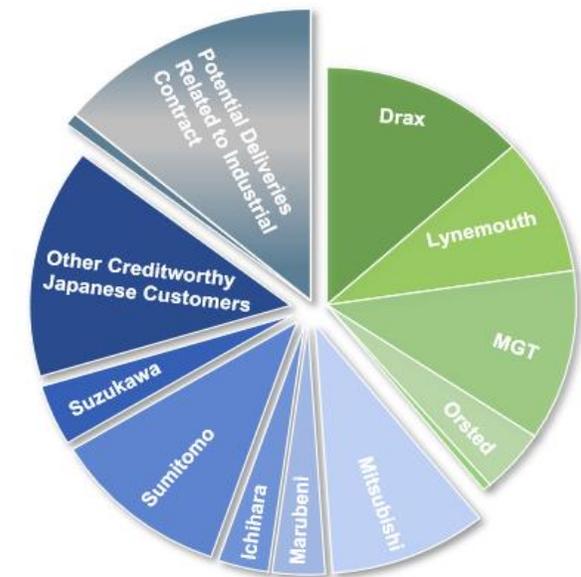
CURRENT CONTRACT OVERVIEW

\$21+ billion¹ of fully contracted backlog provides significant cash flow visibility and durability

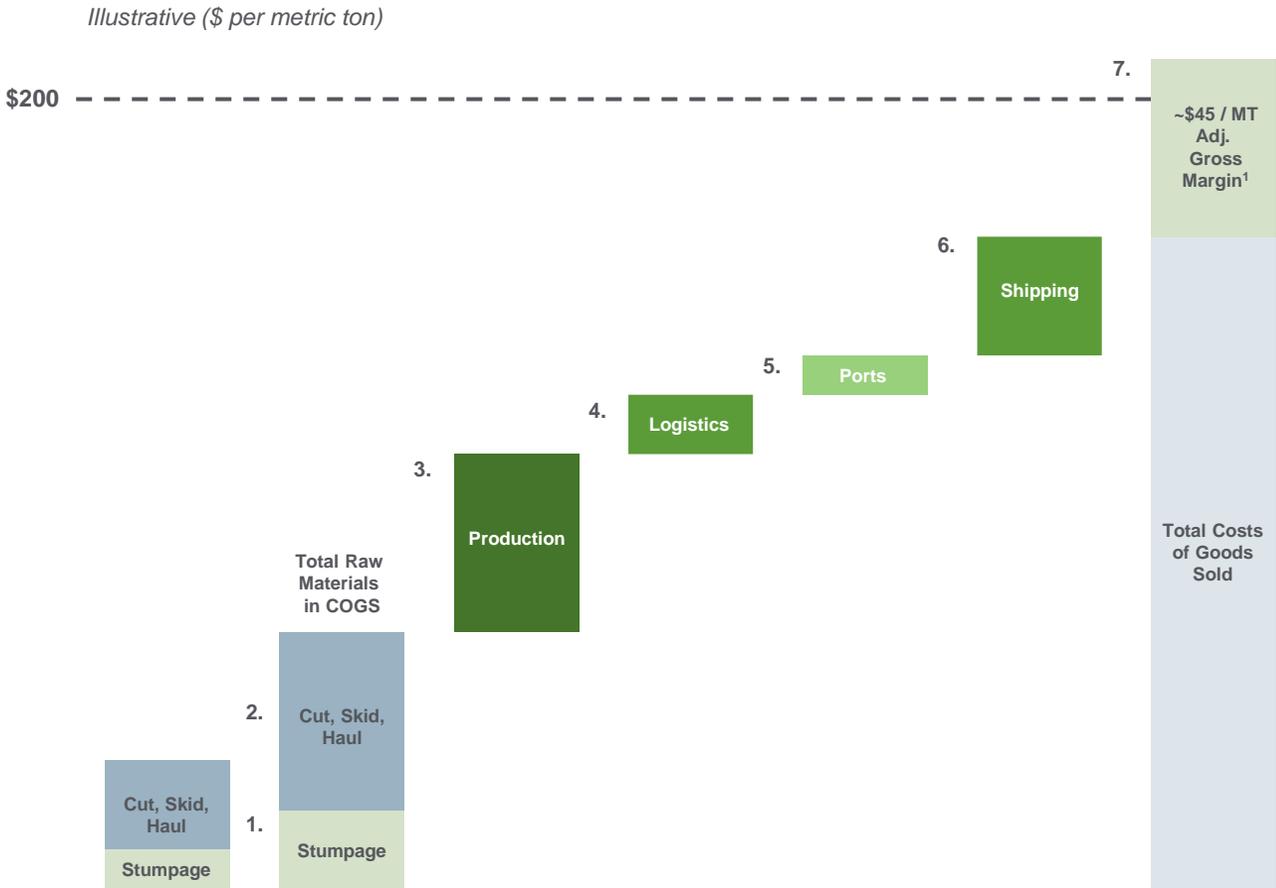
- Geographically diverse set of high-credit counterparties underpins \$21+ billion contract backlog, with a weighted-average remaining term of 14.5 years¹
- Revenue backlog is complemented by a similarly large and growing customer pipeline consisting of long-term off-take opportunities in our traditional markets and emerging industrial segments across the globe (including steel, cement, lime, chemicals, SAF and biodiesel)²
- Recently announced new contracts include:
 - ◆ First take-or-pay off-take contract to supply an industrial customer with up to ~1.2 million MTPY of wood pellets, to be used as a feedstock in the production of SAF and renewable fuels, with initial annual deliveries of 60,000 MTPY expected to commence in 2023³
 - ◆ 4th contract signed with U.K. power generator, Drax, for 200,000 MTPY for 5 years, with deliveries scheduled from 2022 to 2026
 - ◆ 20-year, 190,000 MTPY contract with a major Japanese trading house starting in 2024



ENVIVA'S 2025 FORECASTED OFF-TAKE CONTRACT MIX



FAVORABLE CONTRACT STRUCTURE RESULTS IN DURABLE MARGINS UNPARALLELED



1.	Majority of delivered price of fiber is comprised of labor, equipment and hauling costs
	Fiber (“stumpage”) cost is ~10% of sales price, driven by strong fiber basket in the Southeast U.S.
2.	~2:1 green ton to pellet ton conversion (green wood is, on average, composed of approximately 50% water, which varies seasonally. As such, on average, EVA acquires approximately two green tons to convert one pellet ton post the drying process)
3.	“Build and copy” approach to allow for certainty of uptime and economy of scale
	Includes labor, consumables, repairs and maintenance, and energy costs
	Given fixed asset base, productivity improvements drive substantial margin expansion opportunities
4.	Fixed USD / ton transportation costs from plants to port terminals by truck / rail / barge
5.	Vertically integrated business model provides substantial operating leverage as business grows
6.	Fixed-price, USD / ton denominated shipping contracts matched to length of off-take contracts
	Bunker fuel costs passed through to customers
	Shipping costs range from ~\$20 / MT (Europe) to ~\$45 / MT (Japan)
7.	Long-term contracts with diversified customer base
	Fixed-price (with escalators), take-or-pay off-take contracts

ASSET DEVELOPMENT PIPELINE

MULTI-PLANT EXPANSIONS¹

Highly-accretive set of initiatives at 3 plants driving ~\$20 million in incremental annual expected adjusted EBITDA with ~\$50 million capital expenditures; 2.5x adjusted EBITDA project investment multiple²

EPES PLANT³

Fully contracted, designed and permitted to produce more than 1 million MTPY once construction is completed, making it the largest industrial wood pellet production plant in the world

LUCEDALE EXPANSION⁴

Fully permitted expansion option for 300,000 MTPY; capital expenditures of ~\$60 million driving ~\$15 million of expected incremental annual adjusted EBITDA; 4.0x adjusted EBITDA project investment multiple²

BOND PLANT⁵

Designed to produce between 750,000 and more than 1 million MTPY; proximity to Port of Pascagoula allows efficient delivery to terminal

NEW PLANTS & EXPANSIONS UNDER EVALUATION

Sites in the Pascagoula cluster, Chesapeake cluster, Wilmington cluster, and Savannah cluster being evaluated for the next 4 greenfield projects. Highly-accretive potential expansion projects identified across asset fleet

PROJECT UPDATE

	2021	2022	2023	Capacity Additions (MTPY)	Forecasted In-service Date
Mid-Atlantic Expansions	■	■	■	400,000	Complete in 2021
Greenwood Expansion	■	■	■	100,000	4Q21
Multi-Plant Expansions	■	■	■	100,000	4Q22
Epes Plant		■	■	1,000,000+	2H23
Lucedale Expansion			■	300,000	1H24
Bond Plant			■	750,000 – 1,000,000	2H24

~40%

Production capacity increase underway over next 3 years, with visibility into doubling size of today's capacity⁶

Q3 2021 FINANCIAL RESULTS¹

“For the third quarter of 2021, Enviva delivered financial and operational results that represent an important step forward for us, and we are positioned for a solid finish to what has been an incredible year for our company, our team, and our equity holders.”

- John Keppler (Chairman and CEO)

<i>\$ millions, unless noted</i>	3Q21	3Q20	% Change
Net Revenue	237.4	225.6	5.2
Gross Margin	26.0	25.6	1.6
Adjusted Gross Margin	56.7	56.8	(0.2)
Net Income (Loss)	(0.1)	1.4	(107.1)
Adjusted Net Income	28.3	16.1	75.8
Adjusted EBITDA	62.9	54.4	15.6
Distributable Cash Flow	49.5	42.2	17.3
Adjusted Gross Margin (\$/metric ton)	48.38	50.13	(3.5)

Q3 2021 FINANCIAL RESULTS IN LINE WITH MANAGEMENT EXPECTATIONS

NET REVENUE

5.2% 

COMPARED TO THIRD QUARTER 2020

ADJUSTED EBITDA

15.6% 

COMPARED TO THIRD QUARTER 2020

DCF

17.3% 

COMPARED TO THIRD QUARTER 2020



NON-GAAP FINANCIAL
MEASURES

NON-GAAP FINANCIAL MEASURES

This presentation contains certain financial measures that are not presented in accordance with accounting principles generally accepted in the United States (“GAAP”). Although they should not be considered alternatives to the GAAP presentation of the financial results of the Partnership, management views such non-GAAP measures as important to reflect the Partnership’s actual performance during the periods presented.

Non-GAAP Financial Measures

In addition to presenting our financial results in accordance with accounting principles generally accepted in the United States (“GAAP”), we use adjusted net income, adjusted gross margin, adjusted gross margin per metric ton, adjusted EBITDA, and distributable cash flow to measure our financial performance. In addition, we have included herein 2021 estimated financial results (the “2021 Guidance”), which include the expected post-closing results of the assets and operations acquired as part of the Simplification Transaction, but do not reflect any recast of our historical financials as a result of the Simplification Transaction. If GAAP requires a recast of our historical financials as a result of the Simplification Transaction, the 2021 Guidance constitutes a Non-GAAP measure. Our management uses our 2021 Guidance as a supplemental measure to represent the financial results of the assets and operations of the publicly traded entity.

Adjusted Net Income

We define adjusted net income as net income excluding interest expense associated with incremental borrowings related to a fire that occurred in February 2018 at the Chesapeake terminal (the “Chesapeake Incident”) and Hurricanes Florence and Michael (the “Hurricane Events”), early retirement of debt obligation, and acquisition and integration and other costs, adjusting for the effect of certain sales and marketing, scheduling, sustainability, consultation, shipping, and risk management services (collectively, “Commercial Services”), and including, for periods prior to the Simplification Transaction, certain non-cash waivers of fees for management services provided to us by our sponsor (collectively, “MSA Fee Waivers”), and for periods after the Simplification Transaction, certain payments under the Support Agreement entered into in connection therewith (“Support Payments”). We believe that adjusted net income enhances investors’ ability to compare the past financial performance of our underlying operations with our current performance separate from certain items of gain or loss that we characterize as unrepresentative of our ongoing operations.

NON-GAAP FINANCIAL MEASURES *(cont.)*

Adjusted Gross Margin and Adjusted Gross Margin per Metric Ton

We define adjusted gross margin as gross margin excluding loss on disposal of assets, depreciation and amortization, changes in unrealized derivative instruments related to hedged items included in gross margin, non-cash unit compensation expenses, and acquisition and integration costs and other, adjusting for the effect of Commercial Services, and including, for periods prior to the Simplification Transaction, certain MSA Fee Waivers, and for periods after the Simplification Transaction, certain Support Payments. We define adjusted gross margin per metric ton as adjusted gross margin per metric ton of wood pellets sold. We believe adjusted gross margin and adjusted gross margin per metric ton are meaningful measures because they compare our revenue-generating activities to our operating costs for a view of profitability and performance on a total-dollar and a per-metric ton basis. Adjusted gross margin and adjusted gross margin per metric ton will primarily be affected by our ability to meet targeted production volumes and to control direct and indirect costs associated with procurement and delivery of wood fiber to our wood pellet production plants and our production and distribution of wood pellets.

Adjusted EBITDA

We define adjusted EBITDA as net income excluding depreciation and amortization, interest expense, income tax expense (benefit), early retirement of debt obligations, non-cash unit compensation expense, loss on disposal of assets, changes in unrealized derivative instruments related to hedged items included in gross margin and other income and expense, and acquisition and integration costs and other, adjusting for the effect of Commercial Services, and including, for periods prior to the Simplification Transaction, certain MSA Fee Waivers, and for periods after the Simplification Transaction, certain Support Payments. Adjusted EBITDA is a supplemental measure used by our management and other users of our financial statements, such as investors, commercial banks and research analysts, to assess the financial performance of our assets without regard to financing methods or capital structure.

Distributable Cash Flow

We define distributable cash flow as adjusted EBITDA less maintenance capital expenditures, cash income tax expenses, and interest expense net of amortization of debt issuance costs, debt premium, original issue discounts, and the impact from incremental borrowings related to the Chesapeake Incident and Hurricane Events. We use distributable cash flow as a performance metric to compare our cash-generating performance from period to period and to compare the cash-generating performance for specific periods to the cash distributions (if any) that are expected to be paid to our unitholders. We do not rely on distributable cash flow as a liquidity measure.

NON-GAAP FINANCIAL MEASURES *(cont.)*

Limitations of Non-GAAP Financial Measures

Adjusted net income, adjusted gross margin, adjusted gross margin per metric ton, adjusted EBITDA, and distributable cash flow are not financial measures presented in accordance with GAAP. We believe that the presentation of these non-GAAP financial measures provides useful information to investors in assessing our financial condition and results of operations. Our non-GAAP financial measures should not be considered as alternatives to the most directly comparable GAAP financial measures. Each of these non-GAAP financial measures has important limitations as an analytical tool because they exclude some, but not all, items that affect the most directly comparable GAAP financial measures. You should not consider adjusted net income, adjusted gross margin, adjusted gross margin per metric ton, adjusted EBITDA, or distributable cash flow in isolation or as substitutes for analysis of our results as reported under GAAP.

Our definitions of these non-GAAP financial measures may not be comparable to similarly titled measures of other companies, thereby diminishing their utility.

The estimated incremental adjusted EBITDA that can be expected from the development of new wood pellet plant capacity by Enviva following the Simplification Transaction is based on an internal financial analysis of the anticipated benefit from the incremental production capacity and cost savings we expect to realize as compared to drop-down acquisitions. Such estimates are based on numerous assumptions are inherently uncertain and subject to significant business, economic, financial, regulatory, and competitive risks that could cause actual results and amounts to differ materially from such estimates. A reconciliation of the estimated incremental adjusted EBITDA expected to be generated by a new wood pellet production plant constructed by Enviva to the closest GAAP financial measure, net income, is not provided because net income expected to be generated thereby is not available without unreasonable effort, in part because the amount of estimated incremental interest expense related to the financing of such a plant and depreciation is not available at this time.

NON-GAAP FINANCIAL MEASURES RECONCILIATION

THE FOLLOWING TABLE PROVIDES A RECONCILIATION OF NET (LOSS) INCOME TO ADJUSTED NET INCOME:

Three Months Ended September 30,		Nine Months Ended September 30,	
2021	2020	2021	2020

(in thousands)

Reconciliation of Net (Loss) Income to Adjusted Net Income:

Net (loss) income	\$ (71)	\$ 1,411	\$ 1,109	\$ 17,515
Acquisition and integration costs and other	7,294	4,908	8,297	5,865
MSA Fee Waivers	21,125	9,206	36,150	13,963
Interest expense from incremental borrowings related to Chesapeake Incident and Hurricane Events	–	554	–	1,672
Commercial services	–	–	–	(4,139)
Adjusted net income	\$ 28,348	\$ 16,079	\$ 45,556	\$ 34,876

NON-GAAP FINANCIAL MEASURES RECONCILIATION *(cont.)*

THE FOLLOWING TABLE PROVIDES A RECONCILIATION OF GROSS MARGIN TO ADJUSTED GROSS MARGIN AND ADJUSTED GROSS MARGIN PER METRIC TON:

Three Months Ended September 30,		Nine Months Ended September 30,	
2021	2020	2021	2020

(in thousands, except per metric ton)

Reconciliation of Gross Margin to Adjusted Gross Margin and Adjusted Gross Margin per Metric Ton:

Gross margin	\$	26,009	\$	25,571	\$	75,632	\$	80,557
Loss on disposal of assets		3,907		1,684		7,255		3,236
Non-cash unit compensation expense		471		471		1,415		1,415
Depreciation and amortization		21,463		20,237		63,784		48,863
Changes in unrealized derivative instruments		(4,365)		2,616		(3,567)		(4,058)
MSA Fee Waivers		8,886		5,465		16,945		5,465
Acquisition and integration costs and other		325		751		397		751
Commercial services		–		–		–		(4,139)
Adjusted gross margin	\$	56,696	\$	56,795	\$	161,861	\$	132,090
Metric tons sold		1,172		1,133		3,688		2,985
Adjusted gross margin per metric ton	\$	48.38	\$	50.13	\$	43.89	\$	44.25

NON-GAAP FINANCIAL MEASURES RECONCILIATION *(cont.)*

THE FOLLOWING TABLE PROVIDES A RECONCILIATION OF NET (LOSS) INCOME TO ADJUSTED EBITDA:

Three Months Ended September 30,		Nine Months Ended September 30,	
2021	2020	2021	2020

(in thousands)

Reconciliation of Net (Loss) Income to Adjusted EBITDA:

Net (loss) income	\$ (71)	\$ 1,411	\$ 1,109	\$ 17,515
<i>Add:</i>				
Depreciation and amortization	22,014	20,555	65,238	49,802
Interest expense	10,624	11,950	35,903	32,468
Income tax benefit	(66)	(275)	(59)	(275)
Non-cash unit compensation expense	2,398	2,347	7,756	6,603
Loss on disposal of assets	3,907	1,684	7,255	3,236
Changes in unrealized derivative instruments	(4,365)	2,616	(3,567)	(4,058)
MSA Fee Waivers	21,125	9,206	36,150	13,963
Acquisitions and integration costs and other	7,294	4,908	8,297	5,865
Commercial services	–	–	–	(4,139)
Adjusted EBITDA	\$ 62,860	\$ 54,402	\$ 158,082	\$ 120,980

NON-GAAP FINANCIAL MEASURES RECONCILIATION *(cont.)*

THE FOLLOWING TABLE PROVIDES A RECONCILIATION OF ADJUSTED EBITDA TO DISTRIBUTABLE CASH FLOW:

Three Months Ended September 30,		Nine Months Ended September 30,	
2021	2020	2021	2020

(in thousands)

Reconciliation of Adjusted EBITDA to Distributable Cash Flow:

Adjusted EBITDA	\$ 62,860	\$ 54,402	\$ 158,082	\$ 120,980
<i>Less:</i>				
Interest expense, net of amortization of debt issuance costs, debt premium, original issue discount, and impact from incremental borrowings related to Chesapeake Incident and Hurricane Events	10,027	10,738	34,042	29,325
Maintenance capital expenditures	3,339	1,499	11,183	4,944
Distributable cash flow attributable to Enviva Partners, LP	\$ 49,494	\$ 42,165	\$ 112,857	\$ 86,711
Less: Distributable Cash Flow Attributable to Incentive Distribution Rights	–	7,869	19,030	18,798
Distributable cash flow attributable to Enviva Partners, LP limited partners	\$ 49,494	\$ 34,296	\$ 93,827	\$ 67,913
Cash distributions declared attributable to Enviva Partners, LP limited partners	43,694	30,822	111,807	84,100
Distribution coverage ratio	1.13x ¹	1.11x	0.84x	0.81x

2021 & 2022 GUIDANCE¹

The following table provides a reconciliation of the estimated range of adjusted EBITDA and DCF to the estimated range of net income for Enviva for the twelve months ending December 31, 2021, and December 31, 2022 (in millions):

	Twelve Months Ending December 31, 2021 ²	Twelve Months Ending December 31, 2022
Estimated net income	\$ 4.0 – 14.0	\$ 42.0 – 67.0
Add:		
Depreciation and amortization	91.0	112.0
Interest expense	48.0	56.0
Income tax expense	1.0	25.0
Non-cash share-based compensation expense	11.0	12.0
Loss on disposal of assets	8.0	4.0
Changes in unrealized derivative instruments	(4.0)	–
MSA Fee Waivers / Support Payments	49.0	24.0
Acquisition and integration costs	16.0	–
Other non-cash expenses	1.0	–
Estimated adjusted EBITDA	\$ 225.0 – 235.0	\$ 275.0 – 300.0
Less:		
Interest expense net of amortization of debt issuance costs, debt premium, and original issue discount	46.0	55.0
Cash income tax expense	–	–
Maintenance capital expenditures	14.0	10.0
Estimated distributable cash flow	\$ 165.0 – 175.0	\$ 210.0 – 235.0



SUPPLEMENTAL INFORMATION

SUPPLEMENTAL INFORMATION

Slide 5 (Enviva)

1. Enviva's total expected production capacity as of October 1, 2021, including the Lucedale plant after it is fully constructed and able to achieve its nameplate throughput capacity. Also included is the nameplate capacity of approximately 600,000 metric tons per year ("MTPY") for the wood pellet production plant in Greenwood, South Carolina (the "Greenwood plant") after completion of the ongoing expansion project. The total expected production capacity does not include expansion projects underway at the Sampson, Hamlet, and Cottondale plants (the "Multi-Plant Expansions").
2. On February 17, 2021, Enviva announced our goal of achieving net-zero greenhouse gas ("GHG") emissions in our operations by 2030.
3. As of October 1, 2021, and including the initial 60,000 MTPY tranche related to the recently announced industrial contract as well as the recently announced contracts with Drax Group PLC and a large Japanese trading house, Enviva's total weighted-average remaining term of off-take contracts is approximately 14.5 years, with a total contracted revenue backlog of over \$21 billion.
4. Given the quality and size of our current customer contract pipeline, we believe that we will be able to support the addition of at least six new fully contracted wood pellet production plants and several highly accretive expansion projects, which over approximately the next five years would roughly double the size of our current production capacity. With the benefit of the capabilities, resources, and activities now housed within Enviva, we expect to construct our new fully contracted wood pellet production plants at an approximately 5x adjusted EBITDA project investment multiple as compared to a historic drop-down acquisition multiple of roughly 7.5x. For an explanation of why we are unable to reconcile the estimated adjusted EBITDA from a plant developed by Enviva internally to the most directly comparable GAAP financial measures, see Appendix.
5. Enviva reaffirmed its previously announced distribution guidance and expects to distribute \$3.30 per unit for full-year 2021 and \$3.62 per share for 2022.

SUPPLEMENTAL INFORMATION *(cont.)*

Slide 6 (Strategic Assets)

1. Production volumes disclosed represent nameplate production capacity at each plant.
2. Enviva's total expected production capacity as of October 1, 2021, including the Lucedale plant after it is fully constructed and able to achieve its nameplate throughput capacity. Also included is the nameplate capacity of approximately 600,000 MTPY for the Greenwood plant, after completion of the ongoing expansion project. The total expected production capacity does not include the Multi-Plant Expansions (as defined below).
3. We export wood pellets from our wholly owned deep-water marine terminals at the Port of Chesapeake, Virginia (the "Chesapeake terminal") and the Port of Wilmington, North Carolina (the "Wilmington terminal") and from third-party deep-water marine terminals in Mobile, Alabama (the "Mobile terminal"), Panama City, Florida (the "Panama City terminal") and Savannah, Georgia (the "Savannah terminal").
4. Includes increased production capacity pursuant to the ongoing expansion projects (the "Mid-Atlantic Expansions") at the wood pellet production plants in Northampton, North Carolina and Southampton, Virginia. The Partnership continues to expect each plant to reach its expanded nameplate production capacity of 750,000 and 760,000 MTPY, respectively, by the end of 2021.
5. Enviva expects to complete its project to expand the Greenwood plant's production capacity to 600,000 MTPY by year-end 2021.
6. After the Lucedale plant and Pascagoula terminal are fully constructed and ramped up and achieve their nameplate production or throughput capacities, as applicable. The acquisition of the Lucedale plant included an embedded, fully permitted option to expand the Lucedale plant by about 300,000 MTPY for around \$60 million in estimated capital expenditures. The expansion at Lucedale, when fully ramped, is expected to generate incremental annual adjusted EBITDA of ~\$15 million.
7. As part of the Simplification Transaction, Enviva acquired projects at 15 plant sites, all in various stages of evaluation and development.

SUPPLEMENTAL INFORMATION *(cont.)*

Slide 8 (Q3 2021 Highlights)

1. Additional details can be found in our press releases issued on November 3, 2021.
2. For the third quarter of 2021, Enviva declared a distribution of \$0.840 per common unit, an 8.4% increase over the third quarter of 2020, and its 25th consecutive quarterly distribution increase since its IPO. Enviva expects to distribute \$3.30 and \$3.62 per share for full-year 2021 and 2022, respectively.
3. On November 3, 2021, Today, Enviva announced the signing of a new 10-year take-or-pay off-take contract to supply our first direct industrial customer with 60,000 MTPY of wood pellets to be used as a feedstock in the refining process for SAF and other renewable fuels like biodiesel. Deliveries under the initial tranche of the contract are scheduled to commence in 2023, with volumes potentially increasing to approximately 1.2 million MTPY by 2027, through a series of additional 10-year take-or-pay tranches, as the customer builds incremental production capacity. Enviva will be the sole supplier of this customer's incremental wood pellet needs. The initial tranche's conditions precedent, are expected to be met during 2022.
4. On October 15, 2021, Enviva announced the acquisition of Enviva Holdings, LP ("Holdings") and the elimination of incentive distributions rights (the "Simplification Transaction"). Enviva also announced plans to convert from a master limited partnership to a corporation under the name of Enviva Inc. by the end of the year (the "Conversion"); a unitholder meeting is now scheduled to be held on December 17, 2021.
5. As of October 1, 2021, and including the initial 60,000 MTPY tranche related to the recently announced industrial contract, Enviva's total weighted-average remaining term of off-take contracts is approximately 14.5 years, with a total contracted revenue backlog of over \$21 billion.
6. The contracted revenue backlog of over \$21 billion is complemented by a similarly large and growing customer pipeline consisting of long-term off-take opportunities in our traditional markets for biomass-fired power and heat generation in geographies ranging from the United Kingdom to the European Union (including emerging opportunities in Germany and Poland), and from Asia (including incremental demand in Japan, emerging potential in Taiwan, and maturing opportunities in South Korea) to developing industrial segments across the globe (including steel, cement, lime, chemicals, SAF, and biodiesel). Over the next 12 months, we expect to progress negotiations and convert numerous contract pipeline opportunities, as well as previously signed exclusive memoranda of understanding, into binding contracts.
7. Enviva is making significant progress toward its goal to achieve net zero greenhouse gas emissions in its operations by 2030, in part by using 100% renewable energy at our facilities. Enviva recently announced a supply contract with GreenGasUSA, an integrated renewable natural gas ("RNG") solutions provider, which includes a 10-year RNG off-take agreement to decarbonize natural gas-related emissions in our operations. The methane captured and emissions eliminated as a result of this contract are expected to offset approximately 75% of Enviva's current direct emissions from its manufacturing operations, or Scope 1 emissions, on an annual basis for the duration of the 10-year agreement, which includes renewal options for an additional 10 years. Additional details can be found in our press releases issued on November 3, 2021.

SUPPLEMENTAL INFORMATION *(cont.)*

Slide 9 (Financial Guidance)

1. On October 15, 2021, Enviva updated full-year 2021 and 2022 guidance as a result of the Simplification Transaction and Conversion. Updated guidance for full-year 2021 includes the expected post-closing results of the assets and operations acquired as part of the Simplification Transaction, including approximately \$15 million to \$20 million of incremental selling, general, and administrative expenses (“SG&A”). For full-year 2022, Enviva expects SG&A related to activities acquired with the Simplification Transaction to range from \$37 million to \$43 million. Additional details can be found in our press releases issued on November 3, 2021.
2. Our guidance for full-year 2021 is based on our actual performance on a stand-alone basis from January 1, 2021 through October 14, 2021 (the closing date of the Simplification Transaction), and our expected performance on a consolidated basis, inclusive of the assets and operations acquired as part of the Simplification Transaction, from the closing date through the balance of the year ending December 31, 2021. This full-year 2021 guidance does not, however, reflect a potential recast of our historical results, which may be required under GAAP due to the Simplification Transaction. If recast, our results would reflect the acquisition of our former sponsor for the three-year period beginning January 1, 2019, even though the acquisition closed on October 14, 2021. We expect the addition of our former sponsor’s development-related expenses and the elimination of intercompany transactions, including the MSA Fee Waivers and other forms of sponsor support, would cause our 2021 GAAP results on a recast basis to be significantly different from and lower than the 2021 guidance described below. We believe our 2021 guidance provides investors with the best and most relevant information to evaluate the company’s financial and operating performance because it reflects Enviva’s actual and historically reported performance on a stand-alone basis through the closing date of the Simplification Transaction and expected performance on a consolidated basis from the closing date until year-end. We are currently unable to reconcile the 2021 guidance set forth below to the closest GAAP financial measures because we have neither prepared such a recast nor concluded it will be required; however, for purposes of comparability and transparency, we plan to measure our 2021 results on a non-recast basis against our 2021 guidance.
3. Enviva’s target leverage ratio is calculated pursuant to our credit facility.
4. Distributable Cash Flow.
5. We expect SG&A resulting from the Simplification Transaction to decline over time as we benefit from synergies and execute streamlining initiatives, with the expectation that we will reduce these expenses by approximately \$5 million on an annual run-rate basis commencing in 2023.

SUPPLEMENTAL INFORMATION *(cont.)*

Slide 10 (Capitalization and Financial Framework)

1. Dividend coverage ratio for the third quarter of 2021 is calculated on a cash basis, which means the unit count includes 7 million of the 16 million units issued on October 14, 2021. The 7 million units are not part of the dividend reinvestment commitment and therefore receive cash distributions on a quarterly basis.
2. Enviva remains committed to conservatively managing its balance sheet, targeting a leverage ratio between 3.5 and 4.0 times, as calculated pursuant to our credit facility.
3. Debt to total capitalization calculation based on net debt divided by total capitalization figures provided on Slide 11.
4. We expect to retain an incremental ~\$1 billion of cash flow over the next 5 years compared to the prior sponsor-led structure, driven by the elimination of IDRs and lower plant investment multiples. Spanning the next 5 years, we anticipate that this improved return on invested capital will generate over \$500 million of the approximately \$1 billion of forecasted retained cash flow, with the other half coming from the elimination of IDRs, which represented an increasingly significant annual cash obligation.
5. Based on EVA's closing price on October 29, 2021; \$66.96. Based on 61,017,303 units outstanding as of October 29, 2021.

Slide 11 (Net Zero Promise)

1. Scope 1 emissions are direct emissions from assets owned and controlled by Enviva. Scope 2 emissions are indirect emissions from heat, steam or electricity purchased by Enviva. Scope 3 emissions are indirect emissions in Enviva's upstream or downstream value chain.
2. Additional details can be found in Enviva's press release issued on March 30, 2021.

Slide 12 (Enviva II)

1. Enviva's total expected production capacity as of October 1, 2021, including the Lucedale plant after it is fully constructed and able to achieve its nameplate throughput capacity. Also included is the nameplate capacity of approximately 600,000 MTPY for the Greenwood plant, after completion of the ongoing expansion project. The total expected production capacity does not include the Multi-Plant Expansions.
2. Enviva expects to distribute \$3.30 and \$3.62 per share for full-year 2021 and 2022, respectively.
3. Enviva remains committed to conservatively managing its balance sheet, targeting a leverage ratio between 3.5 and 4.0 times.
4. Given the quality and size of our current customer contract pipeline, we believe that we will be able to support the addition of at least six new fully contracted wood pellet production plants and several highly accretive expansion projects, which over approximately the next five years would roughly double the size of our current production capacity.
5. With the benefit of the capabilities, resources, and activities now housed within Enviva, we expect to construct our new fully contracted wood pellet production plants at an approximately 5x adjusted EBITDA project investment multiple as compared to a historic drop-down acquisition multiple of roughly 7.5x. For an explanation of why we are unable to reconcile the estimated adjusted EBITDA from the Lucedale plant expansion option to the most directly comparable GAAP financial measures, see Appendix.
6. As of October 29, 2021, based on Bloomberg's total return data, which assumes reinvestment of distributions/dividends.

SUPPLEMENTAL INFORMATION *(cont.)*

Slide 14 (International Demand)

1. Hawkins Wright: The Outlook for Wood Pellets – Demand, Supply, Costs and Prices; 3rd Quarter 2021.
2. Conclusions from a market sizing and adoption study we recently commissioned from a leading international consultancy suggest that these segments are expected increase from virtually zero today, to as much as 29 million MTPY of industrial-grade wood pellets by 2030.
3. Company Estimates. Fastmarkets RISI: Global Pellet Demand Outlook: Special Market Analysis Study 2021.
4. Based on forecasts for FY 2021.
5. Contract mix, customers and target revenue based on EVA's current firm contracted backlog and company estimates.
6. Based on the market sizing and adoption study we recently commissioned, and company estimates.

Slide 15 (Current Contract Overview)

1. As of October 1, 2021, and including the initial 60,000 MTPY tranche related to the recently announced industrial contract, Enviva's total weighted-average remaining term of off-take contracts is approximately 14.5 years, with a total contracted revenue backlog of over \$21 billion.
2. The contracted revenue backlog of over \$21 billion is complemented by a similarly large and growing customer pipeline consisting of long-term off-take opportunities in our traditional markets for biomass-fired power and heat generation in geographies ranging from the United Kingdom to the European Union (including emerging opportunities in Germany and Poland), and from Asia (including incremental demand in Japan, emerging potential in Taiwan, and maturing opportunities in South Korea) to developing industrial segments across the globe (including steel, cement, lime, chemicals, SAF, and biodiesel). Over the next 12 months, we expect to progress negotiations and convert numerous contract pipeline opportunities, as well as previously signed exclusive memoranda of understanding, into binding contracts.
3. On November 3, 2021, Today, Enviva announced the signing of a new 10-year take-or-pay off-take contract to supply our first direct industrial customer with 60,000 MTPY of wood pellets to be used as a feedstock in the refining process for SAF and other renewable fuels like biodiesel. Deliveries under the initial tranche of the contract are scheduled to commence in 2023, with volumes potentially increasing to approximately 1.2 million MTPY by 2027, through a series of additional 10-year take-or-pay tranches, as the customer builds incremental production capacity. Enviva will be the sole supplier of this customer's incremental wood pellet needs. The initial tranche's conditions precedent, are expected to be met during 2022.

SUPPLEMENTAL INFORMATION *(cont.)*

Slide 16 (Contract Structure)

1. Adjusted Gross Margin per Metric Ton defined in Appendix.

Slide 17 (Asset Development Pipeline)

1. We have made significant investments in the Multi-Plant Expansions, commencing at Enviva's Sampson and Hamlet plants, with Cottondale to follow. For an explanation of why we are unable to reconcile the estimated adjusted EBITDA from the Multi-Plant Expansions and the Lucedale plant expansion option to the most directly comparable GAAP financial measures, see Appendix.
2. For an explanation of why we are unable to reconcile the estimated adjusted EBITDA for the Multi-Plant Expansions and the Lucedale plant expansion option to the most directly comparable GAAP financial measures, see Appendix.
3. As part of the Simplification Transaction, Enviva acquired projects at 15 plant sites, all in various stages of evaluation and development. One of these acquired sites is the fully contracted Epes plant, which is currently under development. We expect to commence construction in early 2022, with an in-service date scheduled for mid-2023. Epes is designed and permitted to produce more than one million MTPY of wood pellets, which would make it the largest wood pellet production plant in the world.
4. Construction of the Lucedale plant is nearing completion, and we expect commissioning to commence in late fourth-quarter 2021. For an explanation of why we are unable to reconcile the estimated adjusted EBITDA from the Multi-Plant Expansions and the Lucedale plant expansion option to the most directly comparable GAAP financial measures, see Appendix.
5. We expect construction of a prospective production plant in Bond, Mississippi ("Bond") to commence once Epes is operational, but timing of construction could be expedited depending on the schedule and delivery requirements of additional off-take contract opportunities under negotiation and general market conditions. The Bond plant is being developed to produce between 750,000 and more than 1 million MTPY of wood pellets.
6. Given the quality and size of our current customer contract pipeline, we believe that we will be able to support the addition of at least six new fully contracted wood pellet production plants and several highly accretive expansion projects, which over approximately the next five years would roughly double the size of our current production capacity. With the benefit of the capabilities, resources, and activities now housed within Enviva, we expect to construct our new fully contracted wood pellet production plants at an approximately 5x adjusted EBITDA project investment multiple as compared to a historic drop-down acquisition multiple of roughly 7.5x

Slide 18 (Q3 2021 Financial Results)

1. Additional details can be found in our press releases issued on November 3, 2021, and in our Non-GAAP disclosures starting on slide 19 of this presentation.

SUPPLEMENTAL INFORMATION *(cont.)*

Slide 26 (Adjusted EBITDA to Distributable Cash Flow)

1. Dividend coverage ratio for the third quarter of 2021 is calculated on a cash basis, which means the unit count includes 7 million of the 16 million units issued on October 14, 2021. The 7 million units are not part of the dividend reinvestment commitment and therefore receive cash distributions on a quarterly basis.

Slide 27 (2021 & 2022 Guidance)

1. The table and narrative include Enviva's guidance for 2021 and 2022. Our guidance for full-year 2021 is based on our actual performance on a stand-alone basis from January 1, 2021 through October 14, 2021 (the closing date of the Simplification Transaction), and our expected performance on a consolidated basis, inclusive of the assets and operations acquired as part of the Simplification Transaction, from the closing date through the balance of the year ending December 31, 2021. This full-year 2021 guidance does not, however, reflect a potential recast of our historical results, which may be required under GAAP due to the Simplification Transaction. If recast, our results would reflect the acquisition of our former sponsor for the three-year period beginning January 1, 2019, even though the acquisition closed on October 14, 2021. We expect the addition of our former sponsor's development-related expenses and the elimination of intercompany transactions, including the MSA Fee Waivers and other forms of sponsor support, would cause our 2021 GAAP results on a recast basis to be significantly different from and lower than the 2021 guidance described below. We believe our 2021 guidance provides investors with the best and most relevant information to evaluate the company's financial and operating performance because it reflects Enviva's actual and historically reported performance on a stand-alone basis through the closing date of the Simplification Transaction and expected performance on a consolidated basis from the closing date until year-end. We are currently unable to reconcile the 2021 guidance set forth below to the closest GAAP financial measures because we have neither prepared such a recast nor concluded it will be required; however, for purposes of comparability and transparency, we plan to measure our 2021 results on a non-recast basis against our 2021 guidance.
2. On October 15, 2021, Enviva updated full-year 2021 and 2022 guidance as a result of the Simplification Transaction and Conversion. Updated guidance for full-year 2021 includes the expected post-closing results of the assets and operations acquired as part of the Simplification Transaction, including approximately \$15 million to \$20 million of incremental SG&A expenses. For full-year 2022, Enviva expects SG&A expenses related to activities acquired through the Simplification Transaction to range from \$37 million to \$43 million.



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