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## Avantium publishes first half 2017 results

**Avantium N.V. (Euronext Amsterdam and Brussels: AVTX) (“Avantium” or “the Company”), a leading chemical technology company and forerunner in renewable chemistry, today reports its half year 2017 results.**

### Key indicators first half year 2017:

- Consolidated revenues for the first half year increased 37% to € 5.8 million (H1 2016: € 4.2 million). Catalysis business performed well above expectations, particularly due to strong sales of its Florence™ systems.
- € 109 million gross proceeds raised with successful listing on Euronext Amsterdam and Brussels. Avantium is included in the Small Cap Index Euronext (AScX) since 19 June 2017.
- € 25 million subsidy granted to Synvina, Avantium’s Joint Venture with BASF in renewable plastics; European PET Bottle Platform has given interim approval for the recyclability of PEF.
- In its Renewable Chemistries business, Avantium initiated construction of second generation sugar Pilot Plant in Delfzijl and secured new subsidies for electrochemistry development program amounting to € 2.4 million for Avantium. Next step in Zambezi process announced after the period under review: contract signed with AkzoNobel for pilot biorefinery.
- Outlook: focus will remain on delivering the strategic plans.

Tom van Aken, Chief Executive Officer of Avantium: “The first half year of 2017 has been of great importance to our company. On 15 March 2017, we completed the successful listing of Avantium on Euronext Amsterdam and Brussels raising gross proceeds of €109 million. This capital raise will support us in realizing our ambitious growth plans and capturing the increasing demand for renewable chemicals and materials.

Avantium was also included in the AScX index of Euronext. The AScX index comprises of the top 25 small cap funds that trade on the Euronext Amsterdam exchange. This index further raises Avantium’s profile among the investor community, improves liquidity and enhances visibility on financial markets.

Synvina, our joint venture with BASF, announced that a Horizon 2020 Bio Based Industries flagship subsidy of € 25 million was granted to the Industry Consortium “PEFERENCE”. The consortium, consisting of eleven companies, will jointly work on establishing an innovative supply chain for FDCA and PEF, including the intended construction of a 50,000 tons reference plant in Antwerp.

In the period under review, we recorded strong revenue growth of 33% in our Catalysis business, mainly driven by the successful launch of a new Florence™ system. Overall we have made important progress throughout the company as evidenced by reaching milestones in Renewable Chemistries and our Catalysis business.

Furthermore, we entered the Global Cleantech Hall of Fame after our 7th consecutive year in the Global Cleantech 100. The Global Cleantech 100 represents the most innovative and promising companies impacting the future of a wide-range of industries. The addition to the Hall of Fame is recognition that Avantium is well-positioned to solve tomorrow's clean technology challenges.

Our CTO Gert-Jan Gruter was nominated for the European Inventor Award 2017 as one of three finalists in the category "Small and Medium-sized Enterprises". EPO President Benoît Battistelli, announcing the European Inventor Award 2017 finalists stated of Gert-Jan: "His invention is a major step forward in reducing the environmental impact from plastics, and it demonstrates that we can overcome some of our biggest challenges through innovation."

The appointment of Zanna McFerson as Chief Business Development Officer has further strengthened our management team and commercial leadership of our renewable chemistry business. She brings a wealth of experience and a strong deal track record structuring, negotiating and managing strategic partnerships for transformative products and the renewables industry.

In July, just after the period under review, we signed a contract with AkzoNobel for a pilot biorefinery at Chemie Park Delfzijl. We have closed an agreement for the pilot plant accommodation and the supply of various facilities and services, with which we take another step in our Zambezi process. We are well on track to deliver on our strategic goals for the future."

## **Operational developments**

### *Catalysis*

Avantium's Catalysis business specializes in groundbreaking innovations and technologies for catalytic R&D services and systems. The business supports companies in reaching their sustainability, profitability and growth targets by providing unique technology and catalysis research expertise. Avantium's customers benefit from the strong synergy between its Catalysis and Renewable Chemistries businesses, whereby they get access to R&D technologies developed in-house. Similarly, Avantium's Renewable Chemistries business benefits from the enabling technologies developed to meet market demand.

Avantium recorded strong revenue growth of 33% in its Catalysis business in the first half of 2017 compared to the same period in 2016, which was well above expectations. This resulted from strong performance in systems sales, in particular the sales of our Florence™ systems to companies and academic institutions around the globe. Growth was driven by the successful launch of the new Florence™ XD system and the entry into new geographies with favorable order intake in the first half of 2017. This achievement is a direct result of strong execution of the Catalysis strategy and is foreseen to result in 10%-20% revenue growth for the full year 2017.

### *Renewable Chemistries*

The Renewable Chemistries business unit continues its focus on the conversion of biomass to chemical building blocks and plastic materials. Significant progress has been made in the three lead programs:

Zambezi Program

Pilot plant construction has been initiated to demonstrate the conversion of 2G feedstock (woody biomass) to glucose, lignin and mixed sugars, under industrial settings. This pilot plant will be located at the Chemie Park Delfzijl in the North of the Netherlands. After the period under review, in July 2017, Avantium signed a contract with AkzoNobel for the supply of various utilities and services. The plant is expected to be operational mid-2018 and will lead to the employment of approximately 20 people. Pivotal to the advancement of the technology, we have formed a partnership with AkzoNobel, RWE, Chempport Europe and Staatsbosbeheer to demonstrate the integrated value and business case for further scale-up and construction of a reference plant. These steps are proof points in executing Avantium's business strategy in renewable chemistry. After the successful development of the YXY technology for the production of biobased FDCA and the new plastic material PEF, followed by the formation of the Joint Venture with BASF, under the name Synvina, the Zambezi program is Avantium's next technology to be scaled-up at pilot-plant scale to demonstrate the technology and as part of the commercialization strategy of Avantium.

Mekong Program

In order to meet the growing demand for biobased mono ethylene glycol (MEG), we have developed a direct, catalytic process for manufacturing MEG from plant based sugars. This proprietary process technology is protected by a range of patents and patent applications. Process data demonstrating commercial scale feasibility has been generated and we expect to reach a final decision on the construction of a dedicated pilot plant in the second half of 2017.

Volta Program

In January, we announced the completion of the acquisition of the assets and patent portfolio of Liquid Light Inc. The combined technologies of Liquid Light and Avantium shall lead to the development of an electro-catalysis platform that will commercialize new process technologies using CO<sub>2</sub> as feedstock. The successful grant of two subsidy programs to Avantium supports the expansion of talent to the existing electrochemistry team. The two granted subsidies total € 13.4 million for the consortium of participating companies and institutions, of which Avantium will receive a total subsidy of € 2.4 million. The Volta electrochemistry team now resides in the high-tech lab space at the Amsterdam Science Park leased for this exciting effort.

Synvina

Synvina, the joint venture of BASF and Avantium, aims to become the market leader in the production and marketing of FDCA and PEF. FDCA is a biobased chemical building block for various products, most significantly the polyester PEF, which is suitable for use in the packaging industry, in applications such as bottles and films.

At the time Avantium transferred the YXY technology to Synvina, it also contributed a European subsidy application to Synvina. This application entailed a € 25 million Horizon 2020 Bio Based Industries flagship subsidy to establish a first-of-its-kind, commercial scale, cost-effective FDCA reference plant with a consortium of eleven partners. On 8 June 2017, Synvina announced that the entire subsidy of € 25 million was granted to the consortium, consisting of reputable industrial companies and iconic brand owners covering the PEF

value chain, including Synvina, Avantium, and BASF. This announcement was followed by the European PET Bottle Platform granting interim approval for the recyclability of PEF in the European PET bottle recycling market. This represents a major step towards the integration of PEF in the circular economy.

Pre-engineering studies of the intended FDCA reference plant have been initiated and discussions between Synvina and potential customers are progressing.

### **Financial results**

#### *Consolidated statement of comprehensive income and segment reporting*

Consolidated first half year revenues from continued operations increased 37% from € 4.2 million in 2016 to € 5.8 million in 2017, driven by increased sales in Avantium's Catalysis systems business.

In the first half of 2017 operating expenses increased to € 11.3 million (H1 2016: € 5.7 million). This is the result of i) increased development costs in Renewable Chemistries for external trials in our Mekong and Volta programs and engineering and dedicated equipment costs for our Zambezi program, ii) increased raw materials and contract costs to € 1.6 million (H1 2016: € 0.5 million) which mainly relates to the corresponding increase in revenues in the Catalysis systems business, and iii) increased employee benefit expenses to € 5.8 million (H1 2016: € 2.5 million) which is predominantly explained by the initiation of the new Share Based Compensation plan. Due to the closure of the former option plan, accelerated vesting occurred resulting in a non-cash expense amounting to € 2.6 million.

The share in the loss of joint ventures of € -2.9 million results from the 49% stake in our Joint Venture Synvina and corresponds with their first half year result.

Net result for the first half year of 2017 amounts to € -9.1 million (H1 2016: € -6.8 million).

Total Adjusted EBITDA improved from € -3.6 million in 2016 to € 0.0 million in 2017. This was mainly caused by the establishment of Synvina in November 2016 and consequently discontinuation of the YXY segment within Avantium. Furthermore the lower result of Renewable Chemistries was mainly due to significant investments in its programs, amongst others the start of engineering and building of the new Zambezi Pilot Plant, which will be located in Delfzijl. The Adjusted EBITDA of Catalysis improved as a result of the growth in revenues.

#### *Balance sheet and financial position*

Balance sheet total increased to € 174.3 million (31 December 2016: € 86.2 million) with net equity of € 166.5 million. This increase was the result of the listing of Avantium N.V. on Euronext Amsterdam and Brussels, which had corresponding gross proceeds of € 109 million.

Cash and cash equivalents amounted € 104.7 million at half year 2017 (31 December 2016: € 14.2 million), mainly driven by the listing.

Prior to the IPO, a capital restructuring took place, consisting of the following steps: an amendment to the Company's articles of association providing for a reverse share split and consequently an increase of the nominal value of the Shares from €0.01 to €0.10. The share capital of the company was increased by the combination of the issuance of ordinary shares at the offering and the conversion of the 2016 convertible loan. Following these transactions, the outstanding share capital as of 31 December 2016 of 131.866.911 ordinary shares, changed to 25.764.466 ordinary shares. Following the IPO, a new Share Based Compensation plan was initiated, which includes both a long term incentive plan and an employee stock option plan that replaces the former Avantium option plan.

With successfully reaching the next phase of the YXY Technology by the transfer to Synvina, Avantium complied with all requirements pertaining to the RVO Innovation Loan. Avantium repaid the principal amount and accrued interest pertaining to € 4.7 million in April 2017.

## **Outlook**

The first half of 2017 was in line with our expectations, with Catalysis above expectations. The focus for the second half will remain on delivering our strategic plans, for which we are well on track. The risks as outlined in the risk management paragraph of the Avantium N.V. 2016 annual report remain and continue to require focused and decisive attention in the second half of 2017. No new risks were identified in the first half of 2017.

The Catalysis business is expected to continue to deliver profitable growth, by meeting the needs of our customer's research and development plans. We will continue to invest in our portfolio and increasing our sales and marketing initiatives.

Overall, we expect to deliver on our communicated milestones for 2017.

## **Supervisory Board**

During the AGM held on 14 June 2017, the shareholders approved the appointment of Ms. Margret Kleinsman to the Supervisory Board. In this same meeting, Mr. Michiel Boersma and Mr. Claude Stoufs stepped down and were discharged from liability for the performance of their duties as members of the supervisory board. The Supervisory Board of Avantium now consists of the following members: Mr. Jan van der Eijk (Chairman), Ms. Gabrielle Reijnen, Mr. Jonathan Wolfson, Mr. Denis Lucquin and Ms. Margret Kleinsman.

## **Auditor's Involvement**

This Interim Report for the six months ended 30 June 2017, and the Condensed consolidated financial statements included herein have not been audited or reviewed by an external auditor.

## **Risks**

The management team of Avantium has regularly reviewed the risk profile of the company in the first half of 2017 and will continue to do so throughout the rest of the year. For those risks deemed material, comprehensive mitigation action plans are developed and reviewed by the management team. The outcome of the company's risk management process is

shared and discussed with the audit committee of the Supervisory Board and with the Supervisory Board.

The risks as outlined in the risk management paragraph of the Avantium N.V. 2016 annual report remain and continue to require focused and decisive attention in the second half of 2017. No new risks were identified in the first half of 2017. It should be noted that no matter how good a risk management and control system is, it cannot be assumed to be exhaustive nor can it provide certainty that it will prevent negative developments in Avantium's business and business environment from occurring or that mitigation actions are fully effective. It is important to note that new risks could be identified that are not known currently.

#### **Executive board compliance statement**

The executive board of Avantium N.V. declares that, to the best of their knowledge, the condensed consolidated financial statements give a true and fair view of the assets, liabilities, financial position and the result of Avantium N.V. and its subsidiaries included in the condensed consolidated financial statements and the interim report includes a fair review of the information required pursuant to section 5:25d, subsections 8 and 9 of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

*Amsterdam, 25 August 2017*

Tom van Aken, Chief Executive Officer  
Frank Roerink, Chief Financial Officer

Condensed consolidated statement of comprehensive income

in Euro x 1,000	<b>Half-year</b>	
	<b>2017</b>	<b>2016</b>
<b>Continuing operations</b>		
Revenues	5,762	4,213
<b>Expenses</b>		
Raw materials and contract costs	(1,638)	(541)
Employee benefit expenses	(5,771)	(2,481)
Depreciation, amortization and impairment charge	(397)	(382)
Office and housing expenses	(725)	(536)
Patent, license, legal and advisory expenses	(996)	(962)
Laboratory expenses	(702)	(514)
Advertising and representation expenses	(592)	(218)
Other operating expenses	(491)	(59)
<b>Operating loss</b>	<b>(5,550)</b>	<b>(1,482)</b>
Finance income	21	-
Finance costs	(660)	(613)
<b>Finance costs - net</b>	<b>(640)</b>	<b>(613)</b>
Share in loss of joint ventures	(2,882)	-
<b>Loss before income tax</b>	<b>(9,072)</b>	<b>(2,095)</b>
Income tax expense	-	-
<b>Loss from continuing operations</b>	<b>(9,072)</b>	<b>(2,095)</b>
<b>Loss from discontinued operations</b>	<b>-</b>	<b>(4,729)</b>
<b>Loss for the half-year</b>	<b>(9,072)</b>	<b>(6,824)</b>
<b>Other comprehensive income</b>		
Share of other comprehensive income of joint ventures accounted for using the equity method	-	-
<b>Total comprehensive income for the period</b>	<b>(9,072)</b>	<b>(6,824)</b>
<b>Loss attributable to:</b>		
Owners of the parent	(9,072)	(6,824)
<b>Total comprehensive income attributable to:</b>	<b>(9,072)</b>	<b>(6,824)</b>
Owners of the parent	(9,072)	(6,824)
	<b>(9,072)</b>	<b>(6,824)</b>

	<b>30 June 2017</b>	<b>30 June 2016</b>
	<b>(euro)</b>	<b>(euro)</b>
<b>Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company</b>		
Basic earnings per share	(0.13)	(0.02)
Diluted earnings per share	(0.12)	(0.01)
<b>Earnings per share for profit attributable to the ordinary equity holders of the company</b>		
Basic earnings per share	(0.13)	(0.05)
Diluted earnings per share	(0.12)	(0.05)

## Condensed consolidated statement of financial position

in Euro x 1,000	<b>30 June 2017</b>	<b>31 December 2016</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	5,372	4,716
Intangible assets	740	807
Investments in joint ventures and associates <sup>1</sup>	51,347	54,229
<b>Total non-current assets</b>	<b>57,459</b>	<b>59,752</b>
<b>Current assets</b>		
Inventories	1,353	1,190
Trade and other receivables	10,725	10,991
Cash and cash equivalents	104,717	14,223
<b>Total current assets</b>	<b>116,795</b>	<b>26,405</b>
<b>Total assets</b>	<b>174,254</b>	<b>86,158</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Borrowings	-	3,834
<b>Total non-current liabilities</b>	<b>-</b>	<b>3,834</b>
<b>Current liabilities</b>		
Borrowings	-	22,609
Trade and other payables	7,587	12,407
Provisions for other liabilities and charges	145	166
<b>Total current liabilities</b>	<b>7,732</b>	<b>35,182</b>
<b>Total liabilities</b>	<b>7,732</b>	<b>39,016</b>
<b>Equity</b>		
<b>Equity attributable to owners of the parent</b>		
Ordinary shares	2,576	1,319
Share premium	204,311	79,734
Other reserves	8,711	6,212
Retained earnings	(49,077)	(40,122)
<b>Total equity attributable to the owners of the parent</b>	<b>166,522</b>	<b>47,143</b>
<b>Total equity and liabilities</b>	<b>174,254</b>	<b>86,158</b>

1) Concerns the 49% stake in Synvina. Note that this balance is the result of the provisional purchase price accounting assessment performed by Synvina.

Condensed consolidated statement of changes in equity

in Euro x 1,000

	Attributable to equity holders of the company				
	Ordinary shares	Share premium	Other reserves	Retained earnings	Total Equity
<b>Balance at 1 January 2016</b>	<b>1,319</b>	<b>81,272</b>	<b>5,266</b>	<b>(78,499)</b>	<b>9,358</b>
<b>Comprehensive income</b>					
Result for the half-year	-	-	-	(6,824)	(6,824)
Other Comprehensive income for the half-year	-	-	-	-	-
<b>Total Comprehensive income for the half-year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,824)</b>	<b>(6,824)</b>
<b>Transactions with owners</b>					
- Employee share schemes – value of Employee services	-	-	783	-	783
- Transfer value share scheme to retained earnings	-	-	161	(161)	-
- Issue of ordinary shares	-	-	-	-	-
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>944</b>	<b>(161)</b>	<b>783</b>
<b>Balance at 30 June 2016</b>	<b>1,319</b>	<b>81,272</b>	<b>6,210</b>	<b>(85,484)</b>	<b>3,317</b>
<b>Balance at 1 January 2017</b>	<b>1,319</b>	<b>79,734</b>	<b>6,212</b>	<b>(40,122)</b>	<b>47,143</b>
<b>Comprehensive income</b>					
Result for the half-year	-	-	-	(9,072)	(9,072)
Other Comprehensive income for the half-year	-	-	-	-	-
<b>Total Comprehensive income for the half-year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,072)</b>	<b>(9,072)</b>
<b>Transactions with owners</b>					
- Employee share schemes – value of Employee services	-	-	2,618	-	2,618
- Transfer value share scheme to retained earnings	-	-	(118)	118	-
- Issue of ordinary shares	-	-	-	-	-
<b>Total transactions with owners</b>	<b>1,258</b>	<b>124,577</b>	<b>2,499</b>	<b>118</b>	<b>128,453</b>
<b>Balance at 30 June 2017</b>	<b>2,576</b>	<b>204,311</b>	<b>8,711</b>	<b>(49,077)</b>	<b>166,522</b>

Condensed consolidated statement of cash flows

in Euro x 1,000

	Notes	<b>Half-year</b>	<b>2017</b>	<b>2016</b>
<b>Cash flows from continuing operations</b>				
<b>Cash flows from operating activities</b>				
Loss for the half-year from continuing operations			(9,072)	(2,095)
Adjustments for:				
- Depreciation			314	327
- Amortization			83	55
- Share of loss in joint ventures			2,882	-
- Share-based payment			2,618	783
- Finance costs - net			640	613
Changes in working capital (excluding exchange differences on consolidation):				
- (Increase) in inventories			(163)	(2)
- (Increase) in trade and other receivables			266	(880)
- Increase in trade and other payables			(3,520)	(581)
- Increase in provisions			(21)	(4)
			<u>(5,973)</u>	<u>(1,784)</u>
Interest (paid)			(14)	(4)
<b>Net cash used in operating activities</b>			<b><u>(5,987)</u></b>	<b><u>(1,788)</u></b>
<b>Cash flows from investing activities</b>				
Purchases of property, plant and equipment (PPE)			(980)	(110)
Purchases of intangible assets			(16)	(55)
<b>Net cash used in investing activities</b>			<b><u>(996)</u></b>	<b><u>(165)</u></b>
<b>Cash flow from financing activities</b>				
Interest received			21	-
Proceeds from issue of ordinary shares			108,602	-
Incremental costs paid directly attributable to IPO			(6,419)	-
Repayment of borrowings			(4,722)	-
Proceeds from issuance of convertible bond			-	20,000
<b>Net cash generated from financing activities</b>			<b><u>97,481</u></b>	<b><u>20,000</u></b>
<b>Net increase / (decrease) in cash and cash equivalents</b>			<b><u>90,498</u></b>	<b><u>18,047</u></b>
Cash and cash equivalents at beginning of the year			14,223	6,981
Effect of exchange rate changes			(4)	1
<b>Cash and cash equivalents from continuing operations at end of half-year</b>			<b><u>104,717</u></b>	<b><u>25,029</u></b>
<b>Cash flows from discontinued operations</b>				
Net cash from/ (used in) operating activities			-	(5,193)
Net cash from/ (used in) investing activities			-	(1,591)
Net cash from/ (used in) financing activities			-	-
<b>Change in cash from discontinued operations</b>			<b><u>-</u></b>	<b><u>(6,784)</u></b>
<b>Cash and cash equivalents at end of half-year</b>			<b><u>104,717</u></b>	<b><u>18,245</u></b>

## Notes to the condensed financial statements

### 1. Significant changes in the current reporting period

#### Initial public offering and related equity movements

On 15 March 2017 Avantium N.V. (ticker code: AVTX) listed on Euronext Amsterdam and Euronext Brussels. The listing follows the company's successful Initial Public Offering (IPO), with a total offering and total gross cash proceeds of Euro 109 million (including over-allotment exercise).

Prior to the IPO, a capital restructuring has taken place, which consisted of the following steps: an amendment to the Company's articles of association providing for a reverse share split and consequently an increase of the nominal value of the Shares from €0.01 to €0.10. The share capital of the company was increased by the combination of the issuance of ordinary shares at the offering and the conversion of the 2016 convertible loan. Following these transactions, the outstanding share capital as of 31 December 2016 of 131,866,911 ordinary shares, changed to 25,764,466 ordinary shares as per the date of this report.

	Number of ordinary shares	Equity movements (in Euro x 1,000)	
		Ordinary shares	Share premium
<b>Balance at 1 January 2017</b>	<b>131,866,499</b>	<b>1,319</b>	<b>81,272</b>
Mar-17 Reverse share split	(118,679,853)	-	-
Mar-17 IPO issuance new shares	9,353,143	935	101,949
Mar-17 Convertible loan - conversion	2,704,883	270	22,045
Apr-17 Greenshoe (over-allotment exercise)	519,794	52	5,666
Incremental costs paid directly attributable to IPO	-	-	(6,621)
<b>Balance at 30 June 2017</b>	<b>25,764,466</b>	<b>2,576</b>	<b>204,311</b>

Do note that the earnings per share, as reported after the consolidated statement of comprehensive income, are highly affected by the events as displayed in the equity movement overview.

#### Impact of new share-based payment plans

As per 15 March 2017 the new Share Based Compensation plan was initiated, which includes both a long term incentive plan and an employee stock option plan and replaces the former Avantium option plan. Due to the closure of the former option plan, accelerated vesting occurred resulting in a non-cash expense in the consolidated statement of comprehensive income amounting to € 2.6 million.

### 2. Segment information

#### Adjusted EBITDA

The main KPI of the company within the profit & loss account is an Adjusted EBITDA figure. Note that the Adjusted EBITDA number excludes overhead. The Adjusted EBITDA is calculated in the following manner:

Operating profit / loss + depreciation & amortization -/- CAPEX

in Euro x 1,000

Catalysis	1,658	1,248
Renewable Chemistries	(1,872)	(268)
YXY <sup>1</sup>	200	(4,612)
<b>Total adjusted EBITDA</b>	<b>(15)</b>	<b>(3,633)</b>

	<b>Half-year</b>	
	<b>2017</b>	<b>2016</b>
<b>Total adjusted EBITDA</b>	<b>(15)</b>	<b>(3,633)</b>

Total Adjusted EBITDA improved from € -3.6 million in 2016 to € 0.0 million in 2017. This was mainly caused by the establishment of Synvina in November 2016 and consequently discontinuation of the YXY segment within Avantium. However the lower result of Renewable Chemistries was mainly due to investments in its programs, amongst others the start of engineering and building of the new Zambezi Pilot Plant, which will be located in Delfzijl.

#### Revenues per segment

in Euro x 1,000

Catalysis	5,614	4,213
Renewable Chemistries	-	-
YXY <sup>1</sup>	147	296
<b>Total segment revenue</b>	<b>5,762</b>	<b>4,509</b>

	<b>Half-year</b>	
	<b>2017</b>	<b>2016</b>
<b>Total segment revenue</b>	<b>5,762</b>	<b>4,509</b>

Total half year segment revenue increased from € 4.5 million in 2016 to € 5.8 million in 2017, mainly caused by an increase in new systems deals in the Catalysis business. The revenues reported in the YXY segment in 2017 is the result of some remaining commitments from the YXY business, of which the assets, employees and intellectual property transferred to Synvina in November 2016.

#### Reconciliation

in Euro x 1,000

<b>Total adjusted EBITDA</b>	<b>(15)</b>	<b>(3,633)</b>
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Amortisation

**Half-year**

**2017**      **2016**

Depreciation

**(83)**      **(55)**

Finance costs - net

**(314)**      **(327)**

CAPEX

**(641)**      **(960)**

Share based compensation

**996**      **1,756**

Rent

**(2,618)**      **(783)**

Results of discontinued operation

**(485)**      **(504)**

Synvina result

**-**      **4,729**

Other

**(2,882)**      **-**

<b>Profit before income tax from continuing operations</b>	<b>(3,030)</b>	<b>(2,318)</b>
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<b>(9,072)</b>	<b>(2,095)</b>
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1) The revenues and Adjusted EBITDA reported in the YXY segment in 2017 are the result of remaining commitments from the YXY business (now part of the company's continuing operations), of which the assets, employees and intellectual property were transferred to Synvina in November 2016. As a result, in 2017 the YXY business no longer classifies as a separate operating segment, as defined in IFRS 8 – Operating Segments.

### **3. Fair value measurement of financial assets and financial liabilities**

The fair value of financial assets and financial liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties, other than in forced or liquidation sale. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy defines a three-level valuation hierarchy for disclosure of fair value measurements as follows:

- Level 1: Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: Observable inputs that reflect quoted prices for identical assets or liabilities in markets that are not active; quoted prices for similar assets or liabilities in active markets; inputs other than quoted prices that are observable for the assets or liabilities; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3: Unobservable inputs reflecting the Company's own assumptions incorporated in valuation techniques used to determine fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available.

The carrying amounts of cash and cash equivalents, trade receivables, trade payables and other receivables and payables reported in the condensed consolidated statement of financial position approximate their respective fair values because of the short term nature of these instruments.

### **4. Related party transactions**

Except as disclosed below, there are no material changes to the Company's related parties, related party transactions (including their terms and conditions) and (future) obligations towards related parties, compared to 31 December 2016.

At IPO, 48,650 shares have been sold by the Avantium Foundation on behalf of the Company's CEO, CFO and CTO. The proceeds from the sale of Management Shares, amount to Euro 535,000.

Furthermore, in May 2017, 275,000 options were granted to existing employees, including management, under the new employee stock option plan.

### **5. Events occurring after the reporting period**

On 18 July 2017, Avantium announced it will locate a new pilot biorefinery at Chemie Park Delfzijl, the Netherlands. Avantium and AkzoNobel have signed a contract for the pilot plant accommodation and the supply of various facilities and services. The pilot plant will validate the technical and economic feasibility of Avantium's Zambezi process, which aims to convert woodchips and other second generation biomass into raw materials for the chemical industry. The pilot plant will be located at the Chemie Park Delfzijl, a part of Chempark Europe, and is supported by the Groningen province. The plant is expected to be operational in the second quarter of 2018 with Avantium's Zambezi project on track. This milestone achievement will lead to the employment of approximately 20 people.

## 6. Basis of preparation of half-year report

The information is reported on half-year-to-date basis ending 30 June 2017. Where material to an understanding of the period starting 1 January 2017 and ending 30 June 2017, further information is disclosed. The interim financial statements were discussed and approved by the Executive Board and the Supervisory Board. The interim financial statements should be read in conjunction with Avantium N.V.'s consolidated financial statements in the 2016 annual report as approved on 20 April 2017. The interim financial statements have been prepared in accordance with IAS 34 'Interim financial reporting'. No new accounting policies have been adopted in 2017. The group operates in markets where no significant seasonal or cyclical variations in sales are experienced during the financial year.

The significant accounting policies applied in these consolidated interim financial statements are consistent with those applied in Avantium N.V.'s consolidated financial statements in the 2016 annual report for the year ended 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS.

Avantium N.V. ('the company') and its subsidiaries (together 'the group') is a company limited by shares, incorporated and domiciled in The Netherlands. Its registered office and principal place of business is at Zekeringstraat 29, 1014 BV in Amsterdam.

The interim financial statements have not been audited.

### Further information

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For press materials please visit: [www.avantium.com](http://www.avantium.com)

### Calendar

The interim report will be available on the Avantium website at  
<https://www.avantium.com/investor-relations/>

Event	Date
Full year 2017 results published	30 March 2018
Annual General Shareholders' meeting	16 May 2018
Half year 2018 results published	31 July 2018

## About Avantium

Avantium is a leading chemical technology company and a forerunner in renewable chemistry. Together with its partners around the world, Avantium develops efficient processes and sustainable products made from biobased materials. Avantium offers a breeding ground for revolutionary renewable chemistry solutions from invention to commercially viable production processes. One of Avantium's success stories is YXY technology, with which it created PEF: a completely new, high-quality plastic made from plant-based industrial sugars. Since October 2016 all YXY activities have been transferred to Synvina, the joint venture of Avantium and BASF. Avantium is also working on a host of other groundbreaking projects such as the Zambezi process; a biorefinery technology to produce sugars for the production of chemicals and fuels from non-food materials. The proprietary process is highly feedstock-flexible allowing use of forestry residues (e.g. woodchip), corn stover, bagasse, sugar beet residue and produces a high purity 2G glucose product and lignin for energy and other applications; all in near quantitative yield. Avantium also provides advanced catalysis research services and systems to the leading chemical and petrochemical companies. Avantium shares are listed on Euronext Amsterdam and Euronext Brussels (symbol: AVTX), its offices and headquarters are based in Amsterdam, the Netherlands. Over 120 highly skilled colleagues representing 20 nationalities, Avantium fosters a dynamic and enthusiastic workplace that is constantly seeking new ways to improve and expand the impact of advanced catalytic research & technology.

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## Forward-looking information / disclaimer

This press release may include forward-looking statements. Other than reported financial results and historical information, all statements included in this press release, including, without limitation, those regarding our financial position, business strategy and management plans and objectives for future operations, are forward-looking statements. These forward-looking statements are based on our current expectations and projections about future events and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond Avantium's ability to control or estimate precisely, such as future market conditions, the behavior of other market participants and the actions of governmental regulators. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release and are subject to change without notice. Other than as required by applicable law or the applicable rules of any exchange on which our securities may be traded, we have no intention or obligation to update forward-looking statements.