

Avantium First Half 2022 Results:

Avantium Begins The Construction Of Its FDCA Flagship Plant And Signs Additional Offtake Agreements

AMSTERDAM, 17 August 2022, 07:00 hrs CEST - Avantium N.V. (Euronext Amsterdam and Brussels: AVTX), a leading innovative chemical technology company dedicated to developing and commercialising proprietary technologies for the production of chemicals from renewable sources, today reports its 2022 half year results.

Key Business Developments in the First Half of 2022:

- Avantium Renewable Polymers recorded a number of important milestones:
 - The financial conditions were met (Financial Close) which allowed us to initiate the construction of the FDCA Flagship Plant.
 - Five additional offtake agreements were signed in the first half of 2022, bringing the total of such contracts to ten:
 - Avantium announced this morning that it has signed additional offtake agreements with LVMH and AmBev.
 - Construction of the Flagship Plant at the Chemie Park Delfzijl site is progressing according to plan.
- In the first half of 2022, Avantium Renewable Chemistries successfully restarted operations at its Ray Technology™ demonstration plant.
- Avantium Catalysis recorded revenues in the first half of 2022 of €4.5 million, compared to €4.3 million in the first half of 2021.

Key Financial Developments in the First Half of 2022:

- Total revenues increased in the first half of 2022 by 5% to €5.0 million (HY 2021: €4.7 million). Other income from government grants decreased by 3% to €3.2 million (HY 2021: €3.3 million).
- Direct costs increased as planned by €4.1 million in the first half of 2022 to €19.2 million (HY 2021: €15.1 million). Of the increase, €1.8 million is related to non-recurring items.
- The loss for the first half year of 2022 was €17.3 million (HY 2021: €10.9 million); the increase is predominantly the result of the initiation of the FDCA Flagship Plant construction.
- The cash position was €72.1 million on 30 June 2022 (31 December 2021: €34.9 million):
 - Of the €72.1 million cash position, €20.7 million is ringfenced cash for the Avantium Renewable Polymers business unit to utilise for its operations and construction of the Flagship Plant.
 - The net cash outflow resulting from operating, investing and lease activities in the first half of the year was €24.4 million (HY 2021: €9.6 million). The increase in cash outflow predominantly relates to higher CAPEX expenditure and higher direct costs.
 - The improved overall cash position is primarily due to the successful €45 million capital increase by means of a public offering in April 2022. The net proceeds from the capital increase after bank, legal and consultancy fees were €41.6 million.

Tom van Aken, Chief Executive Officer of Avantium, comments: "We have made significant positive strides across our business over the last six months. We are very pleased that we have started constructing the world's first commercial facility for the production of FDCA, the key

building block of PEF. This will allow us to accelerate commercialisation of our technology and make PEF widely available. We have also expanded our commercial partnerships, reinforcing both the value and huge potential of PEF.

We remain committed to demonstrating the commercial potential of all of our technologies. The equity offering in April 2022 has allowed us to invest further in delivering rapid progress across our business."

Business Overview

Avantium Renewable Polymers

Avantium Renewable Polymers aims to commercialise its proprietary YXY[®] Technology, used to produce FDCA (furanicarboxylic acid), the main building block of the plant-based, high-quality, recyclable polymer PEF (polyethylene furanoate).

On 9 December 2021, Avantium announced that it had taken a positive Final Investment Decision (FID) to construct the FDCA Flagship Plant in Delfzijl, the Netherlands. This world's first commercial FDCA factory is set to produce 5 kilotonnes of FDCA per annum. At an Extraordinary General Meeting of Shareholders on 25 January 2022, Avantium received support from its shareholders for this positive FID. This support enabled Avantium to execute all the relevant investment and debt financing documentation necessary to complete the transaction. Financial Close for the investment project related to the FDCA Flagship Plant was on 31 March 2022. With Financial Close, engineering company Worley Nederland B.V. and Bio Plastics Investment Groningen B.V.¹ have become minority shareholders in the Avantium subsidiary, Avantium Renewable Polymers, responsible for the FDCA Flagship Plant. Worley and Bio Plastics Investment Groningen together have acquired a 22.6% shareholding in Avantium Renewable Polymers, while Avantium holds 77.4% of the equity. Furthermore, a €90 million debt financing package has been signed with a consortium of Dutch banks, comprising ABN AMRO Bank, ASN Bank, ING Bank and Rabobank, as well as with the Dutch government-backed impact investment fund Invest-NL.


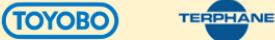

On 20 April 2022, Avantium celebrated the First Piling Ceremony for its FDCA Flagship Plant at the Chemie Park Delfzijl site in the Netherlands, representing the start of the construction of the FDCA Flagship Plant. Construction is planned to be completed by the end of 2023, enabling the commercial launch of PEF from 2024 onwards. For the construction phase, Avantium and Worley agreed on the terms of an EPC (Engineering, Procurement and Construction) contract for the FDCA Flagship Plant. The EPC contract includes a 50-50% risk-sharing agreement. The risk sharing agreement ensures that cost overruns incurred on the agreed EPC contract will be shared with Worley. This risk sharing mechanism excludes any scope changes made to the Flagship Plant design.

Over the past months, the construction of the FDCA Flagship Plant has progressed according to plan. By the end of June 2022, approximately 700 piles had been driven into the ground to prepare the foundation. In July 2022, subcontractors started laying the pipes and pouring the concrete for the ground floor.

In the first half of 2022, Avantium secured five additional offtake commitments for the Flagship Plant, bringing the total of such contracts to ten, across a variety of product applications and locations. Over the past months, contracts were signed with: Sukano AG, a company expert in additive and colour masterbatches and compounds for polyester and speciality resins (Switzerland); Carlsberg Group, one of the leading brewery companies in the world (Denmark); LVMH Group (Moët Hennessy Louis Vuitton), an international leader in luxury goods (France); AmBev, the Brazilian company, which is part of the AB InBev Group, the largest brewing company in the world (Brazil); and another undisclosed global brand owner. Those five offtake agreements were in addition to the already signed offtake commitment with specialty chemical company Toyobo (Japan), specialty polyester film producer Terphane (US), the beverage bottling company Refresco (Netherlands), international rigid packaging supplier Resilux (Belgium), and an

¹ Bio Plastics Investment Groningen' (BPIG) was incorporated by Groningen Seaports and regional investment funds NOM (Investment and Development Agency for the Northern Netherlands), Investeringsfonds Groningen and Groeifonds.

undisclosed major global food & beverage brand owner. The partners will purchase Avantium's FDCA at agreed price levels for a period of at least five years.

Bottles	Film	Other
		

Carlsberg Group, a member of the PEference consortium², announced in June 2022 that it has launched a trial of its latest Fibre Bottle, which contains an inner layer of PEF produced in Avantium's current Pilot Plant. Carlsberg is sampling the Fibre Bottle with 8,000 consumers and other selected stakeholders in eight pilot markets in Western Europe throughout the summer. This is the very first time that a PEF-lined beer bottle has been trialled with consumers and their reactions and comments will be closely monitored.

Another important commercial milestone in the first half of 2022 was the formation of the PEF Textile Community in June 2022 with five reputable global companies: Antex, BekaertDeslee, Chamatex, Kvadrat and Salomon. Antex has produced yarns made from PEF and a PEF-based TiO2 Masterbatch developed and produced by Sukano. From the initial developments, Antex has validated that PEF yarns can be produced by using existing PET spinning and texturing lines, which will facilitate market adoption. Antex intends to further validate PEF as a sustainable material for yarn production. The other PEF Textile Community members are now using the PEF yarn samples to explore the potential of PEF fabric for their particular applications.

Avantium Renewable Chemistries

With its proprietary sugars-to-glycols Ray Technology™, Avantium produces mono-ethylene glycol (MEG) and mono-propylene glycol (MPG) from plant-based feedstock. MEG is a vital ingredient in the production of polyesters widely used in textiles and packaging. MPG is a valuable intermediate used in a wide variety of applications, such as anti-freeze products. Avantium announced in 2021 that it plans to form a joint venture with the Cosun Beet Company for the construction and operation of a commercial production plant to convert sugar beet to glycols on the basis of Avantium's Ray Technology. The companies are in discussions with interested partners to prepare for commercial validation and to potentially establish offtake agreements, in parallel to conducting engineering studies and exploring financial support programmes.

In the first half of 2022, Avantium successfully restarted operations at the Ray Technology™ demonstration plant in Delfzijl, after activity at the demonstration plant had been halted due to an accident in 2021. Following the accident, Avantium conducted extensive safety assessments and implemented improved process safety measures, including adjustments to the design of the Ray Technology™ demonstration plant.

Avantium's Volta Technology, a carbon capture and utilisation technology, is a cutting-edge electrocatalytic platform which converts carbon dioxide (CO₂) via electrochemistry into high-value ingredients including formic acid, oxalic acid and glycolic acid.

Two of our ongoing Volta projects took important steps forward in the first half of 2022. In January 2022, as part of the OCEAN programme³, Avantium installed a mobile Volta Technology container unit at an RWE power plant in Germany. During a six-month period, the container operated for 1000 hours with the world's largest gas diffusion CO₂ conversion cell and successfully converted CO₂, coming directly from the power plant, into potassium formate. As part of the RECODE

² The PEference consortium receives funding from the Circular Bio-based Europe Joint Undertaking (CBE JU) under the European Union's Horizon 2020 research and innovation programme under grant agreement No 744409.

³ The OCEAN project aims to use CO₂ emitted by power plants to produce oxalic acid (which is the basis for various high-value chemicals). The project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 767798.

programme⁴, Avantium also installed a second Volta unit at a Titan cement factory in Greece. During a three-month period, Avantium's will convert CO₂, coming directly from a capture facility located at the cement factory, into formate.

In May 2022, Avantium announced that it has been awarded a €3 million grant by the EU Horizon Europe programme to fund its participation in the 4-year research and development programme WaterProof⁵. The €3 million grant will be paid out in tranches to Avantium over a period of four years. Under the WaterProof programme, Avantium will convert CO₂ from wastewater purification and waste incineration into formic acid, using its proprietary Volta catalytic electrochemistry platform, with demonstration campaigns at Waternet in Amsterdam and HVC in Alkmaar, the Netherlands.

Avantium Catalysis

Avantium Catalysis provides advanced catalysis R&D services, systems and testing to a broad range of global customers. The Services R&D business provides in-house customised contract research projects. The Systems business comprises Avantium's unique and advanced Flowrence[®] and Batchington high-throughput catalyst testing systems, which are tailored to accelerate catalyst screening and to study catalyst deactivation.

The Catalysis business unit recorded revenues of €4.5 million in the first half of 2022 (HY 2021: €4.3 million). Despite the challenges caused by the disruption of the supply chains of key (sub)components and microchips, and the continuing travel restrictions (particularly in China) as a result of the COVID-19 pandemic, Avantium Catalysis received several new orders for Flowrence[®] systems and contract R&D projects from companies and academic institutions around the world. Order intake for H1 2022 was higher than in the first half of 2021, at €5.1 million (HY 2021: €4.2 million), a clear signal that the Catalysis business is recovering after the COVID-19 lockdown.

Equity capital raise

On 14 April 2022, Avantium successfully raised €45 million through a public offering of new Avantium shares, with a priority allocation period for its existing shareholders, a retail offering and a private placement. The equity offering comprised 11,250,000 new ordinary shares, representing approximately 36% of the Company's issued share capital. The Offer Shares were placed at a price of €4.00 per new ordinary share. The proceeds will primarily be applied (i) to develop Ray Technology[™] and to scale-up towards commercialisation via technology licensing, (ii) to further develop Dawn and Volta technologies, as well as to assess economic feasibility and scale-up towards commercialisation, and (iii) for general corporate purposes, working capital and overall funding.

Organisation

Supervisory Board composition

At the Extraordinary General Meeting of Shareholders (EGM) held on 25 January 2022, the shareholders approved the appointment of Nils Björkman as a member of the Supervisory Board for a term of four years, ending at the close of the Annual General Meeting to be held in 2026. In March 2022, Cynthia Arnold stepped down as Supervisory Board member due to personal circumstances. Avantium continues to have access to her valuable expertise and advice through a consultancy arrangement. Trudy Schoolenberg has notified the company of her decision, for personal reasons, to resign as Supervisory Board member effective as of 31 August 2022. The Supervisory Board will consist of: Edwin Moses (chairman), Margret Kleinsman, Michelle Jou and Nils Björkman. The Supervisory Board has started the selection process for additional Supervisory Board members.

Financial results

Income Statement

Total first half 2022 revenues increased to €5.0 million (HY 2021: €4.7 million). Other income

⁴ The RECODE project aims to recycle CO₂ in the cement industry to produce added-value additives. It has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 768583.

⁵ The WaterProof Project receives funding from the Horizon Europe Framework Programme under the Grant Agreement No 101058578.

decreased slightly to €3.2 million (HY 2021: €3.3 million). The grant income in the first half of 2022 is predominantly the result of the previously awarded grant programmes PEFerence, IMPRESS and DEI+.⁶ Avantium successfully secured an additional grant in the first half of 2022, to support its participation in the 4-year research and development programme WaterProof. In the first half of 2022, Avantium recorded higher "total revenues and other income": €8.2 million compared to €8.0 million in HY 2021.

Direct costs increased by €4.1 million in the first half of 2022 to €19.2 million (HY 2021:€15.1 million.) Of the increase, €1.8 million is related to non-recurring items.

Employee costs increased by €2.1 million, as planned, due to an increase in staff employed to prepare for the scale-up in Avantium Renewable Polymers, higher salaries and recruitment and training fees. Headcount increased by 10 FTE compared to the first half of 2021. The employee costs of first half of 2021 also included a benefit of the 2020 bonus accrual which was released as this bonus was not paid out to employees.

Patent & Advisory costs increased by €0.9 million due to one-off legal and advisory fees incurred as part of Financial Close activities within Avantium Renewable Polymers. Raw materials increased due to higher sales in Avantium Catalysis and higher input costs. Housing and office expenses increased post-COVID due to the restart of office activities and rising utility costs.

Total EBITDA decreased from €-7.1 million in the first half of 2021 to €-11.0 million in the first half of 2022.

Finance costs increased to €1.3 million (HY 2021:€0.2) primarily due to €1.0 million in fees incurred relating to the debt financing.

The loss for the half year of 2022 is €17.3 million (HY 2021: €10.9 million).

Balance Sheet and Financial Position

The balance sheet as of 30 June 2022 increased to €146.8 million (31 December 2021: €77.7 million), with net equity of €93.9 million.

Cash and cash equivalents totalled €72.1 million as of 30 June 2022 (31 December 2021: €34.9 million). The improved cash position is primarily due to the successful €45 million capital increase by means of a public offering in April 2022. The net proceeds from the capital increase after bank, legal and consultancy fees were €41.6 million. In addition, Avantium Renewable Polymers received €20.0 million cash investment from Bio Plastics Investment Groningen for the equity stake it acquired in Avantium Renewable Polymers. The net cash used in operating, investing and lease activities in the first half was €24.4 million (HY 2021: €9.6 million).

Capital expenditure increased to €10.2 million (HY 2021: €1.5 million) as a result of investments in the FDCA Flagship Plant.

The working capital includes a receivable of €10 million recognised by Avantium RNP Flagship B.V. on 31 March 2022 from Worley as part of their contribution in kind. The receivable is payable equally over the next 24 months starting from April 2022. As of 30 June 2022, the remaining balance is €8.8 million. Working capital also includes a prepaid expense of €11.3 million recognised by Avantium N.V. The prepaid expense relates to the warrants issued, as part of the debt financing agreement, to the respective banks. The prepayment will be expensed as a finance cost at each drawdown of the facility on a pro-rata basis.

Working capital movements were €-2.1 million in the first half of 2022 versus €-0.5 million in 2021 due to the increased amount of payables settled in the first half of 2022.

A non-controlling interest was recognised on 31 March 2022, as there was a change in ownership of Avantium Renewable Polymers, a subsidiary of Avantium N.V. Worley Nederland B.V. and Bio Plastics Investment Groningen B.V. together acquired a 22.6% shareholding in Avantium

⁶ PEFerence is a consortium of organisations aiming to replace a significant share of fossil-based polyesters with the 100% plant-based PEF. The PEFerence project has received funding under Bio Based Industries Joint Undertaking under the European Union's Horizon 2020 research and innovation programme under grant agreement No 744409. IMPRESS (grant agreement No 869993) is a consortium of ten organisations aiming to demonstrate a new biorefinery concept based on integrating novel processes such as Avantium's Dawn and Ray Technologies. Bio-MEG Proeffabriek is a grant project supported by the European Regional Development Fund (ERDF) through Samenwerkingsverband Noord Nederland (SNN). This grant aims to accelerate innovation in the quest for a low-carbon economy. With the Demonstration Energy and Climate Innovation (DEI+) scheme, the Netherlands Enterprise Agency (RVO - Rijksdienst voor Ondernemend Nederland) financially supports projects that contribute to a cost-effective reduction of CO2 emissions by 2030.

Renewable Polymers, while Avantium continues to hold 77.4% of the equity. The initial recognition of the non-controlling interest amounted to €12.0 million.

in millions of €	30 June 2022	30 June 2021
Cash position at the beginning of the half year	34.9	26.6
EBITDA	(11.0)	(7.1)
Lease payments	(0.9)	(0.9)
Working capital movement	(2.1)	(0.5)
Capital expenditures	(10.2)	(1.5)
Other	(0.2)	0.4
Net cashflow used in operating, investing and lease activities	(24.4)	(9.6)
Net proceeds from Capital raise	41.6	26.4
Proceeds from 3rd party equity stake in RNP	20.0	—
Net increase/(decrease) in cash and cash equivalents	37.2	16.8
Cash position at the end of the half year	72.1	43.4

Outlook

Avantium Renewable Polymers will focus on building the FDCA Flagship Plant. Inflation and supply chain disruptions, as a result of the Russia-Ukraine war, as well as the aftermath of the COVID-19 pandemic, are putting substantial pressures on costs and time schedules. Avantium anticipates that the Flagship Plant CAPEX will be materially higher, due predominantly to inflation as well as scope changes. The company is closely monitoring and managing the situation as effectively as possible. Avantium expects that construction of the Flagship Plant will be completed by the end of 2023 and that the plant will be fully operational during 2024. Avantium Renewable Polymers remains fully committed to securing additional offtake agreements in order to sell out the FDCA Flagship Plant capacity prior to start-up. As part of its commercialisation strategy, Avantium is exploring licensing opportunities for the future large-scale production of FDCA and PEF.

Avantium Renewable Chemistries will continue to conduct engineering studies with its Ray Technology™. It will also focus on exploring commercial opportunities for plantMEG™ and plantMPG™.

Avantium Catalysis will increasingly look for opportunities to grow its business in the field of renewable chemistries.

Auditor's Involvement

This Interim Report for the six months ended 30 June 2022, and the condensed consolidated financial statements included herein have not been audited or reviewed by an external auditor.

Management Board compliance statement

The Management Board of Avantium N.V. declares that, to the best of its 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 and the interim report



Press release

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, 17 August 2022,

Tom van Aken, Chief Executive Officer

Bart Welten, Chief Financial Officer

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Press release

Condensed Consolidated Statement of Comprehensive Income

<i>in Euro x 1,000</i>	30 June 2022	30 June 2021
Revenues	4,982	4,749
Other income	3,184	3,291
Total revenues and other income	8,166	8,040
Operating expenses		
Raw materials and contract costs	(1,525)	(1,210)
Employee benefit expenses	(11,214)	(9,156)
Office and housing expenses	(1,284)	(900)
Patent, license, legal and advisory expenses	(2,524)	(1,639)
Laboratory expenses	(1,514)	(1,407)
Advertising and representation expenses	(549)	(178)
Other operating expenses	(571)	(637)
Net operating expenses	(19,181)	(15,127)
EBITDA	(11,015)	(7,087)
Depreciation, amortisation and impairment charge	(3,937)	(3,706)
EBIT	(14,952)	(10,793)
Finance costs - net	(1,312)	(150)
Fair value remeasurement - Warrants	(1,085)	—
Loss before income tax	(17,349)	(10,943)
Income tax expense	—	—
Loss for the half-year	(17,349)	(10,943)
Other comprehensive income	—	—
Total comprehensive expense for the year	(17,349)	(10,943)
Loss attributable to:		
Owners of the parent	(16,363)	(10,943)
Owners of Non-Controlling interest	(985)	—
	(17,349)	(10,943)
Total comprehensive expense attributable to:		
Owners of the parent	(16,363)	(10,943)
Owners of Non-Controlling interest	(985)	—
	(17,349)	(10,943)
<i>in Euro</i>	30 June 2022	30 June 2021
Earnings per share for profit attributable to the ordinary equity holders of the company		
Basic earnings per share ⁷	(0.45)	(0.39)
Diluted earnings per share	(0.45)	(0.39)

⁷ Basic earnings per share are calculated by dividing the net result for the period by the weighted average number of ordinary shares.



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Press release

Condensed Consolidated Statement of Financial Position

in Euro x 1,000	30 June 2022	31 December 2021
ASSETS		
Non-current assets		
Property, plant and equipment	30,642	23,324
Intangible assets	1,853	1,835
Right-of-use assets	9,431	9,479
Total non-current assets	41,926	34,638
Current assets		
Inventories	1,332	1,238
Trade and other receivables	31,438	6,888
Cash and cash equivalents	72,150	34,911
Total current assets	104,920	43,037
Total assets	146,846	77,675
EQUITY		
Equity attributable to owners of the parent		
Ordinary shares	4,255	3,129
Share premium	270,696	230,252
Other reserves	12,556	11,936
Accumulated losses	(193,648)	(195,291)
Total equity attributable to the owners of the parent	93,859	50,026
Non-Controlling interest	11,027	—
Total equity	104,886	50,026
LIABILITIES		
Non-current liabilities		
Lease liabilities	9,215	9,099
Financial liability	12,335	—
Total non-current liabilities	21,550	9,099
Current liabilities		
Lease liabilities	1,606	1,604
Trade and other payables	18,594	16,750
Provisions for other liabilities and charges	211	196
Total current liabilities	20,410	18,550
Total liabilities	41,960	27,649
Total equity and liabilities	146,846	77,675



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	Accumulated losses	Non-controlling interest	Total Equity
Balance at 1 January 2021	2,591	204,296	10,407	(171,057)	—	46,238
Comprehensive expense						
Result for the year	—	—	—	(10,943)	—	(10,943)
Other Comprehensive expense for the year	—	—	—	—	—	—
Total Comprehensive expense for the year	—	—	—	(10,943)	—	(10,943)
Transactions with owners						
– Employee share schemes - value of Employee services	—	—	415	—	—	415
– Employee share schemes- LTIP investment shares granted	—	—	—	—	—	—
– Transfer value share scheme to retained earnings	—	—	(92)	92	—	—
– Issue of ordinary shares	534	25,860	—	—	—	26,394
– Shares delivered from treasury shares	—	—	—	—	—	—
Total transactions with owners	534	25,860	324	92	—	26,809
Balance at 30 June 2021	3,125	230,156	10,731	(181,908)	—	62,104
Balance at 1 January 2022	3,129	230,252	11,936	(195,291)	—	50,026
Comprehensive expense						
Result for the year	—	—	—	(16,363)	(985)	(17,349)
Other Comprehensive expense for the year	—	—	—	—	—	—
Total Comprehensive expense for the year	—	—	—	(16,363)	(985)	(17,349)
Transactions with owners						
– Employee share schemes- value of Employee services	—	—	457	—	—	457
– Employee share schemes - LTIP investment shares granted	—	—	181	—	—	181
– Transfer value share scheme to retained earning	—	—	(19)	19	—	—
– Issue of ordinary shares	1,126	40,444	—	—	—	41,570
– Shares delivered from treasury shares	—	—	—	—	—	—
Total transactions with owners	1,126	40,444	619	19	—	42,208
Disposal of Subsidiary	—	—	—	17,987	12,013	30,000
Balance at 30 June 2022	4,255	270,696	12,555	(193,648)	11,027	104,886

Condensed Consolidated Statement of Cash Flows

in Euro x 1,000	30 June 2022	30 June 2021
Cash flows from operating activities		
Loss for the year from continuing operations	(17,349)	(10,943)
Adjustments for:		
– Depreciation of property, plant and equipment	2,873	2,870
– Amortisation	22	29
– Depreciation of right of use assets	1,043	808
– Share-based payment	457	415
– Finance costs - net	1,312	150
– Fair value remeasurement on Warrants	1,085	—
Changes in working capital (excluding exchange differences on consolidation):		
– Increase in inventories	(95)	(43)
– Increase in trade and other receivables	(4,551)	(4,672)
– Increase in trade and other payables	2,575	4,177
– Increase in provisions	15	24
	(12,613)	(7,185)
Interest paid on current accounts	(116)	(59)
Interest received on current accounts	—	2
Other interest and bank charges	(456)	(10)
Net cash used in operating activities	(13,184)	(7,253)
Cash flows from investing activities		
Purchases of property, plant and equipment (PPE)	(10,192)	(1,493)
Purchases of intangible assets	(40)	—
Proceeds from 3rd party equity stake in RNP	20,002	—
Net cash used in investing activities	9,770	(1,493)
Cash flow from financing activities		
Principal elements of lease payments	(912)	(879)
Net proceeds from capital raise	41,570	26,394
Net cash used in financing activities	40,658	25,515
Net increase in cash and cash equivalents	37,244	16,768
Cash and cash equivalents at beginning of the year	34,911	26,626
Effect of exchange rate changes	(6)	2
Cash and cash equivalents from continuing operations at end of financial year	72,150	43,396
Cash and cash equivalents at end of financial year	72,150	43,396

Notes to the Condensed Financial Statements

1. General information

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 information in these condensed consolidated interim financial statements ("financial statements") is unaudited and not reviewed.

2. Accounting policies

Basis of preparation of half-year report

The information is reported on half-year-to-date basis ended 30 June 2022. Where material to an understanding of the period starting 1 January 2022 and ended 30 June 2022, further information is disclosed. The interim financial statements were discussed and approved by the Management Board and the Supervisory Board. The interim financial statements have not been audited or reviewed.

Avantium prepared the half year figures on going concern basis. The material uncertainty that existed on the company's ability to continue as a going concern was resolved in April 2022 as the company secured funding. Based on Avantium's current business plan, the cash resources and debt financing should enable the Company to reach its next significant operational and industrial milestones. These milestones include the commissioning of the FDCA Flagship Plant in 2024 and the final investment decision for the first commercial plant producing plantMEG™ and plantMPG™ using Ray Technology™.

The interim financial statements should be read in conjunction with Avantium N.V.'s consolidated financial statements in the 2021 annual report as approved on 23 March 2022, which has 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. The interim financial statements have been prepared in accordance with IAS 34 'Interim financial reporting'.

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 2021 annual report for the year ended 31 December 2021.

New and amended standards adopted

A number of amended standards became applicable for the current reporting period. Avantium did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

3. Change in ownership in subsidiary

On 31 March 2022, there was a change in ownership of Avantium Renewable Polymers, a subsidiary of Avantium N.V. Worley Nederland B.V. and Bio Plastics Investment Groningen B.V. together have acquired a 22.6% shareholding in Avantium Renewable Polymers, while Avantium continues to hold 77.4% of the equity. The change in shareholding did not result in Avantium N.V. losing control over the subsidiary, Avantium Renewable Polymers. This resulted in an amount of €18 million to be presented as a profit in the Consolidated Statement of Changes in Equity. The details of the transactions between the equity participants are as follows:

(In Euro x 1,000)	31-03-2022
Fair value of the consideration received	30,000
Increase in the non-controlling interest	(12,013)
Adjust to equity attributable to owners of the parent	17,987

4. Segment information

Revenue per segment

Revenue is only generated from external customers and no transactions with other segments have taken place.

(In Euro x 1,000)	30-6-2022	30-6-2021
Catalysis	4,450	4,254
Renewable Chemistries	—	450
Renewable Polymers	475	45
Unallocated items	58	—
Total segment revenue	4,982	4,749

Other income per segment

(In Euro x 1,000)	30-6-2022	30-6-2021
Catalysis	130	88
Renewable Chemistries	1,454	1,872
Renewable Polymers	1,520	1,289
Unallocated items	80	42
Total segment other income	3,184	3,291

EBITDA per segment

The main KPI of the company within the profit & loss account is EBITDA. Note that the EBITDA figure excludes company overheads and shared service activities.

The EBITDA is calculated in the following manner: Profit/loss for the period plus Finance costs-net plus depreciation, amortisation and impairment charge.

The EBITDA figures of the business segments are as follows.

(In Euro x 1,000)	30-6-2022	30-6-2021
Catalysis	416	1,038
Renewable Chemistries	(2,115)	(700)
Renewable Polymers ⁸	(4,615)	(3,164)
Total EBITDA of business segments	(6,314)	(2,826)

Reconciliation

(In Euro x 1,000)	30-6-2022	30-6-2021
Total EBITDA of business segments	(6,314)	(2,826)
Amortisation	(22)	(29)
Depreciation of property, plant and equipment	(2,873)	(2,870)
Depreciation of right of use assets	(1,043)	(808)
Finance costs - net	(1,312)	(150)
Share based compensation	(457)	(415)
Rent	(312)	(80)
Fair value remeasurement	(1,085)	—
Company overheads/other	(3,932)	(3,765)
Loss before income tax from continuing operations	(17,349)	(10,943)

The 'Company Overhead & Other' costs category comprises mainly of shared services and company overhead costs.

6. 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 2021.

At the Extraordinary General Meeting of Shareholders (EGM) held on 25 January 2022, the shareholders approved the appointment of Nils Björkman as a member of the Supervisory Board for a term of four years, ending at the close of the Annual General Meeting to be held in 2026.

During the first half of 2022, 419,000 additional options awards were approved and awarded under the company's Employee Stock Options Plan (ESOP).

In addition, management purchased 72,586 Investment shares under the company's Long-Term Incentive Plan (LTIP) and received an entitlement to 72,586 Matching shares, such grant being subject to vesting and lock-up obligations, totalling 145,172 shares.

⁸ A Service Level Agreement ("SLA") is in place since April 2022 between Avantium Renewable Polymers B.V. and Avantium Support B.V.. The SLA cost charged by Avantium Support B.V. to Avantium Renewable Polymers B.V. for the first half of 2022 amounted to €0.4 million.

7. Financial liability

On 31 March 2022, Avantium N.V. issued 2.84 million warrants, with an exercise price of €0.10, to the consortium of banks as part of the €90 million debt financing package for the FDCA Flagship Plant.

On 14 April 2022, 1.02 million additional warrants were issued to the warrant holders, to compensate for the dilutive effect of the equity offering according to the debt financing agreement with the lenders.

The initial recognition of the warrants amounted to €11.3 million.

The warrants are recognised under IFRS 9 *Financial Instruments* as a Financial Liability. The warrants are measured subsequently at fair value through profit or loss at each reporting date. The fair value of the warrants on 30 June is €12.3 million. The increase in the share price of €0.28 resulted in the increase in the fair value of the warrants. The subsequent fair value remeasurement of the warrants resulted in a loss at 30 June 2022 of €1.1 million, recognised under fair value remeasurement in the Statement of Comprehensive Income.

Calendar and contact details

More information about this press release:

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On Wednesday 17 August 2022 at 08:00 am (CET) Avantium will host a conference call for analysts.

The interim report and transcript of the analyst call will be available at www.avantium.com

Financial calendar 2023

Date	Event
22 March 2023	Publication full-year results 2022 and publication annual report 2022
10 May 2023	Annual General Meeting
16 August 2023	Publication of half-year results 2023

About Avantium

Avantium is a leading technology development company and a forerunner in renewable chemistry. Avantium develops novel technologies based on renewable carbon sources as an alternative to fossil-based chemicals and plastics. The company currently has three technologies at pilot and demonstration phase. The most advanced technology is the YXY[®] plant-to-plastics-technology that catalytically converts plant-based sugars into FDCA (furanedicarboxylic acid), the key building block for the sustainable plastic PEF (polyethylene furanoate). Avantium has successfully demonstrated the YXY[®] Technology at its pilot plant in Geleen, the Netherlands, and has started construction of the world's first commercial plant in 2022, with planned large-scale production of PEF in 2024. The second technology is Ray Technology[™] and catalytically converts industrial sugars to plant-based MEG (mono-ethylene glycol): plantMEG[™]. Avantium is scaling up its Ray Technology[™] and the demonstration plant in Delfzijl, the Netherlands opened in November 2019. The third technology is called the Dawn Technology[™] that converts non-food biomass into industrial sugars and lignin in order to transition the chemicals and materials industries to non-fossil resources. In 2018, Avantium opened the Dawn Technology[™] pilot biorefinery in Delfzijl, the Netherlands. Next to developing and commercialising renewable chemistry technologies, the company also provides

advanced catalysis R&D services and systems to customers in the refinery and chemical industries. Avantium works in partnership with like-minded companies around the globe to create revolutionary renewable chemistry solutions from invention to commercial scale.

Avantium's shares are listed on Euronext Amsterdam and Euronext Brussels (symbol: AVTX). Avantium is included in the Euronext Amsterdam SmallCap Index (AScX). Its offices and headquarters are in Amsterdam, the Netherlands.

This press release by Avantium N.V. contains information that qualified or may have qualified as inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 (MAR).

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 behaviour of other market participants and the actions of governmental regulators. The risks outlined in the risk management paragraph of the Avantium N.V. 2021 Annual Report and in the Prospectus of the April 2022 public offering remain valid. 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.