**Avantium announces 2017 results**

**Significant progress in renewable chemistries and catalysis**

**AMSTERDAM, 28 March 2018 - Avantium N.V., (Euronext Amsterdam and Brussels: AVTX), a leading chemical technology company and forerunner in renewable chemistry, today reports 21% growth in revenues for 2017, strong demand for its catalysis systems and significant progress in its key renewable chemistries programs.**

**Full-year highlights:**

* Consolidated revenues from continuing operations up 21% to €12.7 million
* €109 million gross proceeds raised with listing on Euronext Amsterdam and Brussels
* Cash position improved to €100.2 million at end-2017 (2016: €14.2 million)
* Catalysis strong performance: revenue up 22%
* Renewable Chemistries: progress made on construction of Zambezi pilot plant, engineering of Mekong pilot plant started, new government grants obtained for Volta program
* €25 million EU grant for Synvina, Avantium/BASF renewable plastics joint venture; delay of 24-36 months to start-up of its reference plant announced January 2018
* Focus for 2018 remains on providing full support to Synvina in executing its strategy, continued top-line and bottom-line growth in Catalysis, completion and start-up of Zambezi pilot plant, and investment decision for Mekong pilot plant

**Tom van Aken, Chief Executive Officer of Avantium:**

“The sustainability challenges for future generations have never been greater or more urgent. Groundbreaking solutions are needed to build a fossil-free economy, and we are playing a growing role as we create and progress innovative renewable chemistry technologies.

Avantium’s pioneering role is increasingly recognized by investors: last year’s successful listing in Amsterdam and Brussels, with entry into the AScX Amsterdam small cap index, was a milestone in our history.

Our consolidated revenues from continuing operations increased 21% in 2017 and we recorded strong revenue growth of 22% in our Catalysis business, mainly driven by strong demand for our Flowrence™ portfolio of systems, including our newly introduced products, as well as growing demand for our refinery catalyst testing offering.

In Renewable Chemistries, our three lead programs – Zambezi, Mekong and Volta – made significant progress. For Zambezi, we signed a contract with AkzoNobel for our pilot biorefinery at Delfzijl. The agreement covers the pilot plant accommodation and the supply of various facilities and services. We started engineering the Mekong pilot plant and we secured €2.9 million in new government grants for the Volta program.

Synvina, our joint venture with BASF, announced that a Horizon 2020 Bio Based Industries

flagship grant of €25 million was awarded to the ‘PEFerence’ industry consortium. This 11-company consortium will work on establishing an innovative supply chain for FDCA and PEF, including the intended construction of the 50,000-ton Synvina reference plant in Antwerp.

A delay to the start-up of the Synvina reference plant was announced in January 2018. We remain committed to being transparent with technology progress to our stakeholders. It is not uncommon to encounter technical challenges in groundbreaking technologies and our confidence in the performance and market potential of PEF has not changed.

This summer, we will upgrade our laboratories in Amsterdam, shutting them for long-scheduled maintenance and improvement of the air treatment and ventilation systems. This will expand our research capacity and increase our energy efficiency. The shutdown will have a modest impact on 2018 growth, which is already fully accounted for in our budgeting and outlook.

Avantium is on track to deliver on its strategic objectives. Our focus for this year remains on continued top-line and bottom-line growth in Catalysis. For Renewable Chemistries, we are focusing on completing and starting up the Zambezi pilot plant and moving to an investment decision for the Mekong pilot plant.”

**Financial results (unaudited[[1]](#footnote-1))**

Consolidated revenues from continued operations rose 21% to €12.7 million in 2017 from €10.5 million in 2016, driven by increased sales in Avantium’s catalysis systems business.

Operating expenses increased to €22.7 million (2016: €14.3 million). This was mainly due to higher development costs for engineering, external trials and dedicated equipment costs in our Zambezi, Mekong and Volta programs, increased raw materials and contract costs relating to the corresponding increase in revenues in the Catalysis systems business, and increased employee benefits mainly related to the closure of the former Avantium option plan.

The net loss for 2017 totaled €16.8 million. That compared with a net profit of €38.1 million in 2016, when the positive result was fully attributable to a €48.8 million one-off gain from the transfer of assets from Avantium to Synvina.

**Balance sheet and financial position (unaudited)**

Our balance sheet total increased to €168.8 million (end-2016: €86.2 million). Net equity rose to €158.4 million at end-2017 from €47.1 million at end-2016 and our cash position improved to €100.2 million (end-2016: €14.2 million), primarily due to the listing of Avantium on Euronext, which raised gross proceeds of €109 million.

In 2017, Avantium entered into a new facility agreement with Rabobank. This includes a €4 million credit facility and a €2 million bank guarantee facility. We did not make use of the credit facility.

Prior to our IPO, a capital restructuring via a reverse share split took place. At the time of the IPO, the company’s share capital was increased through a combination of issuing ordinary shares at the offering and converting the 2016 convertible loan. Following these transactions, the outstanding share capital of 131,866,911 ordinary shares as at 31 December 2016 changed to 25,764,466 ordinary shares as at 31 December 2017. 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.

Upon successfully reaching the next phase of the YXY technology through the transfer to Synvina, Avantium complied with all requirements pertaining to the Dutch government’s Netherlands Enterprise Agency (RVO) Innovation Loan. Avantium repaid the principal amount and accrued interest totaling €4.7 million in April 2017.

**Outlook**

Avantium is on track to deliver on its strategic objectives. The focus for 2018 in Catalysis remains on continued growth of the top and bottom line. In Renewable Chemistries, our focus is the completion of the Zambezi pilot plant in Delfzijl, operating the plant and developing partnerships on diversified non-food feedstock and end-applications. We also aim to initiate investment in the Mekong pilot plant. This construction is expected to take approximately one year with an aim to be operational in 2019. For Synvina, we will continue to provide full support in the execution of its strategy.

**Operational developments**

*Renewable Chemistries*

Our Renewable Chemistries business unit develops and commercializes innovative products and processes in the renewable and sustainable chemistries sector. We made significant progress last year in the three lead programs – Zambezi, Mekong and Volta.

Zambezi

The Zambezi program is working on a cost-effective biorefinery process for producing high-purity glucose from non-food biomass that can subsequently be converted into bio-based products. In 2017, we began constructing a pilot plant for the Zambezi technology in Delfzijl, the Netherlands, with a planned opening ceremony in July 2018. The pilot plant will process woodchips to glucose, mixed sugars and lignin. In July 2017, Avantium signed a contract with AkzoNobel for the supply of various utilities and services to the pilot plant.

Together with our partners AkzoNobel, RWE, Staatsbosbeheer and Chemport Europe, we are developing a commercial-scale biorefinery in Delfzijl as a next step after the pilot plant phase. In parallel, we are working with partners around the globe to deploy the Zambezi technology.

Mekong

To meet the growing demand for monoethylene glycol (MEG), Avantium has developed a one-step catalytic process for manufacturing bio-MEG from glucose. Process data demonstrating commercial-scale feasibility were generated in 2017 and we started engineering of the Mekong pilot plant. Basic engineering of the pilot plant has now been completed and the investment decision is expected to occur in the first half of 2018. In parallel, we are progressing discussions with potential partners on the technology and usage of bio-based MEG.

Volta

In 2017 Avantium secured €2.9 million in new government grants for the Volta program to convert CO2 to chemicals via electrochemistry. This technology is currently at the laboratory stage. In January 2017, we announced the completion of our acquisition and integration of the assets and patent portfolio of Liquid Light Inc. This technology has been merged with Avantium’s expertise to develop an electrocatalysis platform that will commercialize new process technologies using carbon dioxide as feedstock.

*Catalysis*

Avantium provides advanced catalysis R&D services and systems to companies in the chemical, refinery and energy sectors. We specialize in groundbreaking innovations and technologies for catalytic R&D services and systems.

The Catalysis business achieved strong growth in 2017, with revenue increasing by 22%. The systems part of the business saw robust demand across industry segments and geographic regions. Our Flowrence™ XD testing unit for early-stage R&D, launched in 2017, was well received by the market, with early sales orders placed. Systems revenue was further boosted by higher prices, reflecting the value our products deliver, and by demand for our support services, offering customer-tailored updates and upgrades such as high-value upgrades of testing units to our MicroFluidic technology.

The R&D services business continued to benefit from our long-term testing programs as well as growing demand for our refinery catalyst testing offering. However, continued low oil prices dampened overall demand for R&D services, particularly from our historical customer base.

*Synvina joint venture*

YXY technology can convert carbohydrates into a number of different bio-based products and fuels. In October 2016, all YXY activities were transferred to Synvina, the joint venture of Avantium and BASF. Synvina aims to become the market leader in the production and marketing of FDCA and PEF. FDCA is a bio-based chemical building block for various products, most significantly the polyester PEF, which is suitable for food and beverage packaging, automotive applications and carpet and textile fibers.

In May 2017, Synvina received interim approval from the European PET Bottle Platform for integration of PEF through existing PET recovery and recycling systems. In June 2017, Synvina, BASF, Avantium and an industry consortium under the leadership of Synvina received a €25 million grant from the European Joint Undertaking on Bio-Based Industries, which consists of representatives from the EU and the bio-based industry. The grant includes the intended construction of the reference plant.

In January 2018, Avantium announced that Synvina had completed a broad feasibility assessment for commercial-scale production of FDCA in the reference plant, which confirmed that product performance and customer demand are strong. In the technical process evaluation, Synvina identified some steps that require improvement and recommended undertaking additional development work on these steps, to ensure the most efficient process and best product for current and future customers. As a result, Synvina intends to extend the pilot phase, which will in turn extend the timeline to start up the reference plant by 24 to 36 months.

**Supervisory Board**

At an extraordinary shareholders meeting on 30 November 2017, Avantium’s shareholders unanimously endorsed the appointment of Kees Verhaar as a member of the Supervisory Board until the end of the annual general meeting in 2021. Subsequently the Supervisory Board appointed Mr. Verhaar as its Chairman, succeeding Jan van der Eijk. Mr. van der Eijk will continue in his role as Chairman of the Supervisory Board of Synvina.

The Supervisory Board of Avantium now consists of the following members: Kees Verhaar, Gabrielle Reijnen, Jonathan Wolfson, Denis Lucquin and Margret Kleinsman.

**Risks**

In 2017 the management team of Avantium regularly reviewed the company risk profile and will continue to do so. For risks deemed material, comprehensive mitigation plans were developed and reviewed. The outcome of the company’s risk management process was shared and discussed with both the audit committee of the Supervisory Board and the Supervisory Board itself.

We are fully aware of the risks pertaining to our business, as outlined in the risk management paragraph of the Avantium N.V. 2017 annual report. 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 at present.

*Amsterdam, 28 March 2018*

Tom van Aken, Chief Executive Officer

Frank Roerink, Chief Financial Officer

**Consolidated statement of comprehensive income (unaudited)**



**Consolidated statement of financial position (unaudited)**



**Consolidated statement of changes in equity (unaudited)**



**Consolidated statement of cash flows (unaudited)**



**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 bio-based materials. Avantium offers revolutionary renewable chemistry solutions from invention to commercially viable production processes.

Avantium shares are listed on Euronext Amsterdam and Euronext Brussels (symbol: AVTX). Its offices and headquarters are in Amsterdam, the Netherlands. With more than 150 highly skilled colleagues representing over 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 and technology.

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1. The 2017 financial results and balance sheet/financial position are unaudited. Audited financial statements are expected to be issued and published on our website by the end of March 2018. [↑](#footnote-ref-1)